

**Record of Decision for the Gulf of Mexico Outer Continental Shelf
Western Planning Area Oil and Gas Lease Sale 248
(Sale Scheduled for August 2016)**

1. INTRODUCTION

The purpose of the proposed Federal action is to offer for lease certain Outer Continental Shelf (OCS) blocks located in the Western Planning Area (WPA) in the Gulf of Mexico that may contain economically recoverable oil and gas resources. Under the OCS Oil & Gas Leasing Program for 2012-2017 (Five-Year Program), two Gulf of Mexico lease sales are scheduled to be held annually – one in the Central Planning Area (CPA) and one in the WPA. Two lease sales were also scheduled for a small portion of the Eastern Planning Area (EPA). Proposed WPA Lease Sale 248 is the fifth and final lease sale in the WPA under the Five-Year Program and will provide qualified bidders the opportunity to bid on blocks in the Gulf of Mexico OCS in order to explore, develop, and produce oil and natural gas.

The potential environmental effects of this proposed oil and gas lease sale (WPA Lease Sale 248) were also evaluated in the following documents:

- (1) *Gulf of Mexico OCS Oil and Gas Lease Sales: 2012-2017; Western Planning Area Sales 229, 233, 238, 246, and 248; Central Planning Area Lease Sales 227, 231, 235, 241, and 247; Final Environmental Impact Statement (2012-2017 WPA/CPA Multisale EIS);*
- (2) *Gulf of Mexico OCS Oil and Gas Lease Sales: 2013-2014; Western Planning Area Lease Sale 233; Central Planning Area Lease Sale 231; Final Supplemental Environmental Impact Statement (WPA 233/CPA 231 Supplemental EIS);*
- (3) *Gulf of Mexico OCS Oil and Gas Lease Sales: 2014-2016; Western Planning Area Lease Sales 238, 246, and 248, Final Supplemental Environmental Impact Statement (WPA 238/246/248 Supplemental EIS);*
- (4) *Gulf of Mexico OCS Oil and Gas Lease Sales: 2015 and 2016; Western Planning Area Lease Sales 246 and 248, Final Supplemental Environmental Impact Statement (WPA 246/248 Supplemental EIS); and*
- (5) *Gulf of Mexico OCS Oil and Gas Lease Sale: 2016; Western Planning Area Lease Sale 248, Final Supplemental Environmental Impact Statement (WPA 248 Supplemental EIS).*

The WPA 248 Supplemental EIS supplements, tiers from, and incorporates by reference, information in the 2012-2017 WPA/CPA Multisale EIS, WPA 233/CPA 231 Supplemental EIS, WPA 238/246/248 Supplemental EIS, and WPA 246/248 Supplemental EIS.

2. DECISION

The Department of the Interior (DOI) has selected Alternative A, referred to as the Proposed Action and the Bureau of Ocean Energy Management's (BOEM) preferred alternative in the WPA 248 Supplemental EIS, for proposed WPA Lease Sale 248. For proposed WPA Lease Sale 248, DOI will offer for lease all unleased blocks in the WPA for oil and gas operations with the following exception:

- (1) whole and partial blocks within the boundary of the Flower Garden Banks National Marine Sanctuary (i.e., the boundary as of the publication of the WPA 248 Supplemental EIS).

The unleased blocks within the WPA that BOEM will offer for leasing in proposed WPA Lease Sale 248 are listed in the document entitled "List of Blocks Available for Leasing," which is included in the Final Notice of Sale for WPA Lease Sale 248. The proposed WPA lease sale area encompasses nearly all of the WPA's 28.58 million acres. As of June 2016, approximately 23.7 million acres of the proposed WPA lease sale area are available for lease. The estimated amount of resources projected to be developed as a result of proposed WPA Lease Sale 248 is 0.116-0.200 billion barrels of oil and 0.538-0.938 trillion cubic feet of gas.

BOEM considered the oil and gas resource potential in the WPA and the likelihood of industry to develop those oil and gas resources in the context of social, economic, and environmental values, impacts, and concerns. I have concluded that Alternative A meets the purpose and need for the proposed action, balances regional and national policy considerations, and includes measures to avoid or minimize potential environmental and socioeconomic impacts. I have also concluded that Alternative A is subject to adequate environmental safeguards and is consistent with the maintenance of competition and other national needs.

As noted in the WPA 248 Supplemental EIS, environmental resources could be negatively impacted to varying degrees by routine activities (e.g., anchor placement) and accidental events. Possible adverse impacts from expected OCS oil and gas-related activities and reasonably foreseeable accidental events include wetland, coastal, and benthic/pelagic habitat degradation; behavioral changes to fish, sea turtles, marine mammals, and birds; individual mortality of species; and minor impacts to air and water quality. The WPA 248 Supplemental EIS acknowledges that a low-probability catastrophic spill could have significant impacts on the environment. However, such a spill has an extremely low probability of occurrence and is not reasonably expected to result from this proposed WPA lease sale.

BOEM analyzed and considered the environmental impacts of Alternative A, as presented in the 2012-2017 WPA/CPA Multisale EIS, WPA 233/CPA 231 Supplemental EIS, WPA 238/246/248 Supplemental EIS, WPA 246/248 Supplemental EIS, and WPA 248 Supplemental EIS. The impact conclusions related to routine activities and accidental events are summarized in the "Summary" sections of these documents. BOEM has considered all comments received on the EISs and the responses to those comments.

The Notice of Availability of the Final WPA 248 Supplemental EIS was published in the *Federal Register* on February 19, 2016 (80 FR 53563). One comment letter was received from the United States Environmental Protection Agency (USEPA) on the Final Supplemental EIS indicating that previous comments were addressed and that the USEPA did not have any additional comments on the Final Supplemental EIS. In addition, one comment letter was received from the Texas Commission on Environmental Quality (TCEQ) indicating that industrial and hazardous waste must be disposed of according to Federal regulations. This comment did not change the analyses or the conclusions made in the Final WPA 248 Supplemental EIS.

To minimize the environmental impacts that could occur from OCS oil and gas-related activities following this lease sale, BOEM will require mitigation measures that have proven to be effective in the past in mitigating similar impacts. Mitigation measures are further described below in Section 5. Since the *Deepwater Horizon* explosion, oil spill, and response, BOEM and the Bureau of Safety and Environmental Enforcement (BSEE) have raised standards for offshore drilling safety and environmental protection to reduce the risk of oil spills and have improved the Federal government's and industry's ability to respond in the unlikely event of another large oil spill. While offshore exploration and development cannot be made risk free, OCS oil and gas-related activities can be conducted safely and responsibly with strong regulatory oversight and appropriate measures to protect human safety and the environment.

The decision to hold proposed WPA Lease Sale 248 plays an important role in addressing the Nation's demand for domestic energy resources and fosters economic benefits realized through continued oil and gas exploration and development in the WPA.¹ This decision promotes domestic energy production, which can reduce oil imports. Additional benefits flowing from OCS leasing include continued employment, labor income, tax revenues, and other economic impacts, and these benefits, though highest in the Gulf of Mexico coastal states, are widely distributed across the United States. Other benefits include the reduced risk of spills from the transportation of imported energy resources through the reduced need for tankers or pipelines transporting oil internationally. Moreover, under the Gulf of Mexico Energy Security Act (GOMESA), revenue sharing with applicable coastal states and political subdivisions can help mitigate risks and costs assumed by the states and communities in the Gulf of Mexico region.

After considering the benefits and potential costs evaluated in the 2012-2017 WPA/CPA Multisale EIS, WPA 233/CPA 231 Supplemental EIS, WPA 238/246/248 Supplemental EIS, WPA 246/248 Supplemental EIS, and WPA 248 Supplemental EIS, I have concluded that it is in the Nation's best interest to hold proposed WPA Lease Sale 248 in the manner described herein.

¹ Recently, Congress lifted the United States' ban on exports of crude oil, including exports of oil produced on the OCS (Consolidated Appropriations Act, 2016, Pub. L. 114-113 [2015]). This recent enactment does not present a significant change in circumstances that would change any of BOEM's conclusions in the *Final Supplemental Environmental Impact Statement* because Gulf Coast refineries are designed to refine oil production from the Gulf Coast, and it is most likely that this production would remain in the region to be refined.

3. ALTERNATIVES FOR PROPOSED WPA LEASE SALE 248

Other Alternatives Analyzed in the 2012-2017 WPA/CPA Multisale EIS, WPA 233/CPA 231 Supplemental EIS, WPA 238/246/248 Supplemental EIS, WPA 246/248 Supplemental EIS, and WPA 248 Supplemental EIS

Alternative B (Exclude the Unleased Blocks Subject to the Topographic Features Stipulation) was not selected because the impacts are expected to be nearly the same as those for the selected action. All other aspects of the leasing scenario (e.g., potential mitigating measures) and estimates of resource production are basically the same as for the chosen WPA Lease Sale 248 decision. The incremental effect of possible negative impacts of the selected action is expected to be slight. Moreover, these negative impacts, compared with those of Alternative B, should be largely mitigated by application of the Topographic Features Stipulation and site-specific mitigating measures, the depths of the topographic features, and water currents in the topographic feature areas. Alternative B would have prevented all OCS oil and gas-related activity in the blocks subject to the Topographic Features Stipulation, precluding economic benefits of oil and gas that could be developed in these few blocks.

Alternative C (No Action) would be the cancellation of the proposed WPA lease sale. Alternative C was not selected because the needed domestic energy sources and the subsequent positive economic impacts from exploration and production, including employment, would not be realized. Furthermore, revenue would not be collected by the Federal government, nor subsequently disbursed to the states. Although other sources of energy may substitute for lost production, these sources may have significant negative environmental impacts of their own, such as increased risk of spills from the transportation of alternate oil supplies over long distances. Therefore, I did not select Alternative C because of the need for domestic energy sources and because the economic benefits resulting from oil and gas exploration and development outweigh the potential environmental impacts of the proposed action. Additionally, if the proposed WPA lease sale were to be cancelled, the overall near-term level of OCS oil and gas-related activity in the WPA would be reduced by only a small percentage. Not holding a single lease sale would not significantly change the overall activity levels in the WPA (i.e., from those authorized on leases sold in previous lease sales) and associated environmental impacts in the near term. However, the incremental contribution of the proposed WPA lease sale to the cumulative effects would be avoided.

Other Alternatives and Deferrals Considered but Not Analyzed in the 2012-2017 WPA/CPA Multisale EIS, WPA 233/CPA 231 Supplemental EIS, WPA 238/246/248 Supplemental EIS, WPA 246/248 Supplemental EIS, and WPA 248 Supplemental EIS

Several other alternatives, including areal or temporal deferrals, were initially considered for possible analysis in the 2012-2017 WPA/CPA Multisale EIS. These alternatives included the following: exclude deep water and limit leasing to shallow waters; delay leasing until drilling safety is improved; do not allow drilling in areas with strong ocean currents, such as the Loop Current; delay leasing until the state of the Gulf of Mexico environmental baseline is known; and identify and protect sensitive ecosystems.

As explained in Chapter 2.2.1.1 of the 2012-2017 WPA/CPA Multisale EIS, BOEM determined that the suggested alternatives and deferrals did not merit individual or detailed analysis, or lacked the specificity required to allow for meaningful analysis. For example, one commenter requested BOEM broadly analyze an alternative to identify and protect sensitive ecosystems, but the commenter did not identify any specific ecosystem or sensitive environmental resource that should be protected. BOEM has analyzed an alternative designed to protect certain sensitive ecological features in the WPA 248 Supplemental EIS (Alternative B—Exclude the Unleased Blocks Subject to the Topographic Features Stipulation, described above) and in prior National Environmental Policy Act (NEPA) analyses. Sensitive topographic features are features that are known and mapped and that have been protected by the application of the Topographic Features Stipulation since 1973, which BOEM also considered as a mitigation in the WPA 248 Supplemental EIS. BOEM subject matter experts are not aware of another sensitive ecosystem or resource that lends itself to analysis in an alternative. BOEM determined that adding another alternative to address the commenter's more generic suggestion to consider sensitive ecosystems generally would not provide the Department and public with additional information on potential impacts to the environment beyond those previously considered in Alternative B and in the mitigations already analyzed. No other alternative considered would reduce the identified impacts of the proposed action further than the alternatives that BOEM fully analyzed. As indicated in Chapter 2.2.1.1 of the WPA 248 Supplemental EIS, BOEM has identified no new information that changes the determination to consider, but not analyze, the other alternatives and deferrals described in the 2012-2017 WPA/CPA Multisale EIS.

4. ENVIRONMENTALLY PREFERABLE ALTERNATIVE

I have identified Alternative C, referred as the No Action Alternative in the WPA 248 Supplemental EIS, as the environmentally preferable alternative. The No Action Alternative is considered environmentally preferable because not holding an individual lease sale could delay the timing of, and likely reduce, certain OCS oil and gas-related activities and resulting environmental effects in the Gulf of Mexico. However, significant OCS oil and gas-related activity would be expected to continue under existing leases, and the decision to not hold a single lease sale would result in only slightly less cumulative OCS oil and gas-related activity. In the short term, assuming OCS oil and gas-related activities remain confined to acreage currently leased, OCS operators would likely reevaluate their exploration, delineation, and development strategies and reallocate resources accordingly. As stated previously, Alternative C was not selected because it would not promote the purposes of the Outer Continental Shelf Lands Act to advance expeditious and orderly development of OCS mineral resources, subject to environmental safeguards, in a manner that is consistent with the maintenance of competition and other national needs. Consideration of these factors weighs in favor of the selected alternative. This decision is reinforced by potential negative environmental impacts of substitute energy sources (e.g., risks from tankers transporting imported oil) and the Secretary of the Interior's ability to impose measures to mitigate impacts of proposed WPA Lease Sale 248.

5. MITIGATING MEASURES

As part of the decision to hold proposed WPA Lease Sale 248, all practicable means to avoid or minimize environmental harm from the selected alternative at the lease sale stage are being adopted. In addition, post-lease activities (e.g., exploration and development plans), which may be expected as a result of proposed WPA Lease Sale 248, will undergo additional review, which may include, but is not limited to, environmental analyses under NEPA, State review under the Coastal Zone Management Act process, and review of additional project-specific mitigating measures applied as conditions of individual plan approvals. The various mitigation measures adopted for this selected action, and those that may be applied during post-lease reviews, are summarized below.

Lease Stipulations – The WPA 248 Supplemental EIS describes all lease stipulations that are included in the Final Notice of Sale Package. The five lease stipulations for proposed WPA Lease Sale 248 are the Topographic Features Stipulation, the Military Areas Stipulation, the Protected Species Stipulation, the United Nations Convention on the Law of the Sea Royalty Payment Stipulation, and the Stipulation on the Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico. The stipulations will be added as lease terms where applicable and will therefore be enforceable as part of the lease.

Existing Mitigating Measures – There are other post-lease mitigating measures that have been developed through previous experience and post-lease environmental analyses. Many of these mitigating measures have already been adopted and incorporated into existing OCS plans and permits in accordance with regulations and/or guidelines governing OCS exploration, development, and production activities. All proposals for site-specific, OCS oil and gas-related activities (e.g., exploration and development plans, pipeline applications, and structure removal applications) also go through BOEM and/or BSEE review, and additional mitigation measures may be identified and applied at that time. For example, additional mitigating measures may require surveys to detect and avoid archaeological sites and biologically sensitive areas such as topographic features and chemosynthetic communities.

BOEM and BSEE incorporate the applicable mitigating measures into plans and permits as conditions of approval. BOEM and BSEE have developed a list of over 120 Conditions of Approval that are often applied to plans or permits approvals. Appendix A of the WPA 246/248 Supplemental EIS, which is incorporated by reference into the WPA 248 Supplemental EIS, provides a list and description of standard post-lease mitigating measures that may be required by BOEM or BSEE as a result of plan and permit review processes for the Gulf of Mexico OCS Region. These conditions of approval include hazard survey reviews, inspection requirements, notifications, post-approval submittals, and safety precautions. Many of these conditions of approval clarify existing mitigation requirements included in regulations, lease instruments, or site-specific reviews. The conditions cover such areas as air quality, archaeological resources, artificial reef material, chemosynthetic communities, the Flower Garden Banks, topographic features, hard bottoms, military warning areas, hydrogen sulfide, drilling hazards, remotely

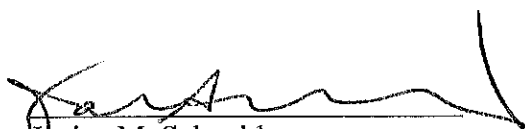
operated vehicle surveys, geophysical survey reviews, and general safety concerns. Also, BOEM and/or BSEE may also apply nonrecurring conditions of approval that are developed on a case-by-case basis during the plan or permit approval process.

Mitigation Monitoring and Adaptation – BOEM and BSEE continually assess compliance and effectiveness of mitigating measures, where appropriate, to allow the Gulf of Mexico OCS Region to adjust mitigation if needed. A primary focus of this effort is requiring post-approval submittal of information within a specified timeframe or after a triggering event that is tracked by BOEM and/or BSEE (e.g., end of operations reports for plans, construction reports for pipelines, and removal reports for structure removals).

Enforcement – BSEE has the authority to inspect operations and enforce the conditions of any lease terms, including stipulations and the conditions of any plan approval, under 30 CFR part 250 subpart N. BOEM may also refer potential violations to BSEE for investigation and potential enforcement. BSEE may impose penalties or other remedies on any lessee or any operator that fails to comply with the terms of a lease, including stipulations and other mitigating measures, and conditions of any post-lease plan approvals or permits.

6. CONCLUSION

For the reasons provided above, I have decided that proposed WPA Lease Sale 248 will be held on August 24, 2016, and will offer for lease all unleased blocks in the proposed WPA lease sale area, with the exception of whole and partial blocks within the boundary of the Flower Garden Banks National Marine Sanctuary (i.e., the boundary as of the publication of the WPA 248 Supplemental EIS) (Alternative A in the WPA 248 Supplemental EIS for proposed WPA Lease Sale 248).


Janice M. Schneider
Assistant Secretary
Land and Minerals Management

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