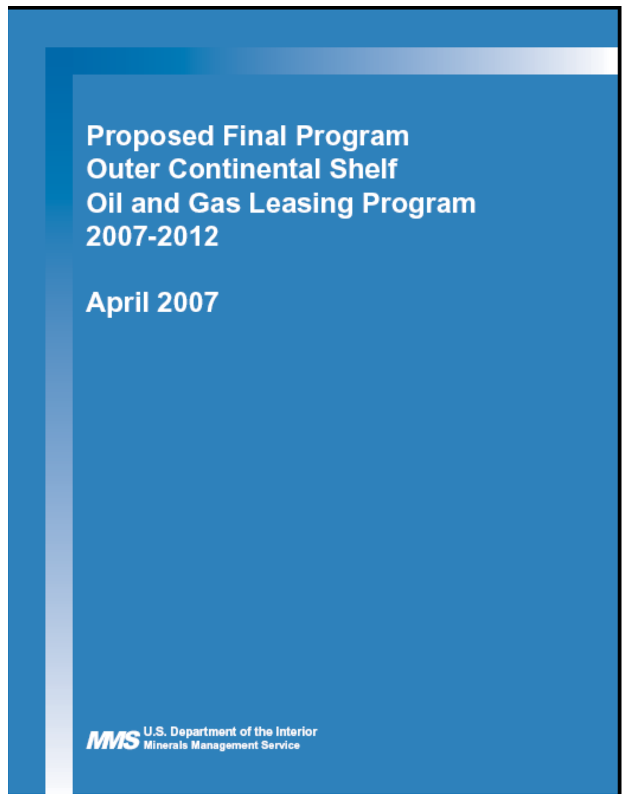
OCS Five-Year Oil and Gas Leasing Program

Every day Americans rely on oil and gas from the 1.76 billion acres of the Outer Continental Shelf (OCS) to heat our homes, power our automobiles, and more. Those acres are the source of about 27 percent of domestic oil production and 15 percent of domestic natural gas production. The Gulf of Mexico is the most prolific producing offshore region within the OCS providing 25 percent of the oil and 15 percent of the natural gas produced domestically.

The Minerals Management Service (MMS) energy experts work to organize the myriad aspects of capturing those energy resources and bringing them to market. The result of this massive planning process is the OCS Oil and Gas Leasing Program, routinely referred to as the “Five-Year Plan.” This document specifies the size, timing, and location of the areas to be considered for Federal offshore leasing during a five year period. This plan is reviewed by Congress and approved by the Secretary of the Interior. The 2007-2012 OCS Oil and Gas Leasing Program took effect on July 1, 2007.


Proposed Final Program
Outer Continental Shelf
Oil and Gas Leasing Program
2007-2012

April 2007

MMS U.S. Department of the Interior
Minerals Management Service

The OCS is divided into 26 planning areas. The estimated amount of undiscovered technically recoverable oil or gas in each area is listed in the below chart:

Estimated Oil & Gas Resources By Planning Area	Oil (BBO)	Gas (Tcf)
Central Gulf of Mexico	30.32	144.77
Western Gulf of Mexico	10.70	66.25
Eastern Gulf of Mexico	3.88	21.51
Southern California	5.74	10.03
Chukchi Sea	15.38	76.77
Beaufort Sea	8.22	27.64
Northern California	2.08	3.58
North Atlantic	1.91	17.99
Central California	2.31	2.41
Mid-Atlantic	1.50	15.13
North Aleutian	0.75	8.62
Cook Inlet	1.01	1.20
South Atlantic	0.41	3.86
Gulf of Alaska	0.63	4.65
Washington-Oregon	0.40	2.28
Straits of Florida	0.02	0.02
Hope Basin	0.15	3.77
Norton Basin	0.06	3.06
Navarin Basin	0.13	1.22
St. George Basin	0.21	2.80
Shumagin	0.01	0.49
Kodiak	0.05	1.84
Aleutian Arc	NA.	NA
Aleutian Basin	NA	NA
Bowers Basin	NA	NA
St. Matthew-Hall	NA	NA

BBO means billions of barrels of oil; Tcf means trillions of cubic feet of natural gas;
NA means not applicable due to lack of infrastructure and/or market.

Status of Plan

The process of compiling a Five-Year Plan can take between 2 and 3 years. The compilation process includes consultation with constituent groups, public meetings, development of several detailed drafts, solicitation of comments, and approval by the Secretary of the Interior.

Schedule of Sales

Sale No.	**Area**	**Year**
193	Chukchi Sea	2008
206	Central Gulf of Mexico	2008
224	Eastern Gulf of Mexico	2008
207	Western Gulf of Mexico	2008
208	Central Gulf of Mexico	2009
209	Beaufort Sea	2009
210	Western Gulf of Mexico	2009
211	Cook Inlet	2009
212	Chukchi Sea	2010
213	Central Gulf of Mexico	2010
215	Western Gulf of Mexico	2010
216	Central Gulf of Mexico	2011
217	Beaufort Sea	2011
214	North Aleutian Basin	2011
218	Western Gulf of Mexico	2011
219	Cook Inlet	2011
220	Mid-Atlantic*	2011
221	Chukchi Sea	2012
222	Central Gulf of Mexico	2012

*Lease sale would only be held if the President chooses to modify the withdrawal and Congress discontinues the annual moratorium in the Mid-Atlantic.

Leasing Moratoria

Most of the OCS remains closed to oil and gas leasing. These areas include all of the U.S. Pacific coast and the entire U.S. Atlantic coast. In January 2007, President Bush modified the leasing status of two areas on the Outer Continental Shelf in response to Congressional action and the requests of state leaders. The areas include the North Aleutian Basin in Alaska, and a portion of the Central Gulf planning area in the Gulf of Mexico, known as “181 South.” By modifying that Presidential withdrawal to remove these two areas, President Bush’s action allowed the Secretary of the Interior to offer these areas during the 2007-2012 OCS oil and gas leasing program.

North Aleutian Basin

The North Aleutian Basin in Alaska was withdrawn from consideration for leasing through 2012 by President Bill Clinton in 1998. Congress had imposed moratoria on oil and gas activities in the North Aleutian Basin from FY 1990 through FY 2003, but discontinued the yearly moratorium in FY 2004. In 2006, then-Alaska Governor Frank H. Murkowski and other local government and Native Alaskan leaders expressed support for modifying the Presidential withdrawal in the North Aleutian Basin. In January 2007, President Bush removed the North Aleutian Basin from the Presidential withdrawal.

The 2007-2012 OCS Oil and Gas Program includes one lease sale in a small portion of the North Aleutian Basin – an area of about 5.6 million acres that was previously offered during Lease Sale 92 in 1988 as requested by the state and local officials. The area would be subject to environmental reviews, including public comment, before any lease sale proceeds. There are no existing leases in the North Aleutian Basin.

Gulf of Mexico
In December 2006, Congress passed and President Bush signed the Gulf of Mexico Energy Security Act (GOMESA), which requires leasing in two areas of the Gulf of Mexico:

- The “181 Area,” comprising 2 million acres in the Central Gulf of Mexico Planning Area as well as an area of approximately 580,000 acres in the Eastern Gulf of Mexico Planning Area.
- A second area of approximately 5.8 million acres located in the Central Gulf of Mexico Planning Area south of the 181 area and referred to as the “181 South Area.” None of the acreage made available by the Act is located east of the Military Mission Line (an area where Department of Defense operations are conducted).

The 181 South Area was included in the 2007-2012 OCS Oil and Gas Proposed Program. In January 2007, President Bush removed the 181 South Area from Presidential withdrawal. The area will be included in the 2009 Central Gulf Sale scheduled for March 2009.

Pacific
The MMS Pacific Region currently manages 79 Federal oil and gas leases offshore southern California, 43 of which are producing about 26 million barrels of oil and 52 billion cubic feet of gas annually. However, a congressional moratorium is in effect, which prohibits any new leasing in the Pacific OCS.

Atlantic
Although there is no offshore energy exploration currently under way offshore the Atlantic, at the request of the Commonwealth of Virginia, a sale is included in the 2007-2012 Program in 2011. However, a congressional moratorium is still in effect, and the area is under Presidential withdrawal to 2012.

Environmental Protection
The Five-Year Plan addresses environmental issues of concern. The plan summarizes potential impacts as follows:

Water quality: No permanent degradation of water quality is expected.

Air quality: No substantive degradation of offshore air quality should take place.

Wildlife: No permanent change in the population of any species is expected to take place.

Shoreline and seafloor habitats: No long-term impacts from exposure of wetlands and estuaries to spilled oil are expected.

Coastal communities: Extensive land-use impacts are not expected in the Gulf of Mexico (except in the Port Fourchon area) or along the Pacific coast. Any OCS development in Alaska could result in the construction of new pipelines, onshore facilities, and roads. Should offshore energy exploration be initiated on the Atlantic coast, pipelines, onshore facilities, and roads could be constructed.

A Word on the Budget
MMS is requesting $8.5 million in fiscal year 2009 to implement the leasing process and carry out environmental analyses.

MMS manages offshore oil and gas exploration and development as well as renewable and alternative energy sources such as wind, wave, and current on 1.76 billion acres of the Outer Continental Shelf while protecting the human, marine, and coastal environments. MMS also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, sharing revenue with states, American Indians and individual lease holders, and the U.S. Treasury. The revenues are also contributed to the Land and Water

Conservation Fund and other special use funds. In Fiscal Year 2007, MMS disbursed approximately $11.7 billion, totaling more than $176 billion since 1982.

For more information on the Minerals Management Service, go to www.mms.gov.

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