

April 30, 2018

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Mr. Moore and Mr. Cantrell:

The American Petroleum Institute (“API”), National Ocean Industries Association (“NOIA”), Independent Petroleum Association of America (“IPAA”), International Association of Drilling Contractors (“IADC”), and the International Association of Geophysical Contractors (“IAGC”) (“the Associations”) offer the following comments in advance of the upcoming meeting of the Boundary Expansion Working Group (“BEWG”) of the Flower Garden Banks National Marine Sanctuary (“FGBNMS”) Advisory Council (herein referred to as “SAC”).

The Associations’ members have significant interest in ensuring that future opportunities for offshore oil and natural gas exploration and development are not unduly restricted by expanding sanctuaries to include new geographic areas for which expansion is not necessary, or with boundaries larger than those needed to protect appropriate reef or bank areas consistent with the best available science and data and the multiple uses of stakeholders. The Associations and our members support appropriate preservation of marine areas and resources through the Sanctuaries Program, and the Associations strongly support the following key principles:

- Identify sites that are truly unique places of “national significance” (National Marine Sanctuaries Act (“NMSA”), Sections 301 & 303);
- Base the value proposition, threat identification and benefit assessments on science and evidence (NMSA, Section 303);
- Allow for multiple use with reasonable access regulations and reasonable mitigation measures that directly address threats (NMSA, Sections 301(b)(6) & 303(b)(1));
- Recognize other agencies’ statutory responsibilities and protective regulations and avoid duplicative regulation and unnecessary restriction of activities that do not threaten Sanctuary resources (NMSA, Sections 301 & 303(b)); and,
- Use a collaborative, consensus-building, transparent process for selection and management of Sanctuary resources (NMSA, Sections 303(b)(2), 304 & 315).

After following the progress of the BEWG over the course of its deliberations, the Associations are expressing our support for the No Activity Zone¹ (“NAZ”) PLUS Plan version 3 boundary maps on the nine (9) banks (Sonnier, Alderdice, McGrail, Geyer, Bright, McNeil, 28 Fathom, Stetson, and Horseshoe) contained in DEIS: Sanctuary Expansion² Alternative 2, which were recommended for expansion by the 2007 SAC. In our view, the NAZ PLUS Plan version 3 boundaries contemplated by the BEWG for these nine (9) banks: 1) are more than sufficient to provide additional protection to these banks; 2) do not include any existing oil and natural gas production platforms; and, 3) allow for access to potential deposits of oil and natural gas that may be present deep under the seafloor along the flanks of the salt domes underlying the banks.

At the present time, many of our members are hesitant to support the addition of any part of the five (5) banks (Bouma, Rezak, Sidner, Parker and Elvers) until they have time to thoroughly consider potential impacts to their current and future oil and natural gas leasing and development activities. However, if the BEWG chooses to recommend the inclusion of these banks to the SAC, we strongly urge that the NAZ PLUS Plan version 3 boundaries be used. We are closely following and will continue to be actively engaged in the BEWG’s and SAC’s process for considering the addition of new banks. In our members’ initial review of the five (5) additional banks being considered, Elvers Bank is particularly problematic, since it is off the shelf on the slope adjacent to even larger seafloor salt-supported domes and ridges that are all in deepwater oil and natural gas industry focus areas to the south of the shelf. Including this subtle, low-relief seafloor bank is unwarranted and not supported by current best available science. Designation of this bank also sets an unacceptable and unsupportable precedent for consideration of any future features to the south, east, and west. The four (4) large Bureau of Ocean Energy Management (“BOEM”) protraction areas potentially impacted in the future by the inclusion of Elvers now extend 100 miles from the shelf edge south to the Sigsbee Escarpment, and contain roughly 4,000 OCS blocks where our industry will be drilling, developing, and producing for decades to come.

In addition, please understand that the Associations no longer support the boundaries adopted by the SAC in 2007. We do not support any enlargement of the existing boundaries of the two East & West Flower Garden Banks. Because of new technology better defining the domes’ areal extent, the boundaries proposed in 2007 would now likely preclude production of much of the potential oil and natural gas resources that might be found on the deep flanks of the salt domes underlying the banks. The larger areal extent of this now DEIS Alternative 2 could eventually receive future prohibitions on leasing by further extensions of the current Executive Order prohibiting leasing in all national marine sanctuaries, which would seemingly render many of the salt dome flank areas non-drillable in the future, if included in the sanctuary expansion.

As the Associations have made clear in our previous comments on the FGBNMS expansion, we do not view many of the areas under consideration for inclusion in the Sanctuary

¹ No Activity Zone as defined by BOEM in its Western and Central Gulf of Mexico Topographic Features Stipulation Map Package for Oil and Gas Leases in the Gulf of Mexico, March 2018, <https://www.boem.gov/Topographic-Features-Stipulation-Map-Package/>

² Office of National Marine Sanctuaries, 2016, Flower Garden Banks National Marine Sanctuary Expansion Draft Environmental Impact Statement, U.S. Department of Commerce, National Oceanic and Atmospheric Administration, Office of National Marine Sanctuaries, Silver Spring, MD; <https://flowergarden.noaa.gov/management/expansiondeis.html>

as being of “special national significance” as mandated by the NMSA. Clearly these new areas are not of the same “special national significance” or scientific importance as the live coral reef areas in the existing FGBNMS. Therefore, the regulations governing oil and natural gas activities in these proposed new sanctuary areas should not be the same as in the existing FGBNMS areas, since in the future, industry will likely need to acquire new nodal seafloor and streamer seismic surveys on and across these banks. Thus, we generally support BEWG’s consideration of these banks, but our support is contingent on retaining our industry’s ability to acquire future seismic surveys under current existing federal agency regulations for these proposed areas. These areas are already under extensive protection by other federal agencies and the Associations see no need for additional regulations beyond what is currently required by BOEM and the Bureau of Safety and Environmental Enforcement (“BSEE”). We are also concerned about regulations that would impede and/or impact existing and future pipelines in these new areas. Finally, the Associations firmly want to emphasize that continued leasing of these new areas must be allowed, thereby providing drilling access by directional drilling to potential oil & gas resources underlying the main bank areas.

Further, in many offshore areas, BOEM has established regulatory programs that protect marine resources and establish restrictions on energy and minerals development. For example, BOEM regulatory programs have established requirements for pre-drill shallow hazard surveys, archeological surveys, biological surveys, and identification of sensitive underwater features (hard-bottom areas, pinnacle trends, etc.) as part of the exploration or development plan process. BOEM uses this information to assess and, if warranted, establish mitigation measures to minimize or avoid negative impacts on sensitive areas identified in these surveys before any offshore drilling or development activities occur. Any future sanctuary designation or expansion of the FGBNMS should consider all applicable BOEM and BSEE requirements and evaluate whether they provide adequate oversight to avoid regulatory duplication, confusion, overlap, inefficiency, and especially, unreasonable delays. In short, the Associations advocate for a regulatory environment where all agencies responsible for protection and use of the marine environment work collaboratively to create straightforward, clear and consistent requirements for the energy industry to continue safe and environmentally responsible offshore operations.

The Associations encourage the BEWG and the SAC to make the final BEWG recommendations to the SAC available to the public via the FGBNMS website prior to the May 9th, 2018 SAC meeting. This will help to foster transparency of the process and give interested stakeholders an opportunity to review the recommendations. We also encourage NOAA Office of National Marine Sanctuaries and the FGBNMS SAC to consider how best to address such changes to the DEIS alternatives moving forward with the proposed rulemaking and preparation of a final EIS and regulations.

We appreciate the SAC reviewing and taking into consideration the Associations’ comments on the DEIS. The Associations fully support the thorough and transparent process being used by the BEWG as it determines its boundary recommendation to provide to the full SAC. We are hopeful that this transparency will continue as the SAC fully deliberates and votes on the matter at its meeting on May 9th. Our members will continue to review and assess the BEWG recommendation and we plan to offer additional comments to the SAC. We appreciate the opportunity to work with NOAA on this matter going forward. Should you have any questions, please contact Andy Radford at 202-682-8584 or by email at radforda@api.org.



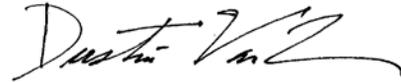
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