CONSUMERENERGYALLIANCE

December 10, 2009

Dr. Marshall Rose
Chief, Economics Division
Minerals Management Service (MS-4050)
381 Elden Street
Herndon, VA 20170

RE: Comments on the Proposed Revision of Lease Terms in Proposed Notice of Sale 213 Central Planning Area, Gulf of Mexico

Dear Dr. Rose:

On behalf of Consumer Energy Alliance (CEA), I appreciate the opportunity to submit the following comments to the Minerals Management Service (MMS) regarding the proposed revision of lease terms for Lease Sale 213 and to express our support for the continuation of the current leasing program and lease term structures in the central and western Gulf of Mexico.

CEA is a non-profit, non-partisan organization committed to working with elected leaders, affected stakeholders and consumers to help create sound energy policy and maintain reasonable energy prices. We support improved domestic and global energy security and provide information on expanding the use of all energy resources, including oil, natural gas and alternative energy, and increasing energy efficiency. CEA has more than 125 affiliated organizations, including energy suppliers and providers, manufacturers, small businesses and community organizations, as well as a nationwide network of more than 250,000 consumer-advocates.

While CEA understands that the offshore leasing program is complex, we feel that MMS should reconsider the proposal to reduce lease terms in the Gulf of Mexico. For the last few decades, the Gulf of Mexico has been safely producing offshore oil and natural gas, which has provided for our national energy security and created secure, high-paying American jobs. The continued development of these resources is imperative to the well-being of our national economy and rests firmly upon stable and predictable leasing structures. The leasing structures currently in place have promoted investments by energy companies in the Gulf of Mexico and have contributed to the substantial increases in production of oil and natural gas in these waters, which is now responsible for almost 25 percent of the oil produced in the U.S.

Any reduction in lease terms has the potential to significantly impair the energy industry's ability to cost-effectively produce oil and natural gas in the Gulf of Mexico. In turn, this could push energy exploration and production to areas outside of the U.S. and increase imports of foreign energy resources – a consequence the could hurt the American economy by reducing federal revenues from lease sales and royalties, and cause Americans to lose their jobs. We are far better off encouraging the safe and reliable production of our own offshore energy resources by maintaining the existing, stable leasing environment that encourages investment in more advanced, environmentally-friendly drilling technologies so that all Americans benefit.

CEA thanks the MMS for allowing us this opportunity to comment on the proposed revision of lease terms in for Lease Sale 213 in the Central Planning Area, Gulf of Mexico. We remain committed to working cooperatively with the Minerals Management Service to ensure that the leasing program efficiently and successfully enables the sensible development of our offshore energy resources.

If you have any questions, or if CEA can provide additional information, please feel free to contact me directly at 713-337-8800.

Very sincerely yours,

David E. Holt
President

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