



U.S. Department of the Interior  
Minerals Management Service  
Office of Public Affairs

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3009

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### **MMS Proposes Oil and Gas Sale in Cook Inlet**

The Minerals Management Service today issued a proposal for a lease sale in Cook Inlet that may provide needed natural gas for south-central Alaska. The Proposed Notice of Sale for Cook Inlet OCS Lease Sale 191, tentatively scheduled for May 19, 2004, describes the potential sale area and requirements for protecting the environment. On November 14, 2003, MMS issued a final environmental impact statement that evaluates Cook Inlet OCS Sale 191 and Sale 199, scheduled for 2006.

The area proposed for leasing is located in Alaska's Cook Inlet in federal waters between three and 30 nautical miles offshore. The area covers about two million acres extending from just south of Kalgin Island to just northwest of Shuyak Island, in water depths ranging from about 30 to 650 feet. Shelikof Strait is not included in the proposed sale area. MMS removed from the sale proposal a narrow band of blocks offshore the lower Kenai Peninsula and the Barren Islands, which are critical habitat for the endangered Stellar sea lion. These areas are also used by the residents of Port Graham, Nanwalek, and Seldovia, and others for subsistence. MMS estimates that the deferred areas have a very low chance of oil or gas resources being discovered and produced.

MMS has a comprehensive regulatory program in place which covers all aspects of the industry's drilling procedures that have successfully minimized risk. Several requirements are attached to the sale to supplement these rules, including provisions for fisheries, biological resources, and use of pipelines to transport any discovered production.

The sale also offers for the first time in the federal waters of Cook Inlet a package of economic incentives. These include a longer primary term of 8 years, lower minimum bid (\$25 per hectare) and annual rental rates (\$5 per hectare) and royalty suspension volumes. The RSV's would relieve royalty payments on a producing lease up to the first 30 million barrels of oil equivalent. The suspension applies to both oil and natural gas, and includes price floor and ceiling thresholds.

The south-central area of Alaska continues to grow and its demand for natural gas is rising. Cook Inlet has the potential to supply natural gas to the area. The State of Alaska holds annual sales onshore, where oil and gas companies are now exploring. MMS estimates that the offshore potential could exceed one trillion cubic feet of conventionally recoverable natural gas. These reserves can contribute an additional option for a long-term natural gas supply for the south-central region. Exploratory drilling in Cook Inlet also supports the President's National Energy Policy to expand the search for and development of new sources of energy for the nation while protecting the environment.

MMS oversees an extensive environmental, social, and economic studies program that evaluates the impacts of offshore oil and gas exploration and development on the OCS. Currently MMS is sponsoring nine ongoing studies applicable to the Cook Inlet Planning area including preparation of a sea ice atlas, an assessment of seabirds, an update of the oil industry labor

factors, continued contribution to the Alaska Marine Mammal Tissues Archival Project, and a publication of a synthesis on the socio-economic effects of the oil and gas industry activity on the Alaska OCS. MMS has a special relationship with the University of Alaska Fairbanks, which is conducting several of the studies.

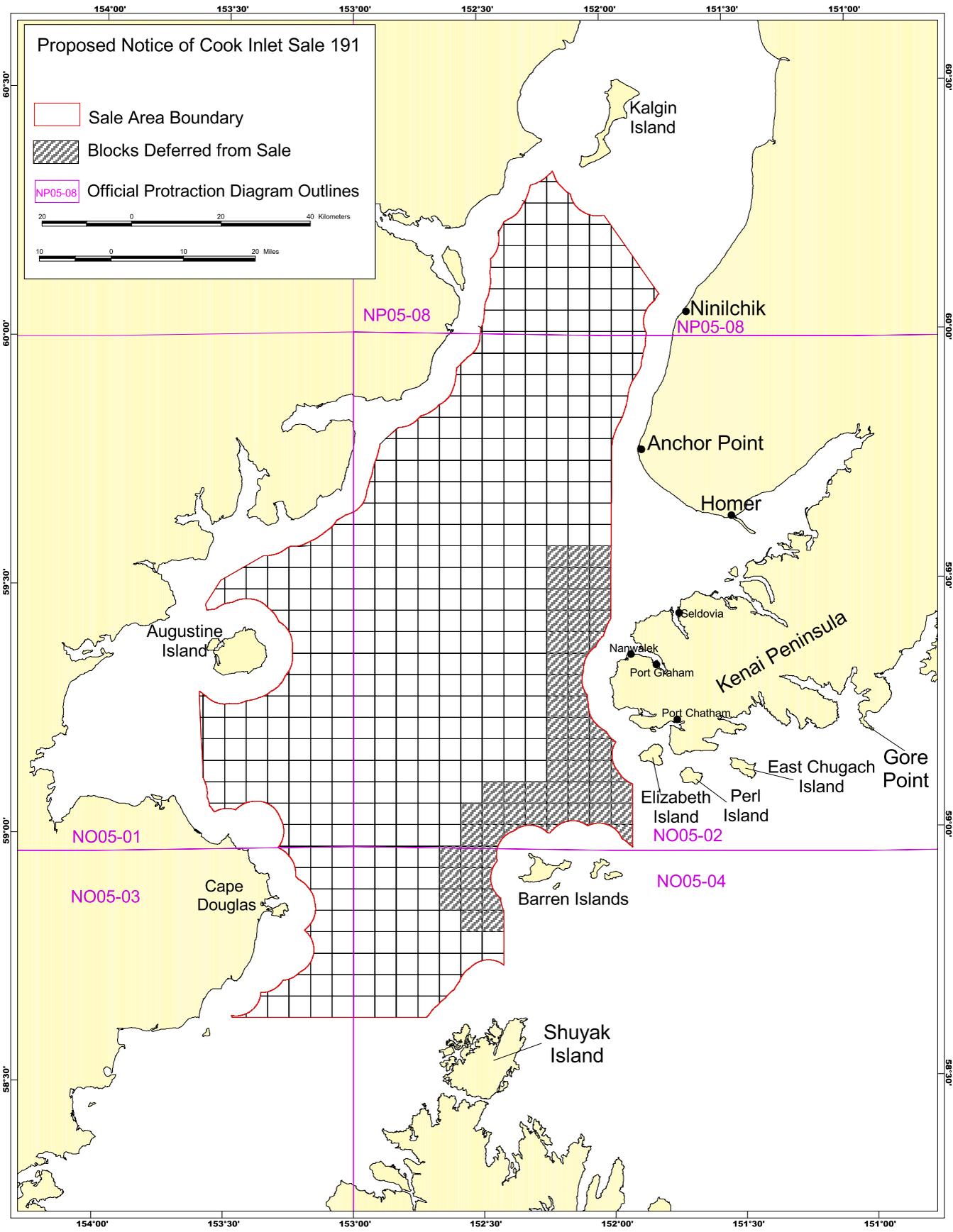
MMS prepared a single EIS for both proposed Cook Inlet sales 191 and 199. In preparation for Sale 199 scheduled for May 2006, MMS will write a consistency determination and either an environmental assessment or a supplemental EIS. MMS will seek public comment on the environmental document which will focus on any new issues that may have arisen between now and then. All sale proposals will be available for public comment.

To request a copy of the Proposed Notice of Sale or the Final EIS, write to the Minerals Management Service at 949 East 36th Avenue, Anchorage, Alaska, 99508-4302, via email at [akwebmaster@mms.gov](mailto:akwebmaster@mms.gov), or call toll-free at 1-800-764-2627. The final EIS is also available on CD-ROM, four-volume hard copy, or on the MMS webpage at [www.mms.gov/alaska](http://www.mms.gov/alaska). You may view the Final EIS at libraries throughout the state.

MMS is the federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas, and other mineral resources on the federal outer continental shelf. The agency also collects, accounts for, and disburses mineral revenues from federal and American Indian leases. These revenues totaled more than \$6 billion in 2002 and nearly \$127 billion since the agency's creation in 1982.

Additionally, the State of Alaska receives 27% of all revenues generated as a result of federal leases that lie within 3-to-6 miles offshore the Alaska coast, and 50% of this money goes into the Alaska Permanent Fund Account.

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first step in the decision process for Lease Sale 192. The proposal and alternatives for Lease Sale 192 were identified by the Director of MMS in January 2002 following the Call for Information and Nominations/Notice of Intent to Prepare an Environmental Impact Statement (EIS) and were analyzed in the Gulf of Mexico OCS Oil and Gas Lease Sales: 2003–2007, Central Planning Area Sales 185, 190, 194, 198, and 201, and Western Planning Area Sales 187, 192, 196, and 200, Final Environmental Impact Statement, Volumes I and II (Final EIS, OCS EIS/EA MMS 2002–052). The WPA proposed action analyzed in the Final EIS was the offering of all available unleased acreage in the WPA. The analysis in the EA will reexamine the potential environmental effects of the proposed action and its alternatives based on any new information regarding potential impacts and issues that were not available at the time the Final EIS was prepared.

**FOR FURTHER INFORMATION CONTACT:** Minerals Management Service, Gulf of Mexico OCS Region, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123–2394, Mr. Joseph Christopher, telephone (504) 736–2774.

**SUPPLEMENTARY INFORMATION:** In November 2002, MMS prepared a Final EIS, which addressed nine proposed Federal actions that offer for lease areas on the GOM Outer Continental Shelf (OCS) that may contain economically recoverable oil and gas resources. Federal regulations allow for several related or similar proposals to be analyzed in one EIS (40 CFR 1502.4). Since each proposed lease sale and its projected activities are very similar each year for each planning area, a single EIS was prepared for the nine Central Planning Area (CPA) and WPA lease sales scheduled in the Outer Continental Shelf Oil and Gas Leasing Program: 2002–2007 (the 5-Year Program). Under the 5-Year Program, five annual areawide lease sales are scheduled for the CPA (Lease Sales 185, 190, 194, 198, and 201) and five annual areawide lease sales are scheduled for the WPA (Lease Sales 184, 187, 192, 196, and 200). Lease Sale 184 was not addressed in the Final EIS; a separate EA was prepared for that proposal. The Final EIS addressed CPA Lease Sales 185, 190, 194, 198, and 201 scheduled for 2003, 2004, 2005, 2006, and 2007, respectively, and WPA Lease Sales 187, 192, 196, and 200 scheduled for 2003, 2004, 2005, and 2006, respectively. Although the Final EIS addresses nine proposed lease sales, at the completion of the EIS process, decisions were made

only for proposed CPA Lease Sale 185 and proposed WPA Lease Sale 187. In the year prior to each subsequent proposed lease sale, an additional National Environmental Policy Act review will be conducted to address any new information relevant to that proposed action. After completion of the EA, for proposed Lease Sale 192, MMS will determine whether to prepare a Finding of No New Significant Impact (FONNSI) or a Supplemental EIS. The MMS will then prepare and send Consistency Determinations (CD's) to the affected States to determine whether the sale is consistent with their Federally-approved State coastal zone management programs. Finally, MMS will solicit comments via the Proposed Notice of Sale (PNOS) from the governors of affected States on the size, timing, and location of Lease Sale 192. The tentative schedule for the prelease decision process for the sale is as follows: EA FONNSI or Supplemental EIS decision, March 2004; CD's sent to affected States, March 2004; PNOS sent to governors of affected States, March 2004; Final Notice of Sale published in the **Federal Register**, July 2004; and Lease Sale 192, August 2004.

*Public Comments:* Federal, State, and local government agencies, and other interested parties are requested to send within 30 days of this Notice's publication comments regarding any new information or issues that should be addressed in the EA to the Regional Supervisor, Leasing and Environment (MS 5410), Gulf of Mexico OCS Region, Minerals Management Service, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123–2394. Comments should be enclosed in an envelope labeled "Comments on WPA Lease Sale 192 EA." You may also send comments to the MMS email address: [environment@mms.gov](mailto:environment@mms.gov). Comments, including the names and home addresses of respondents, will be made available for public review during regular business hours. You may request that your name, home address, or both be withheld from the public record by stating so at the beginning of your submission. The MMS will honor such a request to the extent allowable by law. All comments submitted by organizations and businesses or by individuals identifying themselves as representatives of organizations and businesses will be made available for inspection in their entirety. Anonymous comments will not be considered. To obtain single copies of the Final EIS, you may contact the Minerals Management Service, Gulf of Mexico OCS Region, Attention: Public

Information Office (MS 5034), 1201 Elmwood Park Boulevard, Room 114, New Orleans, Louisiana 70123–2394 (1–800–200–GULF). You may also view the Final EIS or check the list of libraries that have copies of the Final EIS and their locations on the MMS Web site at <http://www.gomr.mms.gov>.

Dated: October 22, 2003.

**Chris C. Oynes,**

*Regional Director, Gulf of Mexico OCS Region.*  
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## DEPARTMENT OF THE INTERIOR

### Minerals Management Service

#### Outer Continental Shelf (OCS), Cook Inlet Oil and Gas Lease Sale 191

**AGENCY:** Minerals Management Service, Interior.

**ACTION:** Availability of the proposed notice of sale.

**SUMMARY:** Alaska OCS, Cook Inlet; Notice of Availability of the proposed Notice of Sale for proposed Oil and Gas Lease Sale 191 in Cook Inlet. This Notice is published pursuant to 30 CFR 256.29(c) as a matter of information to the public.

With regard to oil and gas leasing on the OCS, the Secretary of the Interior, pursuant to section 19 of the OCS Lands Act, provides the affected States the opportunity to review the proposed Notice. The proposed Notice sets forth the proposed terms and conditions of the sale, including minimum bids, royalty rates, and rentals.

The proposed Notice of Sale for Sale 191 and a "Proposed Sale Notice Package" containing information essential to potential bidders may be obtained from the Alaska OCS Region, Information Resource Center, Minerals Management Service, 949 East 36th Avenue, Room 330, Anchorage, Alaska 99508–4302. Telephone: (907) 271–6070 or 1–800–764–2627. Certain documents may be viewed and downloaded from the MMS Web site at <http://www.mms.gov/alaska>.

The final Notice of Sale will be published in the **Federal Register** at least 30 days prior to the date of bid opening. Bid opening is currently scheduled for May 19, 2004.

Dated: November 12, 2003.

**R. M. "Johnnie" Burton,**

*Director, Minerals Management Service.*

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