December 14, 2008

Mr. Carroll Williams
Minerals Management Service
Gulf of Mexico OCS Region
Leasing Activities Section
1201 Elmwood Park Boulevard (Mail Stop 5422)
New Orleans, LA 70123-2394

EMAIL: sale220@mms.gov

Subject: Comments on the Call for Information and Notice of Intent to Prepare an Environmental Impact Statement for Proposed Sale 220

Dear Mr. Williams:

The National Ocean Industries Association (NOIA), the American Petroleum Institute (API), the American Exploration & Production Council (AXPC), the International Association of Drilling Contractors (IADC), the International Association of Geophysical Contractors (IAGC), the Independent Petroleum Association of America (IPAA), the Petroleum Equipment Suppliers Association (PESA), and the U.S. Oil & Gas Association (USOGA) are pleased to respond to your request for comments on the call for information and notice of intent to prepare an environmental impact statement for Mid-Atlantic Proposed Oil and Gas Lease Sale 220. Our eight national trade associations represent thousands of companies engaged in all sectors of the U.S. oil and natural gas industry, including exploration, production, refining, distribution, marketing, equipment manufacture and supply, geophysical, and other diverse offshore support services. Either directly or indirectly, we are all working to explore for and produce hydrocarbon resources from the nation's Outer Continental Shelf (OCS) in an environmentally responsible manner. Our Associations are, therefore, sharply focused on energy development from the domestic offshore, and our interest in the proposed lease sale is substantial.

Our eight associations strongly support leasing in the Atlantic OCS Planning Areas. However, we have three main concerns. First, while we support leasing in the area identified in the notice, we strongly urge that the area identified for analysis be increased to include all of the Atlantic OCS Planning Areas, or at least the entire Mid-Atlantic Planning Area. Second, we urge that the 50-mile coastal buffer zone be eliminated. Finally, we request that the exemplary environmental and safety record of the offshore natural gas and oil industry and the full socioeconomic effects of leasing be analyzed as part of the Environmental Impact Statement.

The OCS is a major component of the domestic natural gas and oil supply for this country. Providing over 25% of the natural gas and oil produced domestically, the OCS is vital to our energy security. In order to meet growing national energy demands in the future, OCS oil and gas leasing must be expanded in recognition of this reality. Therefore, the leasing program needs to be as broad as possible, flexible enough to respond nimbly to changes in the status of offshore areas, and structured in a manner that provides a predictable and reliable lease sale schedule to allow companies to expeditiously explore for and develop hydrocarbons.

During preparation of the MMS Five Year Leasing Plan for 2007-2012, our associations strongly encouraged that the entire OCS area off the Atlantic Coast be included for analysis and possible leasing. These lands are owned by all of the American people, and the people have a right to be fully informed about the resources they own on these lands, and to participate in the process of determining whether those resources should be explored, or if they should be withheld. Furthermore, the Governor of Virginia urged the agency to include the entire Atlantic Coast area, as well.

The MMS Five-Year Leasing Plan and the call for information identifies one sale in the mid-Atlantic OCS region. However, the "program area" for analysis and a possible sale contains a minuscule area off the Atlantic Coast. The triangle identified extends offshore from about 50 miles to approximately 183 miles in water depths from 40 meters to 3,500 meters. The area includes 593 whole or partial blocks encompassing 2.9 million acres.

NOIA, API, AXPC, IADC, IAGC, IPAA, PESA, and USOGA strongly encourage the MMS to expand the area identified for analysis in the notice to include, at a minimum, the entire mid-Atlantic planning area, and at a maximum, the acreage within all of the Atlantic planning areas. This will allow the agency to gather data and information for the entire area, including information on the biological resources in the full area, the potential hydrocarbon and other energy resources, the potential environmental effects for the entire area, and any potential use conflicts. Such data collection and analysis by the agency will not only be of use to the agency in making an informed decision, but will also be vital to states in conducting their consistency reviews, to local communities as they analyze the proposed actions, to industry in making decisions on future resource allocations, and to all stakeholders as they participate in the planning process. The additional data will also allow the federal government to be as nimble as possible in responding to changing circumstances and the needs of the country.

The "program area" includes a setback of 50 miles from the coast. However, we believe that all areas of the OCS should be available for leasing and development of oil and gas resources since these areas can be developed in an environmentally safe manner with a minimal impact on coastal communities. The industry uses advanced technologies to minimize the impact of offshore oil and natural gas developments on coastal areas. By using improvements in technology related to subsea completions and directional drilling, the industry is able to minimize or eliminate potential visual impacts associated with permanent offshore platforms and structures. Drilling and workover operations needed to develop the significant resources contained in the near shore areas will have only a temporary impact on the coastal states using today's technology. As a result, we are opposed to the establishment of coastline buffer zones that restrict areas that are available to leasing.

In making decisions about Lease Sale 220, we request that the agency consider the exemplary safety and environmental record of the offshore natural gas and oil industry. We have one of the safest workplaces in America, with an injury rate that is nearly 70% lower than that for all of private industry and 50% lower than the petroleum industry as a whole. The offshore natural gas and oil industry produces about 4 million barrels of oil equivalent per day. Only 7 barrels of petroleum (or .0002% of production) is released, as compared with 1,700 barrels of oil per day from natural seeps. (National Research Council, 2002.) There has not been a major spill of any type from an OCS production platform in nearly 30 years. There has not been a major spill from a blowout on an OCS production platform in nearly 40 years. This industry has proven that it can conduct its operations in a safe, environmentally sound manner. Therefore, any decisions made regarding leasing, or not leasing, should be based on the factual record, rather than on emotional appeals to unfounded fears.

Finally, we recommend that the environmental impact statement for Lease Sale 220 fully consider both the socioeconomic impacts of producing energy from this area, as well as the socioeconomic impacts of NOT producing energy. We recommend that the agency consider and analyze those impacts for all of the American people, living in all 50 states, since the resources of the OCS are owned by the whole country.

NOIA, API AXPC, IADC, IAGC, IPAA, PESA, and USOGA appreciate the opportunity to provide comments on the Call for Information and Interest and Notice of Intent to Prepare an Environmental Impact Statement for Proposed Lease Sale 220.

Sincerely,

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Doug Morris, API

Brian Petty, IADC

Lee Fuller, IPAA

Chip Gill, IAGC

V. Bruce Thompson, AXPC

Alby Modiano, US Oil & Gas Assn.

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