

**OCSAB Comments on BOEM's 2017-2022 Outer Continental Shelf
Oil & Gas Leasing Draft Proposed Program**

March 2015

To whom it may concern:

The Outer Continental Shelf Advisory Board (“OCSAB”) provides the following comments to interested parties on the Draft Proposed Plan (“DPP”) for the Five-Year OCS Oil and Gas Leasing Program 2017 – 2022 (“Five-Year Plan”) on which the Bureau of Ocean Energy Management (“BOEM”) issued a notice on January 29, 2015.

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 information; provides leadership and expertise on access issues; provides opportunities for education; provides leadership, oversight, and development of industry commercial agreements that impact operations in the OCS; and works in a liaison role with other industry and professional organizations. Currently the OCSAB is comprised of 25 members whose companies range from small independent operators to major integrated oil and gas corporations which conduct oil and gas business in the OCS. These member companies are recognized leaders in developing and applying innovative and advanced technologies necessary to explore, develop and produce oil and natural gas. Therefore, on behalf of its member companies, the OCSAB, has a direct and a strong interest in the next Five-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. To access these resources the OCSAB supports a Five-Year Plan that includes an analysis of all 26 OCS Planning Areas. As part of this analysis it should be recognized that the Oil and Gas Industry has operated safely in the drilling of thousands of wells collectively in the OCS. Since 2010, industry and federal government have implemented process improvements focusing on enhanced spill prevention and response, which will ensure that 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.

As part of these lease sales, OCSAB recommends that BOEM extend oil and gas lease terms to provide sufficient time to explore and appraise leases for the frontier areas such as deepwater and Alaska. In the event lease term extension is not possible, OCSAB recommends that BOEM provide for the suspension of a lease term during the time that the lease is inaccessible for operations whether for developing the needed technology or to meet the obligations of the regulatory requirements. The Oil and Gas Industry provides the knowledge and experience to explore, develop and produce the OCS resources from which, the nation will obtain many benefits and with favorable oil and gas lease terms the Oil and Gas Industry will be more efficient and effective.

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, the BOEM and the Oil and Gas Industry should work together and within the regulatory framework to allow access to the significant resources both the BOEM and Oil and Gas Industry have identified for the OCS. Further, the OCSAB urges BOEM to continue to take steps to expand the areas available for leasing by completing, in advance, environmental assessments and analyses covering areas now subject to moratoria, so that if these areas are opened leasing could occur without undue delay.

The OCSAB also suggests interested parties reference the American Petroleum Institute ("API") and other trade associations response to the BOEM's DPP dated March 30, 2015. This comprehensive response provides the national trade associations position on an abundance of issues that many of OCSAB member companies also support.

In conclusion, OCSAB calls for a Five-Year Plan that:

- maintains access to Planning Areas now available for leasing and
- opens access to additional Planning Areas and
- extends lease terms in frontier environments and
- allows for extension of such lease terms based on technology or regulatory requirements and
- employs a predictable area-wide leasing process to foster the safe and responsible development of the Nation's OCS resources.
- before considering excluding a planning area or portion of a planning area environmental studies be completed

Should you have questions or comments for the OCSAB please send all feedback to info@ocsadvisoryboard.org.