

with the planning steps toward a sale. No more than two rounds of lease issuance in the Chukchi Sea/Hope Basin would occur during this 5-year program.

3. Description of Area

The area subject to this Call is located offshore the State of Alaska in the Chukchi Sea, between Cape Krusenstern and Point Barrow. The Chukchi Sea area consists of approximately 6,155 whole and partial blocks (about 13.8 million hectares or 34 million acres). It extends offshore from about 10 to approximately 200 miles in water depths from about 32 feet to approximately 230 feet. A small portion of the northeast corner of the area drops to approximately 3,000 feet. The Hope Basin area consists of approximately 1,243 whole and partial blocks (about 2.6 million hectares or 6.5 million acres). It extends offshore from about 3 to approximately 110 miles in water depths from about 32 feet to approximately 230 feet.

A page size map of the area accompanies this Notice. A large scale Call map showing the boundaries of the area on a block-by-block basis is available without charge from the Public Information Office at the address given below, or by telephone request at (907) 271-6438 or 1-800-764-2627. Copies of Official Protraction Diagrams (OPDs) are also available for \$2 each.

Alaska OCS Region, Minerals

Management Service, 949 East 36th Avenue, Room 308, Anchorage, Alaska 99508-4302,
akwebmaster@mms.gov.

4. Instructions on Call

The Call for Information map and indications of interest and/or comments must be submitted to the Regional Supervisor, Leasing and Environment, at the above address.

The Call map delineates the area that is the subject of this Call. Respondents are requested to indicate very specific areas of interest in and comment on the Federal acreage within the boundaries of the Call area that they wish to have included in a proposed sale in the Chukchi Sea/Hope Basin.

If you wish to comment, you may submit your comments by any one the following methods:

- You may mail comments to the Alaska OCS Region, Minerals Management Service, 949 East 36th Avenue, Room 308, Anchorage, Alaska 99508-4302.

- Comments may be submitted directly from the Internet at <http://www.mms.gov/alaska>. Please submit Internet comments as an ASCII file avoiding the use of special characters and any form of encryption. Please also

include "Attn: Comments on Call for Information and Nominations for Proposed 2004 Lease Sale in the Chukchi Sea/Hope Basin" and your name and return address in your Internet message.

- Finally, you may hand-deliver comments to the Alaska OCS Region, Minerals Management Service, 949 East 36th Avenue, Room 308, Anchorage, Alaska.

Our practice is to make comments, including names and addresses of respondents, available for public review during regular business hours. Individual respondents may request that we withhold their address from the rulemaking record, which we will honor to the extent allowable by law. Under certain circumstances we can withhold a respondent's identity, as allowable by law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comment. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

A. Areas of Interest to the Oil and Gas Industry. Industry must be candid and very specific regarding the areas they nominate if this process is to succeed. The purpose of this process is to identify focused areas where industry has a significant interest in exploration. Nominations covering large-scale areas will not be helpful in defining these areas.

Nominations must be depicted on the Call map by outlining the area(s) of interest along block lines. Nominators are asked to submit a list of whole and partial blocks nominated (by OPD and block number) to facilitate correct interpretation of their nominations on the Call map. Although the identities of those submitting nominations become a matter of public record, the individual nominations are proprietary information and will not be released to the public. The telephone number and name of a person to contact in the nominator's organization for additional information should be included in the response. This person will be contacted to set up a mutually agreeable time and place for a meeting with the Alaska OCS Regional Office to present their views regarding the company's nominations.

B. Terms, Conditions, and Economic Incentives Pertaining to Lease Issuance. Respondents are requested to comment on the terms, conditions, and economic incentives pertaining to lease issuance for any leases that may be issued as a

result of a sale in the Chukchi Sea/Hope Basin. The MMS is aware of the lack of infrastructure and distance from shore to some of the blocks in this area and will consider these factors in designing any incentives. The following are being considered for use in this sale:

- Lease term of 10 years
- Submission of an exploration plan within 8 years of lease issuance
- Economic incentives structured similar in form to those contained in the Proposed Notice of Sale for Beaufort Sea Sale 186 (68 FR 8306, February 20, 2003). Incentives proposed for Beaufort Sea Sale 186 are:
- Royalty suspension volumes (RSV) for oil production (with possible consideration for gas)
- Subject to a price floor per barrel below which oil production that is royalty free does not count against the RSV
- Price ceiling per barrel above which production must bear full royalties

C. Relation to Coastal Management Plans. Comments also are sought on potential conflicts with approved local coastal management plans (CMP) that may result from the proposed sale and future OCS oil and gas activities. These comments should identify specific CMP policies of concern, the nature of the conflicts foreseen, and steps that MMS could take to avoid or mitigate the potential conflicts. Comments may be in terms of broad areas or restricted to particular blocks of concern. Commenters are requested to list block numbers or outline the subject area on the large-scale Call map.

5. Use of Information From Call

Information submitted in response to this Call will be used for several purposes. We will use responses to:

- Determine whether to proceed with a competitive oil and gas lease sale in the Chukchi Sea/Hope Basin
- Identify specific areas of interest for oil and/or gas exploration and development
- Identify environmental effects and potential use conflicts
- Assist in the public outreach for the environmental analysis
- Develop possible alternatives to the proposed action
- Develop lease terms and conditions and mitigating measures
- Identify potential conflicts between oil and gas activities and the Alaska CMP

6. Existing Information

An extensive environmental, social, and economic studies program has been