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December 22, 2014

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Submitted electronically via [regulations.gov](http://regulations.gov)

Re: Docket No. BOEM-2014-0078

Dear Sirs:

With this letter, the National Ocean Industries Association (NOIA) wishes to submit comments regarding the Bureau of Ocean Energy Management's ("BOEM") Draft Second Supplemental Environmental Impact Statement (DSEIS) for the Chukchi Sea Lease Sale 193, Alaska OCS Region, Chukchi Sea Planning Area, 79 FR 66401 (November 7, 2014) Docket No. BOEM-2014-0078.

NOIA, founded in 1972, represents more than 320 companies among all segments of the offshore industry with an interest in the exploration and production of both traditional and renewable energy resources on the nation's outer continental shelf (OCS). NOIA's mission is to secure reliable access and a fair regulatory and economic environment for the companies that develop the nation's valuable offshore energy resources in an environmentally responsible manner.

The Arctic OCS includes critically important hydrocarbon producing areas like the Chukchi and Beaufort Seas off Alaska, where expertise and technology can be used to potentially make significant discoveries of energy resources and increase our nation's energy security. In fact, few areas of the world are thought to contain more undiscovered oil and natural gas resources than the Arctic. Regular, predictable lease sales in these Planning Areas are needed to help ensure high participation in future lease sales, new federal revenues from lease bonuses, and continued offshore exploration and production.

The time is now upon us for the completion of the planning process for Lease Sale 193. Doing so is in the nation's best interest. The U.S. Energy Information Agency's 2014 Energy Outlook, indicates that oil and natural gas will be a key component of the U.S. energy mix and is projected to still account for well over half of all domestic energy produced in 2040. It is therefore in the nation's best interest to safely produce as much domestic energy as possible.

Also important is that new sources of oil be found on the North Slope of Alaska to maintain the viability of the Trans-Alaska Pipeline System. In 1988 Alaska's North Slope was producing over 2 million barrels per day – or roughly 25% of the U.S. domestic crude oil production. Current North Slope production has declined to under 500,000 barrels per day. Should this decline continue unabated, the viability of the Trans-Alaska Pipeline will be threatened, and with it the flow of existing production to the Lower 48. Drilling of new offshore prospects and development of the discoveries that may be found on them is essential to slowing and reversing the current, declining trend in Alaskan oil production.

The potential in the region is substantial. The Chukchi Sea alone was last estimated by MMS/BOEM in 2006 to contain 15.38 BBO, 76.77 TCFG, or a total of 29.04 BBOE – possessing a greater hydrocarbon resource potential than any other undeveloped U.S. energy basin. The Beaufort Sea, while smaller, nevertheless provides among the largest undiscovered resource accumulations in the U.S. Together, the oil and natural gas resource potential represented by the Chukchi and Beaufort Seas exceeds the combined resource estimates for the Atlantic and Pacific OCS.

These significant resources can be brought to market safely, even given the challenging operating conditions of the Arctic region. The offshore industry has a long and rich Arctic operations experience, and technological evolution as lessons are applied from project to project equip the oil and natural gas industry to be able to carry out operations in the Chukchi Sea and elsewhere in the Arctic in a safe and environmentally responsible manner. This same experience demonstrates that industry can operate in a manner that enables the protection of habitat, wildlife, and subsistence resources, and that is respectful of the way of life and the communities of the people living in the region.

Major safety and environmental performance changes have occurred since the Macondo Incident in 2010. In the last few years, the oil and natural gas industry has worked both independently and with regulatory agencies to enhance the safety of offshore operations. Many industry standards were revised, enhanced or newly created to cover areas that include well design, cementing, and operator/contractor interaction; blowout prevention equipment design, operation, repair and maintenance, and associated control systems; and, subsea equipment interfaces with remotely-operated vehicles and well capping equipment.

Progress in Arctic design and operating standards has kept pace with these developments in technologies and procedures. These standards ensure the use of best practices and adhere to the same philosophies of management systems for protection of human health, safety and the

environment used in other operating environments while specifically addressing the risks associated with the Arctic.

Recent efforts to enable safe and environmentally sound Arctic operations have included:

- 3D seismic on ice;
- Acoustic monitoring programs to detect and track marine mammals and subsequent sound mitigation measures;
- Improvements in well design and well control;
- Reduction of drilling sound and use of drones (pilotless aircraft systems) for surveillance; and
- The newly developed standard for safe and reliable design of offshore structures in ice promulgated by the International Organization for Standardization (ISO).

In addition to the above, several international oil and gas companies with substantial experience with Arctic operations are collaborating on a program of research to improve Arctic spill response under the auspices of the IOGP (formerly International Association of Oil and Gas Producers) as participants in the Arctic Oil Spill Response Technology Joint Industry Program ("JIP").

The offshore oil and gas industry has a long track record of safely producing vitally needed energy resources from increasingly difficult to access regions, all while continually improving safety processes and technological developments. The resource potential in the Arctic is significant and the nation's needs are expanding. Taken together, the course should be clear: the DSEIS for Lease Sale 193 must move forward.

Thank you for considering this letter in your determination of the completeness and suitability of the DSEIS to address the potential environmental effects of potential oil and gas activities associated with Lease Sale 193. If you have any questions, please do not hesitate to contact me.

Sincerely,



Michael Kearns  
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