BOEM National Outer Continental Shelf (OCS) Oil and Gas Leasing Program

The Bureau of Ocean Energy Management (BOEM) is a federal agency in the Department of the Interior. BOEM manages the responsible development of oil and gas energy on the U.S. Outer Continental Shelf (OCS), the area of federal waters off the U.S. coastline that extends from three to around 200 nautical miles from the shore. BOEM's Oil and Gas Leasing process consists of four key phases: Planning & Analysis (National OCS Program), Lease Sale, Exploration, and Development & Production. Each phase builds on the last to ensure responsible offshore energy development. The multi-year process involves proposal development, public input, and environmental review.

1 National OCS Program

3 cycles of analysis and proposals leading to an approved national schedule of potential lease sales.

OCS Lands Act Analysis

2 Lease Sale

Process to hold a lease sale including identification of lease areas, determining lease terms, and issuing leases.

NEPA Review

3 Exploration Plan

Process to approve exploration activities such as exploratory drilling operations, well location, and relevant information.

NEPA Review

4 Development and Production Plan

Process to approve oil and gas production activities such as number and locations of wells, type of structure, and manner of transporting oil and gas.

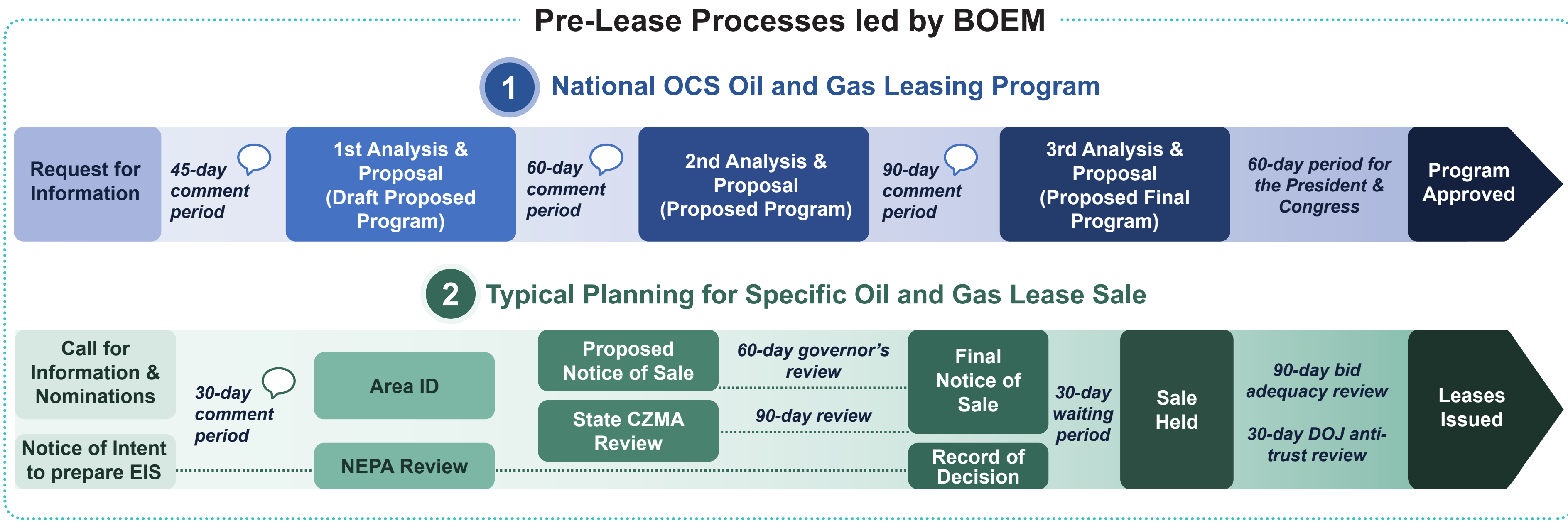
NEPA Review

**NEPA: National Environmental Policy Act*

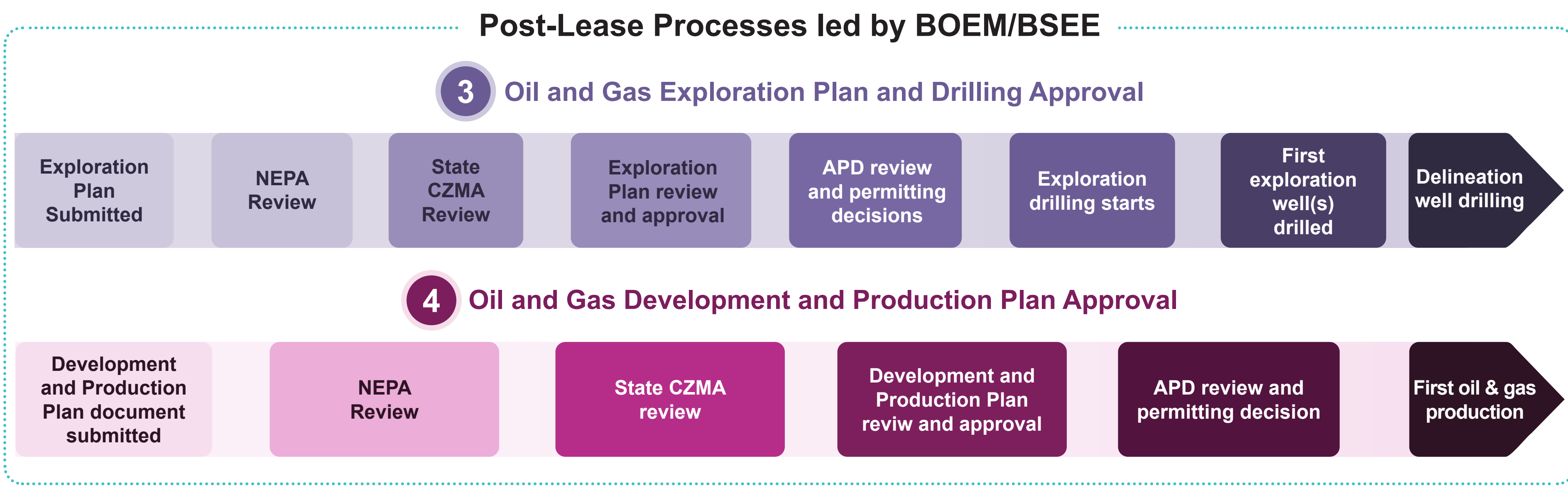
BOEM begins by developing the National OCS Oil and Gas Leasing Program (National OCS Program). This program is the federal government's five-year plan that determines where, when, and if offshore oil and gas leasing may take place in U.S. waters. The National OCS Program is approved by the Secretary of the Interior (Secretary) and guides where and when offshore oil and gas leasing may be considered over a five-year period. The Program includes a schedule of potential OCS oil and gas lease sales, including the size, timing, and location of proposed leasing activity.

The lease sale process can begin during the National OCS Program development process. For a specific lease sale to be held, it must be included in an approved National OCS Program or otherwise be required by law. Before holding a scheduled lease sale, BOEM conducts a sale-specific analysis. Following a lease sale, BOEM reviews and either accepts or rejects bids. After an oil and gas lease is granted, the lease holder has the exclusive right to explore, develop, and produce oil and/or gas for an initial period from a specific OCS area. All exploration, development, and production plans are carefully reviewed by BOEM. Following plan approval, the Bureau of Safety and Environmental Enforcement exercises primary oversight of specific permitting and operational activities (e.g., drilling and production) on OCS leases.

Multiple opportunities for the public and interested parties to provide input occur throughout the leasing process.



Notes: The lease sale process can begin during the National OCS Program development process. The first sale in a new Program can be held as early as 30 days after Program approval.



Note: Government-to-Government consultations are conducted throughout all leasing phases.
Key: APD = Application for Permit to Drill; CZMA+ Coastal Zone Management Act; DOJ = Department of Justice; EIS = Environmental Impact Statement

Take a Closer Look at The National OCS Program Development Process and Status

The National OCS Program helps the U.S. plan for and meet future energy needs. It exists by law under the OCS Lands Act, which gives BOEM authority to grant leases for exploration, development, and production of oil and gas on the OCS. The OCS Lands Act requires BOEM to prepare, periodically revise, and maintain the Program.

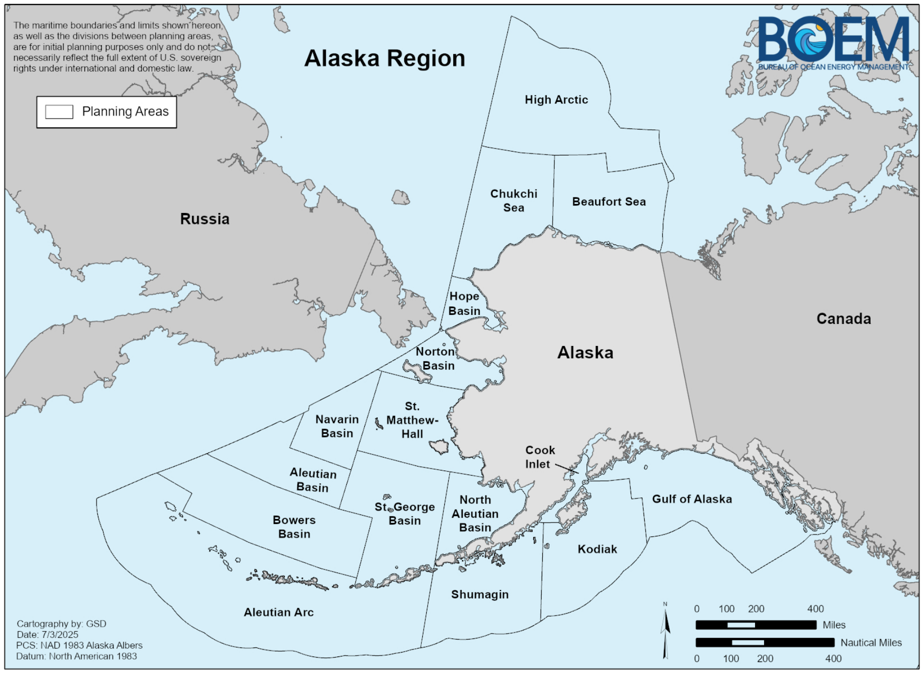
For planning purposes, BOEM established four OCS Regions (Alaska, Pacific, Gulf of America, and Atlantic), comprised of 27 planning areas shown on the maps.

What does the National OCS Program do?

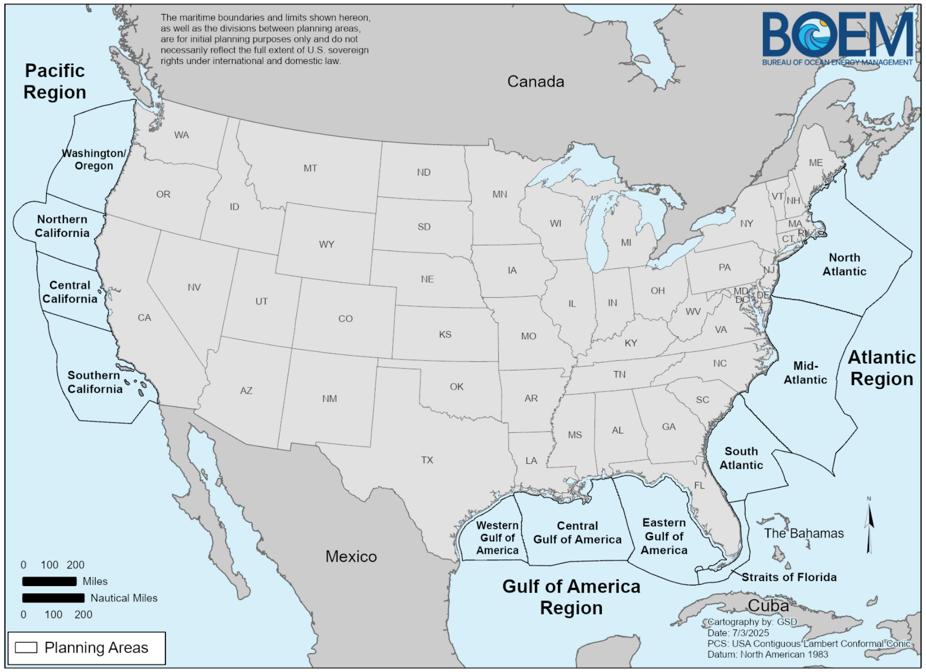
- Allows the Secretary to determine which areas of the OCS will be made available for leasing and on what schedule in order to best meet national energy needs.
- When determining which areas will be made available for leasing, the Secretary must balance the potential for environmental damage, the discovery of oil and gas, and adverse impacts on the coastal zone.
- Provides opportunities for public input.

The National OCS Program does not authorize drilling; it only outlines a schedule of potential lease sales. Drilling in any area, should it occur, would only occur after the 11th Program is approved, the lease sale specific analysis is completed, and a site-specific analysis is completed.

Alaska OCS Planning Areas



Lower 48 States OCS Planning Areas



At the National OCS Program development stage, the process starts with the broadest consideration of all 27 OCS planning areas and can be narrowed in all subsequent proposals as well as in subsequent leasing, exploration plan, and development and production plan phases. The National OCS Program Development Process includes the following phases:

1 Request for Information

- Requests information and comment from all stakeholders regarding all 27 planning areas

45-day comment period

2 Draft Proposed Program - 1st Analysis & Proposal

- The 1st Analysis, which analyzes all 27 OCS planning areas, is published
- The Secretary presents the 1st Proposal, which could narrow the program areas that remain under leasing consideration

60-day comment period

3 Proposed Program - 2nd Analysis & Proposal

- The 2nd Analysis, which analyzes the 1st Proposal, is published
- The Secretary presents the 2nd Proposal, which could narrow the program areas further

90-day comment period

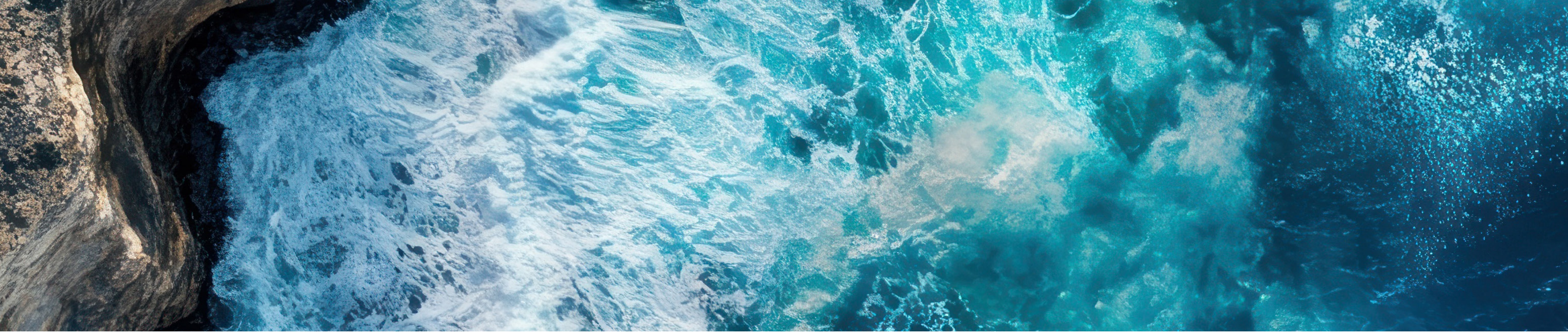
4 Proposed Final Program - 3rd Analysis & Proposal

- The 3rd Analysis, which analyzes the 2nd Proposal, is published
- The Secretary presents the 3rd and Final Proposal

60-day Waiting Period for the President and Congress

5 Program Approval

- New National OCS Program is approved by the Secretary and a decision memo is posted



Requirements and Factors for Consideration

The National OCS Program development process must meet certain requirements and consider specific factors outlined in Section 18(a)(2) of the OCS Lands Act, which details all factors the Secretary must consider when determining the size, timing, and location of oil and gas lease sales among the different OCS areas.

To develop a National OCS Program, BOEM analyzes regional and national energy needs, competing uses of the OCS, marine and environmental data, and the distribution of benefits and risks among OCS regions. BOEM also considers potential leasing interest, local government input, public feedback, and relevant state laws and policies.

BOEM's analysis uses the best available information at the time including the latest reports and studies available and key information provided from public comments.

Requirement 1
Economic, social, & environmental values

Requirement 2
Factors for determining size, timing, & location of leasing

- **A** Information on geographical, geological, & ecological characteristics
- **B** Equitable sharing of developmental benefits & environmental risks among the OCS regions
- **C** National & regional energy markets
- **D** Other ocean uses
- **E** Industry interest
- **F** Governors' input
- **G** Relative environmental sensitivity & marine productivity
- **H** Relevant environmental & predictive information

Requirement 3
Balancing the potential for environmental damage, discovery of oil & gas, and adverse impact on the coastal zone

Requirement 4
Assurance of Fair Market Value

Learn More and Stay Engaged

Visit the National OCS Program website to learn more and sign up for updates. The website will be regularly updated with project news and materials.

BOEM
BUREAU OF OCEAN ENERGY MANAGEMENT

U.S. DEPARTMENT OF THE INTERIOR
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