

**Record of Decision for the Gulf of Mexico Outer Continental Shelf
Western Planning Area Oil and Gas Lease Sale 246
(August 2015)**

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 WPA and one in the Central Planning Area (CPA). Two lease sales were also scheduled for a small portion of the Eastern Planning Area (EPA). One lease sale has already occurred in the EPA and an additional lease sale is scheduled to be held in March 2016. Proposed WPA Lease Sale 246 is the fourth 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 WPA Lease Sale 246 were 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)*; and, (4) *Gulf of Mexico OCS Oil and Gas Lease Sales: 2015-2016; Western Planning Area Lease Sales 246 and 248; Final Supplemental Environmental Impact Statement (WPA 246 and 248 Supplemental EIS)*. The WPA 246 and 248 Supplemental EIS tiers from, and incorporates by reference, information in the 2012-2017 WPA/CPA Multisale EIS, WPA 233/CPA 231 Supplemental EIS, and WPA 238/246/248 Supplemental EIS.

2. DECISION

The Department of the Interior (DOI) has selected Alternative A, defined as the Proposed Action and the Bureau of Ocean Energy Management's (BOEM) preferred alternative in the WPA 246 and 248 Supplemental EIS, for WPA Lease Sale 246. For WPA Lease Sale 246, DOI will offer for lease all unleased acreage 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 246 and 248 Supplemental EIS).

The unleased blocks within the WPA that BOEM will offer for leasing in proposed WPA Lease Sale 246 are listed in the document entitled, "List of Blocks Available for Leasing," included in the Final Notice of Sale (NOS) for WPA Lease Sale 246. The proposed WPA lease sale area encompasses nearly all of the WPA's 28.58 million acres. As of February 2015, approximately 21.9 million acres of the proposed WPA lease sale area were unleased. The estimated amount of resources projected to be developed as a result of proposed WPA Lease Sale 246 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. As Assistant Secretary, Land and Minerals Management, 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 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 246 and 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 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 sensitive species; and minor impacts to air and water quality. The WPA 246 and 248 Supplemental EIS acknowledges that a 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 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, and WPA 246 and 248 Supplemental EIS. The impacts 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. One comment letter was received, from the United States Environmental Protection Agency (USEPA), after publication of the Final WPA 246 and 248 Supplemental EIS, but the comments only required clarifications and did not offer any new relevant information that changed analyses or the conclusions made in the WPA 246 and Supplemental EIS. The BOEM Gulf of Mexico Regional Office continues to coordinate with the USEPA regarding their review of BOEM NEPA documents.

To minimize the environmental impacts that could occur from OCS oil- and gas-related activities following lease sales, including WPA Lease Sale 246, BOEM imposes mitigating measures that have proven to be effective for mitigating impacts from previous lease sales in the WPA. Mitigating 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 prevent and 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 major oil spill. While offshore exploration and development cannot be made risk free, OCS oil and gas 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 246 plays an important role in addressing the Nation's demand for domestic energy sources and fosters economic benefits realized through continued oil and gas exploration and development in the WPA. This decision promotes domestic energy and can reduce oil imports. 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.

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, and WPA 246 and 248 Supplemental EIS, I concluded that it is in the Nation's best interest to hold proposed WPA Lease Sale 246 in the manner described herein.

3. ALTERNATIVES FOR PROPOSED WPA LEASE SALE 246

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

Alternative B (Exclude the Unleased Blocks Near the Biologically Sensitive Topographic Features) 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 proposed WPA Lease Sale 246 decision. The incremental contribution of the possible negative impacts of the selected action, compared with those of Alternative B, is expected to be slight, and these negative impacts 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 oil and gas 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) 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 or the Land and Water Conservation Fund. 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 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 conducted on leases sold in previous lease sales) and associated environmental impacts in the near term.

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, and WPA 246 and 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, including those identified in the *Outer Continental Shelf Oil and Gas Leasing Program: 2012-2017; Final Programmatic Environmental Impact Statement (Five-Year Program EIS)*. 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 engage in meaningful analysis. For example, one commenter requested that BOEM broadly analyze an alternative to identify and protect sensitive ecosystems. BOEM had already included in the prior NEPA analyses and WPA 246 and 248 Supplemental EIS an alternative (Alternative B – Exclude the Unleased Blocks Near Biologically Sensitive Topographic Features, described above) designed to protect certain sensitive ecological features, which is related to an alternative tracked from the Five-Year Program EIS. Sensitive topographic features are features that are known and mapped and that have been protected by application of the Topographic Features Stipulation for nearly 40 years, which BOEM also considered as a mitigating measure in the Supplemental EIS. Therefore, a more generic alternative considering sensitive ecosystems would not provide additional information on potential impacts to the environment to the Department and public beyond those previously considered in Alternative B and the mitigations 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 246 and 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 identified Alternative C, defined as the No Action Alternative in the WPA 246 and 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 equate to only slightly less cumulative OCS oil- and gas-related activity. In contrast, deferring multiple Gulf of Mexico lease sales, for example, for 5 years, could have a discernible effect and reduce the overall level of OCS oil- and gas-related activity at some point in the future. 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 hauling imported oil) and the Secretary of the Interior's ability to impose measures to mitigate impacts of proposed WPA Lease Sale 246.

5. MITIGATING MEASURES

As part of the decision to hold proposed WPA Lease Sale 246, 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., requiring approval in exploration and development plans), which may be expected as a result of proposed WPA Lease Sale 246, will undergo additional review, which may include, but is not limited to, environmental analyses under the National Environmental Policy Act, 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 mitigating measures adopted for this selected action, and those that may be applied during post-lease reviews, are summarized below.

Lease Stipulations – The WPA 246 and 248 Supplemental EIS describes five lease stipulations, which I have decided to include in the Final NOS Package. The five lease stipulations for WPA Lease Sale 246 are the Topographic Features Stipulation; Military Area Stipulation; Protected Species Stipulation; 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 guidelines governing OCS exploration, development, and production activities. For example, these 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 permit approvals. All plans 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 or BSEE review to ensure compliance with established laws and regulations.

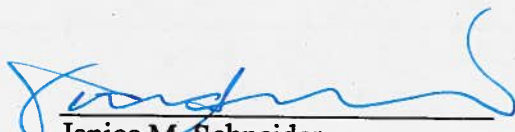
BOEM and BSEE have developed a list of over 120 conditions of approval that are often applied to plan or permit approvals. These conditions of approval include hazard survey reviews, inspection requirements, notifications, post-approval submittals, and safety precautions. Many of these conditions of approval clarify existing requirements for mitigating measures included in regulations or lease instruments. 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 and Eglin Water Test Areas, hydrogen sulfide, drilling hazards, remotely operated vehicle surveys, geophysical survey reviews, and general safety concerns. Also, BOEM and BSEE may also apply conditions of approval, not on this list, 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 these measures, 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 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 any lease terms, including stipulations, as well as the conditions of any plan approval under 30 CFR part 250. BOEM may also refer potential violations to BSEE for investigation and potential enforcement. BSEE may impose penalties or require remedies on any lessee or any operator that fails to comply with the conditions of a lease, including stipulations and other mitigating measures.

6. CONCLUSION

For the reasons provided above, I decided that WPA Lease Sale 246 will be held on August 19, 2015, 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 (Alternative A in the WPA 246 and 248 Supplemental EIS).



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Land and Minerals Management

Date: 7/7/15