

FOR RELEASE: February 2, 1994 CONTACT: Robin Lee Cacy
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MMS ANNOUNCES CALL FOR INFORMATION FOR
CHUKCHI SEA SALE 148 (#40008)

The Department of the Interior's Minerals Management Service (MMS) announced today a Call for Information and Nominations and Notice of Intent to Prepare an Environmental Impact Statement (EIS) for a natural gas and oil lease sale, Sale 148/Chukchi Sea, offshore Alaska's north coast. The sale is tentatively scheduled for June 1997.

The Call area covers approximately 10 million hectares (26 million acres) or about 4,700 whole or partial blocks. The area is located from approximately 3 miles to 200 miles off Alaska's arctic coast in the Chukchi Sea. Water depths range from 10 to 100 meters.

"We believe that the energy resources offshore Alaska can make a significant contribution to the Nation's energy supply while also providing needed jobs and revenues," said MMS Alaska Regional Director Alan D. Powers. "To that end, we are asking potential bidders to indicate areas of leasing interest in the Chukchi Sea, and are soliciting comments from all interested parties on possible environmental effects and use conflicts in the area."

Powers noted that decisions on specific blocks to be offered for leasing or possible special environmental protection measures to be applied to leases will be made only after completion of a comprehensive evaluation. "This will include scoping meetings, preparation of a draft EIS, issuance of a proposed Notice of Sale, public hearings, preparation of a final EIS, consultation with the Governor of Alaska, and consideration of all comments," Powers said. "It will be several years before a decision is made to hold Sale 148," said Powers. "During that time, there will be many opportunities for public comment on whether it should take place."

The Call/NOI, published in today's Federal Register, constitutes one of the initial data-gathering steps to assure that all interests and concerns regarding this sale are communicated to MMS. The Call outlines the area to be considered

for leasing and the area that MMS believes has hydrocarbon potential. The Call requests information on environmental or special concerns and asks industry to nominate areas of interest. The NOI begins the "scoping" process used in preparation of the EIS, and involves all interested parties including other Federal agencies, State, and local governments.

The National Research Council of the National Academy of Sciences is conducting a study on environmental information for oil and gas leasing decisions in the Beaufort Sea, Chukchi Sea, and Navarin Basin OCS Planning Area. This study, expected to be completed in the first quarter of 1994, examines information needs, costs of obtaining information, potential improvements in the management and prediction of environmental effects that may result from acquiring additional information, and options to conduct additional studies. The conclusions of this report can be considered, in subsequent pre-lease decisions, along with information received in response to the Call and scoping efforts.

Should the sale proceed, 27 percent of any monies from the sale including bonuses, rents, and royalties from production that occur within three miles of the State's boundary will go to the State of Alaska. Alaska began to receive "revenue sharing" payments in October 1985, when Congress amended the OCS Lands Act. The 1985 amendment included revenue sharing provisions which provide coastal states with 27 percent of the Federal offshore bonuses, rentals, and royalties within the 8(g) zone, an area within a 3-mile-wide zone immediately seaward of the boundary between State and Federal waters.

Since 1985, more than \$84.9 million of OCS revenues has been transferred to the State of Alaska. In addition, Alaska has received more than \$26 million in grants from the outdoor recreation-oriented Land and Water Conservation Fund and more than \$5 million in grants from the Historic Preservation Fund, a fund dedicated to the preservation of historic properties including buildings. More than 85 percent of the Land and Water Conservation Fund grants and all of the Historic Preservation Fund grants are financed by the Federal offshore gas and oil program. Both the Land and Water Conservation Fund grants and all of the Historic Preservation Fund are administered by the National Park Service.

Nominations and comments are due within 45 days following publication in the Federal Register. Written comments on the scope of the EIS, significant issues which should be addressed,

and alternatives which should be considered will also be accepted within 45 days. Responses should be sent to:

Minerals Management Service
Alaska OCS Region
Regional Supervisor, Leasing and Environment
949 East 36th Avenue, Room 603
Anchorage, Alaska 99508-4302.

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NOTICE TO EDITORS: A DETAILED FACT SHEET IS ATTACHED.

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SALE 148, CHUKCHI SEA
CALL FOR INFORMATION AND NOMINATIONS AND NOTICE OF INTENT
TO PREPARE AN ENVIRONMENTAL IMPACT STATEMENT

The Department of the Interior's Minerals Management Service (MMS) has issued a Call for Information and Nominations and Notice of Intent (NOI) to Prepare an Environmental Impact Statement (EIS) for the Chukchi Sea Lease Sale 148, tentatively scheduled for June 1997.

PURPOSE OF THE CALL/NOI

The Call and NOI are information gathering steps to insure that all interests and concerns regarding Sale 148 are communicated to MMS for future decisions in the leasing process. This Call does not indicate a preliminary decision to lease in the area.

Information submitted in response to this Call will be used for several purposes:

- To develop information for decision on the selection of tracts, resource evaluation, and environmental analysis; and
- To initiate the scoping process of the EIS. The scoping will involve all interested parties including Federal, State, and local governments to make sure that all significant issues and alternatives are addressed.

Comments also may be used in developing lease terms and conditions to ensure safe offshore gas and oil activities.

DESCRIPTION OF THE AREA

The Call covers approximately 10 million hectares (26 million acres) or approximately 4,700 whole or partial blocks. The area is located from approximately 3 miles to 200 miles off Alaska's arctic coast in water depths ranging from 10 to 100 meters.

The MMS has conducted 240 environmental, social, and

economic studies about the effects of offshore petroleum exploration on the human and marine environment in and around the area. Of these, 16 are exclusive to the Chukchi Sea Planning Area.

MMS has spent more than \$9 million on studies of the area emphasizing geologic mapping, environmental characterization of biologically sensitive habitats, endangered whales and marine mammals, physical oceanography, ocean-circulation modeling, and ecological effects of oil and gas activities.

MMS issued a "Request for Interest and Information" in December 1992. In addition, scientific data and other available information were evaluated by MMS during the Information Base Review step and during Information Transfer Meetings held in Anchorage in January 1993.

MMS assessed the quality and quantity of biological, geological, and socio-economic data available for the Chukchi Sea Planning Area and decided to proceed with the Call.

The National Research Council of the National Academy of Sciences is conducting a study on environmental information for gas and oil leasing decisions in the Beaufort Sea, Chukchi Sea, and Navarin Basin OCS Planning Area. This study is expected to be completed in the first quarter of 1994 and will examine:

- information needs;
- costs of obtaining information;
- potential improvements in the management and prediction of environmental effects that may result from acquiring additional information;
- and
- options to conducting additional studies.

The conclusions of this report can be considered, along with information received in response to the Call and scoping efforts, in subsequent decisions in the pre-lease process.

A large scale map of the Chukchi Sea Planning Area showing the boundaries of the area of a block-by-block basis and a complete list of Official Protraction Diagrams (OPD's) are available by writing:

Records Manager, Alaska OCS Region
Minerals Management Service
949 East 36th Avenue, Room 502
Anchorage, AK 99508

(907) 271-6621

EXPLORATION AND LEASING BACKGROUND

- There have been two oil and gas lease sales in the Chukchi Sea Planning Area: Sale 109 in 1988, and Sale 126, in 1991.
- MMS has issued a total of 378 leases in the Chukchi Sea, of which 252 have been relinquished or have expired. Currently, there are 126 active leases in the Chukchi Sea Planning Area.
- Lessees have drilled 4 exploratory wells. All 4 wells have been plugged and abandoned.

ENVIRONMENTAL IMPACT STATEMENT

As required by the National Environmental Policy Act (NEPA) MMS also is announcing its intent to prepare an EIS for Sale 148. The Notice of Intent also serves to initiate the "scoping" process, involving other Federal agencies, State and local governments, and other interested parties. Scoping helps MMS determine significant issues and alternatives to be addressed in the EIS. The EIS will focus on the potential environmental effects of leasing, exploration, and development on the blocks included in the Area Identification. Alternatives to the proposal which may be considered are: to delay the sale, cancel the sale, or modify the sale.

COMMENT PERIOD

Comments are sought from all interested parties about particular geological, environmental, biological, archaeological, or socioeconomic conditions or conflicts, or other information which might bear upon the potential leasing and development of this particular area. Comments, including the original Call map with indications of interest, should be submitted to:

Minerals Management Service
Alaska OCS Region
Regional Supervisor, Leasing and Environment
949 East 36th Avenue
Anchorage, Alaska 99508-4302
(907) 271-6080

TENTATIVE SCHEDULE

Approximate dates for actions and decision and consultation points in the planning process are:

Milestones

Dates

Comments due on the CallFebruary 1994
Scoping comments due March 1994
Area Identification. September 1994
Draft EIS/Proposed Notice
of Sale published.December 1995
Hearings on draft EIS held January 1996
Governor's Comments due on
Proposed Notice of Sale. March 1996
Final EIS filed with EPA January 1997
Consistency determination
signed January 1997
Final Notice of Sale
published. May 1997
SaleJune 1997

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Subject: PR-2/2/94 Sale 148/MMS Announces Call for Information for
Chukchi Sea Sale 148 w/Fact Sheet (#40008)