

Memorandum

To: Walter Cruickshank  
Deputy Director, Bureau of Ocean Energy Management, Enforcement and Regulation

Robert LaBelle  
Acting Associate Director for Offshore Energy and Minerals Management

From: Michael R. Bromwich  
Director, Bureau of Ocean Energy Management, Enforcement and Regulation

Subject: Use of Categorical Exclusions in Gulf of Mexico Region

On August 16, 2010, the Council on Environmental Quality (CEQ) issued its “Report Regarding the Minerals Management Service’s National Environmental Policy Act Policies, Practices, and Procedures as They Relate to Outer Continental Shelf Oil and Gas Exploration and Development,” which was prepared in close consultation with the Department of the Interior (DOI) and the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEM). Among other things, this report reflects that BOEM has committed to reviewing its use of categorical exclusions for outer continental shelf (OCS) oil and gas exploration and drilling in light of the increasing levels of complexity and risk – and the consequent potential environmental impacts – associated with deepwater drilling. This is consistent with CEQ regulations directing all federal agencies to periodically review their National Environmental Policy Act (NEPA) policies and procedures.<sup>1</sup>

As reflected in this report, and in light of the Deepwater Horizon incident, BOEM is reviewing the use of categorical exclusions for offshore activities under NEPA and its implementing regulations. In the near future, BOEM will issue a Federal Register notice announcing a formal process for the comprehensive review and evaluation of its use of categorical exclusions in relation to offshore oil and gas exploration and drilling activities.

During the period in which this comprehensive review of BOEM’s use of categorical exclusions is taking place, and until further notice, I direct that BOEM shall narrow its use of categorical exclusions.

Specifically, I am directing BOEM not to use categorical exclusions 516 DM 15.4.C(10) and 516 DM 15.4.C(11) for NEPA review requirements on plans that propose to conduct an activity that requires an Application for Permit to Drill (APD) and involves use of a subsea blowout preventer (BOP) or a surface BOP on a floating facility. The Secretary identified these drilling activities as involving heightened safety hazards and associated environmental risks, and these activities currently are subject to the Secretary’s July 12, 2010 suspension. If and when the

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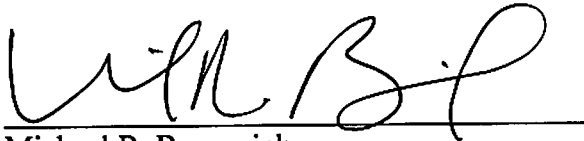
<sup>1</sup> 40 C.F.R. § 1507.3(a).

July 12 suspension is no longer in force, all plans submitted for approval that propose an activity that involves a subsea BOP or a surface BOP on a floating facility shall be subject to an environmental assessment (EA).

With respect to all other plans, BOEM shall conduct a categorical-exclusion review (CER). Each CER shall involve an assessment of whether any factors – including, for example, proposed use of new or unusual technology, the presence of high H<sub>2</sub>S, or proximity to a biological bank – exist such that the plan involves an extraordinary circumstance (EC) and, therefore, an EA shall be performed. Each CER shall include an oil spill response verification review. Among other things, this review will evaluate whether the plan's worst case discharge (WCD) or peak production volume is greater than the WCD reported in the corresponding Oil Spill Response Plan (OSRP). If the plan WCD or peak production volume is greater than that reported in the OSRP, BOEM will perform an EA on the action.

This directive does not affect the use of any other Departmental or Bureau categorical exclusion, as designated in the Departmental Manual or regulations.

Please advise program officials accordingly.



Michael R. Bromwich  
Director, Bureau of Ocean Energy  
Management, Regulation and Enforcement

Date: 8/16/10