

Overview MMS Offshore Alaska Program *Getting to the Resources*

Resource Development Council
Conference

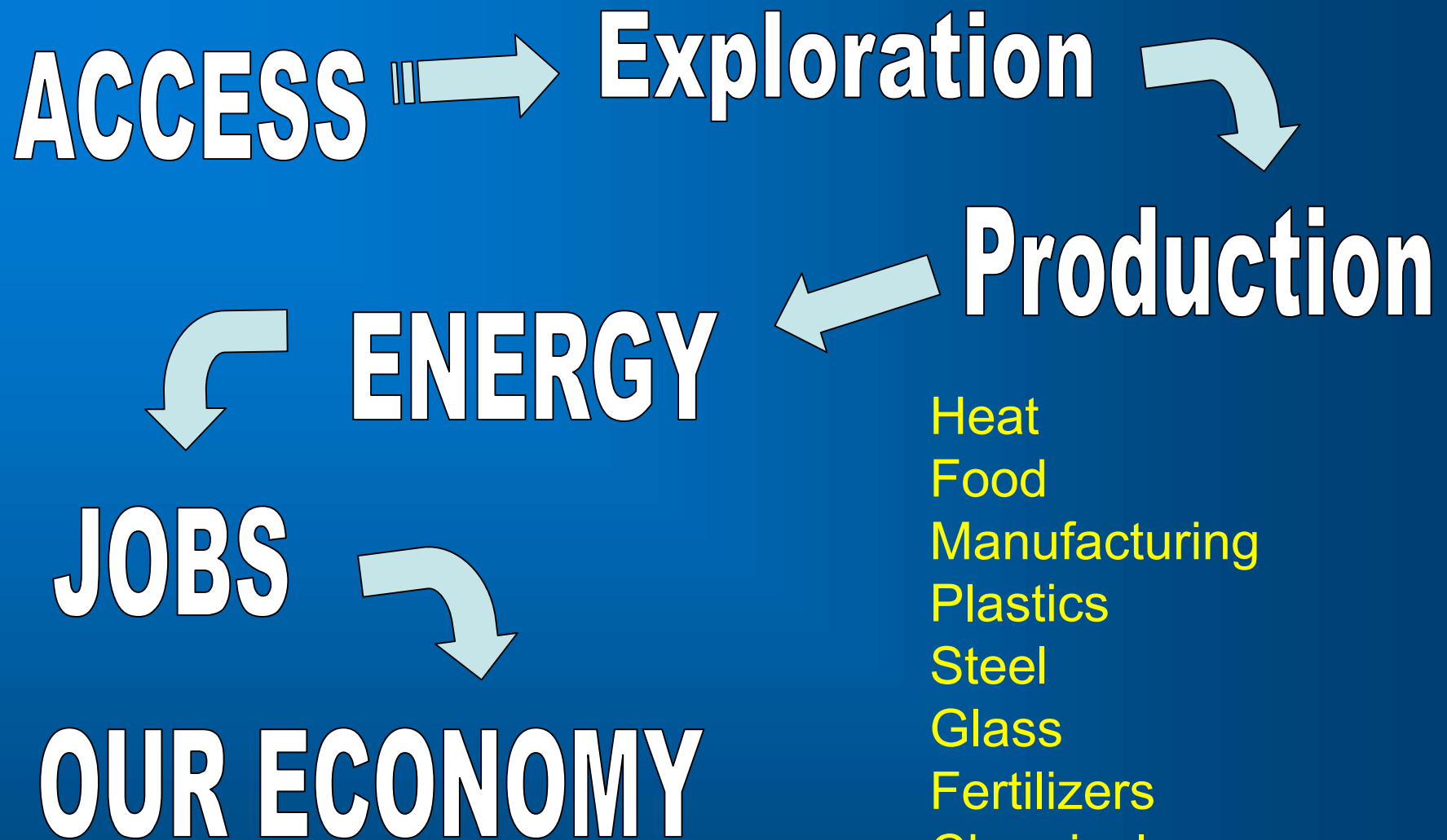
John Goll
U.S. Minerals Management Service
November 2003



Today's Topics

- Access
 - Lease Sales
 - Economic Incentives
- North Aleutian Basin
- Research
- University of Alaska





Heat
Food
Manufacturing
Plastics
Steel
Glass
Fertilizers
Chemicals
Automotive
Textiles
Pharmaceuticals
Computers

Alaska OCS Potential

(Risked, Undiscovered, Conventionally Recoverable)
Low to High Estimates

	Oil <u>billions barrels</u>	Gas <u>TCF</u>
• <u>Alaska OCS Total</u>	<u>17 - 35</u>	<u>55 - 227</u>
• Chukchi	9 - 25	14 - 154
• Beaufort	4 - 12	13 - 63
• Hope	0 - 0.3	0 - 11
• Norton	0 - 0.2	0 - 9
• Cook Inlet	0.3 - 1.4	0.7 - 2.5

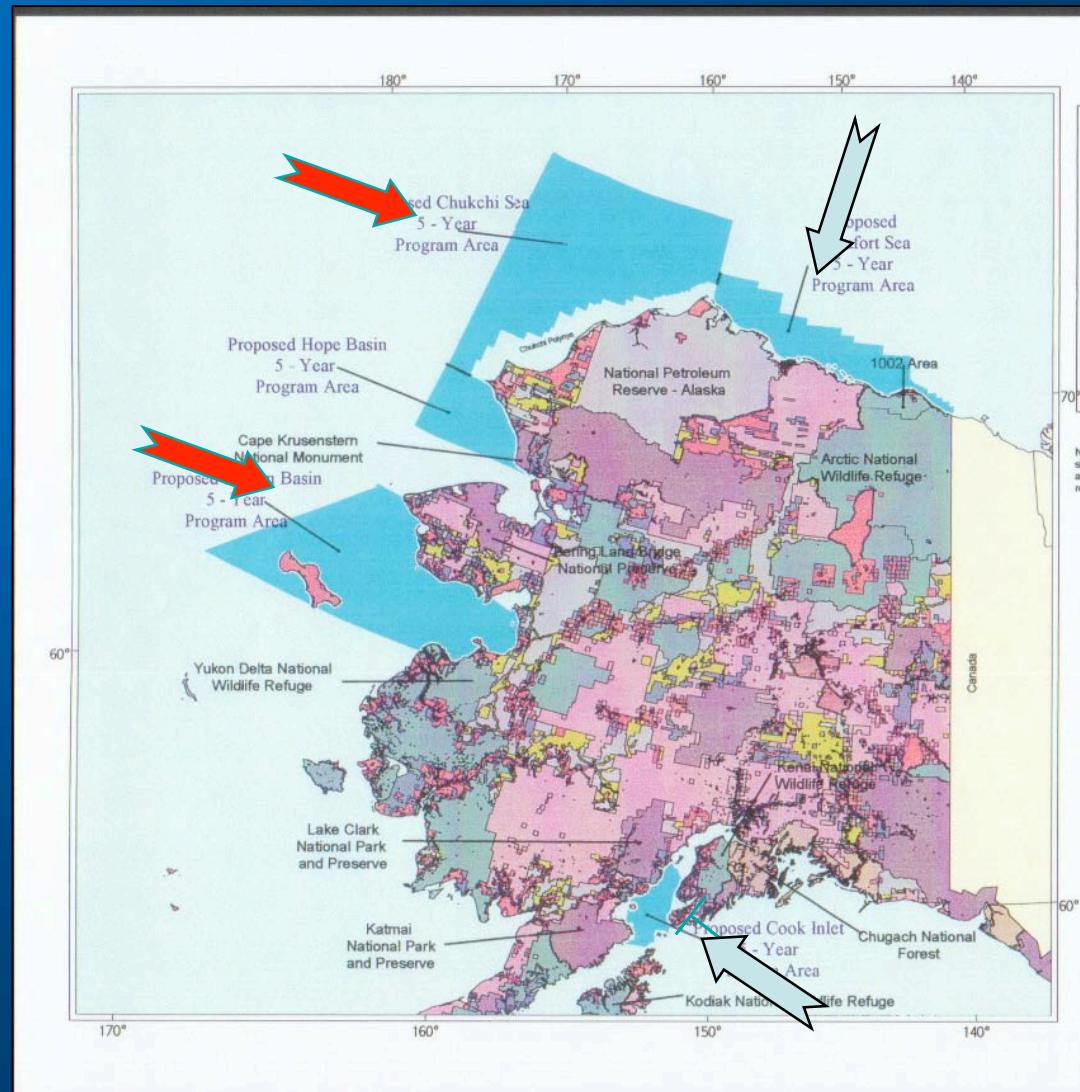
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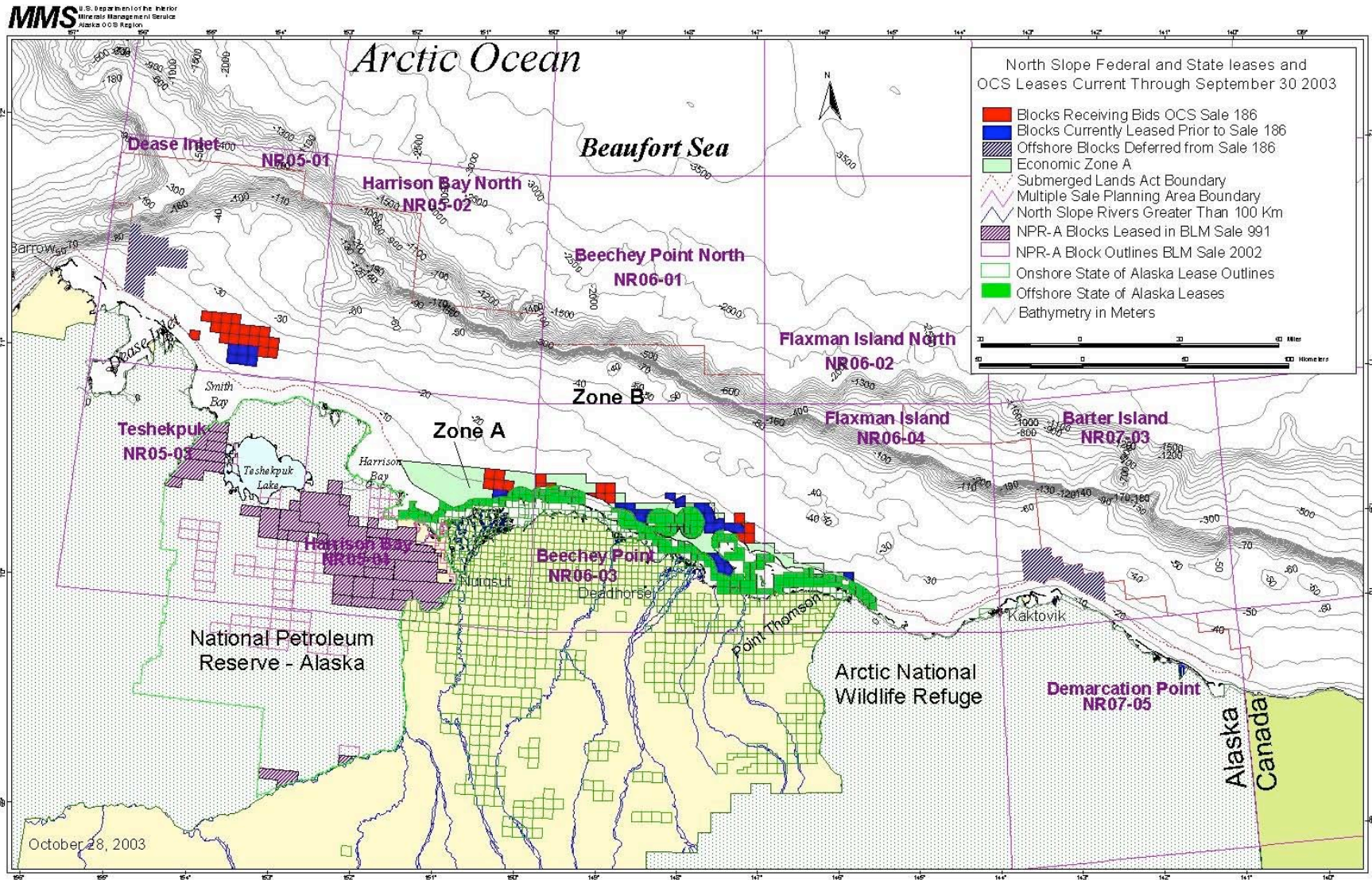
(MMS 2000 National Assessment)

Access: The OCS 5 Year Plan

2002-2007-- Alaska

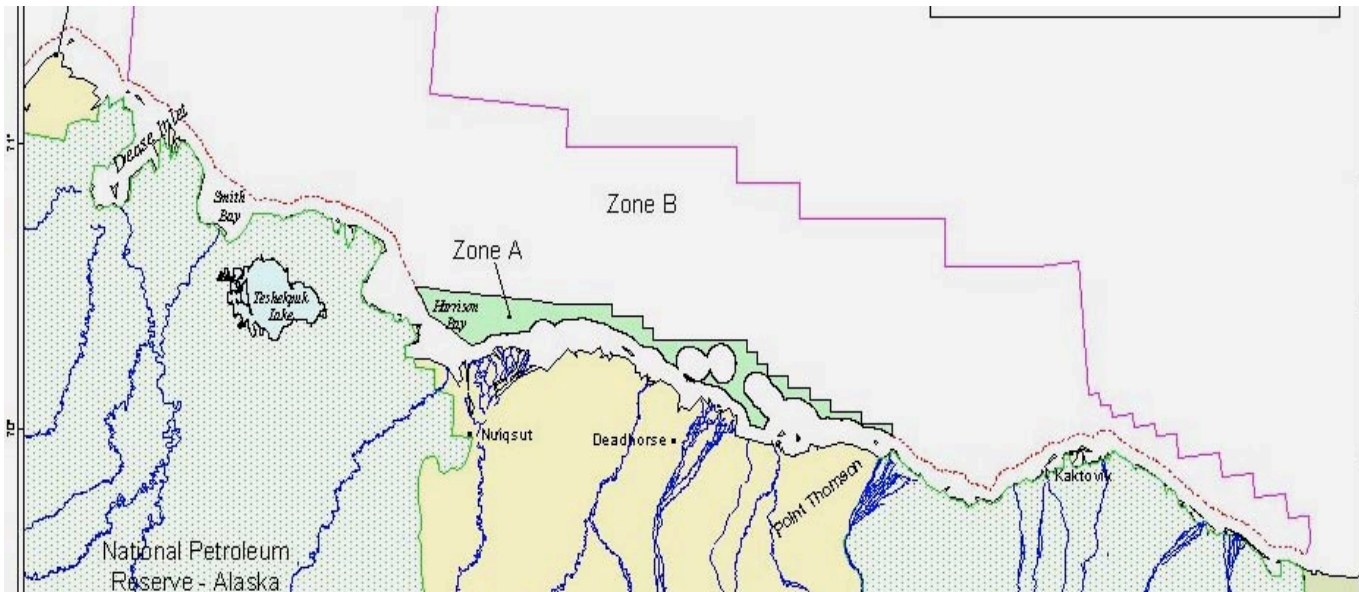
- **Traditional Sales** →
 - **Beaufort Sea**
 - 2003, 2005, 2007
 - **Cook Inlet**
 - 2004, 2006
- **Interest Based Sales** →
 - (annual calls)
 - **Chukchi Sea/Hope Basin**
 - Up to 2 sales
 - **Norton Basin**
 - 1 sale





Beaufort Sea Sale 186

September 2003



Beaufort Sea Economic Incentives

- Royalty Suspension
volumes/per lease
 - Up to 30 or 45 Million barrels, (depending on Zone A or B)
 - With price floor \$18/barrel
 - With price ceiling (\$28/barrel 1994 inflation adjusted)
- Royalty rate 12.5%
- Primary Term 10 years
- Minimum bid \$15/\$10
- Rental rate sliding
 - \$3 – 12.50/acre (Zone A)
 - \$1 – 8/acre (Zone B)

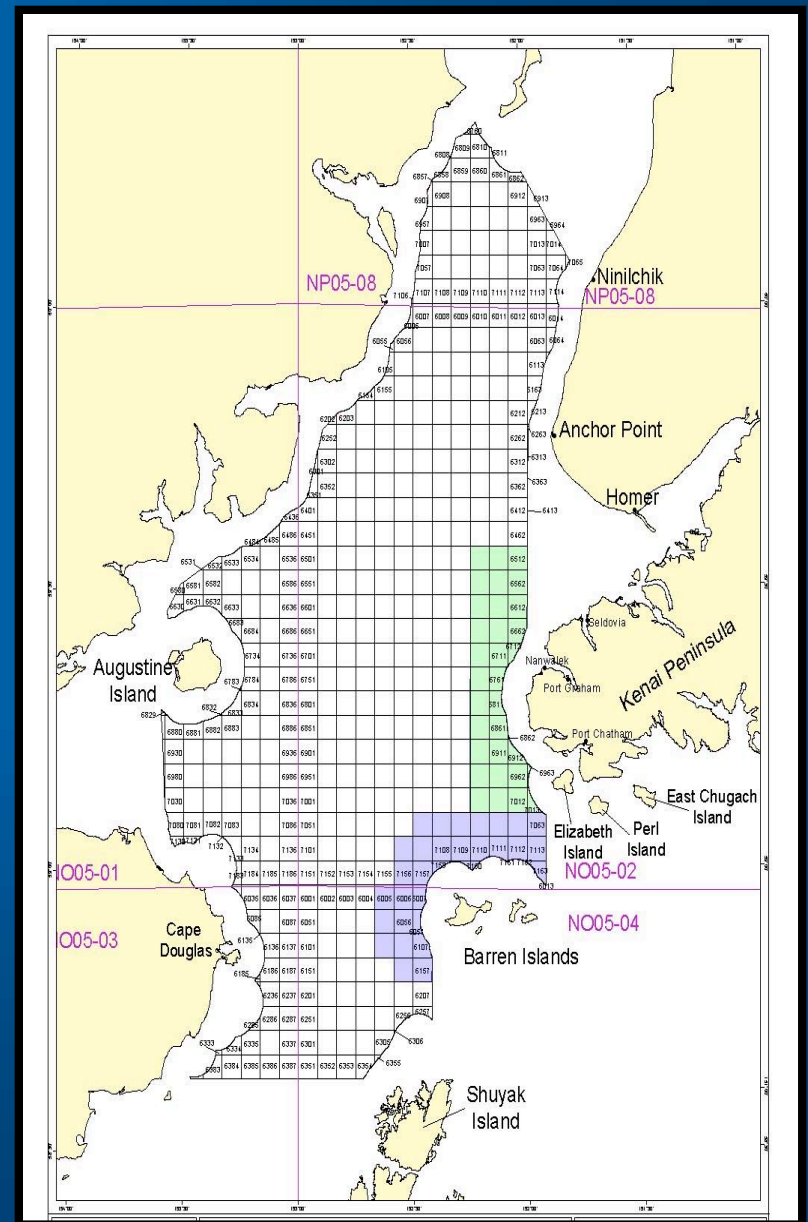
Working with the Communities



- North Slope Borough
- Tribes - Government-to-government
- AEWC
- Keep communities informed
- Visits
- Consultation on Projects
- Nuiqsut Paisanich:
Nuiqsut Heritage: A Cultural Plan
- In this Place:
A Guide for Those Who Would Work in the Country of the Kaktovikmuit.

Cook Inlet Sale 191

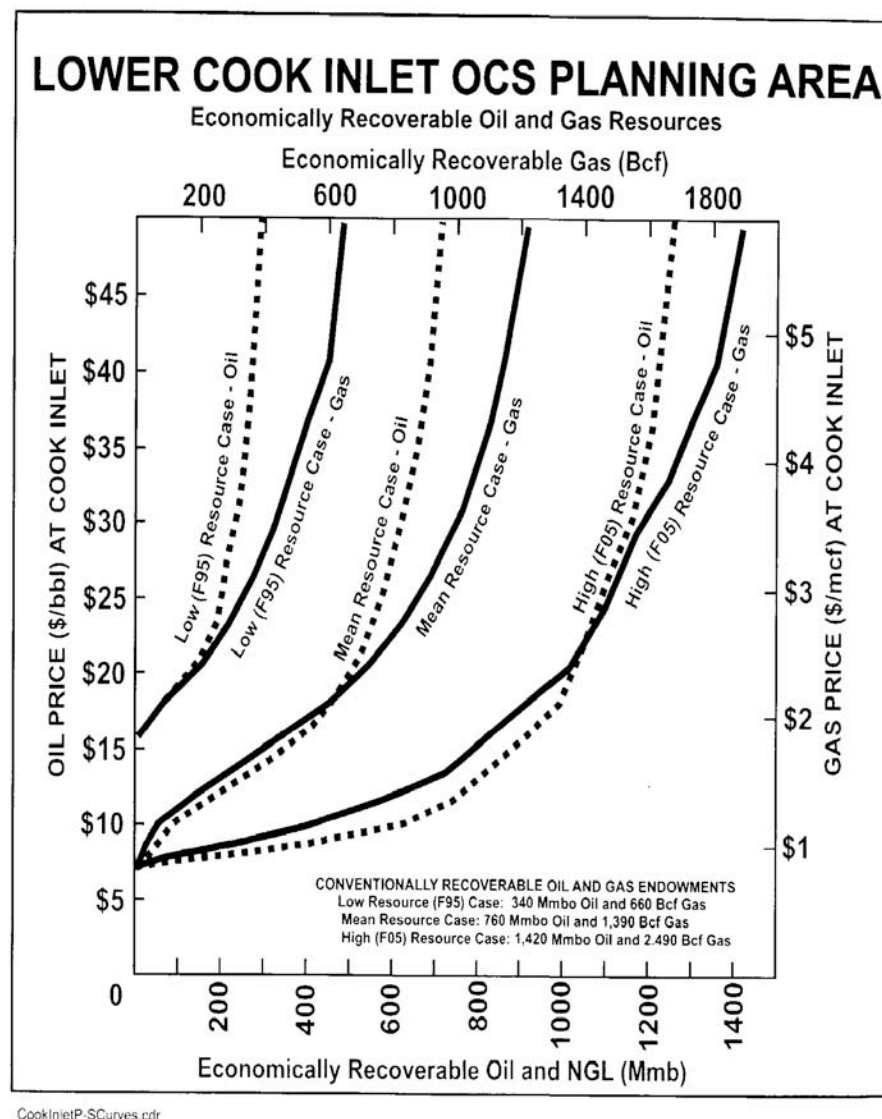
- November 2003
 - Letter to Governor
 - FEIS
 - Coastal Zone Consistency Determination
 - PNOS
 - Defer 2 areas
 - Sale Conditions
 - Tri-Borough Agreement
- April 2004
 - Final Notice of Sale
- May 19, 2004
 - The Sale



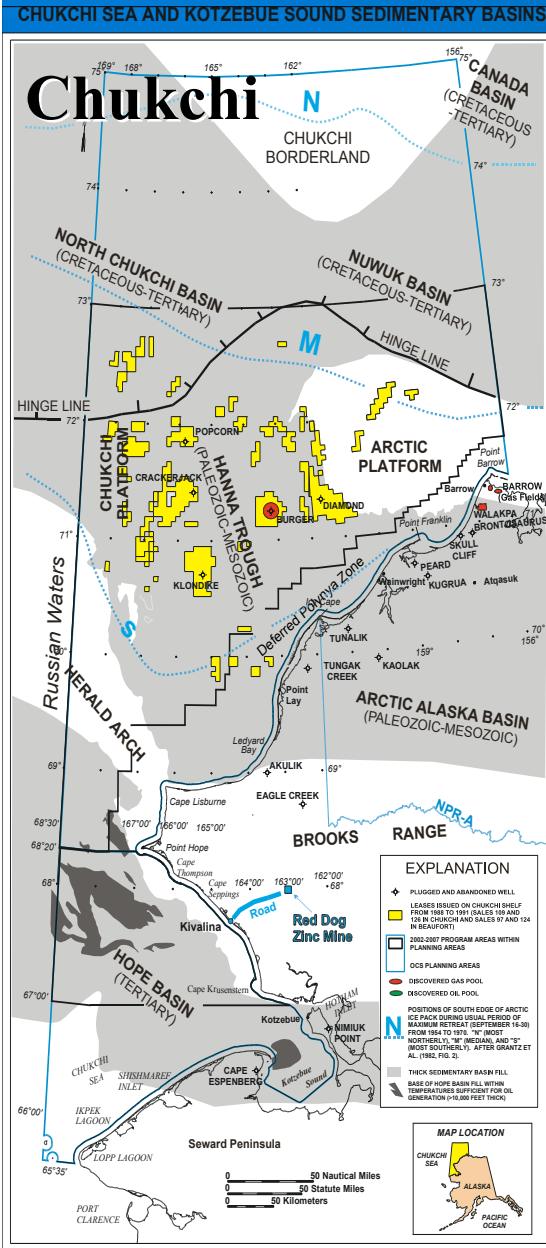
Cook Inlet Sale 191

Proposed Economic Incentives

- Royalty
 - 12.5% fixed
- Royalty Suspension Volume
 - 30 Million BBls Oil Equivalent (includes natural gas) with floor & ceiling
- Minimum Bid
 - \$10/acre (was \$25)
- Rental Rate
 - \$2/acre (was \$5)
- Initial Lease Term
 - 8 years (was 5 yrs)



The 5 Year Plan – Chukchi Sea/ Hope Basin – Norton Basin



Keeping Options
Open
Local Use (?)

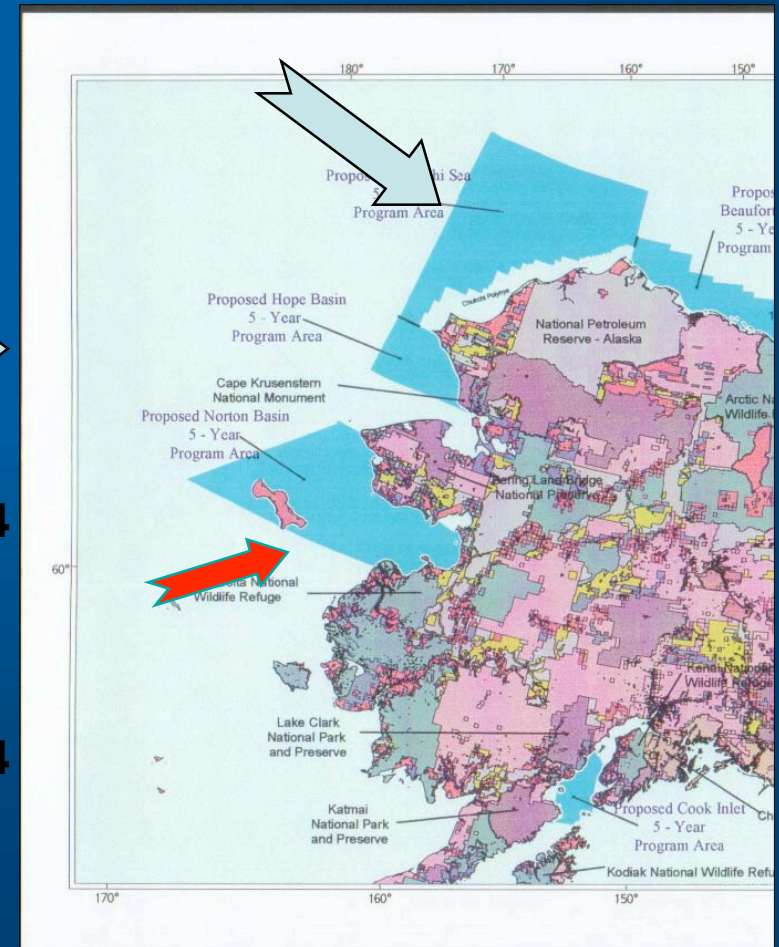
Interest approach:

Chukchi/Hope →

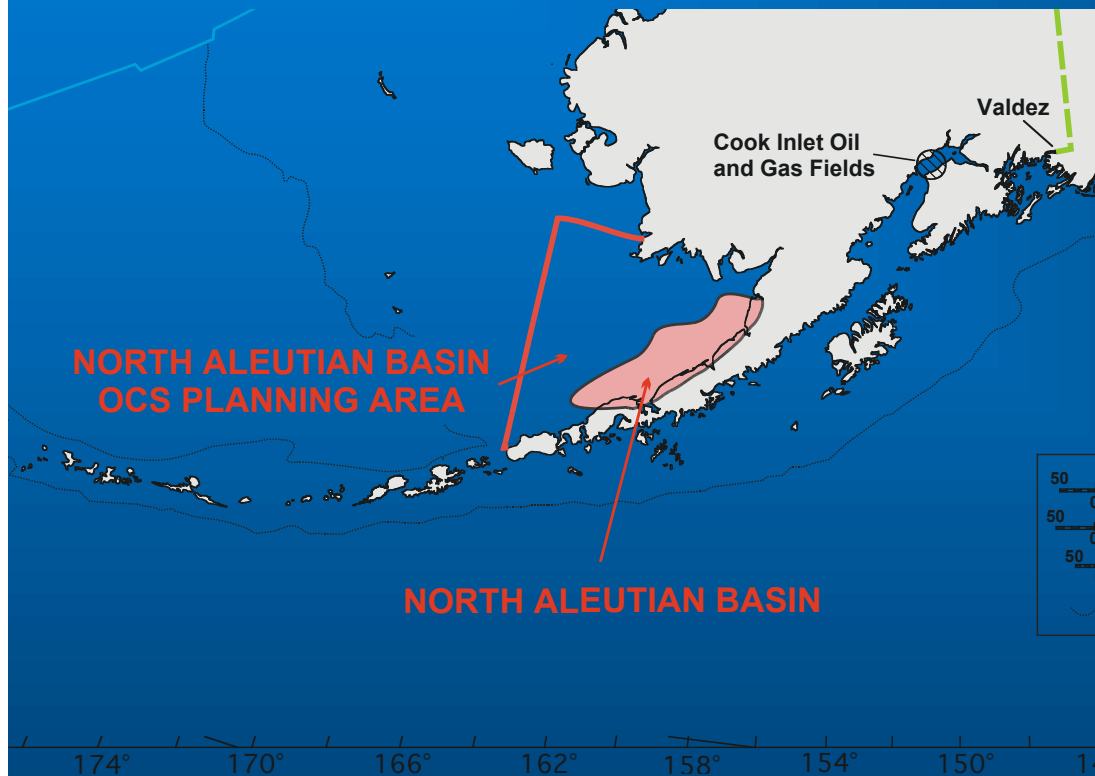
- 2 sales
- Local use?
- Call #2 – early 2004

Norton Basin →

- gas for locals?
- Call #3 – early 2004



North Aleutian Basin

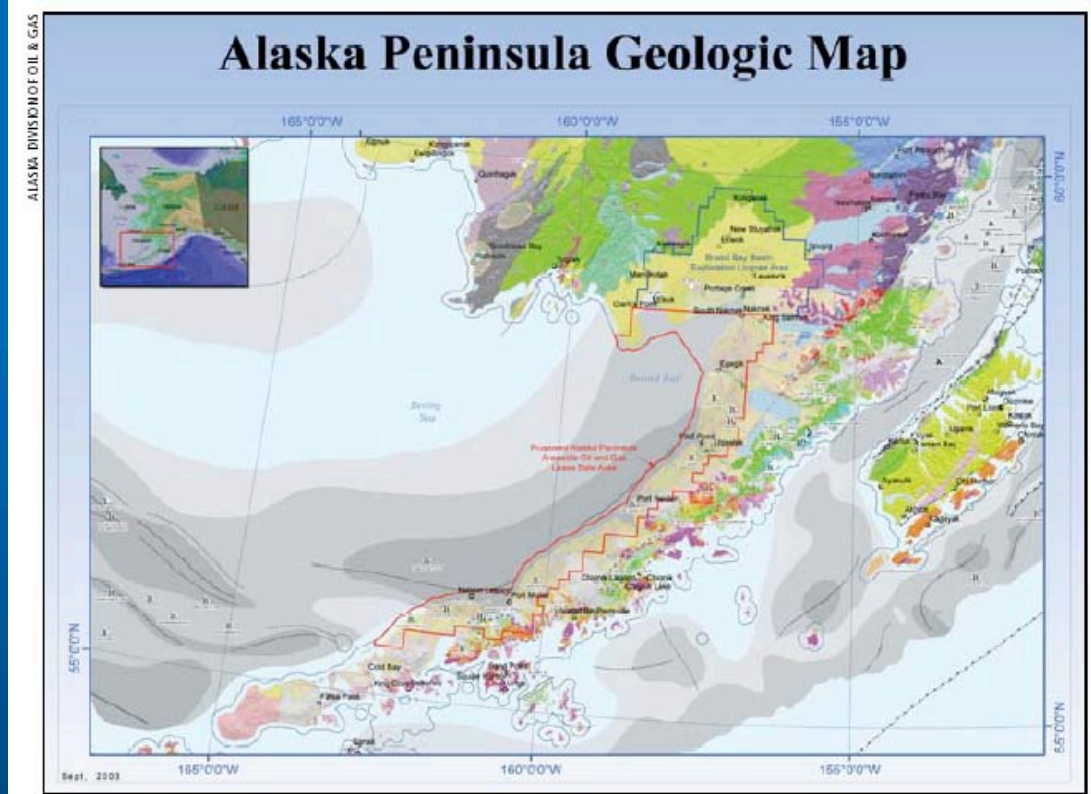


- Moratoria
 - Presidential
 - [Congressional]
- Gas Prone
 - 7 TCF Mean
 - 17 TCF (5%)
- Oil
 - 230 MMB Mean
 - 570 MMB (5%)

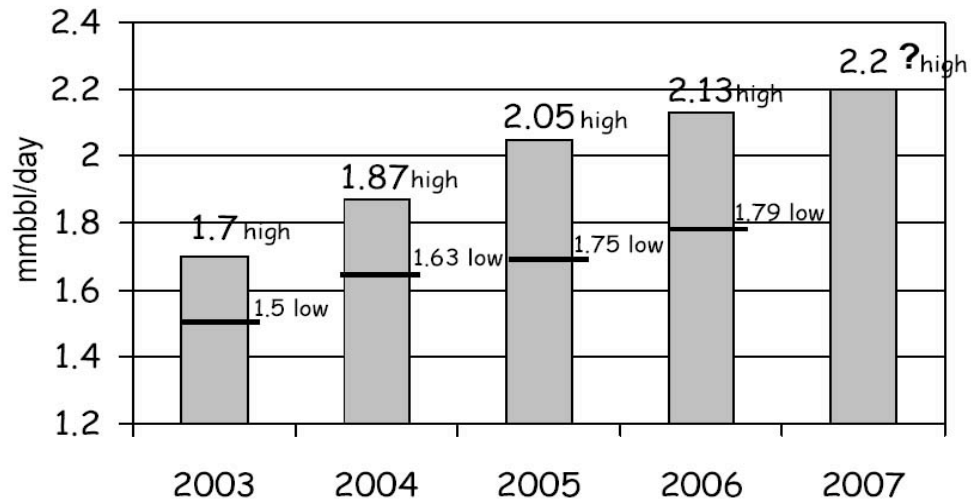
Lift Moratoria?

Before Consideration:

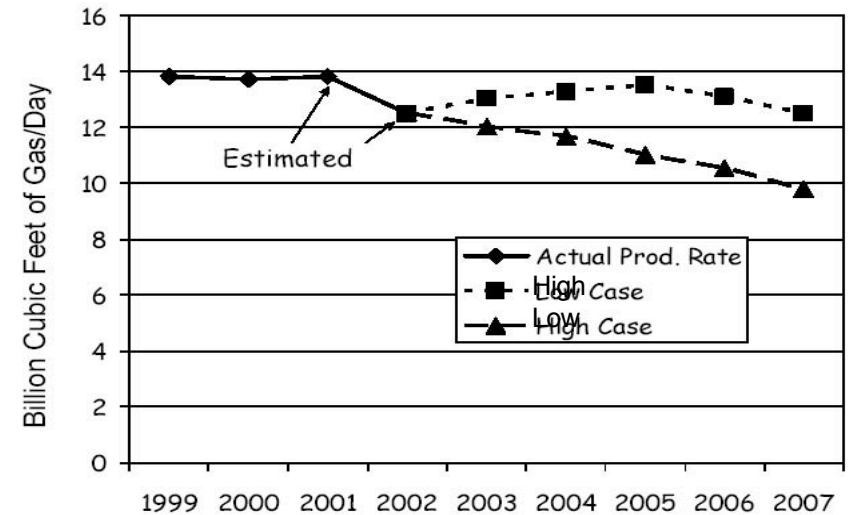
- Congress
 - Lift appropriations ban
- State
 - Request from Governor
- Support in the Communities



Oil Production Rate Projection Gulf of Mexico Region

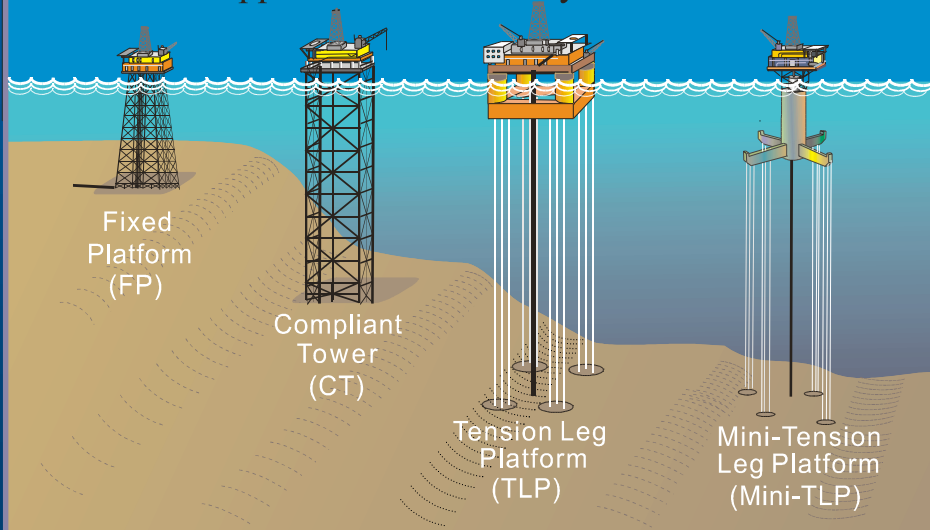


Gas Production Rate Projections Gulf of Mexico Region

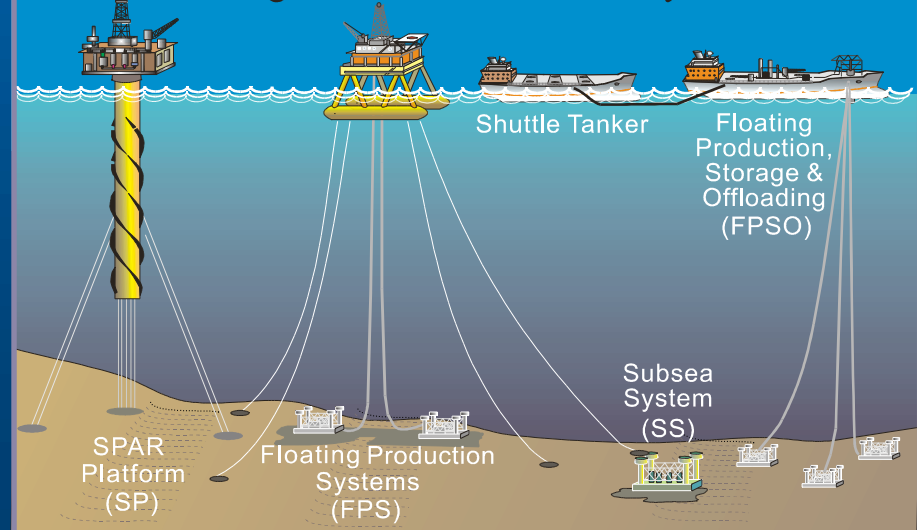


Offshore LNG Proposals

Bottom Supported and Vertically Moored Structures



Floating Production and Subsea Systems



MMS Geological Information

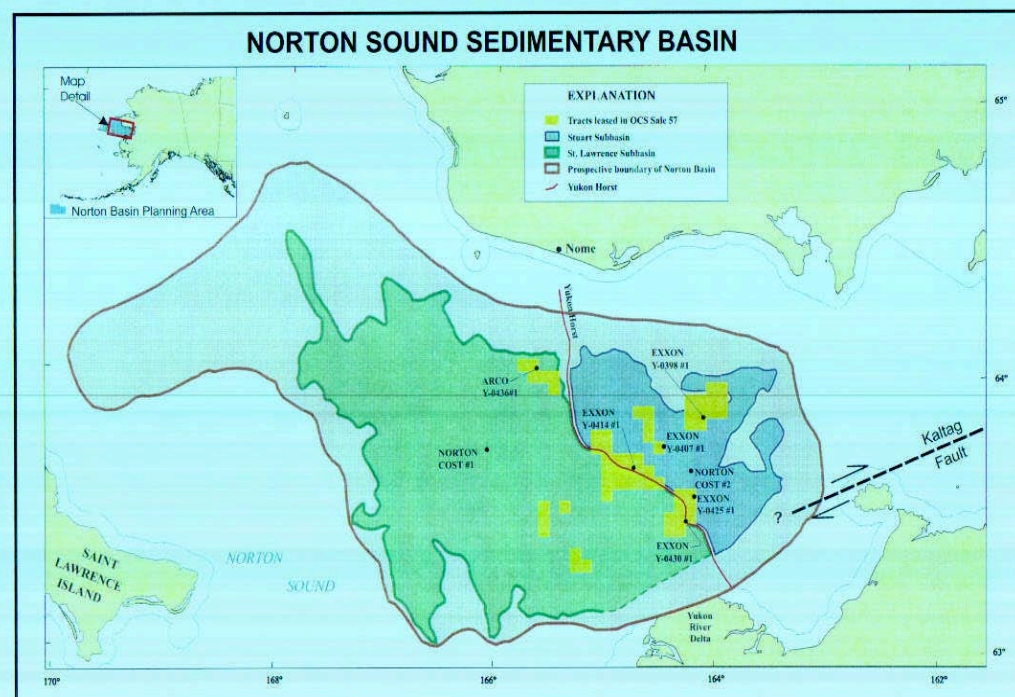
<http://www.mms.gov/alaska/ref/akref.htm>

- **Geological Reports**

- Beaufort Sea
- Chukchi Sea
- Norton Basin
- Gulf of Alaska

- **Summary packages**

- Beaufort Sea
- Chukchi
- Cook Inlet
- Norton Basin



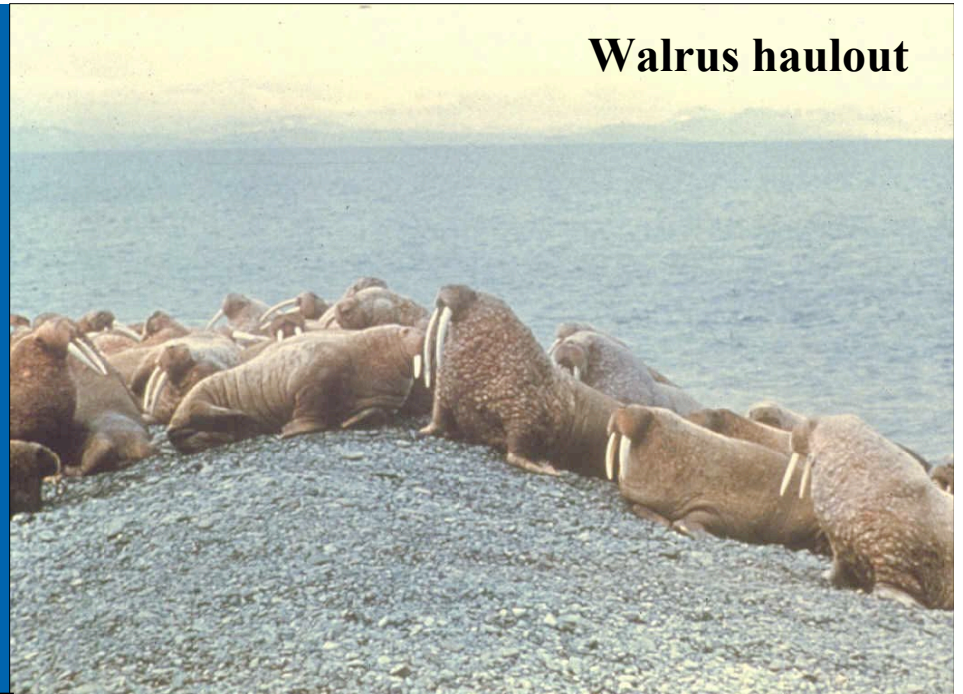
MMS Research

- Technology and Assessment Program
 - engineering and oil spill response
- Environmental Studies Program



Monitoring

Walrus haulout

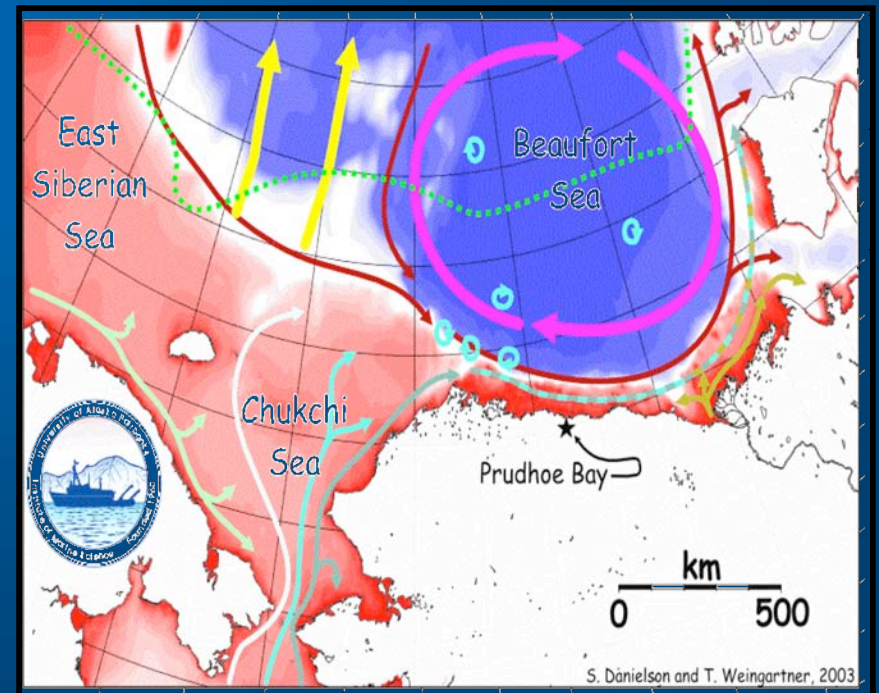


- University of Alaska
 - CMI
 - Marine Minerals Technology Center



MMS – Univ. of Alaska Physical Oceanography

- Water and Ice Dynamics in Cook Inlet, University of Alaska Fairbanks (UAF)
- Measurements of Temperature, Salinity, and Circulation in Cook Inlet, Alaska, UAF
- A GIS-Based Alaska Sea Ice Atlas, UAA School of Engineering
- Beaufort Nearshore Under-Ice Currents, UAF
- Summary of Workshop on Physical Oceanography in the Beaufort Sea, UAF



MMS - UAF

Fate and Effects



- A Nowcast/Forecast Model for the Beaufort Sea Ice-Ocean-Oil Spill System: Model D Development and Validation, UAF
- Workshop on Sea Ice Circulation/Interaction Modeling for Nearshore Beaufort and Chukchi Sea, UAF
- Petroleum Hydrocarbon Degrading Microbial Communities in Chukchi-Beaufort Sea Sediments, UAF
- Trace Metals and Hydrocarbons in Sediments of Elson Lagoon (Barrow, Northwest Arctic Alaska) as Related to Prudhoe Bay Industrial Region, UAF and UCLA

- **MMS/UAF Coastal Marine Institute**
Biological/Ecological Studies:

- Role of Grazers on the Recolonization of Hard-Bottom Communities in the Alaska Beaufort
- Susceptibility of Sea Ice Biota to Disturbances in the Shallow Beaufort Sea, Phase I: Biological Coupling of Sea Ice with Pelagic and Benthic Realms
- King and Common Eider Migrations Past Point Barrow
- Population Structure of Common Eiders Nesting on Coastal Barrier Islands Adjacent to Oil Facilities in the Beaufort Sea
- Breeding Biology and Habitat Use of King Eiders on the Coastal Plain of Northern Alaska



Biology

Biology (cont.)

- Importance of the Alaskan Beaufort Sea to King Eiders (*Somateria spectabilis*), UAF
- Behavior of Ringed Seals and Reinterpretation of Aerial Surveys, University of Alaska Southeast



Alaska Outer Continental
Shelf Region

Alaska Annual Studies Plan Final FY 2003



U. S. Department of the Interior
Minerals Management Service
Alaska Outer Continental Shelf Region

June 2002

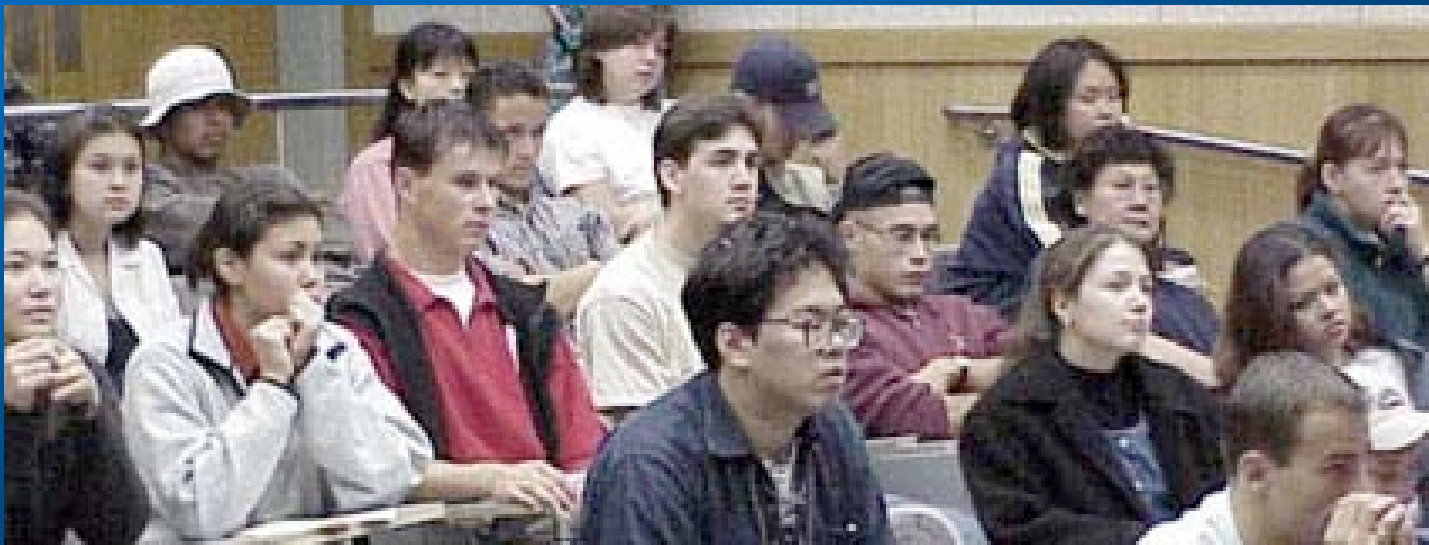
Marine Mining Technology Center



- Planning for the future
- Nome – Gold assessments
- Pre-prototype benign mining vehicle

INSTEP:
Internship for Native Student Training
and Education Program

**University of Alaska
and DOI Agencies**



<http://www.uaa.alaska.edu/nss/>



DOI/State/UAA

- Whatever Information you need on resources
- Moving to UAA Library next summer

<http://www.mms.gov/>

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Current Events

MMS Starts Preparation of New 5-Year OCS Leasing Program

The MMS solicited input from interested and affected parties as part of the process for preparing a new 5-year outer continental shelf oil and gas leasing program for 2002-2007. A notice in the [Federal Register](#) requested comments and suggestions for preparing the new program as well as information on issues and alternatives that should be addressed in the accompanying environmental impact statement. The [comments received have been posted](#) on this web site.

New Study Now Available

The Minerals Management Service (MMS), Gulf of Mexico OCS Region, announces the availability of a new study report, [Meteorology of the Northeastern Gulf of Mexico: Data from 1995 to 1997, Final Report](#). This study resulted in a meteorological database of the Northeastern Gulf of Mexico (NEGOM) that may serve as a "handbook" by planners or by analysts preparing initial assessment of conditions associated with nonroutine or accidental events.

Industry Awards Ceremony

Some of the best in the oil and gas industry will be honored April 4, 2001 at the Minerals Management Service annual [Industry Awards Ceremony](#) in Houston, Texas. Recipients of the 2000 Corporate Leadership Award will be recognized for performing an act or service that enhanced the MMS mission objectives.

35 States Receive Record \$800 Million

MMS Highlights

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Welcome!

Welcome to the Alaska Outer Continental Shelf (OCS) Region of the [Minerals Management Service](#) (MMS). MMS is a bureau of the [Department of the Interior](#). Our mission is to manage the mineral resources of the Outer Continental Shelf in an environmentally sound and safe manner.

If this is your first visit to the Alaska Region web, be sure to check out the [Regional Director's Update](#) and the [Navigation Tips](#) pages. If you have any suggestions for improvements or were unable to locate the information you were searching for, be sure to sign our [Guest Book](#) and let us know what you would like to see.

MMS issues draft Environmental Impact Statement for the proposed Liberty Development Project in the Beaufort Sea, Alaska. For the full text of the draft EIS and related documents [click here](#).

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