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**MMS** Alaska OCS Region

# News Release

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For Immediate Release  
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## **FACT SHEET** **Final Notice of Sale for Beaufort Sea Sale 144**

The Minerals Management Service (MMS) has issued the Final Notice of Sale, which outlines the terms and conditions for Outer Continental Shelf (OCS) Lease Sale 144.

The sale area includes 1,364 blocks encompassing about 7.3 million acres, and is believed to hold substantial oil resources. The area is located 3 to 60 nautical miles off Alaska's Arctic coast in water depths ranging from 33 to 2,970 feet, although most of the area is less than 330 feet deep.

MMS has conducted 281 environmental, social, and economic studies about the effects of offshore oil and natural gas exploration on the human and marine environment. Of these, 62 are exclusive to the Beaufort Sea Planning Area. Since the mid-1970s, MMS has spent more than \$16 million on studies exclusive to the area.

### **SALE INFORMATION**

- Sale 144 appears on the 1992-1997 Five-Year Program.
- A Call for Information and Nominations was published in the Federal Register on December 10, 1993.
- Five companies with site-specific areas of interest responded to the Call.
- General comments were received from other federal agencies, the State of Alaska, the North Slope Borough, the Alaska Eskimo Whaling Commission, the Wilderness Society, and Greenpeace.
- The Area Identification, which included about 9.8 million acres, was announced in the Federal Register on September 13, 1994.
- Scoping meetings were conducted in Nuiqsut, Kaktovik, Barrow, and Anchorage, Alaska.
- The draft EIS was issued August 18, 1995. In late August, MMS conducted workshops in Kaktovik, Nuiqsut, and Barrow.
- Public hearings on the EIS were held in Anchorage (October 26, 1995); Nuiqsut

(November 6, 1995); Kaktovik (November 7, 1995); and Barrow (November 8, 1995).

- The proposed Notice of Sale was issued on September 26, 1995. It presented a proposed decision on blocks to be offered; special mitigating measures that will be used to protect human, coastal, and marine resources in the area offered; and other terms and conditions that will apply to the leases. In accordance with the OCS Lands Act, Section 19, the Governor of Alaska was asked for recommendations on the size, timing, and location of the proposed sale.
- The final EIS was issued in May 1996, as was a determination that Sale 144 was consistent with the Alaska Coastal Zone Management Program.

## **LEASING HISTORY**

There have been five sales in the area: Sale BF (December 11, 1979); Sale 71 (October 13, 1982); Sale 87 (August 22, 1984); Sale 97 (March 16, 1988); and Sale 124 (June 26, 1991). MMS has issued 631 leases in the Beaufort Sea; 51 leases remain. Lessees have drilled 28 exploratory wells. Nine leases were determined by MMS to be producible, and 21 leases are being held under unitization and evaluated for possible development.

## **LEASE TERMS**

Leases resulting from this sale will have initial terms of 10 years. The minimum cash bonus is \$62 per hectare or \$25 an acre (one hectare equals 2.471 acres). A fixed royalty rate of 12.5 percent applies to all blocks and bidding units offered in this sale. All leases awarded will have a \$13 per hectare or \$5 per acre yearly rental rate.

## **STIPULATIONS**

Stipulations attached to leases issued in Sale 144 include providing protection for biological resources. In addition, they require that companies develop an orientation program for employees and contractors; transport hydrocarbons from the lease to shore by pipeline, if possible; implement an industry site-specific bowhead whale monitoring program; and work with local communities to minimize subsistence conflicts. There are also two stipulations which identify disputed blocks subject to several state/federal agreements.

## **INFORMATION TO LESSEES**

In addition to these stipulations, Information to Lessee (ITL) clauses include the following regulatory requirements: Bird and Marine Mammal Protection, Sensitive Areas To Be Considered in Oil-Spill Contingency Plans, Arctic Biological Task Force, Coastal Zone Management, Endangered Whales and MMS Monitoring Program, Consultation with NMFS to Protect Bowhead Whales in the Spring-Lead System, Information on Oil Spill Cleanup Capability, Oil Spill Response Preparedness, Availability of Bowhead Whales for Subsistence Hunting Activities, Polar Bear Interaction, Spectacled Eider and Steller's Eider, Oil Pollution Act (OPA) of 1990, River Deltas, Community Participation in Operations Planning, Use of Kaktovikmiut Guide "In This Place" and a Nuiqsutmiut Paper in orientation programs, Geological and Geophysical Activity,

Discharge of Produced Waters, Use of Existing Pads and Islands, and three administrative ITL clauses that address navigation safety, offshore pipelines, and affirmative action.

**MISCELLANEOUS**

Copies of the Final Notice of Sale are available from the Minerals Management Service, Alaska OCS Region, Suite 300, University Plaza Building, 949 East 36th Avenue in Anchorage, or by writing to the Minerals Management, Alaska OCS Region, Suite 300, 949 East 36th Avenue, Anchorage, Alaska 99508-4302, telephone (800) 764-2627). Requests may also be sent to [akwebmaster@smtp.mms.gov](mailto:akwebmaster@smtp.mms.gov).

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