

**U.S. Department of the Interior
Minerals Management Service
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CONTACT: Tom DeRocco

(202) 208-3983
Robin Lee Cacy (907) 271-6070
1-800-764-2627

COOK INLET SALE 149 TO PROCEED

The U.S. Department of the Interior's Minerals Management Service (MMS) announced today that preparations are proceeding for proposed federal Outer Continental Shelf (OCS) Lease Sale 149, Cook Inlet.

The area being considered for leasing includes 101 whole and partial blocks encompassing about 430,000 acres. This is approximately a 78 percent reduction from the 402 blocks covering about 2 million acres analyzed in the environmental impact statement. The area is located beyond 3 miles offshore in Cook Inlet between Kalgin Island in the north and to the southern extent of State of Alaska leased area north of Anchor Point. This southern boundary of the proposed sale area is approximately 15 miles north of the entrance to Kachemak Bay.

MMS has prepared an environmental assessment of the revised proposal and a Notice of Sale, which will be forwarded to the Secretary of the Interior. The environmental assessment will be made available for public review and comment by publication of a Notice of Availability in the Federal Register this month. During the 45-day comment period, meetings will be held in the communities of Homer, Kenai, and Port Graham to discuss the proposal and the contents and conclusions of the environmental assessment. The sale is tentatively scheduled to be held in April 1997; the final notice of sale will be published at least 30 days prior to the sale.

MMS is further developing the mitigating measures relating to the discharge of drilling fluids and the protection of fisheries. These measures, if adopted, will require the oil industry to coordinate their activities with participants in commercial, sport, and subsistence fishing activities to ensure the prevention of unreasonable conflicts. The MMS may restrict operations if necessary to avoid unreasonable conflicts. All planned activities will be reviewed for their potential for affecting various fishing activities. A stipulation on drilling fluids and cuttings discharges, if adopted, will prevent discharges of drilling fluids and cuttings during development and production when other methods of disposal are feasible.

MMS has invested approximately \$2.6 million on environmental and socio-economic studies exclusive to the Cook Inlet planning area, including a water quality study conducted in conjunction with the University of Alaska.

The area being considered for this lease sale was previously offered in 1977 and 1981. The 1977 offering included all of lower Cook Inlet, and the 1981 offering included all of lower Cook Inlet and tracts in Shelikof Strait. As a result of those offerings, MMS issued 100 leases on which companies drilled 13 exploration wells. All of these leases have since expired, and all of the exploration wells were plugged and abandoned. All oil and natural gas production in the Cook Inlet area occurs in State waters above Kalgin Island where there are 15 production platforms; daily production is 4,823 barrels of oil and 5,947 mcf of natural gas.

For additional information about this proposed sale or to request a copy of the environmental assessment, contact the Alaska OCS Region Public Affairs Office at 907-271-6070, on the toll-free number 800-764-2627, via E:mail at akwebmaster.mms.gov, or by writing the Minerals Management Service, Alaska OCS Region,

949 East 36th Avenue, Suite 300, Anchorage, Alaska 99508-4302.

MMS is the federal agency that manages the Nation's natural gas, oil and other mineral resources on the OCS, and collects, accounts for, and disburses about \$4 billion yearly in revenues from offshore federal mineral leases and onshore mineral leases on federal and Indian lands.

EDITOR'S NOTE: Attached is a tentative schedule of the remaining steps in the prelease decision process.

FACT SHEET

Cook Inlet Sale 149 Pre-lease Decision Process Steps

The steps remaining in the pre-lease decision process and their tentative dates are:

Notice of Availability - Environmental Assessment - Early January 1997

Public Meetings - Late January 1997

Comments Due - Late February 1997

Assistant Secretarial Decision
on the Sale Proposal - Mid March 1997

Publication of a Notice of Sale - Late March 1997

Lease Sale - April 1997

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