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Subject: Oil and Natural Gas Industry Comments on Request for Comments on the Draft
Proposed Outer Continental Shelf Oil and Gas Leasing Program for 2019-2024 and
Notice of Intent to Prepare a Programmatic Environmental Impact Statement

The International Association of Geophysical Contractors (“IAGC”) offer the following comments on the Bureau of Ocean Energy Management’s (“BOEM”) request for comments on the Draft Proposed Outer Continental Shelf (“OCS”) Oil and Gas Leasing Program 2019-2024 (“DPP”) and Notice of Intent to Prepare a Programmatic Environmental Impact Statement that were published in the Federal Register on January 28, 2018. IAGC’s members have significant interest in ensuring that future opportunities for offshore oil and natural gas exploration and development in the United States (“U.S.”) continues and expands. We fully support keeping the DPP as is with no additional areas being removed from future leasing consideration. IAGC incorporates by reference, and fully supports the trade association comments filed by the American Petroleum Association (“API”) et. al., which we also joined.

IAGC is the international trade association representing the industry that provides geophysical services (geophysical data acquisition, processing and interpretation, geophysical information ownership and licensing, associated services and product providers) to the oil and natural gas industry. IAGC member companies play an integral role in the successful exploration and development of offshore hydrocarbon resources through the acquisition and processing of geophysical data.

By including all of the areas for proposed leasing, the U.S. will create an opportunity for the U.S. and the industry to move forward with exploratory activity using state-of-the-art technology to further define offshore geologic features and to assess the associated potential oil

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and natural resources that may be available on the OCS. The Proposed Program is simply that – a plan that provides the nation with the potential opportunities to explore for resources, determine the resource base, and potentially produce the oil and natural gas that is so important to the U.S.’s economy. The Gulf of Mexico has been the backbone of U.S. energy production for decades, providing more than one million barrels of oil per day for the last twenty years. However, our industry has been producing oil and natural gas in the Western and Central Gulf of Mexico for decades, with limited opportunity to explore elsewhere. In order to meet U.S. energy needs now, and in the future, and provide the best possible information through newly acquired seismic data, we simply need the ability to explore for resources in new areas, given the long-term demand for oil and natural gas in the U.S. and global economies.

A. Statutory Intent of the Outer Continental Shelf Lands Act Supports Expanded Leasing Opportunities

The statutory text of the Outer Continental Shelf Lands Act (“OCSLA”) directs the Department of the Interior to expedite leasing opportunities in the U.S. OCS. The spirit and intent of the law demonstrate a framework for the Department to provide leasing opportunities throughout the 26 planning areas of the U.S. OCS. Recent programs have been contrary to the spirit and intent of the statute, with the government effectively limiting exploration and production to the Western Gulf of Mexico, Central Gulf of Mexico, a sliver in the Eastern Gulf of Mexico, and Cook Inlet. Leasing in the Beaufort and Chukchi Seas has occurred in the past, but a lack of certainty and predictability in the permitting and regulatory processes constructively limited the opportunities for the industry to engage in exploration in those areas, with only one well drilled and no production. Further, many planning areas have not had new seismic data acquired for over three decades. By proposing and moving forward with a broad program that considers and provides opportunities for expansive, additional leasing in the Eastern Gulf of Mexico, the Atlantic, the Pacific and Alaska, the DPP adheres to the spirit and intent of the OCSLA and would allow the market to drive investment, creating significant economic and national security benefits for the U.S.

B. Leasing Considerations

Predictability and certainty in the leasing program helps companies make the long-term decisions required for offshore development, particularly considering the magnitude of the investment in human and financial resources required for frontier areas throughout the OCS. This broad DPP will effectively allow the market to drive the investment necessary to explore for and identify potential resources for development in new areas. As technology improves and economic conditions change, leases once deemed noncommercial evolve into viable drilling candidates with commercial potential. Because of this evolution, it is important to allow innovative companies the opportunity to pursue new leases in an effort to test innovative geologic ideas, advanced imaging, and to employ new technology for drilling and production.

At a minimum, Interior should move forward with a process to finalize a leasing program that includes additional leasing opportunities in the Eastern Gulf of Mexico, the Mid and South Atlantic, and the Beaufort and Chukchi Sea areas in Alaska. By taking such an approach, Interior would be moving forward consistent with and in support of Section 18(a)(3), which

directs the Secretary to select the timing and location of leasing in a manner that balances the potential for environmental damage, the potential for discovery of oil and natural gas, and the potential for adverse impact on the coastal zone. Expanding access into these three areas achieves three objectives for U.S. energy security as it relates to the timing and location – (1) near-term production opportunities; (2) securing national security goals in the Arctic and diversifying access to a potential vast resource base; and (3) long-term production opportunities:

1. In the Mid and South Atlantic, expanded leasing would help spur the seismic research and exploratory activity that will help provide important data and put the nation in a strong position from a long-term perspective. Seismic permits have been pending for nearly 1,000 days and should be approved without delay to inform decisions in these planning areas.
2. In the Eastern Gulf, expanded leasing provides access to an area close to existing infrastructure and relatively understood geologic trends and plays, and would give the U.S. an opportunity to bring additional resources to production at a potentially faster pace.
3. In the Beaufort and Chukchi Seas, BOEM estimates there to be in excess of 20 billion barrels of oil and this would put the nation in a strong position to diversify offshore production and expand production in a strategically important region from a national security standpoint.

C. Seismic Surveys

Seismic surveys use safe and proven technologies to help make offshore energy development safer and more efficient. Advances in seismic imaging technology and data processing over the last decade have dramatically improved the industry's ability to locate oil and natural gas offshore.

One of the prime areas on the OCS, that could benefit from new data is off the Atlantic coast. The last surveys of the Atlantic were conducted over 30 years ago and only covered about 20 percent of the region. Due to technological advances, the existing estimates of 4.7 billion barrels of oil and 37.5 trillion cubic feet of natural gas are out of date.

In addition to the oil and natural gas industry, seismic surveys are commonly used by the U.S. Geological Survey, the National Science Foundation, and the offshore wind industry. A rigorous permitting process ensures that seismic surveys are properly managed and conducted so they have minimal impact on the marine environment. Modern seismic surveys are the best way to safely explore for oil and natural gas offshore, and our experience over decades of activity has shown no impact on marine mammal populations or fishing activities. The seismic industry is committed to conducting its operations in an environmentally responsible manner and incorporates mitigation measures, such as exclusion zones, soft-starts and the use of protected species observers to further reduce any potential direct or indirect impacts to marine mammals. Before a seismic operation begins, visual monitoring is undertaken to check for the presence of marine mammals and other marine species within a specified precautionary, or exclusion zone, often using dedicated marine mammal observers (MMOs) or protected species observers (PSOs). Other mitigation measures used to complement visual monitoring include passive acoustic

monitoring, power-downs and shut-downs when marine animals enter the exclusion zones. The oil and natural gas industry remains committed to improving the scientific understanding of the impacts of our operations on marine life, while responsibly producing oil and gas resources to meet our nation's energy needs.

D. Co-Existence of Ocean Users

For decades in the Gulf of Mexico and other places around the world, energy development, conservation efforts, and other industries -- be it tourism, commercial or recreational fishing, military training, or others -- have not only coexisted, but thrived alongside each other.

Military:

- Decades of experience in the Gulf of Mexico proves that commercial and recreational fishing, tourism and military activity can coexist with and benefit from offshore oil and natural gas development.
- Interior and the Department of Defense (DOD) have decades of experience working together to facilitate the needs of both departments to help advance U.S. national security and energy security goals.
- We encourage BOEM to continue to work with the military to demonstrate that oil and natural gas operations and military training activities are not incompatible.
- The last evaluation the DOD conducted in 2010 indicated that only 11% of the Eastern Gulf should be off limits to oil and natural gas exploration and development activities.
- Once this evaluation is updated, BOEM can analyze areas of known and prospective resources in relation to the military's areas of concern and other ocean users to determine areas best suited for future leasing.

Tourism & Fishing:

- While every area is unique, our experience in the GOM shows that commercial and recreational fishing and tourism do coexist in harmony with and benefit from offshore oil and natural gas development.
- In the GOM, a number of platform operators have turned to the Interior Department's Rigs-to-Reef Program at the end their facilities' use.
- The program was designed to reuse offshore platforms by turning them into artificial reefs across the Gulf. This creates more habitats where marine life can thrive and saves companies the cost of dismantling and scraping the rigs.
- More than [400 applications](#) for the program have been approved so far. Rather than being dismantled, these structures are now creating a habitat for marine life. The structure of the platform is unique in that its hard surface provides a needed home for [coral to grow](#).

D. Comments on Notice of Intent to Prepare a Programmatic Environmental Impact Statement

IAGC appreciates this opportunity to comment on the scope of the PEIS for the Final 2017-2022 program. The 2019-2024 OCS PEIS will address NEPA requirements by assessing

the contribution of BOEM's activities resulting from these authorizations to the direct, indirect and cumulative effects on species and resources, including effects from past, present, and reasonably foreseeable future events and activities.

We continue to support and urge the use of best available science and the importance of instituting high data quality standards throughout the NEPA process. With BOEM's increasing reliance on the new GeoPortal as a means of collecting data, a quality assurance, quality control system that provides a thorough review of data received through the GeoPortal is imperative. BOEM should take steps to reviewing data for validity and scientific integrity prior to consideration during the PEIS analysis process.

E. Conclusion

IAGC appreciates the opportunity to comment on the Draft Proposed Five-Year OCS leasing Program. Section 18(a)(1) of the OCSLA provides that "Management of the outer Continental Shelf shall be conducted in a manner that considers the economic, social and environmental values of the renewable and nonrenewable resources contained in the outer Continental Shelf, and the potential impact of oil and gas exploration on other resource values of the outer Continental Shelf and the marine, coastal, and human environments". Ultimately, these factors, along with statutory, economic and national security considerations, are fully aligned in support of a robust oil and natural gas leasing program that expands exploration and production opportunities to new areas. We fully support the areas proposed for leasing in the DPP. More specifically, the opportunity is now for expanded exploration and leasing in the Eastern Gulf of Mexico, Mid and South Atlantic, and Beaufort and Chukchi Sea areas.

Sincerely,



Nikki Martin
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