



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT
WASHINGTON, DC 20240-0001

Memorandum

To: Acting Director

From: James Kendall
Regional Director, Alaska Regional Office

Megan E. Carr
Chief, Office of Strategic Resources

William Y. Brown
Chief Environmental Officer

Subject: Area Identification Recommendation for Proposed Cook Inlet Oil and Gas Lease Sale 258

Area Identification (Area ID) is the second major step in the Bureau of Ocean Energy Management (BOEM)'s oil and gas leasing process, and the next step in the pre-leasing process for proposed Cook Inlet Oil and Gas Lease Sale 258 (LS 258) in the Cook Inlet Planning Area, scheduled for 2021 in the 2017–2022 Outer Continental Shelf (OCS) Oil and Gas Leasing Program (2017–2022 National OCS Program). The LS 258 is tentatively scheduled for October 20, 2021. In the Area ID process, BOEM uses information and comments received in response to a Call for Information and Nominations (Call) to develop a recommendation for the area to be carried forward for consideration for leasing and environmental and other analyses.

This memorandum provides an Area ID recommendation to the Director in accordance with 30 CFR 556.302. The Area ID decision for LS 258 is documented by your signature and the marking of your choice on the last page of this memorandum. Pursuant to 30 CFR 556.302(a)(3), BOEM will announce the Area ID decision in the *Federal Register*. As noted above, the Area ID decision outlines the area carried forward for leasing consideration and further analyses and is neither a final decision to lease nor an irreversible or irretrievable commitment of resources.

Background

BOEM's most recent Cook Inlet oil and gas lease sale, Cook Inlet Sale 244 (LS 244), included in the 2012–2017 National OCS Program, was held on June 21, 2017. LS 244 offered 224 OCS lease blocks encompassing approximately 1.09 million acres. BOEM received 14 bids on 14 blocks, totaling more than three million dollars in high bids, and resulting in 14 leases issued. The LS 244 offered the same area recommended here for proposed LS 258.

On January 17, 2017, the Secretary of the Interior approved the 2017–2022 National OCS Program, which includes LS 258, scheduled in 2021. On September 10, 2020, the Alaska Regional Office initiated the pre-leasing process and published a Call for the proposed LS 258 in the *Federal Register* (85 Fed. Reg. 55859). A Notice of Intent to Prepare an Environmental Impact Statement (NOI) was published simultaneously with the Call (85 Fed. Reg. 55861).

Comments Received on the Call

In response to the Call, BOEM received comments from the State of Alaska (SOA) and the Seldovia Village Tribe (SVT). SVT is a federally recognized tribe near the southern boundary of the Cook Inlet program area. Pursuant to 30 CFR § 556.302(a), BOEM considered these comments in developing an Area ID recommendation for proposed LS 258. BOEM did not receive any expressions of industry interest in response to the Call.

The comments BOEM received from the SOA strongly encouraged the Department of the Interior to conduct the proposed LS 258 as an area-wide sale. The SOA made a similar request previously, during the development of the 2017–2022 National Program. However, the 2012-2017 National Program introduced a targeted leasing model to the Alaska OCS lease sale process that was continued by the 2017–2022 National Program. The targeted approach taken in the 2017–2022 National Program is reflected in this Area ID recommendation. The goal of targeted leasing is to focus oil and gas leasing on the most promising OCS blocks, while protecting important habitats and critical subsistence activities. The result is an area that is more geographically limited in scope and that eliminates many areas of environmental concern.

The SVT requested that OCS blocks that overlap designated critical habitat for the Cook Inlet beluga whale and the northern sea otter be excluded from the proposed sale. The SVT's proposed exclusions helped inform the range of alternatives considered in the proposed LS 258 Draft Environmental Impact Statement (EIS). In addition, in response to the Call, the SVT requested that three areas receive special consideration and analysis with regard to commercial, sport, and subsistence fisheries, as well as the tourism industry: two fishing areas known as the "Compass Rose" and "The Riffles," and a herring spawning area located in Kamishak Bay. The SVT's comments were considered both as part of the Area ID process and as part of the scoping process for the Draft EIS under the National Environmental Policy Act.

Recommendation

In formulating the Area ID recommendation, the Alaska Regional Office considered available information concerning the environment, including the analyses done in support of the 2017–2022 National OCS Program and LS 244; conflicts with other uses; resource potential; and the comments received in response to the Call, as summarized above.

As discussed above, a targeted leasing model was used in developing the 2017–2022 National Program. The Alaska Regional Office relied on this model and the geographic area identified in the 2017–2022 National Program to inform this Area ID recommendation. This targeted approach recognizes the policy of the OCS Lands Act to make OCS oil and gas resources available for expeditious development, while considering the environment and other concerns; in this case, those include but are not limited to subsistence use and critical habitat for endangered species, such as the Cook Inlet beluga whale, the North Pacific right whale, the northern sea otter, and the Steller sea lion that exist within the larger Cook Inlet Planning Area. The concerns for commercial fishing, recreation, and aesthetics, as well as national parks, preserves, and wildlife refuges that have been consistently raised during past lease sales are also considered and

addressed by this recommendation. BOEM's experience consulting with Alaska Native Tribal Governments shows that subsistence hunting and fishing is important to the tribes in Cook Inlet and we have considered this experience in developing this recommendation as well.

Ultimately, this Area ID recommendation (shown on the attached Area ID Map):

- Focuses on areas closer to existing infrastructure needed to support oil and gas activities;
- Focuses on areas closer to active OCS and State of Alaska oil and gas leases (e.g., the area encompasses the 14 active OCS leases in Cook Inlet);
- Avoids the vast majority of the designated critical habitat for the beluga whale and northern sea otter;
- Completely avoids the critical habitat for the Steller sea lion and the North Pacific right whale;
- Reduces potential effects to national parks, preserves, and wildlife refuges by identifying an area away from the Katmai National Park and Preserve (NPP), Kodiak National Wildlife Refuge (NWR), and Alaska Maritime NWR; and
- Excludes much of the subsistence use area for the Alaska Native villages of Nanwalek and Port Graham that were first identified during the Lease Sale 191 (held in 2004) process.

We recommend that, for proposed LS 258, BOEM consider for leasing and environmental analysis the entirety of the northern portion of the Cook Inlet Planning Area, as described in the 2017–2022 National OCS Program and shown on the attached Area ID Map. This Area ID recommendation constitutes an area of approximately 224 whole and partial blocks (about 1.09 million acres).

Please indicate your decision by signing and dating this memorandum and marking appropriately below:

_____ **I concur with the recommendation.** Please continue with the announcement of the Area ID.

_____ I have made edits and/or included attachments to modify the Area ID recommendation; please continue with preparations for the proposed Cook Inlet Sale 258 and the announcement of the Area ID.

_____ Please stop preparations for the proposed Cook Inlet Sale 258.

Walter D. Cruickshank
Acting Director, Bureau of Ocean Energy Management

Date

Attachment