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MMS ISSUES REQUEST FOR INTEREST ON RUSSIAN PROPOSAL
FOR SIMULTANEOUS OIL AND GAS LEASE SALE
IN CHUKCHI SEA AND HOPE BASIN (#40064)

The U.S. Department of Interior's Minerals Management Service (MMS) is evaluating the level of interest of the energy industry in a proposed simultaneous sale in the U.S. portion of the Chukchi Sea and Hope Basin offshore Alaska and in the regions of the Chukchi Sea offshore the Russian Far East.

MMS is the agency which administers natural gas and oil leasing, exploration and development on the U.S. Outer Continental Shelf (OCS).

A Request for Interest and Comments (RFIC) will be published in the Federal Register on September 6, 1994.

The Russian Federation, Committee on Geology, has proposed that simultaneous oil and gas lease sales be held on both sides of the international border separating the two nations. The simultaneous sales are a way of integrating the training being provided by MMS on the management of oil and gas resources with the development of an actual proposal for the private sector. The sales are proposed for late 1997 in the Russian Northern and Southern Chukchi Sea Area and the U.S.'s Chukchi Sea and Hope Basin Planning areas.

Russian officials had already planned a sale in the Chukchi Sea as part of the Russian Far East Oil and Gas Leasing Program prior to making the proposal for a simultaneous sale.

The proposed U.S. sale is part of MMS's current five-year plan and is subject to the same approval and comment process as all other OCS sales.

"We're interested in determining if combining our resources in this remote area would benefit both Russia and the United States by allowing us to coordinate environmental protection measures and increase the scientific data available to each country," said acting MMS Director Cynthia Quarterman. "Simultaneous sales would also allow industry to better plan exploration and development activities in the entire Chukchi Sea area. This project will

enable MMS to share with their Russian counterparts their experience in developing well understood environmental safety and economic conditions that are to be met by the private sector."

In June, U.S. and Russian officials signed a Memorandum of Understanding to foster cooperation in regulating exploration for and development of offshore oil, gas and mineral resources. MMS has been engaged recently in helping train Russian offshore officials in the environmentally sound development of oil and gas resources under a program funded by the U.S. Agency for International Development.

MMS is issuing the RFIC to evaluate interest in the proposal to hold simultaneous lease sales with the Russian Federation in the Chukchi Sea and Hope Basin areas. The RFIC asks the oil and gas industry to provide up-to-date information on its interest in leasing and exploring within the proposed sale area. Other interested parties are asked to provide comments and concerns about particular geologic, environmental, biological, archaeological, or socio-economic conditions, potential conflicts and other information that might bear upon potential leasing and development.

The area being considered for leasing in the U.S. Chukchi Sea includes about 24 million acres in water depths ranging from 69 to approximately 328 feet. The proposed U.S. Chukchi area ranges from nine to 300 miles offshore Alaska's northwest coast, and is identified as proposed OCS lease Sale 148.

Two lease sales have been held in the Chukchi Sea Planning Area. Drilling in the planning area began in 1989. Industry has drilled four exploratory wells, none of which were determined to be commercial.

The area being considered for leasing in the U.S. Hope Basin includes about 4.6 million acres in water depths of 69 to 200 feet, and is identified as proposed OCS lease Sale 157. The distance from shore ranges from 9 to 100 miles.

No lease sales have been held in the area.

The Russian Northern Chukchi Sea Planning Area includes approximately 19 million acres in water depths from about 33 to 395 feet. The distance from shore ranges from 6 to 310 miles.

The Russian Southern Chukchi Sea Planning Area under consideration for leasing in this proposal includes approximately

57 million acres in water depths of about 16 to 328 feet and ranging from 6 to 280 miles offshore.

The RFIC for the proposed sale will be published in the Federal Register on September 6, 1994. Responses should be received no later than 90 days following publication. Letters should be marked "Comments on U.S./Russian Proposed Simultaneous Leasing in the Chukchi Sea," and sent to the Regional Supervisor, Leasing and Environment, Alaska OCS Region, 949 East 36th Avenue, Anchorage, Alaska 99508-4302. Telephone responses may be made to the Regional Supervisor, Leasing and Environment at (907) 271-6045.

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Subject: PR-09/06/94 Simultaneous Sale/MMS Issues Request for Interest on Russian Proposal for Simultaneous Oil and Gas Lease Sale in Chukchi Sea and Hope Basin (#40064)