



# United States Department of the Interior



MINERALS MANAGEMENT SERVICE  
Alaska Outer Continental Shelf Region  
3801 Centerpoint Drive, Suite 500  
Anchorage, Alaska 99503-5823

Memorandum

JUL 23 2009

To: Regional Supervisor, Field Operations

From: Regional Supervisor, Leasing and Environment *C. J. Cook*

Subject: Categorical Exclusion Review of ConocoPhillips Alaska Inc.'s 2009 Ancillary Activities for the Chukchi Sea, Alaska

We have concluded our Categorical Exclusion Review (CER) (attachment) on the ConocoPhillips Alaska, Inc. (CPAI) proposed 2009 biological studies and ancillary activities on the Chukchi Sea Outer Continental Shelf (OCS) (*Notice to Conduct Biological Studies and Ancillary Activities in the Chukchi Sea, Alaska*, dated June 24, 2009). The objective of our CER was to determine whether the proposed activities that are categorically excluded under 516 DM 15 meet any of the extraordinary circumstances at 43 C.F.R. Part 46.

CPAI is required to conduct geotechnical assessments to provide supporting information for their anticipated exploration plan (30 CFR 250.214(f)). Geotechnical assessments are required prior to drilling exploratory wells to define suitable rig placement locations and better understand any potential geologic hazards in support of engineering for safe operations.

We have determined that the proposed activities are categorically excluded and do not meet any of the criteria for extraordinary circumstances listed in 43 C.F.R. 46.215(a)-(l) under which actions, otherwise covered by a categorical exclusion, would require further analysis under NEPA. 43 C.F.R. 46.205(c).

We request that CPAI:

- Be advised that MMS considers CPAI's 2009 Chukchi Summer Program Subsistence Plan of Cooperation with Chukchi Coastal Villages to be an integral part of the proposed activities. The monitoring and mitigation measures specified in the document are required aspects of the activities being authorized by MMS. Mitigation and monitoring requirements in FWS authorizations under the MMPA would have precedence.
- Be advised of the mitigation provided by the U.S. Fish and Wildlife Service (FWS, 7/14/09, attached) for deployment and retrieval of scientific instrumentation in the Ledyard Bay Critical Habitat Unit.
- Provide MMS a copy of their 2009 LOA from FWS.

**RECEIVED**  
Anchorage, Alaska

JUL 23 2009

**TAKE PRIDE  
IN AMERICA** 

REGIONAL SUPERVISOR  
FIELD OPERATIONS  
MINERALS MANAGEMENT SERVICE

## **Categorical Exclusion Review**

### **ConocoPhillips Alaska, Inc. (CPAI), Ancillary Activities Chukchi Sea OCS, Alaska, 2009**

A categorical exclusion is, by definition, “a category of actions which do not individually or cumulatively have a significant effect on the human environment...and for which, therefore, neither an environmental assessment (EA) nor an environmental impact statement (EIS) is required” (40 CFR 1508.4). The concept of categorical exclusions was created by the Council on Environmental Quality to reduce the amount of unnecessary paperwork and delay associated with National Environmental Policy Act (NEPA) compliance (reference 40 CFR 1500.4(p) and 1500.4(k)).

The categorical exclusions for Minerals Management Service (MMS) activities are found at 516 Departmental Manual Chapter 15 (516 DM 15). The following categorical exclusion is applicable to the ConocoPhillips Alaska, Inc. (CPAI) proposed 2009 biological surveys and ancillary activities on the Chukchi Sea Outer Continental Shelf (OCS) (*Notice to Conduct Biological Studies and Ancillary Activities in the Chukchi Sea, Alaska*, dated June 24, 2009):

516 DM 15.4C (13) (*Ancillary Activities*), as defined in 30 CFR Part 250 (*Oil and Gas and Sulphur Operations in the Outer Continental Shelf, Subpart B-Plans and Information*), Final Rule (FR Vol. 70, No. 167, dated August 30, 2005). Before or after an Exploration Plan, Development and Production Plan, or Development Operations Coordination Document is submitted, the regulations in this part may require, or the Regional Supervisor may direct that ancillary activities be conducted (§§ 250.207 to 250.210). Ancillary activities include geological and geophysical-related exploration and development activities; geological and high-resolution geophysical, geotechnical, archaeological, biological, physical oceanographic, meteorological, socioeconomic, or other surveys; or studies that model potential oil and hazardous substance spills, drilling muds and cutting discharges, projected air emissions, or potential hydrogen sulfide releases.

The objective of the Categorical Exclusion Review (CER) is to determine whether a specific proposed action that is categorically excluded meets any of the extraordinary circumstances (43 C.F.R. Part 46) and whether an EA must be prepared.

#### **Description of CPAI's Proposed Activities**

The CPAI proposes to conduct geotechnical coring on leases purchased by CPAI in the OCS 193 Lease Sale. CPAI will also perform biological studies to gather environmental information to support future permit applications to drill an exploration well, or a series of wells, on their leases. The overall schedule for the proposed action is from late July through late October 2009. Two vessels would be used: one for the shallow coring and the second dedicated to environmental studies. No other vessels would be necessary to accomplish the proposed work.

CPAI is required to conduct geotechnical assessments to provide supporting information for their anticipated exploration plan (30 CFR 250.214(f)). Geotechnical assessments are required prior to drilling exploratory wells to define suitable rig placement locations and better understand any potential geologic hazards in support of engineering for safe operations. The geotechnical soil

data will be used to evaluate jack-up rig leg penetration studies. The placement of an independent leg jack-up rig requires a soil that provides the required bearing capacity to resist the maximum applied spud can pressure. Accurate soil failure prediction requires high quality soil samples with accurate test results and an understanding of spatial soil variability at the site.

The operations will take place in an area approximately 100-miles west of Wainwright. Up to five potential sites will be investigated. CPAI plans to collect two shallow cores per site. Because of the unpredictability of ice cover at the potential exploration drilling area, a site in the OCS approximately 4 miles west of the Red Dog dock will also be investigated to provide a rig standby site. The shallow coring will be conducted by the *R/V Seaprobe*, operated by Fugro. The vessel is purpose-built for shallow coring and carries provisions sufficient to meet project requirements. The vessel will also have a marine mammal observer/native communicator on board. Mobilization into the operation area will commence when sea and ice conditions are favorable. Operations are expected to start in early August 2009. The program is anticipated to take approximately 21 days, but could be shorter or longer depending on weather conditions.

CPAI will operate the environmental baseline studies program on behalf of itself and Shell Exploration & Production. The program is a continuation of the 2008 program, with additional disciplines of research added such as fisheries ecology and an expanded passive acoustic monitoring program. The 2009 program will consist of scientific studies focused on marine mammals, seabirds, fisheries, acoustics, physical and biological oceanography on the Klondike and Burger prospects. The vessel-based surveys will provide information on the temporal and spatial distribution of marine mammals and seabirds along established transects as well as opportunistic sightings off transect. Oceanographic sampling will describe plankton and benthic invertebrates that are prey for marine mammals, seabirds and fish, while also providing information on the physical and chemical processes that create conditions suitable for prey populations. Acoustic monitoring will provide information on the distribution of vocalizing marine mammals within the prospect areas as well as on a wider regional basis within the Chukchi Sea lease area. Three cruises are planned, with crew change and resupply in Wainwright.

CPAI has prepared a Plan of Cooperation to meet the requirements of lease stipulation 5 and 50 CFR 216.104 Article 12 of the Marine Mammal Protection Act.

MMS reinitiated and completed informal consultation with FWS for CPAI's proposed emplacement of scientific instrumentation within the Ledyard Bay Critical Habitat Unit (LBCHU). By reply dated July 14, 2009, FWS concluded that adverse effects are unlikely from the deployment and retrieval of instrumentation. FWS identified appropriate mitigation as the vessels following the shortest possible route to access the sites. FWS stated that issuance of an Letter of Authorization pursuant to Sections 101(a)(4)(A), 109(h), and 112(c) of the Marine Mammal Protection Act completes section 7 consultation obligations for these activities with regard to polar bears.

Onshore staging and use of facilities near Wainwright will require local land use permits with the North Slope Borough and may involve coastal zone reviews with the State of Alaska.

### **Review and Findings**

**We have reviewed the proposed activities, applicable lease stipulations, and the extraordinary circumstances for categorical exclusions (Appendix A). We have considered relevant analyses in the following NEPA documents: (1) Chukchi Sea Lease Sale 193 final EIS (OCS EIS/EA MMS 2007-026); and (2) Beaufort Sea and Chukchi Sea Planning Areas, Oil and Gas lease Sale 209, 212, 217, and 221 draft EIS (OCS EIS/EA MMS 2008-0055). The proposed activities are categorically excluded and do not meet any of the criteria for extraordinary circumstances listed in 43 C.F.R. 46.215(a)-(l) under which actions, otherwise covered by a categorical exclusion, would require further analysis under NEPA. 43 C.F.R. 46.205(c).**

**APPENDIX A. EXTRAORDINARY CIRCUMSTANCES REVIEW FOR CATEGORICAL EXCLUSION**

**PROJECT IDENTIFICATION**

Operator/Project Name: ConocoPhillips Alaska Inc.  
 Environmental Baseline Studies Program and Shallow Coring Program  
 Project Type: Ancillary Activities  
 Project Location: Klondike and Burger Prospects

Date Project Submitted: 06/24/09

Other Identifying Aspects: Chukchi Sea OCS

The Department of the Interior's extraordinary circumstances for categorically excluded actions are found at 43 C.F.R. Part 46.

Extraordinary Circumstances (EC)	EC Present	Information Source						
		Federal/State Agency		Other Correspondence	Prior NEPA	Other Studies & Reports	Staff Expertise	Other (M&S Stips, staff memo)
		Correspondence (date)	Conversations / Meetings (date)					
Public Health and Safety (43 C.F.R. 46.215(a))	No				Chukchi Sea Lease Sale 193 and Seismic Surveys Final EIS, May 2007		Yes	
Significant Impacts (43 C.F.R. 46.215(b))	No	FWS letter 7/14/09					Yes	
Controversial Environmental Effects (43 C.F.R. 46.215(c))	No						Yes	
Uncertain and Unknown Risks (43 C.F.R. 46.215(d))	No						Yes	
Establishes Precedent (43 C.F.R. 46.215(e))	No						Yes	
Cumulatively Significant (43 C.F.R. 46.215(f))	No						Yes	
National Register of Historic Places (43 C.F.R. 46.215(g))	No	Section 106 consultation, SHPO letter dated 9/30/08		CPAI Notice Attachment 4 <i>Archaeological Review of Known and Potential Submerged Cultural Resources in the Chukchi Sea, Alaska, May 2009</i>	Arctic Multi-Sale draft EIS, November 2009		Yes	NTL 05-A03

Endangered/Threatened Species / Critical Habitats (43 C.F.R. 46.215(h))	No	NMFS ARBO 7/17/08. FWS Memo to MMS RD, 4/3/07 re: Steller's eider; FWS Sale 193 BO; FWS Programmatic BO for Polar Bears, 6/3/08. FWS letter 7/14/09				Yes	FWS 4(d) rule (FR 73(95): 28306-28318)
Violates Federal, State, Local Tribal Law or Requirement (43 C.F.R. 46.215(i))	No					Yes	
Environmental Justice (43 C.F.R. 46.215(j))	No					Yes	
Sacred Sites (43 C.F.R. 46.215(k))	No					Yes	
Invasive Species (43 C.F.R. 46.215(l))	No					Yes	
<p>516 DM 15.4C (13) (Ancillary Activities), as defined in 30 CFR Part 250 (Oil and Gas and Sulphur Operations in the Outer Continental Shelf, Subpart B-Plans and Information), Final Rule (FR Vol. 70, No. 167, dated August 30, 2005). Before or after an Exploration Plan, Development and Production Plan, or Development Operations Coordination Document is submitted, the regulations in this part may require, or the Regional Supervisor may direct that ancillary activities be conducted (§§ 250.207 to 250.210). Ancillary activities include geological and geophysical-related exploration and development activities; geological and high-resolution geophysical, geotechnical, archaeological, biological, physical oceanographic, meteorological, socioeconomic, or other surveys; or studies that model potential oil and hazardous substance spills, drilling muds and cutting discharges, projected air emissions, or potential hydrogen sulfide releases.</p>							

The proposed activities are categorically excluded and do not meet any of the criteria for extraordinary circumstances listed in 43 C.F.R. 46.215(a)-(l) under which actions, otherwise covered by a categorical exclusion, would require further analysis under NEPA. 43 C.F.R. 46.205(c).

**Prepared By**

Name and Title: Deborah Cranswick, Chief, Environmental Analysis Section I Signature 	Date 7/17/09
---	-----------------

**Supervisor Concurrence**

Name and Title: Cleve Cowles, Regional Supervisor, Leasing and Environment Signature 	Date 7/17/09
---	-----------------

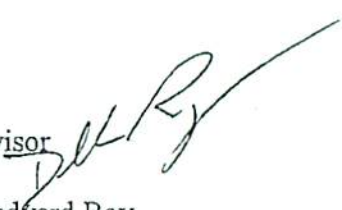


United States Department of the Interior  
U.S. FISH AND WILDLIFE SERVICE  
Fairbanks Fish and Wildlife Field Office  
101 12<sup>th</sup> Avenue, Room 110  
Fairbanks, Alaska 99701  
July 14, 2009



Memorandum

To: Mr. John Goll, Regional Director, MMS – Alaska OCS Region

From: Deborah Rocque, Fairbanks Fish and Wildlife Field Office Supervisor 

Subject: Passive Acoustic Monitoring by ConocoPhillips Alaska, Inc. in Ledyard Bay Critical Habitat Unit.

The Service has reviewed MMS's request for a section 7 consultation pursuant to the Endangered Species Act of 1973, as amended (ESA) on the proposed deployment of passive acoustic listening devices (Autonomous Multichannel Acoustic Recorders – AMARs) in the Ledyard Bay Critical Habitat Unit (LBCHU). The AMARs form part of a marine mammal monitoring and mitigation program required by the National Marine Fisheries Service to monitor seismic survey activities being conducted by ConocoPhillips, Inc. in the Chukchi Sea. An almost identical monitoring program was conducted in 2007 and 2008.

A number of these passive acoustic listening devices will be deployed along a series of transect lines in the Chukchi Sea. One of these transects bisects the LBCHU, an area designated to protect molting spectacled eiders (*Somateria fischeri*), a species listed as threatened under the ESA. As in previous years, the transect line bisecting LBCHU is located north of the concentrations of eiders observed during two years of aerial surveys (Service data).

Initial equipment deployment of the AMARs is scheduled for July 26 to August 1 with retrieval planned between October 10 and 15. A single vessel would be used for these activities, and ConocoPhillips Inc. estimates that actual time in the LBCHU for deployment and retrieval would be < 24 hours each.

The vessel will enter the LBCHU from an offshore location and sail perpendicular to the coast, following the shortest possible route to reach the AMAR locations. Travel out of the LBCHU will follow the line of AMAR deployment. If the vessel encounters a flock of eiders along its proposed path, it will divert its route around the flock to avoid disturbing birds. The location, estimated size, and species composition of each eider concentration observed in the LBCHU will be reported by ConocoPhillips Inc. to MMS and the Service at the end of each operation.

While the deployment and retrieval of the AMARs may disturb molting eiders, the Service concludes that adverse effects are unlikely as only a single vessel will be used, and it will only be present in the LBCHU for a short period of time. Further, to avoid impacts to listed eiders the vessel will use the shortest routes possible to access sites, unless spectacled eiders are observed when it will change course to avoid the birds. As significant adverse effects are not anticipated, further consultation regarding listed eiders is not required.

Mr. John Goll  
Passive Acoustic Monitoring by ConocoPhillips Alaska, Inc.  
Section 7 Consultation  
Page 2

The LBCHU and Chukchi Sea are within the range of polar bears (*Ursus maritimus*), a species listed as threatened under the ESA. As the polar bear is a marine mammal ConocoPhillips Inc., requested a letter of authorization (LOA) under the Chukchi Sea Incidental Take Regulations (ITRs) for seismic survey activities (including the activities discussed here) pursuant to sections 101(a)(4)(A), 109(h), and 112(c) of the Marine Mammal Protection Act (MMPA). The Chukchi Sea ITRs have been reviewed pursuant to section 7 of the ESA, and issuance of an LOA completes section 7 consultation obligations for these activities with regard to polar bears.

If you require additional information or have questions please contact Sarah Conn, Endangered Species Biologist, at (907) 456-0499.