

United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT WASHINGTON, DC 20240-0001

Memorandum

To: Director

From: James Kendall

Regional Director, New Orleans, Louisiana Office

JAMES KENDALL

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Megan E. Carr
Chief, Office of Strategic Resources

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Subject: Area Identification Recommendation for the 2024-2029 Outer Continental Shelf

Oil and Gas Leasing Program

Area Identification (Area ID) is the second major step in the Bureau of Ocean Energy Management's (BOEM) oil and gas leasing process, and the next step in the pre-leasing process for three proposed oil and gas lease sales in the 2024-2029 National Outer Continental Shelf (OCS) Oil and Gas Leasing Program (National OCS Program). In the Area ID process, BOEM uses information and comments received in response to a Call for Information and Nominations (Call) to develop a recommendation for the areas to be carried forward for consideration for leasing and environmental analyses.

This memorandum provides an Area ID recommendation to you, as the Director, in accordance with 30 CFR § 556.302. As noted above, the Area ID decision outlines the areas carried forward for leasing consideration and further environmental analysis; the Area ID is neither a final decision to lease nor an irreversible or irretrievable commitment of resources.

The Area ID decision for lease sales listed in the 2024-2029 National OCS Program is documented by marking your choice and signing your name on the last page of this memorandum. Pursuant to 30 CFR § 556.302(a)(3), BOEM will announce the Area ID decision in the *Federal Register*. A copy of this memorandum and the associated attachments will be made available on BOEM's website for public viewing and downloading.

I. Background

On October 2, 2023, BOEM issued a Call covering proposed Gulf of Mexico (GOM) oil and gas lease sales in the available portions of the Western, Central, and Eastern GOM Planning Areas (See <u>88 FR 67801</u>). Those sales are described in the 2024-2029 National OCS Program, which the Secretary of the Interior approved on December 14, 2023. The Call solicited information from the public about the area proposed for leasing and requested comments on a targeted leasing approach for the proposed GOM lease sales.

II. Comments Received in Response to the Call

In response to the Call, BOEM received comments both supporting and opposing oil and gas lease sales in the GOM. Pursuant to 30 CFR § 556.302(a), BOEM considered these comments in developing an Area ID recommendation for proposed lease sales listed in the 2024–2029 National OCS Program. The comments were considered both as part of the Area ID and the scoping process for the Draft Programmatic Environmental Impact Statement (EIS) under the National Environmental Policy Act (NEPA). Attachment 1 - Comment Matrix – provides a summary of the comments received. Key highlights are noted below:

- Industry strongly encouraged BOEM to conduct the three proposed lease sales as region-wide sales, with the Department of the Interior (DOI) offering all available blocks in the GOM for each sale. These commenters stated that a region-wide approach would help stabilize energy markets and supplies over time, generate jobs, and offer industry greater flexibility to adapt to changes in energy markets, evolving technologies, and exploration and geologic trends over the five-year leasing program.
- The targeted leasing model was highly discouraged in comments from industry and industry groups. These commenters argued that BOEM should continue to encourage robust leasing of the GOM OCS and refrain from curtailing available acreage to help maintain a secure and reliable energy system; cited the 60-million-acre Inflation Reduction Act (IRA) requirement for BOEM to continue offshore wind leasing; and highlighted the GOM's longstanding history as demonstrating that oil and gas activities can effectively coexist with a multitude of other uses. Rather than removing acreage, industry commenters expressed the view that effective mitigation measures can successfully be employed to minimize any potential impacts.
- Groups that oppose holding any oil and gas lease sales or recommend that BOEM phase out or limit the size of sales include: Earthjustice, Natural Resources Defense Council, Sierra Club, Friends of the Earth US, Oceana, Zero Hour, League of Conservation Voters, and others. Their comments recommended limiting the size of lease sales via a targeted leasing approach and excluding areas of potential conflict, such as areas designated for future wind leasing, designated sediment resource areas, proposed Department of Defense exclusion areas, critical habitat for the endangered Rice's whale, sensitive bottom habitat areas, and the Flower Garden Banks National Marine Sanctuary. Commenters also supported expanding mitigation measures to limit impacts to local communities and wildlife and addressing climate change, among other goals.

III. Nominations Received in Response to the Call

BOEM received numerous comments from industry and industry groups expressing interest in continued leasing in the GOM. BOEM received specific nominations from 14 oil and gas companies in response to the Call. Nominations were submitted as a ranked preference. Collectively, the nominations encompass all available acreage/blocks in the GOM Program Area.

¹ BOEM announced its intent to prepare a Gulf of Mexico Regional Outer Continental Shelf Oil and Gas Programmatic Environmental Impact Statement on October 2, 2023, and the scoping comment period closed on November 1, 2023. <u>88 FR 67803</u> (Oct. 2, 2023).

Attachment 2 - Nominations Heat Map - illustrates the highest nomination priority in red and lowest priority in yellow, with most high priority nominations occurring in deeper water (i.e., water depths greater than 400 meters).

IV. Recommendation

In formulating the Area ID recommendation, BOEM considered available information concerning the environment, including the analyses done in support of the 2024–2029 National OCS Program; potential conflicts with existing uses of the OCS in the GOM; exclusions considered and/or adopted in recent oil and gas lease sales (see Attachment 3, Potential Exclusions Map); oil and gas resource potential; and comments received in response to the Call.

We recommend that, for the proposed oil and gas lease sales in the 2024-2029 National Program, BOEM consider for potential leasing and environmental analysis all available blocks within the Gulf of Mexico Program Area, as shown in the GOM 2024-2029 Area ID Map (Attachment 4). This Area ID recommendation constitutes an area of approximately 17,518 whole and partial blocks covering approximately 94.1 million acres and is consistent with the Program Area presented in the recently approved 2024-2029 National OCS Program. This Area ID recommendation does not commit DOI to future leasing or a specific number of blocks or acreage to be offered at the individual lease sale stage.

- This Area ID recommendation includes all available whole and partial blocks in the GOM Program Area; it excludes those blocks that are currently unavailable for leasing due to Presidential Withdrawals.²
- This Area ID recommendation maintains maximum flexibility for DOI's decision-making at the lease sale stage for the three sales in the 2024-2029 National OCS Program.
- This Area ID recommendation provides flexibility as BOEM works to develop reasonable alternatives pursuant to NEPA and as BOEM completes the required environmental analysis and consultation under NEPA and other environmental statutes.
- Maintaining sufficient acreage for oil and gas leasing helps ensure that BOEM meets the IRA requirement to offer at least 60 million acres for oil and gas leasing in the previous year to allow for the continued issuance of wind energy leases. This recommendation helps meet that goal and reduces risk to BOEM's future planned wind leasing activities.
- Exclusions and mitigations can be, and are routinely, applied at the Proposed Notice of Sale, Final Notice of Sale, and Record of Decision stages for any individual oil and gas sale. Maintaining flexibility at this stage of the process will allow BOEM to base potential future exclusions and mitigations on its consideration of the results of environmental analyses included in the GOM Regional EIS, which will be completed before making any decisions to hold the lease sales proposed in the 2024-2029 National OCS Program.

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² See Presidential Withdrawal dated September 8, 2020, "<u>Memorandum on the Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition</u>," which withdrew portions of the Central and Eastern GOM Planning Areas. Also see Presidential Withdrawal dated July 14, 2008, "<u>Memorandum on Modification of the Withdrawal of Areas of United States Outer Continental Shelf from Leasing Disposition</u>," which withdrew any national marine sanctuary that was designated prior to that date. In the GOM, that includes 17 OCS blocks located within the Flower Garden Banks National Marine Sanctuary as the boundaries existed on July 14, 2008.

V. **Decision Options**

Please indicate your decision by signing and dating below:	this memorandum and marking appropriately
I concur with the recommendation. Please	continue with the Area ID announcement.
I have made edits to modify the Area ID reco	ommendation; please finalize and continue
Please stop preparations for the Area ID anno	ouncement.
ELIZABETH Digitally signed by ELIZABETH KLEIN Date: 2024.02.12 11:42:19 -05'00'	2/12/2024
Elizabeth Klein	Date
Director, Bureau of Ocean Energy Management	

Attachment 1. Comment Matrix

Attachment 2. Nominations Heat Map Attachment 3. Potential Exclusions Map Attachment 4. GOM 2024-2029 Area ID Map

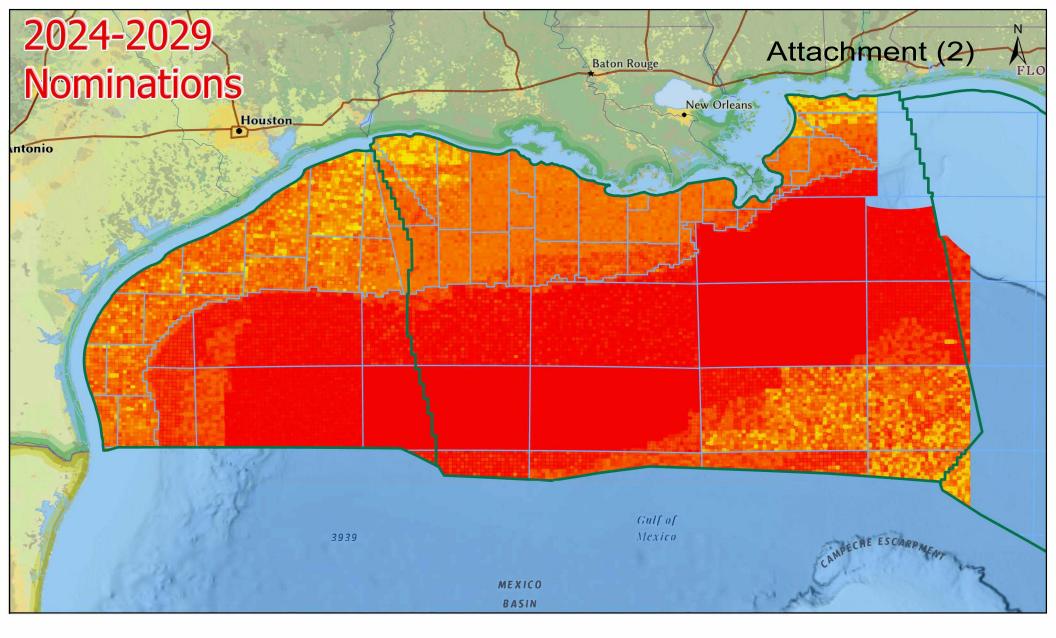


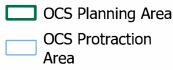
Comments Summary from 2024 – 2029 Call for Information and Nominations

88 FR 67801

Comment # BEOM 2023 X	Commenter	Summary of comments
0053-0017	Earthjustice, et al.	 BOEM should minimize oil and gas leasing in the GOM and limit the areas available for leasing. Based on the data, oil and gas exploration should be limited in the Rice's whale area, Flower Garden Banks National Marine Sanctuary (FGBNMS), Significant Sediment Resource
0053-0009	API, IPAA, LMOGA, Energeo Alliance	 Areas (SSRAs), topographic and sensitive biological areas, and Wind Energy Areas (WEAs). Offer maximum amount of acreage. No Targeted Leasing. Disappointed in curtailment of lease sales. Notes gap between National OCS Programs. Disagrees with BOEM's Net Zero greenhouse gas analysis and methodology.
LTR 003	Cantium	 Requests maximum acreage offered. Prioritize oil and gas over wind energy areas. More sales per Program.
0053-0012	ВР	 Offer maximum acreage, maximize highest priority nominations. Notes BOEM's legal requirements (e.g., IRA). Consider new lease award procedures – offering the second highest bidder the lease if the highest bidder does not pay the full amount required to award the lease. Wants explicit language in the PNOS of BOEM's lease sale intent regarding future sales and acreage offered.
0053-0008	Sierra Club Lone Star Chapter	 Minimize oil and gas leasing in the GOM. Limit areas available for leasing. Noted development impact on communities, marine ecosystems, and climate change. Noted environmental impact due to production and noise pollution from surveying, exploration, and vessel traffic. Limit exploration in the Rice's whale area, FGBNMS, SSRAs, topographic and sensitive biological areas, and WEAs.

		 Supports no drilling option in the PEIS. Improve restriction and mitigation measures.
0053-0013	Shell Offshore Inc	 Nominates all blocks in GOM Program area. Refers to IRA and encourages following the 60-million-acre minimum offering requirement needed to support future OCS offshore wind sales. Asks for at least one sale in the GOM per year to better facilitate future wind leasing. Increase Primary Term to 10 years on blocks that have traditionally had shorter primary terms to give more time to develop the resource. Encourage multiple uses on a block, e.g., oil and gas as well as carbon capture and sequestration. Encourages BOEM to follow legally required process to designate endangered species and their habitats.
0053-0005	OOC – Offshore Operators Committee	 Offer a vast majority of the acreage in Western and Central planning areas. Continue to include the limited portion of the Eastern planning area.
0053-0010	National Ocean Industries Association	 BOEM should offer all available unleased acreage in the GOM. Terminate regressive energy policies and return to business as usual. BOEM is asking for too much information be given in the Call and that information would be used nefariously by sharing the proprietary information with competitors.
0053-0011	Chevron	 BOEM should offer all available blocks for each GOM sale. Touts Chevron operation history of cooperation for working with other stakeholders and believes some areas should not be separated by use but shared. Supports multi-use blocks for carbon capture and sequestration. Nominated all blocks.
Email -001	Jean Public	Wants the sale cancelled for environmental reasons.



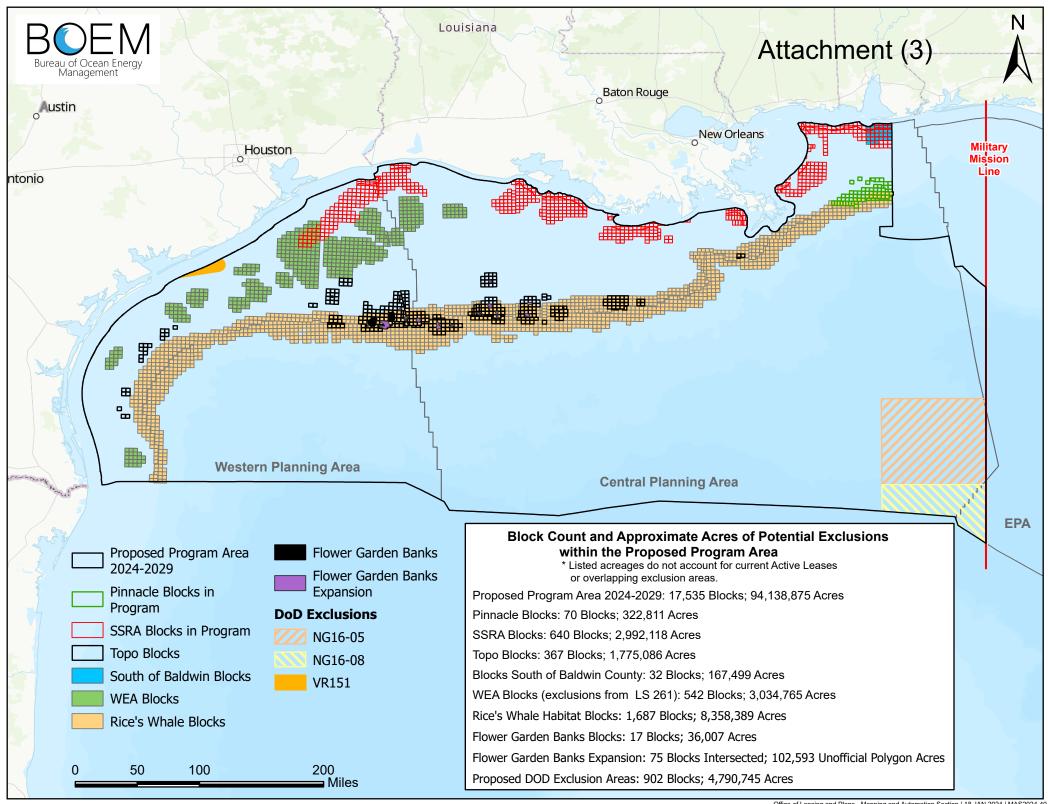


Company Call Blocks In Program Area
PRIORITY

1
2







AREA IDENTIFICATION MAP

2024-2029 PROGRAM AREA

Extended Continental Shelf (ECS) Area

2024-2029 GOM Area ID

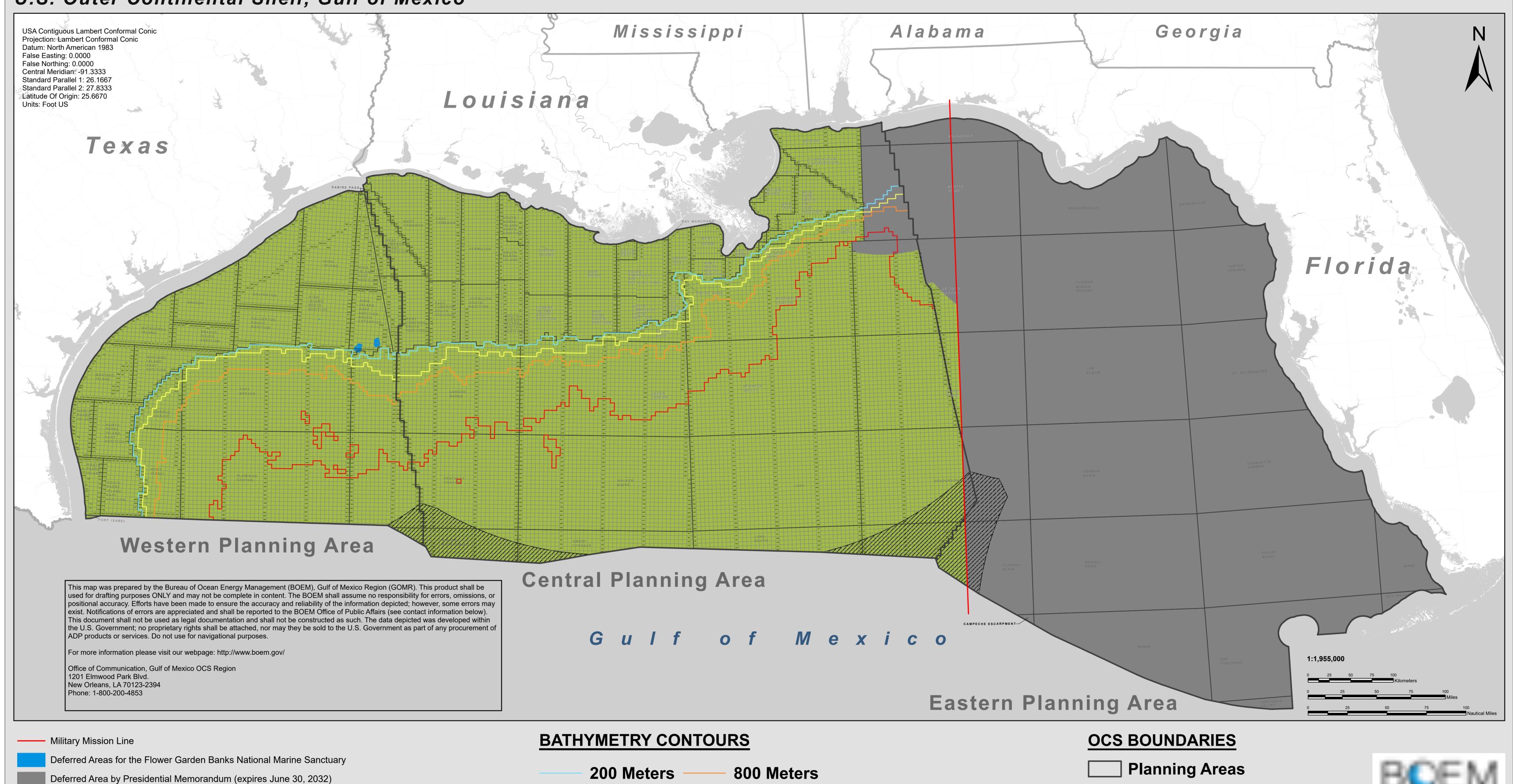
U.S. Outer Continental Shelf, Gulf of Mexico

Attachment (4)

Protractions

Mapping and Automation Section | MAS2024-038 | 20 DEC 2023

Blocks



1600 Meters or Greater

400 Meters -