

Interior Department Initiates New Five Year Oil and Gas Leasing Program for Outer Continental Shelf

Seeks Public Comment to Address Changed Energy Situation

WASHINGTON, D.C. □ Saying the nation's energy situation has dramatically changed in the past year, [Secretary of the Interior Dirk Kempthorne](#) today jumpstarted the development of a new oil and natural gas leasing program for the U.S. Outer Continental Shelf. The action could give the next administration a two-year head start in expanding energy production from federal offshore jurisdictions, including some areas where a congressional ban had prevented oil and gas development.

"When our [current five-year program](#) for Outer Continental Shelf oil and gas leasing was launched in July 2007, oil was selling for \$64 a barrel," Kempthorne said. "Today a barrel of oil costs more than \$120, almost double the price a year ago. Clearly, today's escalating energy prices and the widening gap between U.S. energy consumption and supply have changed the fundamental assumptions on which many of our decisions were based."

"Areas that were considered too expensive to develop a year ago are no longer necessarily out of reach based on improvements to technology and safety," Kempthorne noted. "The American people and the President want action and this initiative can accelerate an offshore exploration and development program that can increase production from additional domestic energy resources."

President Bush lifted the Executive Withdrawal on oil and gas leasing operations on the Outer Continental Shelf on July 14, calling on Congress to lift its ban that has been in place since 1982. He also urged Congress to enact legislation that would allow states to have a say regarding operations off their shores and to share in the resulting revenues.

"The President believes coastal states should have a voice in how Outer Continental Shelf resources are developed off their shores while ensuring those environments are protected. Also, Congress should provide a way for the federal government and states to participate in revenue sharing from those new leases," Kempthorne said.

Because of the current energy situation and the President's action, Secretary Kempthorne has directed the Minerals Management Service to begin the initial steps for developing a [new five-year program](#) that accurately reflects the nation's needs. The multi-year process starts with a call for information from all parties on what a new five-year program should consider. MMS is also requesting comment to ensure that all interests and concerns are considered regarding oil and gas leasing and exploration and development resulting from a new five-year program. The governors of all 50 states will be specifically asked for their comments, particularly on issues unique to each state.

"This initiative could provide a significant advantage for the incoming administration, offering options it would not otherwise have had until at least 2010," Kempthorne said. "Today's action would provide a 2-year head start for the next administration on developing a new five-year program."

The current program runs from 2007-2012 and includes 21 lease sales in eight of the 26 Outer Continental Shelf planning areas in the Gulf of Mexico, Alaska and the Atlantic. It does not include areas under a congressional ban, with the exception of Virginia. The new program, depending on public comment, can consider any area although any leasing in a banned area would need congressional action.

The [Outer Continental Shelf](#) currently provides 27 percent of U.S. domestic oil production and 15 percent of domestic natural gas production -- most of that from the Gulf of Mexico. The areas under a congressional ban contain an additional 18 *billion* barrels of oil and 76 *trillion* cubic feet of natural gas in yet-to-be-discovered fields.

Those numbers are considered conservative estimates because little exploration has been conducted in most of those areas during the past quarter of a century because of the congressional ban. Interior's estimates are based on available data. Estimates tend to increase dramatically as technology improves and exploration activities occur.

This initiative uses the process mandated by the [Outer Continental Shelf Lands Act Amendments of 1978](#) (286.05 KB PDF file), which give the Secretary of the Interior authority to develop "out-of-cycle" leasing programs and requires various procedural steps, including several rounds of public comment and multiple environmental reviews.

The Call for Information will be published in the [Federal Register](#) on August 1, 2008. The public may submit comments during the next 45 days by using [MMS' Public Connect](#) online commenting system or by mail to:

**Five-Year Program Manager
Minerals Management Service (MS-4010)
381 Elden Street
Herndon, VA 20170**

The full text of the notice and details on submitting comments will be included in the register announcement. All comments must be received by September 15, 2008. More information is available at www.doi.gov and at www.mms.gov.

- [What is the 5-Year Program: Frequently Asked Questions](#) (7/30/2008)
- [Extension of the Comment Period](#) (9/12/2008)

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