



NEWS RELEASE

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MMS Finalizes Chukchi Sea Lease Sale

Sale Scheduled for February 6, 2008

ANCHORAGE, ALASKA - The Minerals Management Service will hold its first Federal Outer Continental Shelf (OCS) oil and gas lease sale in the Chukchi Sea since 1991 on February 6, 2008. The agency today issued the Final Notice of Sale for Chukchi Sea Sale 193, which outlines the sale area, terms and conditions for the sale, and requirements for protecting the environment and natural resources of the area.

“We received excellent comments from Alaska Governor Sarah Palin, North Slope Borough Mayor Edward Itta, from other community and tribal leaders, and industry and environmental groups. We believe our decision is a good balance, and will allow companies to explore this intriguing frontier area while still protecting the resources important to the coastal residents,” said MMS Director Randall Luthi. “All leases will be subject to MMS’s existing regulations that include extensive requirements for safety, drilling operations, and pollution prevention, plus regulations of other agencies protecting marine mammals, endangered species, and air and water quality.”

The sale area will not include nearshore waters ranging from about 25 to 50 miles from the coast, which includes the near-shore “polynya” through which the bowhead and beluga whales, other marine mammals, and marine birds migrate north in the spring, and in which local communities subsistence hunt. Leases issued from the sale will include stipulations to address environmental effects that may occur because of exploration and development of the area’s oil and gas resources. These stipulations call for protection of biological resources, including protected marine mammals and birds and methods to minimize interference with subsistence hunting and other subsistence harvesting activities.

“MMS funds a robust environmental studies program to monitor the effects of industry activity in the OCS, including more than 40 ongoing Arctic-specific studies,” said Luthi. “Following up on a workshop attended by over 100 scientists and stakeholders, we are inaugurating a new suite of research for the Chukchi Sea to further monitor marine mammals, other communities, hydrocarbons, and subsistence uses.”

The Chukchi Sea is considered one of the last frontier areas in North America with potential as a significant source for oil and gas. MMS estimates that the Chukchi Sea area could contain 15 billion barrels of oil (mean estimate of conventionally recoverable resources), although exploration is needed to assess what may be commercially available. The Final Notice also includes proposed royalty suspensions on production subject to price thresholds.

The Chukchi Sea Sale 193 area contains about 29.7 million acres offshore Alaska from north of Point Barrow to northwest of Cape Lisburne. The sale area extends from about 25 or 50 to 200 miles offshore.

Two sales have been held in the Chukchi Sea Planning Area previously. Sale 109 was held in 1988 with 351 leases issued, and Sale 126 in 1991 with 28 leases issued. All of those leases have expired.

The Final Notice of Sale and the Sale 193 Chukchi Sea Final EIS are available on the MMS webpage at www.mms.gov/alaska. You may view the Final EIS at libraries throughout the state.

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