

OCS LEASE SALE PROCESS

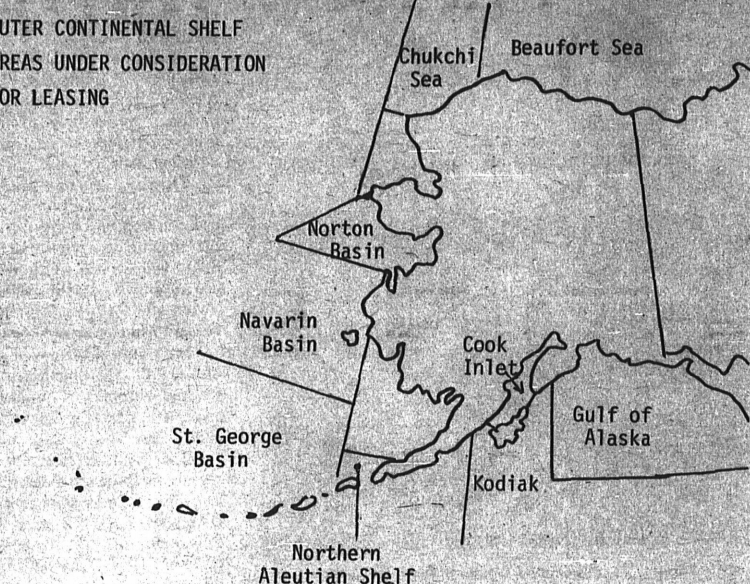
Jurisdiction of land and water offshore of coastal states is divided between the Federal government and adjacent coastal states. The Outer Continental Shelf Lands Act of 1953 authorizes the Secretary of the Department of the Interior (DOI) to have the jurisdiction, control and power of disposition over submerged land lying three miles seaward of lands granted to the states. Within the DOI, the Bureau of Land Management (BLM) administers the oil and gas lease sales and the U.S. Geological Survey (USGS) supervises the drilling and production operations of oil and gas development of those lands under Federal jurisdiction.

The oil and gas lease goes through several phases, beginning with the call for nominations and ending in the lease sale. In the call for nominations, the Federal government asks industry which areas in the proposed area are most likely to produce oil and at the same time asks communities in the affected area for their comments on the proposed lease sale. The Federal gov-

ernment will then conduct a geological survey after which the BLM prepares the draft environmental impact statement (DEIS). The DEIS attempts to project impacts of oil development to the waters, lands, marine life and communities in the proposed lease sale area. Public hearings are held following the filing of the DEIS, after which the final environmental impact statement is filed. In the last phase, the proposed notice of the lease sale is publicized, and at this time, the state may make final comments. Following, is the lease sale. Leases are issued for a period of five years and as long thereafter as oil and gas can be produced in paying quantities.

Offshore oil and gas development involves four phases: (1) exploration; exploration for oil reserves is conducted prior to and after the lease sale; (2) development; development will take place in those areas where oil and gas recovery is profitable; (3) production; and (4) phase-out; phase-out occurs when production can no longer recover oil and gas in paying quantities.

OUTER CONTINENTAL SHELF
AREAS UNDER CONSIDERATION
FOR LEASING



Various OCS areas offshore Alaska are included in the Proposed Five-Year OCS Oil and Gas Lease Schedule. Proposed Sales offshore Alaska are:

OCS AREA	CALL FOR NOMINATIONS	SALE
Gulf of Alaska		October 1980
Kodiak		December 1980
Cook Inlet		September 1981
Norton Basin	April 1979	September 1982
St. George Basin	July 1979	December 1982
Beaufort Sea No. 2	October 1979	February 1983
Northern Aleutian Shelf	May 1980	October 1983
Navarin Basin	June 1981	December 1984
Chukchi Sea	July 1981	February 1985