

August 15, 2014

Ms. Kelly Hammerle, Five Year Program Manager
Bureau of Ocean Energy Management
381 Elden Street - HM-3120
Herndon, Virginia 20170

Re: Bureau of Ocean Energy Management (BOEM) Request for Information and Comment on the Preparation of the 2017 – 2022 Outer Continental Shelf Oil and Gas Leasing Program

Dear Ms. Hammerle:

The Outer Continental Shelf Advisory Board (“OCSAB”) is pleased to provide comments on the Request for Information for the Five Year OCS Oil and Gas Leasing Program 2017 – 2022 (5 Year Plan”) on which the Bureau of Ocean Energy Management (BOEM) issued a notice on June 16, 2014.

Established in 1968, the OCSAB is a non-profit organization that focuses on Outer Continental Shelf issues related to oil and gas exploration, development, and production. The OCSAB provides a forum for networking and sharing of technology and information; provides leadership and expertise on access issues; provides opportunities for education; provides leadership, oversight, and development of industry commercial agreements impacting operations in the OCS; and works in a liaison role with other industry and professional organizations. Currently the OCSAB is comprised of 25 companies that range from small independent operators to major integrated oil and gas corporations in the OCS. These member companies are the leading explorers and producers of offshore oil and gas resources and are recognized leaders in employing new technologies to produce deepwater resources and deep reservoirs in the shallow waters of the Gulf of Mexico. Therefore, on behalf of its member companies, the OCSAB has a direct and a strong interest in the next 5 Year Plan and appreciates the opportunity to present our views.

Sustainable domestic supply is in the national interest and critical to US energy security. Sources, including BOEM, have estimated there are about 90 billion barrels of oil and over 400 trillion cubic feet of natural gas that are undiscovered and technically recoverable in the offshore areas of the United States. Unfortunately, only about 10% of the current offshore areas are currently utilized for leasing, exploration, development and production of energy resources that are vital to the Nation’s economy and security. Recognizing that certain congressional and executive moratoria prevent certain areas from being leased for oil and gas exploration and development, the OCSAB strongly supports access to all available areas of the OCS, including,

the Atlantic and Pacific Planning Areas, Eastern Gulf of Mexico and the resource-rich areas off Alaska's coast.

The Oil and Gas Industry has operated in safely drilling thousands of wells collectively in the OCS. Since 2010, industry and federal government process improvements focusing on enhanced spill prevention and response have significantly strengthened the systems that ensure wells are drilled safely and with very little environmental impact. These efforts, along with improvements and additions to industry standards and government regulations, have built a stronger offshore safety culture. With increasing experience and strong processes in place, the nation stands to benefit tremendously from increased OCS exploration and development.

The OCS is vitally important to America's energy security. The intent of the OCS Lands Act is to enable exploration and development of the Nation's vast offshore resources for the benefit of the people of the United States. Now, more than ever, we need to fully develop the OCS outside of the traditional areas such as the Gulf of Mexico. In that regard, the OCSAB supports the inclusion of area wide lease sales for the areas that have not recently been available for leasing, such as the Atlantic, Pacific and Alaska Regions in the Proposed 5 Year Plan. Further, the OCSAB urges BOEM to continue to take steps to expand the areas available for leasing by completing advance environmental assessments and analyses covering areas now subject to moratoria, so that if these areas are opened leasing could occur without undue delay.

For too long, OCS exploration and development has been primarily limited to the Central and Western Gulf of Mexico. While the Gulf of Mexico will remain vitally important to deliver US energy needs, it is clear we must expand energy development to other parts of the OCS. Efforts should be made to enable and encourage OCS exploration and development activities, and open for leasing, exploration and development those federal OCS areas that in some cases have not been available for several decades. The oil and gas industry has demonstrated the ability to innovate and provide solutions to technical and operational challenges in a responsible manner in the Gulf of Mexico and can do so in an expanded offshore arena.

In conclusion, OCSAB calls for a 5 Year Plan that maintains access to existing Planning Areas, opens access to additional Planning Areas, extends lease terms in frontier environments and employs a predictable area-wide leasing process to foster the safe and responsible development of America's OCS resources.

OCSAB appreciates the opportunity to respond to this Request for Information. We look forward to working with the Bureau as the agency continues to develop the 2017-2022 5 Year Plan.

Sincerely,


Jim M. Higgins
2014 OCS Advisory Board Chairman