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Ms. Kelly Hammerle
Bureau of Ocean Energy Management (VAM-LD)
45600 Woodland Road
Sterling, Virginia 20166

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Subject: Request for Comments on the 11th National Oil and Gas Leasing Draft Proposed Program

The American Petroleum Institute ("API"), National Ocean Industries Association ("NOIA"), Independent Petroleum Association of America ("IPAA"), U.S. Oil and Gas Association ("USOGA"), Louisiana Mid-Continent Oil and Gas Association ("LMOGA"), American Exploration & Production Council ("AXPC"), International Association of Drilling Contractors ("IADC"), EnerGeo Alliance ("EnerGeo"), Energy Workforce & Technology Council ("EWTC"), and the Offshore Operators Committee ("OOC") ("the Associations") offer the following comments on the Bureau of Ocean Energy Management's ("BOEM") request for comments on the 11th National Oil and Gas Leasing Draft Proposed Program ("DPP" or "Draft Proposed Program") published in the Federal Register on November 24, 2025. The Associations' members have significant interest in ensuring that there are future opportunities for offshore oil and natural gas exploration and development in the United States ("U.S.") so that the nation can capitalize on industry expertise that has been garnered through years of successful and beneficial exploration, development and production of domestic outer continental shelf ("OCS") oil and natural gas resources.

We fully support keeping the Draft Proposed Program acreage as is with no additional areas being removed from future leasing consideration. Considerable acreage has already been excluded in the development of the Draft Proposed Program, particularly in the Atlantic. The decisions made regarding what areas are available for leasing provide opportunities, particularly in the South-Central Gulf of America planning area, will have beneficial long-term implications for our nation's energy security, national security, prospects for job creation, and government revenue generation.

This Draft Proposed Program shows BOEM's commitment to a broad national OCS oil and natural gas program that will be beneficial to America, taxpayers and producers.

I. The Associations

API is a national trade association of approximately 600 member companies involved in all aspects of the oil and natural gas industry. API's members include producers, refiners, suppliers, pipeline operators, marine transporters, and service and supply companies that support all segments of the industry. API and its members are dedicated to meeting environmental requirements, while economically and safely developing and supplying energy resources for consumers. API is a longstanding supporter of offshore exploration and development, and the process laid out in the Outer Continental Shelf Lands Act ("OCSLA") as a means of balancing and rationalizing responsible oil and natural gas activities and the associated energy security and economic benefits with the protection of the environment.

For more than 50 years, the **NOIA** has represented the interests of all segments of the offshore energy industry, including offshore oil and gas, offshore wind, offshore carbon sequestration, and offshore minerals. Our membership includes energy project operators, leaseholders, and developers along with the entire supply chain of companies that make up an innovative ecosystem contributing to the safe and responsible exploration, development, and production of U.S. energy and mineral resources.

The **IPAA** is a national upstream trade association representing thousands of independent oil and natural gas producers and service companies across the United States. Independent producers operate 95 percent of the nation's oil and natural gas wells and are responsible for 85 percent of US oil production and 90 percent of natural gas production onshore.

The **USOGA**, formed in 1917, have been advocates for sound national energy policy that supports exploration and production for the domestic oil and natural gas industry for over 100 years. USOGA represents over 250 large and small companies that operate both on and offshore as well as numerous state-based trade associations in the industry.

AXPC is a national trade association representing the leading independent oil and natural gas exploration and production companies in the United States. AXPC member companies are among the world's leaders in the cleanest and safest exploration and production of oil and natural gas—both onshore and offshore—while supporting millions of Americans in high-paying jobs and investing significant resources in our communities. Dedicated to safety, science, and technological advancement, our members work to deliver affordable, reliable energy while continuously improving environmental performance. As part of this mission, AXPC members recognize the importance of responsible stewardship of the nation's natural resources and advancing positive public-welfare outcomes. This includes ensuring continued access to resource development on federal lands and waters so these taxpayer-owned resources can be developed safely and generate value for the public. A stable, predictable offshore program is essential to maintaining U.S. energy leadership, strengthening the economy, and ensuring taxpayers receive the benefits of responsible resource development.

Founded in 1923, **LMOGA** is Louisiana's longest standing trade association, exclusively representing all aspects of the oil and gas industry onshore and offshore, including exploration, production, mid-stream activities, pipeline, refining and marketing.

The **OOC** is a non-political, non-profit organization representing Federal OCS leaseholders. OOC's membership represents more than ninety percent (90%) of energy developed on the OCS. For more than 75 years, OOC member companies have collaborated to foster prudent operations that exhibit stewardship of the environment while continuously improving safety, technology, and operational efficiency on the Federal OCS.

Since 1940, **IADC** has exclusively represented the worldwide oil and natural gas drilling industry. IADC's contract-drilling members own most of the world's land and offshore drilling units that drill the vast majority of the wells producing the planet's oil and natural gas. IADC's membership also includes oil-and-gas producers, and manufacturers and suppliers of oilfield equipment and services. Through conferences, training seminars, print and electronic publications, and a comprehensive network of technical publications, IADC continually fosters education and communication within the upstream petroleum industry.

EnerGeo is the international trade association representing the industry that provides geophysical services (geophysical data acquisition, processing and interpretation, geophysical information ownership and licensing, associated services and product providers) to the oil and natural gas industry. EnerGeo member companies play an integral role in the successful exploration and development of offshore hydrocarbon resources through the acquisition and processing of geophysical data.

EWTC is the unified voice for the energy industry's oilfield service, supply and manufacturing companies. EWTC members support over 600,000 jobs in this sector and are global leaders in the advanced technologies that allow for safer and more abundant energy production.

II. General Importance of a Strong U.S. Offshore Energy Policy

A. Offshore Development is an Integral Part of U.S. Energy Policy

As BOEM recognizes, the National OCS Leasing Program is a foundation of American energy policy and critical to American energy leadership. One of President Trump's first Executive Orders "Unleashing American Energy" (E.O. 14154) declared it the "national interests to unleash America's affordable and reliable energy and natural resources."[1] Secretarial Order 3418, which implements this strategy, fully recognizes the importance of offshore oil and natural gas development.[2] With the issuance of the DPP and development of the 11th National Five-Year Offshore Leasing Program, it is clear that the Administration is addressing the statutory intent of OCSLA that "the outer Continental Shelf is a vital national resource reserve held by the Federal Government for the public, which should be made available for expeditious and orderly development, subject to environmental safeguards, in a

[1] https://public-inspection.federalregister.gov/2025-01956.pdf
[2] https://www.doi.gov/document-library/secretary-order/so-3418-unleashing-american-energy

manner which is consistent with the maintenance of competition and other national needs."[3]

Though the U.S. Energy Information Administration ("EIA") forecasts U.S. energy demand will slightly fall by 2050, it still expects that 70 percent of that demand will be met by oil and natural gas.[4] And recent developments regarding the growth of AI centers and their demand for electricity highlight the importance of increasing U.S. energy production. Thus, a true all-of-the-above U.S. energy policy that includes a robust offshore oil and natural gas leasing component will be needed to meet future U.S. and global energy demand and to offset the inevitable declines associated with existing U.S. oil and natural gas production.

For the foreseeable future, demand will primarily continue to be met by domestic production. The U.S. has become the world's largest producer of oil and natural gas. This energy renaissance has put millions of Americans to work, generated billions of dollars in revenue for Federal and State governments and put downward pressure on prices for consumers. Growing U.S. production has dramatically increased our resistance to energy market shocks, but our long-term energy security can only be strengthened with a lasting commitment to expanding offshore oil and natural gas development. In 2024, offshore oil and natural gas production accounted for approximately 14% and 2%[5] of domestic production, respectively. This production is a crucial component in helping to ensure a dominant U.S. oil and natural gas industry in the future. Therefore, a downward trend of OCS production in the coming years could offset the national economic benefits recently realized from increased domestic production. A continued "Western and Central Gulf of America Only" approach will fail to meet the goal of maintaining American energy dominance.

From a purely economic standpoint, increased supply can help put downward pressure on prices. And while EIA's 2030 oil forecast shows that supply may out pace demand in the short term[6], their 2025 World Energy Outlook's Current Policy Scenario projects that the demand for oil and natural gas will continue[7] to be needed in the long run. The U.S., through proactive long-term energy policy, can help address concerns about long-term supply issues by expanding opportunities for the exploration and production of oil and natural gas resources in the U.S. OCS.

B. Public Support for American Domestic Energy Policy

The OCS is held by the federal government for the public – i.e., the citizens of the country, who today rely on affordable supplies of oil and natural gas to meet their energy needs and will continue to rely on dependable, affordable energy for decades to come. Recent surveys affirm that the U.S. public is very supportive of domestic oil and natural gas production to meet the nation's energy needs and understands that the alternative would mean shifting our reliance to other, parts of the world—potentially including foreign regimes with geopolitical interests that conflict with America's national security interests:

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[3] 43 U.S.C. § 1332(3).

[4] https://www.eia.gov/outlooks/aeo/

[5] Oil - https://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbblpd_a.htm; Natural Gas - https://www.eia.gov/dnav/ng/ng_prod_sum_a_EPG0_VGM_mmcf_a.htm

[6] https://iea.blob.core.windows.net/assets/c0087308-f434-4284-b5bb-bfaf745c81c3/Oil2025.pdf

[7] https://www.iea.org/reports/world-energy-outlook-2025/current-policies-scenario#abstract

- A December 2025 national survey of registered voters[8] found broad support for maintaining and expanding U.S. natural gas and oil production. Over 80 percent of respondents said that creating access to natural gas and oil produced here in the United States is important, including 48 percent who said it is very important.

- A majority of voters support allowing offshore drilling for oil production, reinforcing the depth of regional and national backing for responsible domestic energy production. Nationally, 77 percent of respondents agreed that producing oil and natural gas in the U.S. could help lower energy costs for American consumers and small businesses, with 43 percent strongly agreeing. In addition, 80 percent said the oil and natural gas industry will play an important role in helping the economy recover, and 77 percent believe oil and natural gas will continue to play a significant role in meeting America's energy needs through 2050.

These findings demonstrate broad public confidence that domestic energy development strengthens U.S. energy security and supports economic stability. We are near record high production of oil in the U.S., with production in December of 2025 exceeding 13 million barrels of oil per day, but the U.S. is still importing oil. The public prefers production of oil and natural gas from the U.S. over production from other regions of the world. OCLSA recognizes the importance of U.S. production, as clearly supported by the spirit and intent of the law, and the preference must be for a robust U.S. offshore leasing program.

C. Energy Security is National Security

Offshore energy development and energy security are a critical part of our domestic national security. Decades of offshore oil and natural gas operations have proven that we do not just supply the fuel for military operations and training but can coexist with critical military training and operations. The Department of the Interior ("DOI") and the Department of War ("DOW") have decades of experience working together to facilitate the needs of both Departments across the Gulf of America ("GOA"). While the DOW uses the GOA, to conduct various mission operations, including air-to-air gunnery, rocket and missile research and testing, sonar buoy operations, pilot training, and aircraft carrier operations, these operations primarily occur in very near shore areas in the Eastern GOA, a region not proposed for development in the DPP.

In the proposed areas for offshore leasing in the GOA, there is a Memorandum of Agreement between the Departments that establishes procedures for joint use of the OCS.[9] For each lease sale, DOI and DOW consult on specific areas that will be offered for leasing. Leases in these areas contain stipulations that require special considerations by lessees to accommodate military operations (including the right of the military to suspend oil and natural gas operations), require evacuation of personnel and require the development of a formal Operating Agreement between the lessee and the military. In the past, the Departments have established a "drilling window" program for exploratory activities on oil and natural gas leases which can ensure that exploration activities can be conducted predictably, orderly, and safely without interfering with scheduled military activities or jeopardizing the national defense mission.

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[8] http://api.org/-/media/Files/misc/2026/API-Topline-December-2025.pdf

[9] July 1983 "Memorandum of Agreement Between the Department of Defense and the Department of the Interior on Mutual Concerns on the Outer Continental Shelf."

In addition, widespread technological innovations and advancements allow for a wider range of offshore energy exploration while reducing the impact on the surface of the water. This includes the use of extended-reach subsea well tiebacks, subsea production and separation, and Floating Production, Storage, and Offloading facilities, all which can reduce or eliminate the need for large, permanent surface structures along with any associated concerns that might impact military operations.

D. Deepwater Technology Leadership and Innovation

Throughout its history, the United States has recognized and addressed the complexities associated with energy dependence. Growing, and then maintaining, a new era of energy dominance will require new regions and new opportunities for exploration. The onshore American renaissance of oil and natural gas development was made possible by American ingenuity unlocking new resources through new technology and innovation. This same leadership in innovation has unlocked new resources across the Gulf of America through innovations in deepwater drilling and increased high-temperature and high-pressure development. An energy policy, like that found in the DPP, that shows continued commitment to offshore oil and natural gas exploration and development throughout the U.S. OCS is what will be needed to maintain U.S technological leadership and energy dominance.

III. Support for the Draft Proposed Program

The DPP takes the strong step toward recognizing the importance of creating opportunities to address future oil and natural gas supplies, maintaining a robust U.S. oil and natural gas industry and thereby increasing energy security. OCSLA directs the DOI to expedite leasing opportunities in the OCS. The spirit and intent of the law demonstrate a framework for the Department to provide leasing opportunities throughout the 27 planning areas of the OCS. The most recent National Program was directly contrary to the spirit and intent of the statute, with the government effectively limiting exploration and production to the Western Gulf of America, Central Gulf of America, a sliver in the Eastern Gulf of America, and only planning three lease sales over the five-year period. Thus, making only approximately 5% of the U.S. OCS even considered for leasing and development.

Increased domestic production in recent years has served to buffer the U.S. from the shocks to our economy from higher oil prices caused by rising world demand for oil and tensions in the Middle East, Europe, South America, and other regions. With the time needed to develop offshore oil and natural gas stretching 10 to 15 years from the time of a lease sale, especially in frontier areas, we need to maintain our activity in existing areas of operation and expand access to unexplored and undeveloped OCS areas that have been off limits for decades. Resources from these new and existing areas are needed to replace the onshore and offshore oil and natural gas reserves that are depleted through production. Considering the long lead times to production, now is the time to make new areas available. The DPP recognizes this by proposing to make 21 of the 27 OCS planning areas available for future leasing.

A. DPP Lease Sale Timing and Locations

Implementing the current DPP would be consistent with and in support of OCSLA Section 18(a)(3) of the OCSLA, which directs the DOI Secretary to select the timing and location of leasing in a manner that balances the potential for environmental damage, the potential for discovery of oil and natural gas, and the potential for adverse impact on the coastal zone. Expanding access into these

regions achieves three important objectives for our nation's energy security as it relates to the timing and location – (1) near-term production opportunities; (2) securing national security goals and diversifying access to a potential vast resource base; and (3) long-term production opportunities. Leasing in the Beaufort and Chukchi Seas has occurred in the recent past, but as the DPP notes, lack of certainty and predictability in the permitting and regulatory processes constructively limited the opportunities for the industry to engage in exploration in those areas, with only one well drilled and no production.

This action reverses the trend from the most recent National Program which was directly contrary to the spirit and intent of the statute, with the government effectively limiting exploration and production to the Western Gulf of America, Central Gulf of America, and a sliver in the Eastern Gulf of America, and only planning three lease sales over the five-year period. By proposing and moving forward with a broad program that considers and provides opportunities for expansive, additional leasing in the South-Central Gulf of America, the Pacific and Alaska, the DPP adheres to the spirit and intent of OCSLA, which allows the market to drive investment, American ingenuity to find solutions and discover resources that create significant economic and national security benefits for the nation.

B. Atlantic Inclusion

The historic exclusion of the areas in the Atlantic from the program runs counter to efforts to explore and expand American energy dominance. Currently, there has been widespread energy development in the Atlantic through new offshore wind leasing and development. This has begun the process of building needed port infrastructure that could benefit from increased oil and natural gas activities as well as build synergies among the industries. In the past, our industry has been very active in exploration and drilling activities throughout the entire Atlantic region, and it is past time for a leasing program to, once again, include areas in the Atlantic OCS. Inclusion of Atlantic OCS leasing opportunities would help drive the necessary investment in seismic research, which in turn would provide the government and industry with much needed data for potential leasing decisions. While it has not been explored recently, the BOEM's 2021 National Assessment of Undiscovered Oil and Gas Reserves of the U.S. OCS estimates that there are 4.31 billion barrels of oil and 34.09 trillion cubic feet ("Tcf") of natural gas (10.38 BBOE) in the Atlantic OCS.[10] Development of these resources would put the United States on par with nations like Brazil, Canada and Guyana – all of which have had years of Atlantic development activity and significant recent discoveries of resources.

C. Number of Sales in the DPP

Predictability and certainty in the leasing program helps companies make the long-term decisions required for offshore development, particularly considering the magnitude of the investment in human and financial resources required for frontier areas. The market, both domestic and global, will drive investment to the areas that make the most sense for seismic and other exploratory activities, and this broad DPP will effectively allow the market to drive the investment necessary to explore for and identify potential resources for exploration and possible development in new areas. The inclusion of offshore oil and natural gas sales in the One Big Beautiful Bill (P.L. 118-101) passed by Congress in 2025 included two regular annual sales in the Gulf of America and six sales in the Cook Inlet over the next fifteen years. These sales provide a bare foundation for offshore development, ensuring that there is a steady, if

[10] https://www.boem.gov/sites/default/files/documents/oil-gas-energy/2021-NA_1.pdf

geographically limited, opportunity for oil and natural gas leasing on the OCS. We support the inclusion of additional sales in the additional regions proposed by the DPP, as these will support the Congressionally-mandated sales and should remain in the proposed plan. This multiple lease sale strategy will ensure a long-term strategic approach to balancing energy needs, economic priorities, opportunities and job creation.

D. Environmental Analysis

BOEM not conducting a National Environmental Policy Act (NEPA) analysis for the DPP and instead preparing an environmental analysis as required by OCSLA Section 18 aligns with recent rulings by the U.S. Court of Appeals for the District of Columbia. For example, in *Center for Biological Diversity, et al. v. Department of the Interior*, the court held that the NEPA claims presented were not ripe at the National OCS Program stage, as an agency's NEPA responsibilities only mature upon reaching a critical decision point that includes irreversible and irretrievable commitments of resources affecting the environment. 563 F.3d 466, 480-82 (D.C. Cir. 2009). For the National OCS Program, the court determined that the obligation to comply with NEPA arises at the lease sale stage. *Id*.; *see also Center for Sustainable Economy (CSE) v. Jewell*, 779 F.3d 588 (D.C. Cir. 2015) (finding NEPA challenges to the 8th Program unripe because the Department makes no irreversible and irretrievable commitment of resources at the National OCS Program stage such that NEPA would be triggered).

Furthermore, BOEM's preparation of an environmental analysis outside of the NEPA framework allows for the provision of relevant environmental and predictive information for different areas of the OCS at the National OCS Program approval stage as is required by OCSLA Section 18. This method ensures that the OCSLA-required environmental analysis is appropriately completed at the Program stage while the potential effects of activities under lease sales scheduled in a new National OCS Program are thoroughly considered within the NEPA framework contemporaneously with the individual lease sales. By focusing on a more targeted and specific analysis at the lease sale stage, BOEM can better address the environmental concerns associated with each individual lease sale, rather than conducting a broad and potentially less effective NEPA analysis at the National OCS Program approval stage.

The Associations reviewed BOEM's Environmental Analysis and offer the following comments:

Regarding Chapter 9, Environmental Considerations, this section provides thorough descriptions of the physical, pelagic, benthic, coastal, and human environments for each of the OCS regions. In general, adequate information related to key endangered marine mammals, the Rice's whale (Section 9.2.3.2) and North Atlantic Right Whale (NARW) (Section 9.2.4.2) was included, and pertinent details on other species present and potentially impacted by oil and natural gas activities and environmental changes within each region (e.g., ocean acidification, shifts in temperature) were adequately covered within Section 9. Specifically, we note the following for BOEM's consideration:

1. Section 9.2.2.2, page 226 – Oldach et al. (2022) notes that noise could alter whale behavior, movement and physiology but does not directly cause whale mortality, which contrasts with the other four threats identified which can directly cause mortality. We recommend removing "noise" from this sentence or removing this sentence entirely as it is specific to only one OCS

region.

2. Section 9.2.4.2, page 253 – We recommend revising the description, "small dolphins," to "coastal dolphins" as the term "small dolphin" is misleading and implies that the use of nearshore waters is limited by dolphin size. In fact, dolphin species of different sizes (bottlenose dolphin, Atlantic spotted dolphin, and common dolphin) utilize the nearshore and continental shelf waters in this region.

3. Section 9.2.4.2, page 253 – We recommend revising the estimate of NARW to include newer information. The latest population estimate for the NARW has increased from 372 (Hayes et al. 2023) to 384 (New England Aquarium 2025). This estimate was released by the NARW Consortium in late October 2025 (New England Aquarium 2025). Additionally, the NOAA Fisheries 2025r reference from BOEM's Environmental Analysis contains an updated population estimate of 380 as of December 2025.
    - New England Aquarium 2025: https://www.neaq.org/about-us/press-room/press-releases/north-atlantic-right-whale-population-continues-slow-growth/, NOAA Fisheries 2025r: https://www.fisheries.noaa.gov/species/north-atlantic-right-whale

4. Section 9.2.4.2, page 253 – The reference to White and Veit 2020 appears to be incorrect as it relates to the Spatial ecology of long-tailed ducks and white-winged scoters wintering on Nantucket Shoals. The we recommend the following reference:
    - 50 CFR Part 226, https://www.federalregister.gov/documents/2016/01/27/2016-01633/endangered-and-threatened-species-critical-habitat-for-endangered-north-atlantic-right-whale

5. Section 9.2.4.4, page 256 – This section regarding the coastal environment of the Atlantic region mentions the importance of specific areas for birds and fish; however, it does not go into detail on the importance of this region for seals. Gray and harbor seals are typically observed in coastal water within the Atlantic region. Gray seals breed on several isolated islands along the Maine coast and in Nantucket Shoals (NMFS 2025). Following the breeding season, gray seals may spend several weeks ashore. Harbor seals are found in coastal water during the winter from southern New England to New Jersey (Hayes et al. 2022; Kenney and Vigness-Raposa 2010). The species has also been seen as far south as North Carolina with regular haul-out sites on the eastern shore of Virginia and Chesapeake Bay (Jones and Rees 2020). We recommend including additional details on seals within Section 9.2.4.4., including the following references:
    - [NMFS] National Marine Fisheries Service. 2025. Draft 2024 U.S. Atlantic marine mammal stock assessments. Available online at https://www.fisheries.noaa.gov/s3/2025-03/Draft-2024-Atlantic-SARs.pdf
    - Hayes, S.A., E. Josephson, K. Maze-Foley, P.E. Rosel, and J. Wallace, eds. 2022. U.S. Atlantic and Gulf of Mexico marine mammal stock assessments - 2021. Woods Hole, MA. NOAA Technical Memorandum NMFS-NE-288. 380 p.
    - Jones, D.V. and D. Rees. 2020. Haul-out Counts and Photo-Identification of Pinnipeds in Chesapeake Bay and Eastern Shore, Virginia: 2018/2019 Annual Progress Report. Final Report. Norfolk, VA.
    - Kenney, R.D. and K.J. Vigness-Raposa. 2010. Marine mammals and sea turtles of Narragansett Bay, Block Island Sound, Rhode Island Sound, and nearby waters: an

analysis of existing data for the Rhode Island Ocean Special Area Management Plan. p. 634-970 In: Rhode Island Coastal Resources Management Council (ed.). Rhode Island Ocean Special Area Management Plan Volume 2. Appendix A: technical reports for the Rhode Island Ocean Special Area Management Plan.

6. Section 9.3, pages 263-264 – Table 9-1 includes "Noise" as an IPF; however, the text following the table does not mention or expand on the specific sources of noise that could impact marine mammals, sea turtles, or fish. Mention of potential changes in animal behavior due to avoidance of specific areas due to noise are made in the referenced text. We recommend including additional details describing the main sources of noise associated with oil and natural gas activity, such as seismic surveys and project vessel noise.

Regarding Chapter 10, Relative Environmental Sensitivity & Marine Productivity, BOEM has evaluated the sensitivity of each OCS Planning Areas within each region (Alaska, Pacific, GOA, and Atlantic) based on species distribution models, extinction risk assessments, and primary productivity data. The vulnerability of specific marine mammal, sea turtle, and fish species are described within this section in relation to their ecological role and sensitivity to oil and gas activities.

Additionally, the Marine Sensitivity Toolkit (MST) used by BOEM to rank planning areas and even specific geographic locations (13–25 km^2 grid cells) provides a quantitative method for conducting relative environmental sensitivity evaluations. However, its limitations should be clearly acknowledged within the document. For example, the tool "downscales" many species distribution models which can provide a false sense of precision in the output. It also relies heavily on long-term averages of net primary production, which are useful for identifying locations with high productive capacity, but do not always directly relate to sensitivity or risk of impacts. The Associations offer the following specific recommendations for Chapter 10 for BOEM's consideration:

1. Section 10.1.5, page 271, Figure 10-2 – The size of the "petals in the flower plots" do not appear to correspond correctly with the values shown in Table 10-2. For example, the Hope Basin flow plot in Figure 10-2 shows coral as having the highest sensitivity score of any of the components, but Table 10-2 show that mammals should have the largest "petal" and corals should be relatively small.

2. Section 10.1.5.2, page 288 – Washington/Oregon – We recommend including the Eastern North Pacific Southern Resident killer whale population, which is listed as Endangered under the Endangered Species Act ("ESA"). This population resides in the inland waterways of Washington state during late spring, summer, and fall (Carretta et al. 2024). The whales also occur in outer coastal waters, primarily in winter, off Washington, especially in the area between Grays Harbor and the Columbia River, and off Westport, WA (Carretta et al. 2024). Additionally, the Southern Resident killer whale population has designated critical habitat including inland waters of Washington state and coastal waters between the 6.1 m and 200 m depth contours from the U.S.-Canadian border to Point Sur California (86 FR 41668). The referenced documents are available at:
    - Carretta, James V., Erin M. Oleson, Karin A. Forney, Amanda L. Bradford, Kym Yano, David W. Weller, Aimée R. Lang, Jason Baker, Anthony J. Orr, Brad Hanson, Jeffrey E. Moore, Megan Wallen, and Robert L. Brownell Jr. 2024. U.S. Pacific marine mammal

stock assessments: 2023. U.S. Department of Commerce, NOAA Technical Memorandum NMFS-SWFSC-704. https://doi.org/10.25923/aqdn-f357.

- 86 FR 41668: https://www.federalregister.gov/documents/2021/08/02/2021-16094/endangered-and-threatened-wildlife-and-plants-revision-of-critical-habitat-for-the-southern-resident

3. Section 10.1.5.2, page 288 – Washington/Oregon – We recommend including the sperm whale in this section given their presence in Washington and Oregon waters during all seasons except winter (Carretta et al. 2024). Sperm whales are listed as Endangered under the ESA.

4. Section 10.1.5.2, page 290 – Northern California – We recommend mentioning the Eastern North Pacific Southern Resident killer whale population, which is listed as Endangered under the ESA. This population has been documented as far south as central California and satellite-tagging reveal whales use the entire Salish Sea (northern end of the Strait of Georgia and Puget Sound) in addition to coastal waters from the central west coast of Vancouver Island, British Columbia to Pt. Reyes in northern California. Additionally, the Southern Resident killer whale population has designated critical habitat spanning from the U.S.-Canadian border to Point Sur California between the 6.1 m and 200 m depth contours (86 FR 41668).
5. Section 10.1.5.2, page 290 – Northern California – We recommend including the sperm whale in this section given their year-round distribution in California waters (Carretta et al. 2024). Sperm whales are listed as Endangered under the ESA.

6. Section 10.1.5.3, page 291 – Gulf of America – We recommend including the sperm whale within this section as an ESA-listed marine mammal species given their presence within the eastern GOA (Hayes et al. 2024). The referenced document is available at:
   - Hayes, S.A., E. Josephson, K. Maze-Foley, P.E. Rosel, J. McCordic, and J. Wallace, editors. 2024. U.S. Atlantic and Gulf of Mexico marine mammal stock assessments 2023. U.S. Dep. Commer., Woods Hole, MA. NOAA Technical Memorandum NMFS-NE-321. 371 p. Available online at https://www.fisheries.noaa.gov/s3/2025-01/Atlantic-MMSAR-122025.pdf. Accessed 20 January 2025.

7. Section 10.1.5.3, page 291 and Section 10.1.5.3, page 294 – We recommend that estimates of Rice's whale abundance align with what is included in Section 9.2.3.2 to avoid confusion on the correct abundance estimate. Section 9.2.3.2 states the best abundance estimate available for northern GOA Rice's whale is 51 individuals (Garrison et al. 2024).

8. Section 10.1.5.4, pages 294 and 296 – We recommend updating the reference to the 2016 Roberts report with the more recent 2023 report, Roberts, J.J., T.M. Yack, and P.N. Halpin. 2023. Marine mammal density models for the U.S. Navy Atlantic Fleet Training and Testing (AFTT) study area for the Phase IV Navy Marine Species Density Database (NMSDD). Document version 1.3. Report prepared for Naval Facilities Engineering Systems Command, Atlantic by the Duke University Marine Geospatial Ecology Lab, Durham, NC.

9. Section 10.1.5.4, page 296 – Atlantic – We recommend including sei and sperm whales in this section given their common presence within the North Atlantic region and Endangered status

under the ESA (Hayes et al. 2024).

10. Section 10.1.5.4, page 297 – This section includes the only mention in Chapters 9 or 10 for seismic geophysical surveys to have the potential to impact marine mammal species. We recommend including additional details regarding potential impacts on marine mammals because of seismic survey noise.

IV. Specific Review of Proposed OCS Areas

A. Program Area A (Central and Western GOA)

The GOA OCS remains critically important to our nation's energy security. Because of the sustained and expansive energy policy the U.S. has followed in parts of the Central and Western Gulf of America (Program Area A), the U.S. oil and natural gas industry has become the world leader in offshore technology development, particularly in deepwater exploration, drilling and development operations. Industry's deep experience in the area has a longstanding proven collaboration between the oil and natural gas development and extensive shipping, tourism, recreational and commercial fishing and environmental protection. In fact, the Flower Garden Banks is one positive example of the longstanding ability for industry to co-exist with protected areas and their users, showcasing collaborative mitigations between BOEM and lessees to develop resources responsibly, while still providing needed environmental safeguards.

The Associations are pleased that BOEM recognizes these points and is proposing to maintain regular and predictable lease sales in this program area. However, the Associations would encourage BOEM to include two sales per year in the region, as opposed to the single sale as identified in the Draft Proposed Program. Certainty and predictability are essential to draw industry participation in future lease sales that will in turn provide federal revenues from lease bonuses, rentals and royalties and ensure sustained offshore exploration and production activity. As noted above, recent legislative activity has provided some certainty to the leasing schedule. By including two sales per year, the final program would directly reflect the planned sales included in the One Big Beautiful Bill.

B. Program Area B (South-Central Planning Area)

The South-Central GOA planning area represents the most prospective opportunity for new offshore oil development of any OCS planning area under consideration. Previous reports have shown that new oil and natural gas development in unopened regions of the GOA OCS could support over 170,000 new jobs along the Gulf Coast and across the country, contribute up to $14 billion per year to our nation's economy, and add 1 million barrels of oil equivalent per day to U.S. production.[11] In addition, BOEM historically has estimated that there are 3.63 billion barrels of oil and 11.49 Tcf of natural gas in the whole of the Eastern GOA, however, much of that oil is anticipated to be in the new South-Central GOA planning area[12]. This is clearly evidenced by current industry activity in the central Gulf of America; leasing and development trends continue to move toward and abut against the

[11] https://www.noia.org/wp-content/uploads/2018/04/180309-Calash-Eastern-Gulf-Development-Economic-Impacts-Report-Final.pdf

[12] https://www.boem.gov/oil-gas-energy/resource-evaluation/2021-assessment-undiscovered-oil-and-gas-resources-nations-outer

boundary between the Central and South-Central GOA Planning Areas. To help make investment in the U.S. GOA more attractive DOI needs to open the South-Central GOA to leasing and work to make existing policies and future lease terms more favorable to investment.

By taking such an approach, DOI would be moving forward consistent with and in support of OCSLA Section 18(a)(3), which directs the Secretary to select the timing and location of leasing in a manner that balances the potential for environmental damage, the potential for discovery of oil and natural gas, and the potential for adverse impact on the coastal zone. Expanding access into the South-Central GOA has been the highest priority for industry in the GOA for the last decade. This region achieves three important objectives for our nation's energy security as it relates to the timing and location – (1) near-term production opportunities; (2) securing and diversifying access to a potential vast resource base; and (3) long-term production opportunities. The South-Central GOA planning area provides the greatest opportunity for expanded leasing, access to an area close to existing infrastructure, workforce and response capacity, and relatively well understood geologic trends and plays, and would give the nation an opportunity to bring additional resources to production at a potentially faster pace.

Oil and natural gas development and production in the South-Central GOA planning area, like the Central and Western GOA, is compatible with all the other multiple use requirements of the OCS. The GOA oil and gas industry has a long history of responsible co-existence with other marine interests including military, commercial and recreational fishing, tourism, and transportation. We appreciate that there are special considerations required to protect the marine environment and the species that inhabit the GOA, and the industry remains dedicated to maintaining compliance with established requirements designed to protect the GOA ecosystem. Further, to achieve these goals more immediately, consider evaluating the termination of the current Presidential withdrawal and conducting an earlier lease sale, which would provide immediate new opportunities for investment.

B. California

The Pacific OCS planning areas also offer opportunities for expanded leasing in an area with existing infrastructure, workforce and response capacity, and relatively well understood geologic trends and plays. Therefore, development here would give the nation an opportunity to bring additional resources to production at a potentially faster pace. Although the Pacific OCS has, for decades, provided production from wells located on platforms installed years ago, no new leasing has occurred in the Pacific for over 30 years. Nevertheless, it is believed potential exists for future development of Pacific resources if given the opportunity.

Falling domestic crude oil production both onshore and offshore of the U.S. West Coast has contributed to increased crude oil imports and a higher refinery acquisition cost of crude oil. Refineries on the U.S. West Coast (PADD 5) have increased their imports of crude oil as local production in Alaska and California has declined. In 2024, PADD 5 refiners received ~900 thousand barrels per day (kb/d) of domestic crude oil, an all-time low. West Coast refineries also rely on crude oil railed in from the Bakken (North Dakota & Montana), which has generally been more expensive to transport than locally sourced crude oil[13].

[13] https://www.api.org/energy-insights/charts-analysis/the-us-west-coast-is-more-heavily-reliant-on-imports

The combination of increased crude-by-rail and imported crude oil can contribute to a higher refiner acquisition cost of crude oil, which reflects not only the price of crude oil, but also the transportation costs to deliver it to a refinery. As a result, the relative premium of PADD 5's refiner acquisition cost of crude oil has gradually increased, from near parity with the U.S. average in the early 2000s to ~5% above it now.

Finding domestic supply solutions to support Pacific refineries is also a national security concern. For example, the U.S. West Coast is more reliant on foreign imports to meet jet fuel demand than other U.S. regions[14] due to limited pipeline and U.S. rail connectivity. Whereas other U.S. regions rely on foreign imports for between 0% to 5% of their jet fuel demand, the U.S. West Coast imports around 15%–20% of its jet fuel demand and the share of imports could increase with the recent and expected closure of two additional refineries.[15] However, the Pacific coast's dependence on foreign imports can create a real national security threat to the Pacific coast and our military operations that are stationed and operate from bases in California. Given the current U.S. national security posture, having a long-term dependency on jet fuel imports from East Asian countries, particularly China, should be deeply concerning to American leadership. Increased California OCS production would help keep the remaining refining capacity that California still has and provide important national security protections.

C. Alaska

The Associations are pleased that BOEM continues to recognize the importance of Alaska OCS exploration and development. Access to oil and natural gas resources in the Alaska OCS under balanced and science-based regulations is an essential part of the nation's long-term economic and energy security. Additionally, given timelines required to bring Arctic resources to market, exploration today may provide a material impact on U.S. energy production in the future, potentially averting domestic oil and natural gas resource decline, strengthening U.S. energy security, and benefitting the regional and overall U.S. economy.

The DPP takes a comprehensive approach to designating potential areas of development (including a new High Arctic area), while also noting substantial potential viability obstacles in many of these areas. An expansive approach is appropriate for a framework planning document for the following reasons:

1.) Forecasting potential Alaska OCS sales in the DPP keeps development options open for the duration of the plan, which helps hedge against unpredictability in national security, energy markets, and domestic circumstances. While designating an area within, or adding a sale to, the DPP's schedule does not necessarily compel a sale to take place, a sale cannot occur unless both the area and the sale are designated.

2.) Including Alaska OCS areas in the DPP essentially flags the potential of oil and natural gas resources for other government planning efforts concerning these areas. Specifically for oil and natural gas development, the DPP itself notes that, currently, a lack of information may hamper commercial interest in several designated areas. Logically, an area which is not designated in the Proposed Plan is unlikely to be the subject of any future government-

[14] https://www.eia.gov/dnav/pet/pet_move_impcp_a1_Z00_EPJK_im0_mbbl_m.htm
[15] https://www.api.org/energy-insights/charts-analysis/the-us-west-coast-is-more-heavily-reliant-on-imports

funded geologic research work concerning potentially recoverable resources. Thinking more broadly, however, related government planning efforts for other uses of these waters (e.g., shipping, commercial fishing and subsistence for marine mammals, national security, etc.) underscore the importance of a comprehensive 5-Year Program that accurately outlines potential oil and natural gas resources.

3.) Critical opportunities to scope each individual lease sale and tailor mitigation requirements will remain after the finalization of the Proposed Program. Due diligence conducted before individual lease sales could offer ample opportunities for coordination with all stakeholders including Alaska Native communities, local governments, and other industries regarding additional mitigation measures to safeguard critical resources and activities including marine mammals, subsistence, and environmentally sensitive areas.

The search for energy resources in the Alaska OCS is not new. Nearly a century of industry operations in the region demonstrates that exploration and development of oil and natural gas resources in the Alaska OCS can take place in a safe and environmentally responsible manner; and can be protective of habitat, wildlife, communities and subsistence lifestyles.

To effectively promote exploration and development, it is crucial that BOEM employ a program of leasing that results in the predictability and certainty necessary for industry to engage in effective long-term strategies in the Alaska OCS. As stated in the 2015 National Petroleum Council ("NPC") Report (*Arctic Potential*) (in which BOEM was a participant) to the U.S. Secretary of Energy:

> "*…holding more frequent and predictable lease sales would also improve the ability to plan and execute exploration programs, particularly important in an area with a short working season. The inherent uncertainty in prospective frontier areas such as the Alaska OCS means that the subsurface knowledge gained from seismic surveys and the geological information from each drilled well significantly impacts on future drilling decisions. In the Alaska OCS, exploration and appraisal activities will proceed serially because the results of the first well in each area will determine where and how the next well should be drilled."*[16]

Offshore development would also serve to help maintain the integrity of the Trans Alaskan Pipeline System ("TAPS"), which runs from Prudhoe Bay to the Port of Valdez and provides a critical link to America's energy distribution. Since startup on June 20, 1977, TAPS has transported more than 19 billion barrels of Alaska North Slope crude from the North Slope to Valdez. At peak flow in 1988, 11 pump stations moved 2.1 million barrels of oil every day. Over time, however, the volumes moved by TAPS have significantly declined. For example, by 2024, daily throughput had dropped to 464,784 barrels.[17] Given the vast resources available in the Alaska OCS, future production could help TAPS to remain viable for decades. In that vein, Alaska OCS development would also serve as an important

[16] Available online at http://www.npcarcticpotentialreport.org/

[17] See https://alyeska-pipe.com/trans-alaska-pipeline-system-taps-overview/#:~:text=Since%20startup%20on%20June%2020,had%20dropped%20to%20464%2C784%20barrels

factor in providing critical supply for the proposed natural gas pipeline from the North Slope to the world market.

While offshore resources in the newly proposed areas are substantial, achieving commercial offshore production in new Alaska OCS areas presents substantial (but surmountable) economic and logistical challenges. Development in this environment would require significant investment in new infrastructure, icebreakers, upgraded ports, staging areas, and logistics networks as well as extended development timelines and sustained commodity prices capable of supporting such investments. Furthermore, unlike onshore North Slope development, Alaska OCS offshore production does not benefit from existing infrastructure at scale – making development in many areas more of a long-term prospect than a near-term solution. The most viable opportunities in the plan for near-term results are in Cook Inlet due to existing infrastructure, proximity to markets, and a history of offshore development that aligns more closely with current investment realities. Continued access to Cook Inlet is especially critical to support Alaska's energy security, provide reliable local employment, and contribute to state and federal revenues.

As discussed in depth in the National Petroleum Council's 2015 report "Arctic Potential", many of the Alaska OCS oil and natural gas resources can be developed safely using existing field-proven technology. It is critical that in exercising its responsibilities under OCSLA, BOEM recognizes the importance of the resource potential at stake in the Alaska OCS, and the record of the long operating experience in the region which demonstrates that these resources can be developed in a way that does not harm the Arctic environment nor prevent subsistence hunting, and other uses of that environment. In this vein, it is critical for BOEM to adopt an Alaska OCS leasing approach that offers a realistic path to delivering energy, economic, and infrastructure benefits to Alaska and the nation while also preserving future offshore options should market and infrastructure development support them.

V. Additional Items

BOEM plays a critical role in ensuring that the federal government receives fair market value (FMV) for leases on the OCS in accordance with OCSLA. Currently, BOEM employs a two-phase bid adequacy process to evaluate whether high bids submitted in lease sales meet the FMV requirement. In phase 1, BOEM ensures that the bids are in compliance with the related regulations and Final Notice of Sale ("FNOS"). BOEM then does an initial analysis to see if the tracts are geologically and economically viable. If BOEM determines a tract is not viable, BOEM will accept the highest qualified bid for that tract. All remaining tracts that have been bid on then go to phase 2 analysis. In the initial stage of phase 2 analysis, BOEM does a more detailed technical analysis to determine if the tracts are viable. If a tract is determined not to be viable, then a bid on that tract may be accepted.

In phase 2, BOEM conducts a more detailed and rigorous analysis to determine whether the high bid adequately reflects FMV. As a critical component of this resource and economic evaluation, BOEM uses a discounted cash flow analysis to calculate the tract's mean range of values ("MROV"). The MROV is the mean of a tract's net present value of the oil and natural gas resources, adjusted for the geological risks of not finding hydrocarbons, the uncertainties associated with the tract's development, and economic parameters at the time of the lease sale. MROV represents the maximum cash payment that a bidder can offer for acquiring the tract's drilling and development property rights and expect to make a normal rate of return on its investment. BOEM then compares a tract's highest qualified bid to

the two applicable measures of bid adequacy. This phase involves the application of two primary methodologies: the Lower Bound Confidence Interval ("LBCI") analysis the Revised Arithmetic Measure ("RAM"). The LBCI is the lower bound of a statistical tranche around the MROV at the 90 percent confidence level. It is calculated from the computed mean and standard deviation of a random simulation for a large number of iterations of the net present value of a given tract. The RAM is calculated as the average of the highest qualified bid, all other qualified bids that are equal to or greater than 25 percent of the highest qualified bid, and the MROV. If the highest qualified bid on a tract is equal to or greater than the RAM, the Regional Director may accept the bid as representative of FMV.

A reform proposal suggests that if a tract receives multiple bids, this is evidence that the free market is functioning effectively, and BOEM should award the lease to the highest bidder without requiring further evaluation. Competitive bidding inherently reflects market dynamics, as multiple parties independently assess the value of a tract and submit bids accordingly. By accepting the highest bid in these situations, BOEM would streamline its processes while fulfilling its OCSLA mandate to promote resource development in a manner consistent with economic efficiency.

Conversely, when a tract does not receive multiple bids, concerns arise about whether the high bid adequately reflects FMV. In such cases, it is prudent for BOEM to conduct a more detailed evaluation to ensure the bid aligns with the economic and resource potential of the tract. Reform proposals suggest that BOEM should move these single-bid tracts to phase 2 of the bid adequacy process, where the MROV and LBCI analyses would be applied. The MROV approach incorporates detailed geological, geophysical, and discounted cash flow analysis to determine the tract's fair value, while the LBCI is a threshold that incorporates the geological risks and the uncertainties associated with the development and economic parameters unique to the valuation. It represents the minimum expected value associated with a tract at the time of the lease sale. If the highest qualified bid is equal to or greater than the LBCI, BOEM should accept that bid as representative of FMV. This two-pronged evaluation ensures that BOEM does not award leases at prices below FMV, protecting public resources from being undervalued in non-competitive scenarios.

Reforms emphasize the distinction between competitive and non-competitive bidding align with BOEM's dual objectives of fostering responsible resource development and securing FMV for the public. By accepting high bids on tracts with multiple bidders, BOEM would reduce administrative burdens, attract greater industry participation, and encourage efficient lease transactions. At the same time, requiring a thorough phase 2 analysis for single-bid tracts would enhance transparency and ensure that BOEM's decisions are grounded in robust economic and geological data. This balanced approach would allow BOEM to maintain the integrity of its leasing program while adapting to market conditions and ensuring public trust in its processes.

Ultimately, these proposed reforms aim to refine BOEM's bid adequacy procedures by leveraging market competition where it exists and applying rigorous valuation methodologies where it does not. Such changes would modernize BOEM's approach to awarding leases, aligning it with both industry best practices and the public interest. By distinguishing between competitive and non-competitive bidding scenarios, BOEM can more effectively fulfill its OCSLA mandate to manage offshore resources in a manner that balances economic development, environmental stewardship, and the maximization of public benefits.

VI. Conclusion

The Associations appreciate the opportunity to comment on the 11th National Oil and Gas Leasing Draft Proposed Program. OCSLA requires DOI to follow a robust process and take into consideration many factors facing America in the development of a national OCS leasing program. These factors, along with statutory, economic and national security considerations, are fully aligned in support of a robust oil and natural gas OCS leasing program that expands exploration and production opportunities to new areas, can create new opportunities to unleash American resources, and ensure continued American energy dominance into this century. This Draft Proposed Program provides an opportunity to cement that legacy into the American offshore energy industry. The Associations fully support all the areas proposed for leasing in the DPP. We look forward to working with BOEM on finalizing the 11th National Oil and Gas Leasing Program.

Sincerely,

Holly Hopkins
American Petroleum Institute

Wendy Kirchoff
American Exploration & Production Council

Erik Milito
National Ocean Industries Association

Jason McFarland
International Association of Drilling Contractors

Dan Naatz
Independent Petroleum Association of America

Dustin Van Liew
EnerGeo Alliance

Tommy Faucheux
Louisiana Mid-Continent Oil and Gas Association

Tim Tarpley
Energy Workforce & Technology Council

Tim Stewart
U.S. Oil and Gas Association

Evan Zimmerman
Offshore Operators Committee