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Docket No. BOEM-2025-0015
Kelly Hammerle, Program Manager
Bureau of Ocean Energy Management (VAM-LD)
45600 Woodland Road
Sterling, VA 20166-9216

Re: State of Alaska Comments on the Preparation of the 11th National Outer Continental Shelf Oil and Gas Leasing Program

Dear Ms. Hammerle,

The Alaska Department of Natural Resources (DNR) submits these comments in support of the Bureau of Ocean Energy Management's (BOEM) effort to develop the 11th National Outer Continental Shelf (OCS) Oil and Gas Leasing Program. The State respectfully urges BOEM to promptly execute the existing federal laws, executive orders¹, and secretarial orders^{2,3} that mandate the 11th National OCS Program; to include lease sales in the Alaska OCS Region, particularly in the Cook Inlet, Beaufort Sea, and Chukchi Sea planning areas; and to consider a set of recommendations aimed at improving participation and responsible development in Alaska's offshore energy areas.

The State comments as a manager and regulator of responsible, dependable, and sustainable development of oil and gas, minerals, and other natural resources; as an affected state under the Outer Continental Shelf Lands Act (OCSLA); and in promotion of the State's laws, policies, and goals.

To help ensure accessible, affordable, and reliable energy in Alaska and the U.S., to execute President Trump's Emergency Order 14153 - Unleashing Alaska's Extraordinary Resource Potential, and to encourage long-term economic growth and investment in Alaskan and American production and jobs, the State is primed to collaborate in the 11th National OCS Program.

Alaska's Role in National Energy Strategy

Alaska's offshore oil and gas resources are critical to our state's energy security and economic resilience, and they also represent a strategic national asset. The Chukchi and Beaufort Seas alone account for over 38 billion barrels of oil equivalent in undiscovered recoverable resources

¹ The White House, Unleashing Alaska's Extraordinary Resources Potential, <https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-alaskas-extraordinary-resource-potential/>

² U.S. Department of the Interior, Unleashing American Energy, Order 3418 <https://www.doi.gov/document-library/secretary-order/so-3418-unleashing-american-energy>

³ The Secretary of the Interior, Unleashing Alaska's Extraordinary Resource Potential, Order 3422, <https://www.doi.gov/document-library/secretary-order/so-3422-unleashing-alaskas-extraordinary-resource-potential>

according to BOEM's 2021 National Assessment⁴. However, despite these vast reserves, the 10th National OCS Program excluded Alaska lease sales, creating uncertainty and discouraging investment in frontier development areas.

We appreciate that BOEM is now undertaking a development of a new program and urge BOEM to include lease sales in Alaska's OCS planning areas to ensure long-term domestic energy supply.

Alaska Supports Oil and Gas Leasing in the Cook Inlet Planning Area in the 11th National OCS Program

As directed by the Inflation Reduction Act (IRA) of 2022, BOEM held Cook Inlet Lease Sale 258⁵, offshore Alaska, on December 30, 2022. Prior to this, lease sales in Cook Inlet last occurred in 2009 and 2017. Natural gas and oil exploration, development, production, and transportation has responsibly occurred in Cook Inlet for decades. It has successfully coexisted with renewable developments and other industries, including fishing, transportation, and tourism. BOEM's sporadic and unpredictable Cook Inlet Lease sale is not conducive to unleashing Alaska's extraordinary resource potential.

The current 10th National OCS Oil and Gas Leasing Program⁶ covers the 5-year period starting July 1, 2024 to June 30, 2029. Three Gulf of America sales are scheduled to occur over the 5 years of the 2024-2029 Program, with one sale each in 2025, 2027, and 2029, but, it did not include any lease sales in the Alaska Region.

In Cook Inlet OCS Planning Areas, there are eight active leases, none of which are producing hydrocarbons. BOEM assesses a mean volume of 1.25 billions of barrels of oil equivalent (BBOE) of undiscovered oil and gas resources.⁷ It is imperative that the Cook Inlet OCS be made available to help meet the demand of the majority of Alaska's population, including residential, commercial, and industrial consumers, whose primary source of both heat and electricity is Cook Inlet natural gas. To this end, more than one lease sale per year, or at least more than one lease sale overall, should be included in Cook Inlet the 11th National OCS Program. There should be additional options for lease sales in Cook Inlet, in furtherance of the provisions in the IRA regarding oil and gas, and wind and solar.

⁴ BOEM, 2021 Assessment of Undiscovered Oil and Gas Resources of the Nation's Outer Continental Shelf. <https://www.boem.gov/oil-gas-energy/resource-evaluation/2021-assessment-undiscovered-oil-and-gas-resources-nations-outer>

⁵ BOEM, Lease Sale 258, <https://www.boem.gov/oil-gas-energy/leasing/lease-sale-258>

⁶ BOEM, National OCS Oil and Gas Leasing Program, <https://www.boem.gov/oil-gas-energy/national-program/national-ocs-oil-and-gas-leasing-program>

⁷ BOEM, 2021 Assessment of Undiscovered Oil and Gas Resources of the Nation's Outer Continental Shelf. <https://www.boem.gov/oil-gas-energy/resource-evaluation/2021-assessment-undiscovered-oil-and-gas-resources-nations-outer>

Alaska Supports Oil and Gas Leasing in the Chukchi and Beaufort Sea Planning Areas in the 11th National OCS Program

Biden administration's EO 13990⁸ purported to reinstate OCSLA withdrawals in the Chukchi and Beaufort Seas, notwithstanding the fact that these areas could be a robust source of future supply.⁹ The State maintains this is contrary to OCSLA and good public policy. Unilaterally closing these areas from possible exploration and production without public input or State consultation undermines the open process Congress established in OCSLA. It is important that the State of Alaska and local stakeholders are actively consulted in management of these areas in an ongoing manner, rather than federal edicts putting indefinite withdrawals in place that ignore this potential.

The Chukchi and Beaufort Seas hold extensive undiscovered oil and gas resources. BOEM assesses a mean volume of 29.88 BBOE and 8.61 BBOE, respectively, of undiscovered oil and gas resource potential.¹⁰ Currently there are three active leases in the Beaufort Sea OCS Planning Area, all of which are producing hydrocarbons. Exploration and development of those resources would support jobs, labor income, revenue to state, local, and federal governments. It would also support expansion of transportation and other infrastructure, including for a potential natural gas pipeline, as well as a robust presence in the Arctic areas, which is important to the U.S. from a security perspective.

Withdrawn Lands under Section 12(a) of the Outer Continental Shelf Lands Act (OCSLA)

President Obama, under Executive Order 13754 and purportedly pursuant to Section 12(a) of the OCSLA, had withdrawn all of the Chukchi Sea and portions of the Beaufort Sea.¹¹ Though the Beaufort Sea withdrawal did not affect existing federal leases and did not affect the areas of the Beaufort Sea adjacent to existing state oil and gas infrastructure, the withdrawn land stymied new exploration and development opportunities. President Trump rescinded this withdrawal in 2017 via executive order, but in 2019, a U.S. District Court judge ruled that only Congress (rather than the president) can undo OCSLA withdrawals. In 2023, President Biden also withdrew approximately 2.8 million acres in the Beaufort Sea, expanding the restrictions originally created under Obama in 2016.

On January 6, 2025, using purported authority under Section 12(a) of the OCSLA, President Biden withdrew the Northern Bering Sea Climate Resilience Area, along with all federal waters off the East and West Coasts and Gulf, totaling over 625 million acres. The State along with other coastal states have challenged these withdrawals in federal court. This includes 44 million acres in

⁸ Federal Register, Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis, <https://www.federalregister.gov/documents/2021/01/25/2021-01765/protecting-public-health-and-the-environment-and-restoring-science-to-tackle-the-climate-crisis>

⁹ It is the policy of the U.S. that the OCS "is a vital national resource reserve held by the Federal Government for the public, which should be made available for expeditious and orderly development, subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs." 43 U.S.C. Sec. 1332(3).

¹⁰ BOEM, 2021 Assessment of Undiscovered Oil and Gas Resources of the Nation's Outer Continental Shelf. <https://www.boem.gov/oil-gas-energy/resource-evaluation/2021-assessment-undiscovered-oil-and-gas-resources-nations-outer>

¹¹ The White House, Executive Order 13754, Northern Bering Sea Climate Resilience, <https://www.govinfo.gov/content/pkg/DCPD-201600836/pdf/DCPD-201600836.pdf>

Alaska's northern Bering Sea. On January 20, 2025, President Trump issued the EO 14148¹² revoking Biden's January 6, 2025 OCSLA withdrawal memoranda. President Trump's EO 14153 further directed agencies to rescind or revise Biden-era restrictions specific to Alaska's OCS, including withdrawals tied to Arctic Ocean regions and ANWR. The potential for these restrictions and withdrawals to be mired in litigation causes further uncertainty and burden on Alaska's ability to unleash its extraordinary energy resources.

Energy Development and Environmental Stewardship

Alaska has a long and distinguished history of environmentally responsible resource development under some of the most rigorous regulatory standards in the world. The State supports BOEM's consideration of ecological sensitivities as outlined in Section 18 of the OCS Lands Act. However, environmental stewardship must be weighed with the urgent socioeconomic and energy needs of Alaskans, including Indigenous communities who have expressed support for energy development that brings jobs and critical infrastructure.

BOEM's decision to exclude lease sales in the Alaska OCS from the 10th National OCS Program – rather than work with the State and local communities – ignores the region's significant potential, contradicts national energy priorities, and undercuts state and local planning. The State of Alaska strongly urges BOEM to restore and prioritize leasing activity in Cook Inlet, the Beaufort Sea, and Chukchi Sea planning areas in the 11th program.

Support for a Predictable, Inclusive Leasing Process, and Reducing Regulatory Burdens

The DNR also supports BOEM's efforts to ensure a comprehensive and inclusive public process, as mandated by the OCS Lands Act. However, timely and predictable lease sales are essential to provide investment certainty and allow Alaska and industry partners to adequately plan exploration and production timelines. Delays or omissions in leasing disrupt economic planning and risk forfeiting Alaska's role as a cornerstone of U.S. energy production.

Historically, BOEM prepared a Programmatic Environmental Impact Statement (PEIS) pursuant to the National Environmental Policy Act (NEPA) in support of the Section 18 analysis of the OCS Lands Act¹³, even though environmental analysis under NEPA is not required for a National OCS Program. However, for the 11th National OCS Program¹⁴, BOEM has decided not to conduct NEPA analysis, instead, BOEM will prepare an environmental analysis document that will be inclusive of Section 18 analysis that takes in to account of environmental considerations. This change in policy will result in an environmental review that is both expeditious and comprehensive, and will provide, in some ways, substantively similar content to what would be included in a PEIS.

¹² Federal Register, Initial Rescissions of Harmful Executive Orders and Actions, <https://public-inspection.federalregister.gov/2025-01901.pdf>

¹³ Title 43 Public Lands, <https://www.govinfo.gov/content/pkg/USCODE-2023-title43/pdf/USCODE-2023-title43-chap29-subchapIII-sec1344.pdf>

¹⁴ Federal Register, BOEM, Request for Information and Comments on the Preparation of the 11th National Outer Continental Shelf Oil and Gas Leasing Program MAA10400, <https://www.federalregister.gov/documents/2025/04/30/2025-07479/request-for-information-and-comments-on-the-preparation-of-the-11th-national-outer-continental-shelf>

Alaska understands the importance of responsible natural gas and oil development to maintaining its pristine environment while also creating various economic opportunities for its citizens and the nation. Alaska and federal regulatory agencies have regulations that protect the environment through comprehensive drilling, development, and production standards, setbacks, groundwater protection measures, financial assurance requirements, strict regulation of water discharge, and air emission, strict regulation of flaring and venting of natural gas, spill reporting, and reclamation requirements. These regulatory protections emphasize planning, consultation, preparedness, and mitigation, and ensure that from start to finish, environmental impacts are scrutinized and limited to the greatest extent practicable. Additionally, Alaska adheres to workplace safety, labor laws, and numerous regulations that ensure the natural gas and oil industry performs to the highest standards. A comprehensive environmental analysis in lieu of PEIS is a step in the right direction.

Additional Specific Comments from Alaska Division of Oil and Gas

To strengthen the program and expand viability of Alaska's offshore resources development, the Alaska Division of Oil and Gas makes the following recommendations:

1. Prioritize Cook Inlet Lease Sales Immediately

The Southcentral Alaska region is facing natural gas supply constraints. Timely leasing in Cook Inlet is critical to maintaining local energy security. We strongly urge BOEM to schedule Cook Inlet lease sales as early as possible in the 11th Program to address this urgent need.

2. Offer Net Profit Share Leases for Economically Challenged Areas

Traditional royalty-bearing leases may be an impediment to prospectivity and successful development in Alaska's high-cost and remote OCS areas. We recommend that BOEM evaluate using net profit share leases under 43 U.S.C. § 1337(a)(1)(D) or (E). At minimum, BOEM should carefully evaluate the royalty rate in leases. The Alaska DNR currently offers leases with similar terms to those provided for in (E) in Cook Inlet with a minimum five percent profit share. Further details can be found here:

<https://dog.dnr.alaska.gov/Document/Download/7C57AFFB8AA44E8687079EC94F9EC5DA/Areawide%20Sale%20Information.pdf>

3. Adopt an Industry-Initiated Exploration Model

For areas where full lease sale preparation is not economically justified, BOEM could consider a proposal-based exploration model. Under this approach, companies can nominate areas for exploration, and if no competing proposals are submitted, BOEM could issue rights and an opportunity to convert part of the area to leases based on a work commitment or a discovery. Alaska uses this strategy for less-prospective areas. More information is available here:

<https://dog.dnr.alaska.gov/Services/ExplorationLicensing>

4. Conduct Lease Sale Bidding Online

We encourage BOEM to modernize its leasing process by moving to online bidding, as already done by the BLM and several state agencies. This change would improve efficiency, reduce costs, and attract broader participation to new markets.

5. Environmental Risk and Coastal Considerations

Alaska does not participate in the federal Coastal Zone Management Program.¹⁵ However, we recognize the importance of environmental safeguards and recommend BOEM consider the Gulf of Alaska Final Best Interest Finding (BIF) as a resource for evaluating regional environmental conditions, impacts, and mitigation strategies. Various departments, such as Alaska Department of Environmental Conservation, Alaska Department of Natural Resources, and Alaska Department of Fish and Game, within the State of Alaska, adheres to statutes, regulations, and policies in place to ensure responsible development.

Conclusion

The Alaska DNR supports a balanced approach to OCS leasing that responsibly utilizes offshore resources to meet both regional energy needs and national energy policy goals, while maintaining the highest standards for environmental stewardship.

We strongly recommend the following actions as BOEM develops the 11th OCS Program:

- Include Cook Inlet, Beaufort Sea, and Chukchi Sea lease sales in the final schedule.
- Apply leasing models suited to frontier economics, such as net profit share leases.
- Allow industry-nominated exploration opportunities in less-prospective areas.
- Modernize bidding processes with secure online platforms.
- Leverage Alaska's experience and best practices in responsible offshore development.

We appreciate the opportunity to comment and look forward to partnering with BOEM to ensure the 11th National OCS Leasing Program reflects both Alaska's resource potential and our national energy priorities.

Sincerely,



Ashlee Adoko

Executive Director, Office of Project Management and Permitting (OPMP)

cc: Ashlee Adoko, Executive Director, OPMP
Brent Goodrum, Deputy Commissioner, DNR
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¹⁵ Federal Register, NOAA, <https://www.federalregister.gov/documents/2011/07/07/2011-16987/alaska-coastal-management-program-withdrawal-from-the-national-coastal-management-program-under-the>