

Strategic Plan

2007-2012

*Minerals Management Service
Offshore Minerals Management*

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



MISSION

*PROVIDE THE AMERICAN PUBLIC WITH OCEAN ENERGY, MINERAL RESOURCES,
AND RESULTING ECONOMIC VALUE IN A SAFE AND ENVIRONMENTALLY SOUND MANNER.*

VISION

A MODEL OF EXCELLENCE IN OCEAN ENERGY AND MINERALS MANAGEMENT.

MESSAGE FROM THE ASSOCIATE DIRECTOR — CHRIS OYNES

I am pleased to present to you the Offshore Minerals Management (OMM) Strategic Plan for Fiscal Years 2007-2012. Over the past year, the OMM senior managers have critically reviewed both OMM program responsibilities and organization. One result of this effort is the development of this Strategic Plan for 2007-2012.

The OMM Program needs this Strategic Plan to integrate our wide range of assigned responsibilities. Our challenge is to integrate the barely 2-year old new and far reaching responsibility for alternative energy development, responsibilities for a coastal impact assistance program, and three new revenue sharing responsibilities with our 50-year old responsibilities for offshore oil and gas. We need this plan in order to (1) be clear about our mission and our day-to-day roles, (2) unite our organization and empower our employees, and (3) provide clarity on where we need to head. We are challenged with increasing responsibilities, and increasing technically sophisticated and one-of-a-kind technology solutions that must be evaluated; making resource management decisions based on sound resource, environmental, and technical sciences; and the special demanding effort of implementing entirely new programs in view of the significant roles of a variety of stakeholders from Federal, State, and local governmental entities, special interests, the public, and the regulated community. This Strategic Plan is our guide.



We celebrated our agency's 25th anniversary on January 19, 2007. Our accomplishments have been significant. To remain successful, we must adapt to new ways of working; we must look to simplifying procedures, savings in electronic processing, and efficiencies in reducing layers and reviews; and we must employ technology as advanced as our industry counterparts. This is no small task. While we have extensive and even world-class experience with Outer Continental Shelf (OCS) oil and natural gas, we continue to expand our knowledge base to new and more challenging environments and to new resources and uses of the OCS altogether. Also, we have significant new responsibilities with alternative energy that require us to get to know and involve ourselves with a vast new set of stakeholders.

The OMM Program performs essential functions for the Nation, identifying and providing access to energy and mineral resources on the OCS and managing access to these resources in a manner that protects environmental values. I am confident that we can meet the high expectations of our customers, stakeholders and strategic partners, as well as ourselves. Alongside our valued and highly trained employees, I look forward to implementing this plan as we move toward achieving our vision to be a model of excellence in ocean energy and minerals management. This vision fits clearly within the Department's core value of "Stewardship for America with Integrity and Excellence."

Chris C. Dymes



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INTRODUCTION

The Offshore Minerals Management (OMM) Program within the Minerals Management Service (MMS) plays a critical role in securing ocean energy and mineral resources for the Nation. The OMM is charged with managing access to and developing energy and mineral resources on the Outer Continental Shelf (OCS) in a manner that is operationally safe and environmentally sound, prevents waste, and provides a fair return for public resources. The strategies and activities carried out by OMM contribute to the accomplishment of the Department of the Interior (DOI) mission goal of Resource Use, as outlined in the current DOI Strategic Plan.

The OMM's management responsibilities, as defined by the OCS Lands Act (OCSLA), are significant. These responsibilities extend over approximately 1.76 billion acres of the OCS and range from initial resource assessments and lease offerings through exploration, development, production, and decommissioning. Oil and gas operations are reaching into deeper waters and deeper depths in the Gulf of Mexico (GOM) and expanding into the Arctic. By 2011, the OCS is projected to contribute nearly 40 percent of U.S. domestic oil production. Technological advances continue to improve recovery of oil and gas and reduce potential environmental impacts.

The 2007-2012 Oil and Natural Gas Leasing Program is OMM's seventh 5-Year Plan and includes 21 lease sales. In response to the Energy Policy Act of 2005, OMM is developing the Alternative Energy/Alternate Use Program. This program will have a direct effect on the success of offshore energy production from renewable sources and the disposition or reuse of retired oil and gas platforms. The Act inaugurated the Coastal Impact Assistance Program requiring OMM to disburse \$250 million annually over a 4-year period to affected coastal States and coastal political subdivisions for a variety of uses, with an emphasis on approved coastal restoration and conservation.

FUTURE OPPORTUNITIES

The OMM's increasing responsibilities encompass new opportunities for securing energy from alternative sources, while managing the pursuit of untapped traditional resources using innovative technologies. Looking forward, the OMM will continue to secure energy for future generations. It also faces expansion of the leasing program, continued production from mature fields, and increased contingency planning for hurricanes and Arctic conditions. The OMM has developed this strategic plan to address new requirements and challenges in a way that allows continued operations but with an eye towards no significant increase in resources.

The OMM's role is evolving to include alternative uses of the OCS. The Energy Policy Act of 2005 gave MMS jurisdiction over offshore alternative energy projects such as wave, wind, and solar energy. As such, the OMM will determine how to provide access for and regulate alternative energy on a large scale, while maintaining an effective program for more traditional oil, natural gas, and nonenergy mineral responsibilities.

The OCS operations are expanding into new frontier areas. Exploration is moving into waters deeper than 2 miles in the GOM and into Arctic areas off Alaska. With ever-improving record setting technology, wells will penetrate more than 5 miles below the seabed and reach out to 8 miles from a drill site. As in the past, the OMM will carefully monitor OCS activities, evaluate opportunities for additional OCS energy, and address potential environmental, social and economic impacts.

Management of ocean resources will increasingly be shared by different government agencies. Two of the key documents directing this effort are *An Ocean Blueprint for the 21st Century* and the President's *U.S. Ocean Action Plan*. These documents set the stage for a balanced and practical approach for establishing a national, comprehensive and coordinated ocean policy. The OMM's foundation in science, management, and partnership places us squarely in the center of this effort as OMM uses an adaptive and collaborative management approach to accomplish its stewardship responsibilities.



STRATEGIC FRAMEWORK

The OMM Strategic Plan provides a framework that identifies its major efforts in the upcoming years. The OMM must take a balanced approach that enables the organization to meet America's future energy needs. This framework covers the full gamut of OMM functions. The Strategic Plan integrates and aligns responsibilities in OMM under six major strategic goals and reinforces its commitment to achieving results while balancing priorities, properly allocating resources, and managing performance.

The Strategic Plan comprises six goals:

1. Achieve Expeditious and Orderly Development of Resources
2. Ensure Safe and Sound Operations
3. Minimize Impact on the Environment
4. Achieve Fair Market Value
5. Foster Conservation of Mineral Resources
6. Develop and Employ Sound Science, Work Force Tools, and Partnerships

The following framework illustrates OMM's plan for the future. The overarching goal is to Achieve Expeditious and Orderly Development of Resources. This goal is supported by four strategic goals:

1. Ensure Safe and Sound Operations
2. Minimize Impact on the Environment
3. Achieve Fair Market Value
4. Foster Conservation of Mineral Resources

All of these goals are dependent on the foundational goal of Develop and Employ Sound Science, Work force Tools, and Partnerships.

This Strategic Plan is a living document. The plan identifies specific objectives and initiatives we expect to implement over the 5-year period 2007-2012. As we proceed, new objectives and initiatives will emerge. The OMM will develop implementation plans for each initiative.



Mission:

Provide the American public with ocean energy, mineral resources, and resulting economic value in a safe and environmentally sound manner

Vision:

A model of excellence in ocean energy & minerals management.

Achieve Expeditious and Orderly Development of Resources

Implement an Oil and Natural Gas Program
Manage the new Alternative Energy Program for the OCS

Ensure Safe and Sound Operations

Maintain effective regulations and verify compliance
Manage high-risk operations

Minimize Impact on the Environment

Achieve environmental accountability & compliance
Ensure the OMM environmental program policies & procedures are effectively communicated
Target environmental and technical studies to support decisions

Achieve Fair Market Value

Protect the public interest by performing diligent technical analysis and review of industry high bids

Foster Conservation of Mineral Resources

Minimize waste or unnecessary loss in the recovery of public resources through administrative and fiscal policies

Develop and Employ Sound Science, Work force Tools, and Partnerships

Strengthen relationships with affected and interested parties

Enhance mission support with the best technology

Publish timely and effective regulations

Recruit and retain a highly skilled work force

Make decisions based on the best science

A photograph of an offshore oil rig against a clear blue sky. In the foreground, a worker wearing a white hard hat and a high-visibility orange and white safety vest is seen from behind, looking out over the rig. The rig's complex steel structure, including derrick masts and a platform, is visible. A blue container with the number '297' is also present. A large, curved purple graphic element is overlaid on the bottom left of the image.

*1. OVERARCHING STRATEGIC GOAL:
ACHIEVE EXPEDITIOUS AND ORDERLY DEVELOPMENT OF RESOURCES*

1. ACHIEVE EXPEDITIOUS AND ORDERLY DEVELOPMENT OF RESOURCES

GOAL DEFINITION

Realize the exploitation of OCS energy and mineral assets in a timely and systematic fashion.

This is OMM's overarching strategic goal and depends on the achievement of the other five goals—four pillars standing on a foundation. The foundational goal — Develop and Employ Sound Science, Work force Tools, and Partnerships — provides the program with a solid platform on which to base balanced decisions, policies and procedures to implement a regulatory process that is both transparent and predictable. This overarching goal embodies the OMM overall outcome; it is the planned result of the full spectrum of the OMM operational efforts.

OBJECTIVES

Implement the 2007-2012 Oil and Natural Gas Leasing Program

Manage the full suite of leasing and permitting activities to ensure predictability, accountability, and efficiency.
Conduct lease sales and issue permits only where appropriate.

INITIATIVES

- I.1 Hold oil and natural gas lease sales on schedule, with appropriate terms and conditions
- I.2 Assure expeditious permitting and plan approvals, with thorough reviews and appropriate mitigations
- I.3 Execute timely approvals for lease maintenance/exchanges

OCS ENERGY ACTIVITY

Leases and Activity	FY 2004	FY 2005	FY 2006
Active OCS Leases	8,244	8,364	8,140
Exploration Plans Approved	350	371	347
Development Plans/DOCD Approved	314	257	313

Lease Maintenance Activity	FY 2004	FY 2005	FY 2006
Assignments Approved	2,154	2,439	2,597
Designation of Operator Approved	666	488	914
Bond Actions Approved	411	950	672

Manage the new alternative energy and alternative use program for the OCS

Develop a clear and predictable process to identify and lease (competitively and noncompetitively) OCS areas, and develop an effective plan review and permitting process for alternative energy and alternate use activities.

INITIATIVES

- 1.4 Develop a framework for leasing, permitting, and managing OCS alternative energy and alternate use program
- 1.5 Implement alternative energy program through issuance and management of leases, rights-of-way, and easements.





*2. STRATEGIC GOAL:
ENSURE SAFE AND SOUND OPERATIONS*



2. ENSURE SAFE AND SOUND OPERATIONS

GOAL DEFINITION

Achieve outstanding safety and pollution prevention performance

OBJECTIVES

Maintain effective regulations and verify compliance

Regulations, inspections, and enforcement practices encourage safe operations and correct poor performance.

INITIATIVES

- 2.1 Require operators to employ safety and environmental management systems
- 2.2 Update regulations to incorporate best practices and technological advances
- 2.3 Update standards to reflect new information and hurricane knowledge

Manage high-risk operations

Safety and pollution prevention risks are properly identified and mitigated through appropriate technical reviews, inspection, and enforcement actions.

INITIATIVES

- 2.4 Focus comprehensive inspection strategy on facilities where risk is highest
- 2.5 Participate in research and standards development for high pressure, high temperature, deepwater, and Arctic operations
- 2.6 Identify and address safety and pollution prevention-related permitting issues in frontier areas



An underwater photograph of two divers swimming over a coral reef. The water is a deep blue, and the divers are silhouetted against the light. One diver in the foreground has a bright yellow tank. The reef below is covered in various coral species. A large, curved purple graphic element is at the bottom of the page.

*3. STRATEGIC GOAL:
MINIMIZE IMPACT ON THE ENVIRONMENT*

3. MINIMIZE IMPACT ON THE ENVIRONMENT

GOAL DEFINITION

Prevent or minimize adverse impacts to the marine, coastal, and human environments

OBJECTIVES

Achieve environmental accountability and compliance

Regulations, best practices, and enforcement encourage responsible environmental performance.

INITIATIVES

- 3.1 Evaluate effectiveness of existing mitigation measures
- 3.2 Implement an environmental performance data verification and validation process



Target environmental and technical studies to support decisions

Provide the technical, environmental, social, and economic information to evaluate the potential effects of developing the Nation's offshore energy and mineral resources.

INITIATIVES

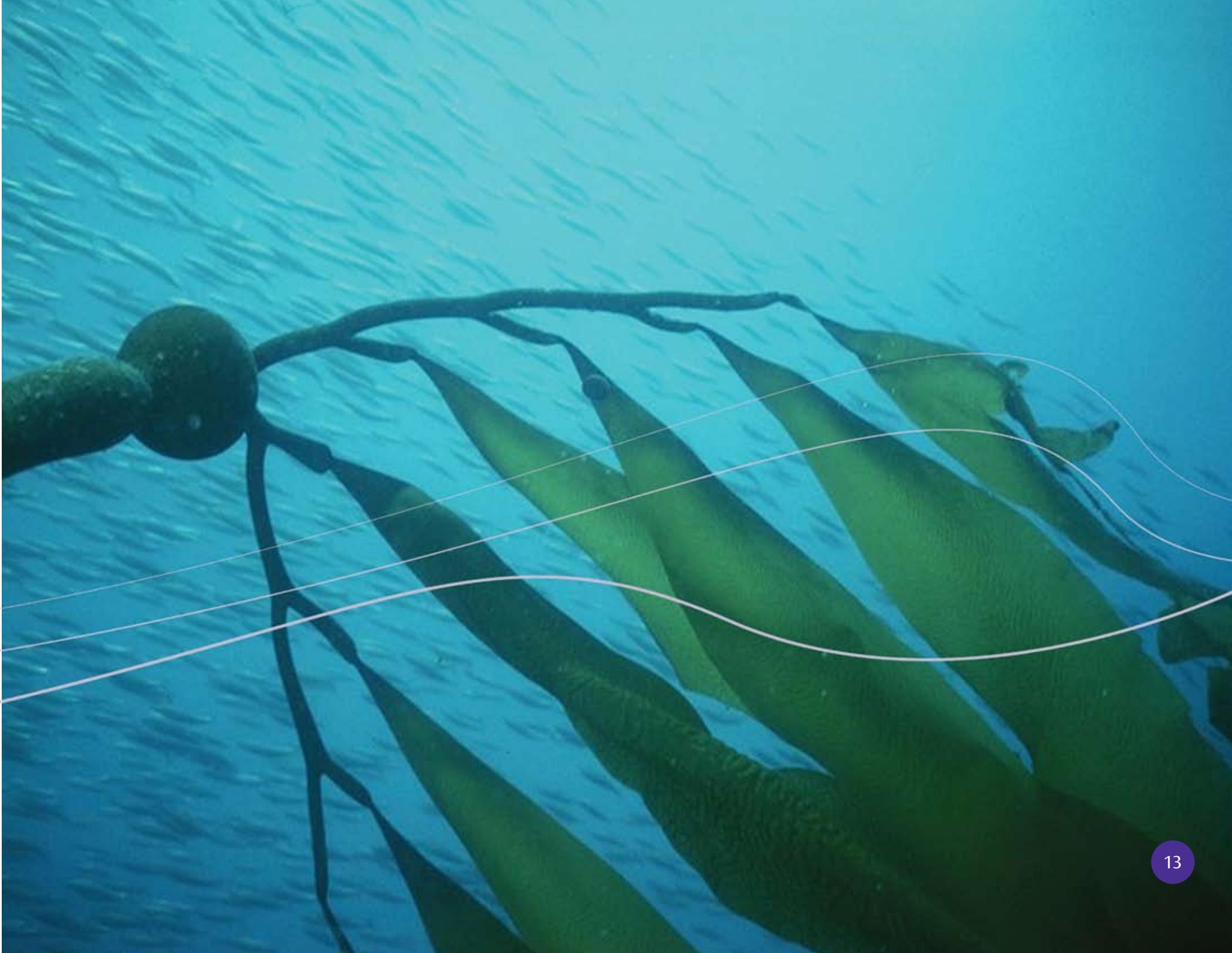
- 3.3 Identify and prioritize information needs and external partners for science, and initiate studies in a timely manner for oil, natural gas, and alternative energy
- 3.4 Assure an appropriate level of stakeholder input and scientific peer review

Ensure the OMM environmental program policies and procedures are effectively communicated

Clear and up-to-date policies and procedures are critical for the management of the Environmental Program.

INITIATIVES

- 3.5 Clarify and publish environmental policies and procedures



*4. STRATEGIC GOAL:
ACHIEVE FAIR MARKET VALUE*



4. ACHIEVE FAIR MARKET VALUE

GOAL DEFINITION

Achieve a fair and equitable return for the American public for rights conveyed

OBJECTIVES

Protect the public interest by performing diligent technical analyses and review of industry high bids

INITIATIVES

- 4.1 Ensure access to all relevant geoscience, engineering, and economic data necessary to conduct timely and comprehensive bid reviews
- 4.2 Evaluate the effectiveness of existing internal bid adequacy review procedures



*5. STRATEGIC GOAL:
FOSTER CONSERVATION OF MINERAL RESOURCES*

5. FOSTER CONSERVATION OF ENERGY AND MINERAL RESOURCES

GOAL DEFINITION

Maximize ultimate recovery of public resources

OBJECTIVES

Ensure the conservation of natural resources, the prevention of waste, and the proper measurement of hydrocarbons through sound science consistent with regulations and policy.

INITIATIVES

- 5.1 Ensure access to all relevant geoscience, engineering, and economic data necessary to conduct timely and comprehensive conservation reviews.
- 5.2 Evaluate the effectiveness of existing internal conservation review procedures
- 5.3 Effectively communicate conservation goals.

*DEVELOP AND EMPLOY SOUND SCIENCE,
WORK FORCE TOOLS, AND PARTNERSHIPS*



6. DEVELOP AND EMPLOY SOUND SCIENCE, WORK FORCE TOOLS, AND PARTNERSHIPS

GOAL DEFINITION

Enhance communication, manage knowledge, and facilitate the use of science for decisions

This is the foundational goal for OMM, providing the base for actions and decisions with respect to all offshore operations. All goals lead to Expedient and Orderly Development of Resources, but none are possible without sound science, a strong work force, and partnerships.

OBJECTIVES

Strengthen relationships with affected and interested parties

Improve decisions and understanding through the engagement of stakeholders

INITIATIVES

- 6.1 Establish effective lines of communication
- 6.2 Implement the Coastal Impact Assistance Program
- 6.3 Implement OMM's responsibilities under the President's Ocean Action Plan



Enhance mission support with the best technology

Obtain and use information management technology to support OMM business processes and meet future Agency business conditions and demands.

INITIATIVES

- 6.4 Execute plans to enhance existing capabilities
- 6.5 Coordinate with Minerals Revenue Management to ensure compatibility with their business processes and system requirements

Publish timely and effective regulations

Clear and up-to-date regulations are critical to OCS management activities.

INITIATIVES

- 6.6 Identify key regulatory needs and those accountable to ensure expeditious, timely, and accurate publication of rules.

Improve knowledge management through documentation of critical processes

INITIATIVES

- 6.7 Publish Interim Policy Documents and manual chapters for key processes and delegations
- 6.8 Develop knowledge management store houses for key programs or areas
- 6.9 Improve lines of internal communication



Recruit and retain a highly skilled work force

The OMM will support innovative strategies to acquire and retain a highly skilled work force with the competencies needed to achieve its mission.

INITIATIVES

- 6.10 Retain employees with critical skills
- 6.11 Enhance current employees' technical and leadership skills
- 6.12 Recruit new employees for critical disciplines

Make decisions based on the best science

Decisions are enhanced when they are founded upon sound, credible information.

INITIATIVES

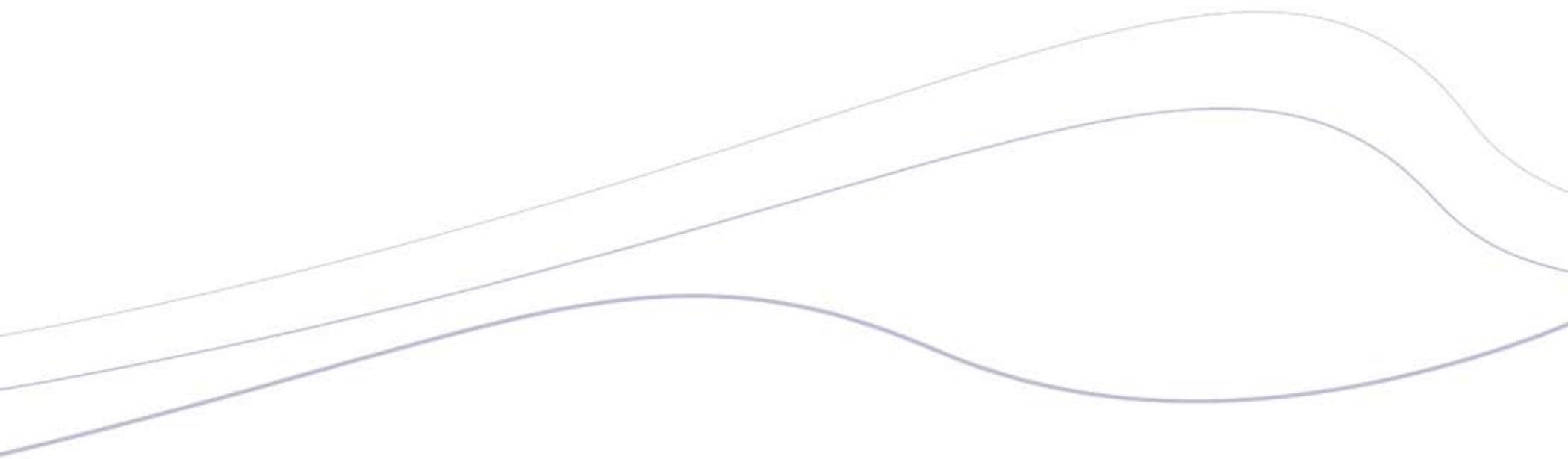
- 6.13 Obtain key information to support decisions in frontier areas of the 2007-2012 OCS Oil and Natural Gas Leasing Program in a timely manner
- 6.14 Provide scientific information that is comprehensible and in a format useful to decisionmakers



STRATEGIC IMPLEMENTATION

The OMM recognizes that a successful strategic planning program evolves over time. This Strategic Plan provides a framework for translating OMM's mission and vision into a coherent set of strategic objectives. To accomplish these objectives, the OMM will track implementation of initiatives and measure our performance.

As OMM moves forward, challenges remain. It will continue to examine the relevance of its objectives, the validity of its measures, and the effectiveness of its initiatives. The OMM must do so in the context of a changing environment. With strong leadership commitment, the OMM will meet these challenges and continue to be a model of excellence in ocean energy and minerals management.



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