



Photo above: Steven Kazlowski/SeaPics.com

Oil and Gas Leasing In Alaska's Arctic Waters

The Alaska region of the Outer Continental Shelf (OCS) includes more than a billion acres of ocean habitat, much of which is Arctic waters. These waters are central to the lives of Arctic peoples and to the survival of 23 species of marine mammals, 100 species of fish and more than 50 species of birds.

The OCS also contains oil and gas resources managed by the federal Minerals Management Service (MMS). Every five years, MMS must prepare a five-year plan for oil and gas lease sales. MMS is obligated to examine the potential environmental impact of its leasing program and must balance the benefits and risks of development.

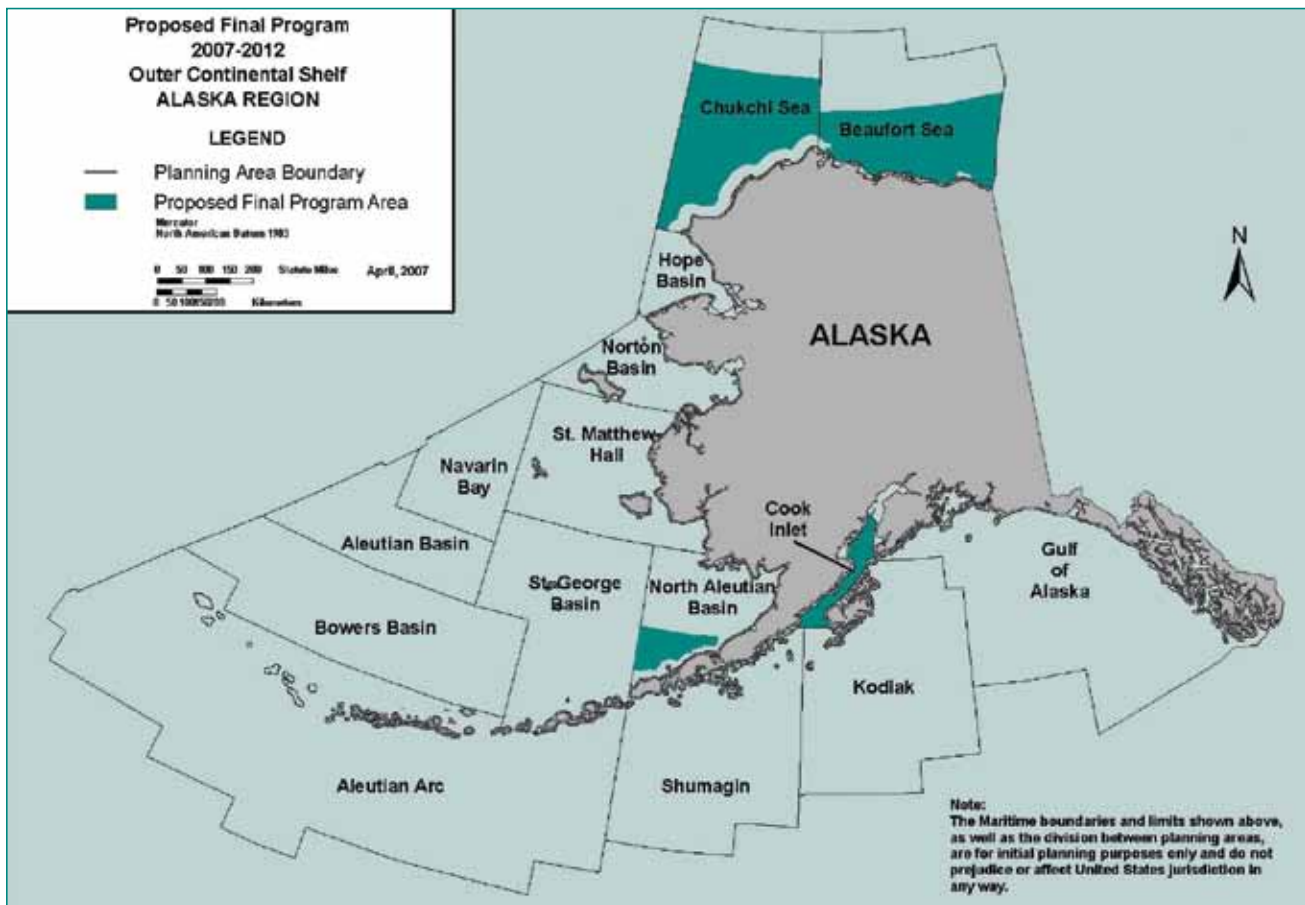
Current Five-Year Leasing Program (2007-2012)

A federal court determined that MMS' current Five-Year Leasing Program did not properly evaluate the

environmental sensitivity of the marine waters and balance the benefits and risks of development in the Arctic. Although MMS must remedy these deficiencies, lease sales could continue as planned. The 2007-2012 Five-Year Leasing Program calls for the following oil and gas lease sales off Alaska's coast:

- 32 million acres in **Beaufort Sea** to be offered in:
 - 2010 (Lease Sale 209)
 - 2011 (Lease Sale 217)
- 37 million acres in the **Chukchi Sea** to be offered in:
 - 2010 (Lease Sale 212)
 - 2011 (Lease Sale 221)
- 5.6 million acres in **Bristol Bay** to be offered in:
 - 2011 (Lease Sale 214)
- **Cook Inlet** is included as a "special interest" option to be offered if oil and gas companies express interest.





The Bush Administration's Draft Five-Year Leasing Program Proposal (2010-2015)

In fall 2008, well ahead of the normal cycle, the Bush Administration began work on a new Five-Year Leasing Program. The preferred option of the draft proposal would set the following lease sales:

- 62 million acres in **Beaufort Sea** would be offered in 2013 and 2015;
- 62 million acres in **Chukchi Sea** would be offered in 2010, 2012 and 2014;
- 5.6 million acres in **Bristol Bay** would be offered in 2011 and 2014; and
- Most of the **Cook Inlet** planning area would be offered in lease sales in 2011 and 2015.

Existing Leases in Alaska's Outer Continental Shelf

- **Beaufort Sea:** Approximately 1.1 million acres were leased in:
 - 2003 (Lease Sale 186)
 - 2005 (Lease Sale 195)
 - 2007 (Lease Sale 202)
 - In addition, oil companies own another five active leases covering approximately 21,000 acres.
- **Chukchi Sea:** Approximately 2.7 million acres of active leases, including Lease Sale 193 offered in 2008. This was the first lease sale in the Chukchi Sea in more than 15 years.
- **Cook Inlet:** 4,000 acres on two active leases.

Once leased, these areas are subject to seismic and other exploratory activities. Shell Offshore Inc. has submitted proposals to drill exploration wells in the Beaufort and Chukchi seas during summer 2010.

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