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DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management (BOEM)

Proposed 5-Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2012-2017

AGENCY: Bureau of Ocean Energy Management, Interior.

ACTION: Notice of availability.

SUMMARY: The Bureau of Ocean Energy Management (BOEM) announces the availability of and requests comments on the Proposed 5-Year OCS Oil and Gas Leasing Program for 2012-2017 (“Proposed Program”). This is part of a multi-step process required by law before the Secretary of the Interior may approve a new 5-year program. BOEM is publishing a Notice of Availability of the 5-Year Draft Programmatic Environmental Impact Statement (PEIS) concurrently with this notice.

DATES: Please submit comments and information to BOEM no later than [INSERT DATE 90 DAYS FOLLOWING PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER]

Public Comment Procedure

BOEM will accept comments in one of two formats: by mail or via our Internet commenting system. Please submit your comments using only one of these formats, and include full names and addresses. Comments submitted by other means may not be considered. We will not consider anonymous comments, and we will make available for inspection in their entirety all comments submitted by organizations and businesses or by individuals identifying themselves as representatives of organizations and businesses.

Our practice is to make comments, including the names and home addresses of

respondents, available for public review. An individual commenter may ask that we withhold his or her name, home address, or both from the public record, and we will honor such a request to the extent allowable by law. If you submit comments and wish us to withhold such information, you must so state prominently at the beginning of your submission.

ADDRESSES:

By mail - Mail comments and information to: Steven Textoris, 5-Year Program Manager, Bureau of Ocean Energy Management (MS-4010), Room 3120, 381 Elden Street, Herndon, Virginia 20170. Please label your comments and the packaging in which they are submitted as “Comments on Proposed 5-Year Program for 2012-2017.” If you submit any privileged or proprietary information to be treated as confidential, please mark the envelope, “Contains Confidential Information.”

By Internet - Federal eRulemaking Portal: <http://www.regulations.gov>. Under the tab “More Search Options,” click “Advanced Docket Search,” then select “Bureau of Ocean Energy Management” from the agency drop-down menu, then click the submit button. In the Docket ID column, select BOEM-2011-0119 to submit public comments and to view related materials available for the proposed program. Information on using [Regulations.gov](http://www.regulations.gov), including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site’s “User Tips” link. The BOEM will post all comments.

FOR FURTHER INFORMATION CONTACT: Steven Textoris, 5-Year Program Manager, at (703) 787-1215.

SUPPLEMENTARY INFORMATION: This is the second proposal in the usual 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 180 days and closed on September 21, 2009.

Section 18 of the Outer Continental Shelf Lands Act (OCSLA) specifies a multi-step process of consultation and analysis that must be completed before the Secretary of the Interior may approve a new 5-year Program. The required steps following this notice include the development of a proposed final program to be submitted to the Congress and the President, with Secretarial approval of a new program no sooner than 60 days after such submission. Pursuant to the National Environmental Policy Act (NEPA), BOEM also is preparing a PEIS for the new 5-Year Program. The draft PEIS is being issued with this Proposed Program and a final PEIS will be issued with the Proposed Final Program.

BOEM requests comments from states, local governments, native groups, tribes, the oil and gas industry, Federal agencies, environmental and other interest organizations, and all other interested parties, including the public, to assist in the preparation of a 5-Year OCS Oil and Gas Leasing Program for 2012-2017.

The Proposed Program document may be downloaded from the BOEM website at www.BOEM.gov. The document also is available as part of our electronic commenting system noted above. Hard copies may be obtained by contacting the 5-Year Program Office at 703-787-1215.

Along with the proposed program, three technical documents will be posted on www.BOEM.gov for public review and comment: 1) *Economic Analysis for the OCS 5-Year Program 2012-2017: Theory and Methodology* (BOEM 050-2011), a paper containing a more detailed description of the methodology used for the Net Benefits analysis; 2) *Energy Alternatives and the Environment, 2012-2017* (BOEM 051-2011), a paper expanding upon the

energy alternatives likely to replace OCS oil and gas in the absence of a new program; and 3) the draft *Revised Offshore Environmental Cost Model (OECM): Guide to Cost and Benefit Calculations*, a document designed to provide decisionmakers with information about the relative environmental and social costs associated with having, or not having, an offshore leasing program absent a low probability, high impact event. This is relevant to weighing the costs and benefits of the Proposed Program. A report documenting the final version of the OECM will be published prior to the Proposed Final Program.

The use of the acronym “BOEM” includes, within its meaning, BOEM’s predecessor agencies, the Bureau of Ocean Energy Management, Regulation and Enforcement and the Minerals Management Service.

Summary of the Proposed Program

The proposed program document analyzes the six planning areas proposed for 2012-2017 leasing in the Proposed Program and reflects the consideration of the analysis of all 12 areas in the DPP. The Proposed Program schedules a total of 15 OCS lease sales in six areas (three areas off Alaska and three areas in the Gulf of Mexico). Maps A and B show the areas proposed for leasing. Table A lists the location and timing of the proposed lease sales in areas under consideration for leasing.

Alaska Region

In the Alaska Region, the program proposes one sale in the Beaufort Sea in 2015, excluding at least two whaling deferral areas from leasing consideration, as was done in the 2009 DPP. In the Chukchi Sea, the proposed program schedules one sale in 2016, excluding at least a 25-mile buffer area along the coast, as presented in the 2009 DPP.

The Cook Inlet Planning Area is included on the schedule as a special interest sale, which

may occur as early as 2013. Before BOEM proceeds with the presale process, it will issue a request for interest and comments and will move forward if there is sufficient industry interest. If there is insufficient interest, a request may be issued again the following year, and so on through the 5-year schedule, until the sale is held or the schedule expires.

Gulf of Mexico Region

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

***Table A: Proposed Program for 2012-2017—
Lease Sale Schedule***

| Sale No. | Area | Year |
|-----------------|------------------------|-------------|
| 229 | Western Gulf of Mexico | 2012 |
| 227 | Central Gulf of Mexico | 2013 |
| 244 | Cook Inlet | 2013 |
| 233 | Western Gulf of Mexico | 2013 |
| 231 | Central Gulf of Mexico | 2014 |
| 225 | Eastern Gulf of Mexico | 2014 |
| 238 | Western Gulf of Mexico | 2014 |
| 235 | Central Gulf of Mexico | 2015 |
| 242 | Beaufort Sea | 2015 |
| 246 | Western Gulf of Mexico | 2015 |
| 241 | Central Gulf of Mexico | 2016 |
| 226 | Eastern Gulf of Mexico | 2016 |
| 237 | Chukchi Sea | 2016 |
| 248 | Western Gulf of Mexico | 2016 |

Assurance of Fair Market Value

Section 18 of the OCSLA requires receipt of fair market value for OCS oil and gas leases and the rights they convey. A series of decisions related to the timing of a lease sale, the leasing framework, sale terms, and bid adequacy provide the foundation for ensuring receipt of fair market value. Under the Proposed Program, 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 5-Year Program. The flexibility incorporated into the Proposed Program allows BOEM to evaluate alternatives with respect to delaying 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.

Information Requested

We request all interested and affected parties to comment on the size, timing, and location of leasing and the procedures for assuring fair market value that are included in the Proposed 5-Year OCS Oil and Gas Leasing Program for 2012-2017. Respondents who submitted information in response to previous requests for comments on the preparation of this 5-year program may wish to reference that information, as appropriate, rather than repeating it in their comments on the proposed program. We also invite comments and suggestions on how to proceed with the section 18 analysis for the Proposed Final Program.

Section 18(g) of the OCSLA authorizes confidential treatment of privileged or proprietary information that is submitted to BOEM. In order to protect the confidentiality of such information, respondents should include it as an attachment to other comments submitted and mark it appropriately. On request, BOEM will treat such information as confidential from

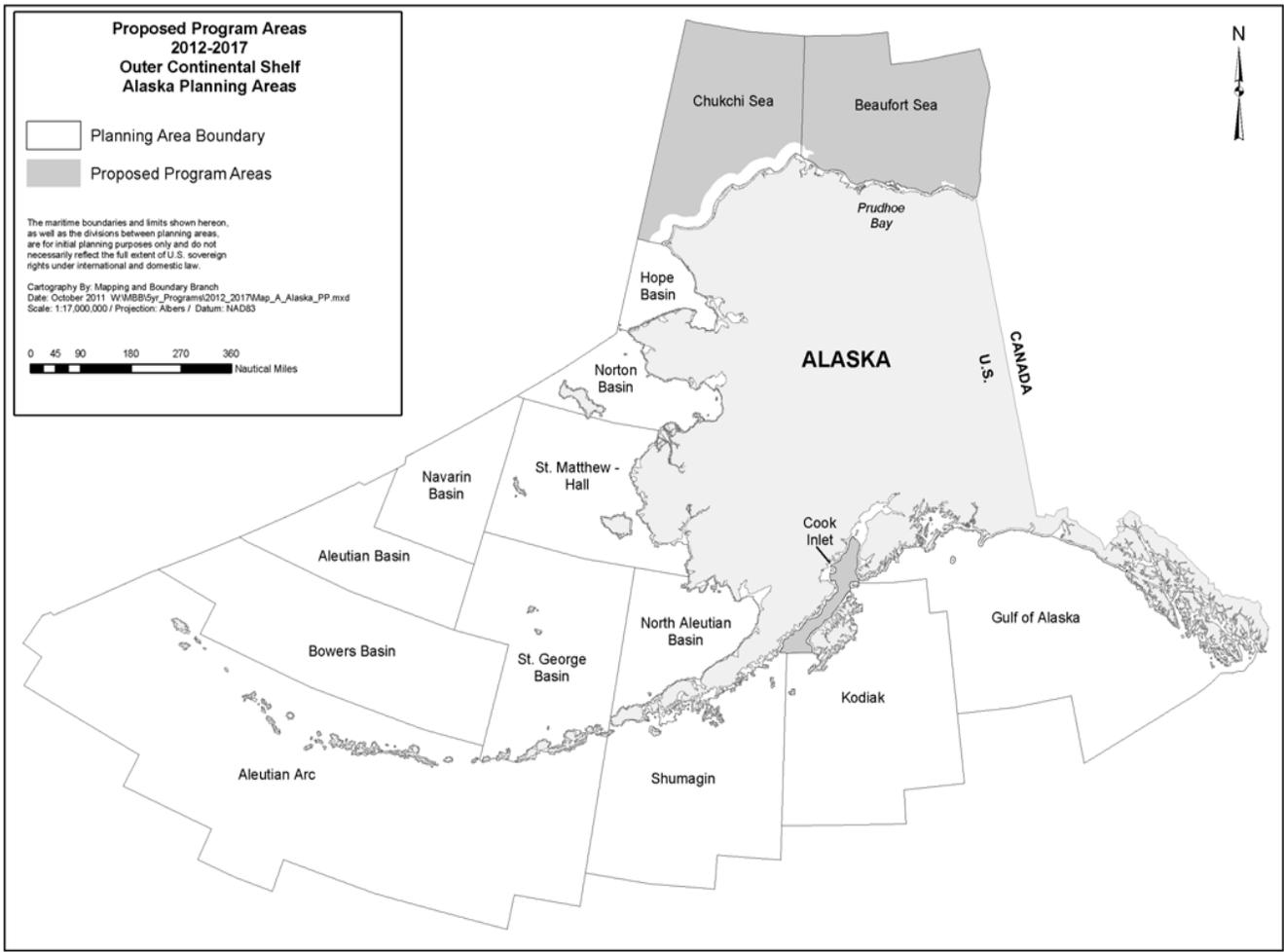
the time of its receipt until 5 years after approval of the new leasing program, subject to the standards of the Freedom of Information Act. BOEM will not treat as confidential any aggregate summaries of privileged or proprietary information, the names of respondents, or any comments not marked by the respondent as confidential.

Next Steps in the Process

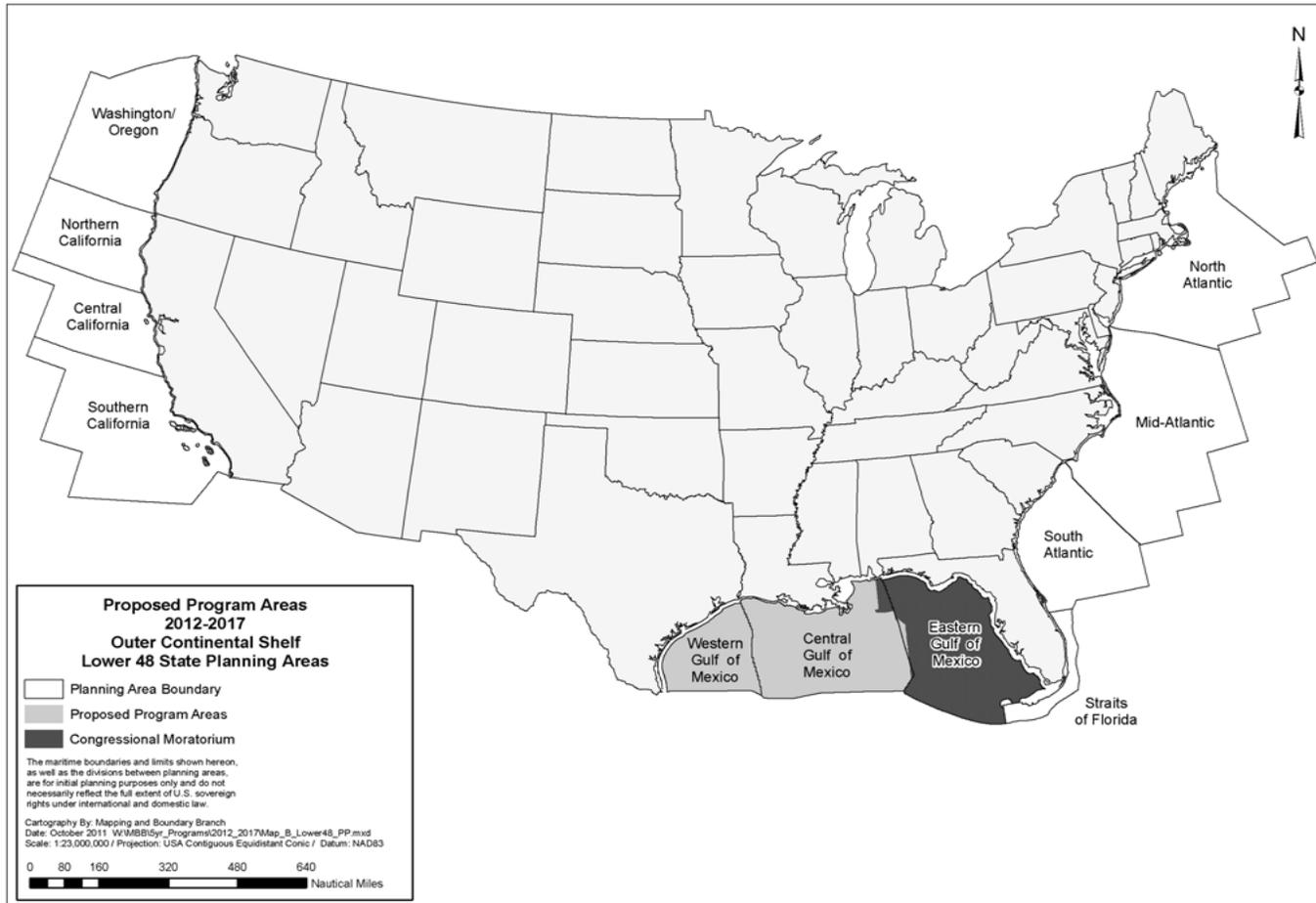
BOEM plans to issue the proposed final program and final PEIS in the summer of 2012. Sixty days later, the Secretary may approve the new 5-year Program.

Tommy P. Beaudreau
Director, Bureau of Ocean Energy Management

__November 7, 2011__
Date



Map A - Alaska Program Areas



Map B - Lower 48 State Program Areas

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