

# MMS Alaska OCS Region

# Focus Sheet

## STATUS OF CURRENT AND UPCOMING 5-YEAR PROGRAM

The Outer Continental Shelf Lands Act requires the Secretary of the Interior to prepare and maintain a schedule of proposed OCS oil and gas lease sales determined to “best meet national energy needs for the 5-year period following its approval or reapproval.” The development of a 5-year program considers, among other factors, competing uses of the OCS sea and seabed and the priorities States have accorded other uses of the resources in their coastal environments, as well as short-term and long-term national energy needs.

### Current Program

The MMS is currently managing the OCS under the 5-year program approved in June 1997, covering the period July 1997 through June 2002. The schedule for that program included 5 oil and gas lease sales in the Alaska OCS Region in the following areas:

- 2 sales in the Beaufort Sea
- 1 sale in Cook Inlet/Shelikof Strait
- 1 sale in the Gulf of Alaska
- 1 sale in the Chukchi Sea/Hope Basin

One sale was held – Sale 170 in the Beaufort Sea. There are no plans to conduct any of the remaining sales on the schedule in the 1997 – 2002 5-year program.

### Draft Proposed Program

The current draft proposed program is the first proposed schedule of OCS lease sales for the 2002-2007 timeframe. Before the new 5-year program may be approved and implemented, the MMS must consider comments on the draft program and then issue a proposed program and draft EIS, as well as a proposed final program and final EIS for public review.

In December 2000, the MMS published in the *Federal Register* (65 FR 59328) a notice requesting comments and suggestions on the preparation of the new program and announcing the start of scoping for the EIS that will be prepared. This Draft Proposed Program was released on July 23, 2001; the comment period closed September 21, 2001. The Draft Proposed Program is the first cut by the Secretary of the Interior of areas that may be considered for leasing.

### Steps remaining in the process

- 1) Issue Proposed Program and Draft EIS with a 90-day comment period *Fall 2001*
- 2) Issue Proposed Final Program & Final EIS *Spring 2002*
- 3) Approve 5-Year Program for July 2002-July 2007 *June 2002*

### Sales proposed for Alaska Based on the Draft Proposed Program

**Beaufort Sea--3 sales, 2003, 2005, 2007**

These three sales will provide for continued measured development and will supplement activity nearshore on State lands and waters. Production from federally managed Beaufort OCS will contribute to the viability of TAPS into the future. The State of Alaska administers an oil and gas program in state waters and has issued a 5-year program for 2001-2005 that schedules annual areawide Beaufort Sea lease sales.

**Chukchi Sea /Hope Basin--**

2 sales, 2004, 2007

The Chukchi Sea and Hope Basin Planning Areas have been combined for leasing consideration since they were proposed for a joint sale in the 5-year program for 1992-1997 because of the likelihood that promising hydrocarbon prospects in the Chukchi area extend into the Hope Basin area. The area has tremendous geologic potential that is hampered by high costs associated with exploration and development in this area, and the absence of a regional transportation infrastructure has served to dampen industry interest. Gas from Hope Basin could be an energy source for local villagers and other development.

**Cook Inlet--2 sales, 2004, 2006**

Gas production in the south central region of Alaska is in decline; this proposal could open the door to seeking future gas resources for Anchorage, the Matanuska Valley, and the Kenai Peninsula.

**Norton Basin Special Interest Lands-- 1 sale, 2003 (if no sale in 2003, thereafter yearly**

Call for Nominations until a sale is held or 5-year program ends)

This is an experimental sale and will be held only if industry indicates an interest in very specific areas. The Norton Basin Planning Area is viewed as a potential source of natural gas for communities and industries on the west coast of Alaska. The objective of this leasing option is to foster exploration in a frontier OCS area. The general approach to leasing in this area would entail requesting nominations and comments before deciding whether to proceed with the competitive sale. If there were no interest expressed, the MMS would defer the sale for one year and reissue the request for nominations and comments the next year. This process would continue through the term of the 5-year program. If at some point there is interest and blocks are nominated by industry and deemed appropriate for leasing by the MMS, the lease sale would proceed to offer leases with a firm commitment to explore. Only one round of lease issuance would occur during this 5-year program. If the Norton Basin lease sale is held using this approach and is successful in promoting exploration in that area, a similar approach could be considered for other frontier areas of the OCS in future 5-year programs.

As with any OCS lease sale, the prelease procedures and the lease terms and conditions for these special interest lands would be adopted at the individual sale stage and not at the 5-year program stage of the overall OCS process.

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**For More Information****Minerals Management Service Alaska OCS Region**

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