



Billing Code: 4310- MR

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Notice of Availability of the Proposed Final Five Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2012–2017

AGENCY: Bureau of Ocean Energy Management (BOEM), Interior

ACTION: Notice of Availability of Proposed Final Program

SUMMARY: BOEM announces the availability of the Proposed Final Five Year OCS Oil and Gas Leasing Program for 2012–2017 (PFP). This is the third and last proposal that is part of the multi-step process required by law before the Secretary of the Interior may approve a new Five Year Program. BOEM is publishing a Notice of Availability of the Five Year Final Programmatic Environmental Impact Statement concurrently with this notice. Pursuant to section 18 of the OCS Lands Act, this PFP was submitted to the President and Congress. After a period of at least 60 days from the date it was submitted to the President and Congress, the Secretary may approve the program, at which time it will become effective.

FOR FURTHER INFORMATION CONTACT: Donna Dixon, Five Year Program Manager at (703) 787–1215.

SUPPLEMENTARY INFORMATION: This is the third and final proposal in the required statutory preparation process for a new program to succeed the current program, which expires on June 30, 2012. The first proposal—the Draft Proposed Program—was issued in January 2009, for a 60-day comment period that was extended by an additional 180 days and closed on September 21, 2009. The second proposal—the Proposed Program (PP)—was issued in November 2011 with a 90-day comment period.

The PFP document may be downloaded from the BOEM website at www.boem.gov. Hard copies may be obtained by contacting the Five Year Program Office at (703) 787-1215. The use of the acronym “BOEM” includes BOEM’s predecessor agencies, the Bureau of Ocean Energy Management, Regulation and Enforcement and the Minerals Management Service, as appropriate.

Summary of the Proposed Final Program

The PFP document further analyzes the six program areas that were proposed and analyzed in the November 2011 PP. The PFP schedules a total of 15 OCS lease sales in 6 areas (3 areas off Alaska and 3 areas in the Gulf of Mexico (GOM)). Maps A and B show the areas proposed for leasing. Table B (from the PFP document) lists the location and timing of the proposed lease sales in areas under consideration for leasing.

In the Central and Western GOM Planning Areas, which remain the two areas of highest resource potential and interest, the PFP schedules annual areawide lease sales of all unleased legally available acreage, starting in 2012 in the Western GOM and in 2013 in the Central GOM. There are two lease sales scheduled in the portion of the Eastern GOM Planning Area that is not under congressional moratorium pursuant to the Gulf of Mexico Energy Security Act of 2006 (GOMESA). The PFP area includes the 2008 Sale 224 Area and a sliver to the southeast of that area. There also is a portion of the Central Gulf within 100 miles of Florida that is unavailable pursuant to GOMESA.

In the Alaska Region, the Five Year Program proposes one sale in the Chukchi Sea in 2016, excluding a 25-mile buffer area along the coast, as presented in the PP. In addition to the 25-mile buffer, the Secretary has determined that an additional area north of Barrow shall be removed from consideration. This additional deferral area is located

north of Barrow and covers 208 OCS lease blocks beyond the northern edge of the 25-mile exclusion area. In the Beaufort Sea, one sale is scheduled, excluding the two whaling deferral areas from leasing consideration, as was done in the PP. The Beaufort Sea sale date has been scheduled in 2017, in recognition of the significant overlapping of subsistence use, resource distribution, and species habitat; and to allow more time to analyze and implement our focused leasing strategy in this area.

In light of the significant resource potential that exists in the Alaskan Arctic, the substantial environmental challenges, as well as the social and ecological concerns that are present, BOEM's regionally tailored strategy for any future offshore oil and gas leasing in the Arctic is markedly different from the traditional areawide leasing model applied in the GOM, in which all unleased legally available acreage in the area is typically offered for sale. While the Five Year Program includes much of the planning areas as program areas for leasing consideration, BOEM is developing a process in which the Bureau will continue to use incoming scientific information and stakeholder feedback to proactively determine, in advance of any potential sale, which specific areas offer the greatest resource potential while minimizing potential conflicts with environmental and subsistence considerations.

The Cook Inlet Planning Area is included on the schedule as a special interest sale. On March 27, 2012, BOEM issued a Request for Interest. In light of responses to the Request, BOEM decided to proceed with the pre-sale process for the Cook Inlet and to place the date for a potential lease sale in 2016 to allow time to complete the necessary steps under the OCS Lands Act, develop additional resource and environmental

information, and conduct an Environmental Impact Statement under the National Environmental Policy Act.

Section 18 of the OCS Lands Act requires the receipt of fair market value for OCS oil and natural gas leases and the rights they convey. A series of agency decisions related to the timing of lease sales, the leasing framework, sale terms, and bid adequacy will provide the foundation for ensuring receipt of fair market value. Under the PFP, BOEM intends to use a two-phase post-sale bid evaluation process that has been in effect since 1983, while studying and evaluating refinements and alternative approaches throughout the 2012–2017 Five Year Program. The flexibility incorporated into the PFP allows BOEM to evaluate alternatives with respect to delaying or canceling a sale area, choosing a leasing framework, and setting the fiscal terms and conditions by individual lease sale, based on a current assessment of market and resource conditions.

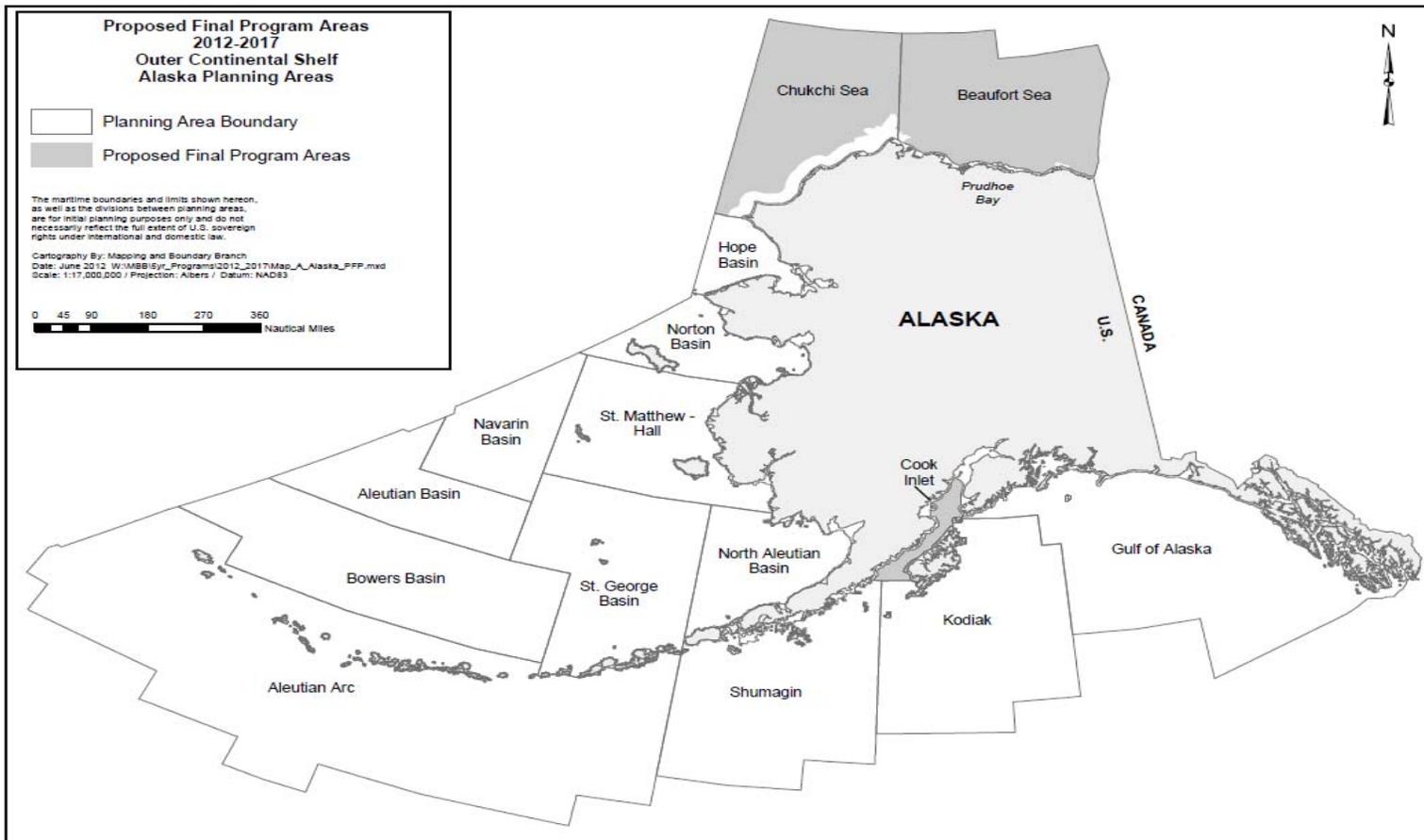
Table B: Proposed Final Program for 2012-2017–Lease Sale Schedule

Sale No.	Area	Year
229	Western Gulf of Mexico	2012
227	Central Gulf of Mexico	2013
233	Western Gulf of Mexico	2013
225	Eastern Gulf of Mexico	2014
231	Central Gulf of Mexico	2014
238	Western Gulf of Mexico	2014
235	Central Gulf of Mexico	2015
246	Western Gulf of Mexico	2015
226	Eastern Gulf of Mexico	2016
241	Central Gulf of Mexico	2016

237	Chukchi Sea	2016
248	Western Gulf of Mexico	2016
244	Cook Inlet	2016
247	Central Gulf of Mexico	2017
242	Beaufort Sea	2017

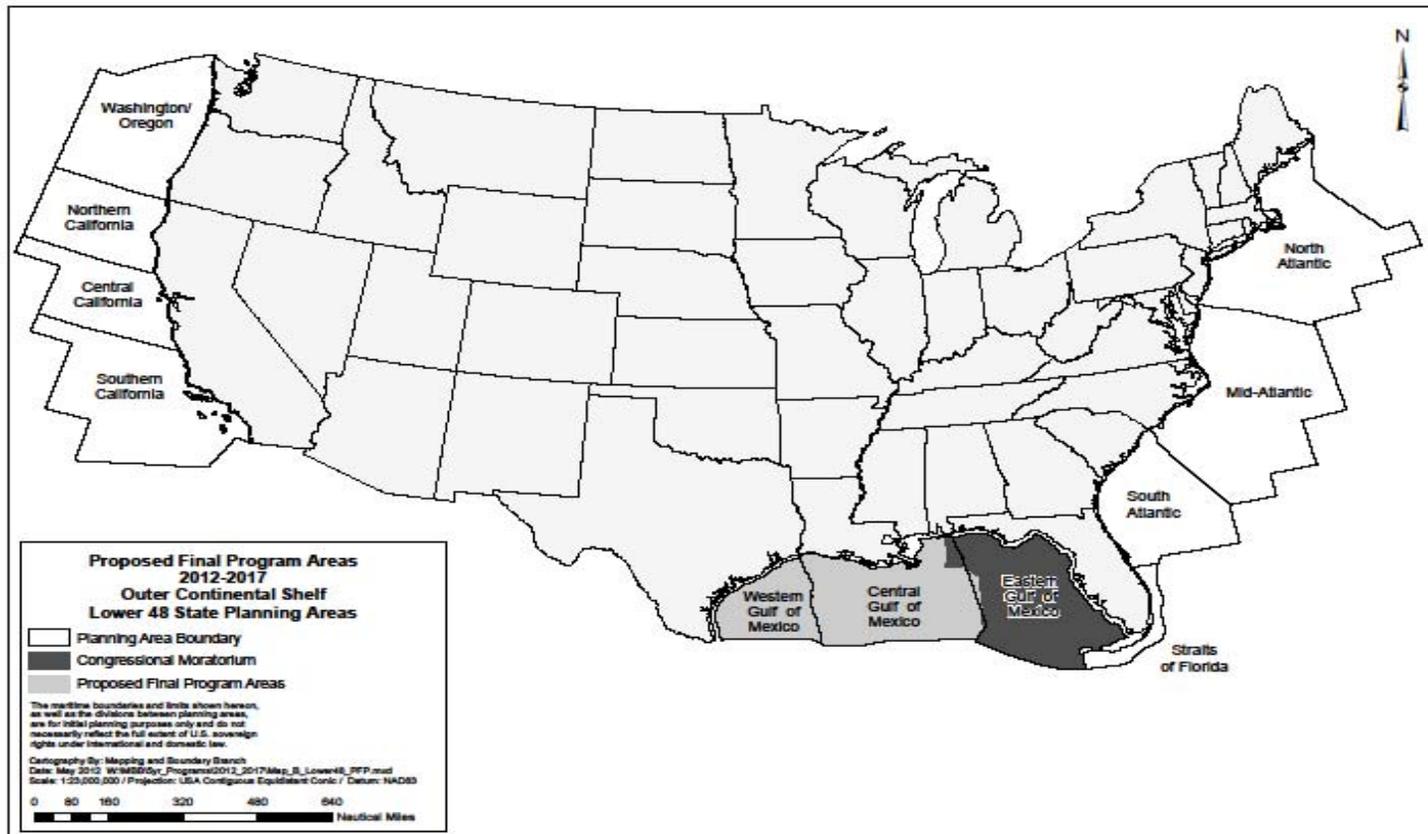
June 28, 2012
Date

Tommy P. Beaudreau
Director, Bureau of Ocean Energy
Management



Map A—Alaska Proposed Final Program Areas

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Map B—Lower 48 Proposed Final Program Areas

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