



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

WASHINGTON, DC 20240-0001

Memorandum

To: Acting Assistant Secretary - Land and Minerals Management

From: Tommy P. Beaudreau
Director

Subject: Record of Decision for Outer Continental Shelf (OCS) Western Planning Area (WPA) Gulf of Mexico (GOM) Oil and Gas Lease Sale 218 (December 2011)

1. INTRODUCTION

The purpose of the proposed Federal action is to offer for lease certain Outer Continental Shelf (OCS) blocks located in the Western Planning Area (WPA) in the Gulf of Mexico (GOM) that may contain economically recoverable oil and gas resources. Under the *Outer Continental Shelf Oil and Gas Leasing Program: 2007-2012 (5-Year Program; USDO, MMS, 2007a)*, Minerals Management Service (MMS) had proposed that two GOM sales would be held each year—one in the WPA and one in the Central Planning Area (CPA). Proposed Lease Sale 218 in the WPA is the last sale in this planning area of the 5-Year Program and will provide qualified bidders the opportunity to bid on blocks in the GOM OCS in order to explore, develop, and produce oil and natural gas.

A Final Supplemental Environmental Impact Statement (SEIS) was published on August 12, 2011, that evaluated potential changes to baseline conditions of the environmental, socioeconomic, and cultural resources that may have occurred as a result of (1) the *Deepwater Horizon (DWH)* event between April 20 and July 15, 2010 (the period when oil flowed from the Macondo well in Mississippi Canyon Block 252); (2) the potentially acute impacts that have been reported or surveyed since that time; and (3) any new information that may be available since publication of the Multisale EIS or the 2009-2012 SEIS. In the National Environmental Policy Act (NEPA) implementing regulations (40 CFR 1508.28), “tiering” refers to the coverage of general matters in a broader EIS (such as national program) with subsequent narrower statements of environmental analyses (such as regional action). Tiering is appropriate in this instance as broader program issues have already been subjected to analysis and the SEIS is more narrowly focused on the site-specific statement or analysis for proposed WPA Lease Sale 218. This SEIS tiers from the following EIS’s: the *Outer Continental Shelf Oil and Gas Leasing Program: 2007-2012, Final Environmental Impact Statement (5-Year Program EIS; USDO, MMS, 2007b)*, which defined the national program; the *Gulf of Mexico OCS Oil and Gas Lease Sales: 2007-2012; Western Planning Area Sales 204, 207, 210, 215, and 218; Central Planning Area Sales 205, 206, 208, 213, 216, and 222, Final Environmental Impact Statement (Multisale EIS; USDO, MMS, 2007c)*, which defined the 5-Year Program in the GOM; and the *Gulf of Mexico OCS Oil and Gas Lease Sales: 2009-2012; Central Planning Area Sales 208, 213, 216, and 222; Western Planning Area Sales 210, 215, and 218, Final Supplemental Environmental*

Impact Statement (2009-2012 Supplemental EIS; USDOJ, MMS, 2008a), which was required after passage of the Gulf of Mexico Energy Security Act of 2006 (GOMESA).

On June 18, 2010, MMS was renamed the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE). Effective October 1, 2011, BOEMRE was reorganized and separated into two separate bureaus, the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE). BOEM is responsible for managing development of the nation's offshore resources in an environmentally and economically responsible way. BOEM's functions include leasing, plan administration, environmental studies, NEPA analysis, resource evaluation, economic analysis, and the Renewable Energy Program. The BSEE is responsible for enforcing safety and environmental regulations. BSEE's functions include all field operations including permitting and inspections, research, offshore regulatory programs, oil spill response, and training and environmental compliance functions.

2. PUBLIC INVOLVEMENT

On November 10, 2010, a Notice of Intent (NOI) to Prepare a SEIS was published in the *Federal Register*. A second NOI was published on November 16, 2010, to correct clerical errors. Additional public notices were distributed via local newspapers, the U.S. Postal Service, and the Internet. A 45-day comment period, which closed on January 3, 2011, was announced for the NOI. Federal, State, and local governments, along with other interested parties, were invited to send written comments to the GOM OCS Region on the scope of the SEIS. The comments in these letters are summarized in Chapter 5.3.2. of the SEIS.

The scoping process commenced on November 16, 2010, with the publication of the corrected NOI in the *Federal Register*. The scoping process was conducted for both this SEIS for the WPA and for a separate SEIS for the CPA, which was under development concurrently. BOEMRE held scoping meetings were held in Louisiana, Texas, and Alabama. Comments (both verbal and written) were received in response to the NOI and from the three scoping meetings from Federal, State, and local government agencies; interest groups; industry; businesses; the Seminole Tribe of Florida; and the general public on the scope of the SEIS, significant issues that should be addressed, alternatives that should be considered, and mitigation measures. BOEMRE considered all scoping comments received in the preparation of the SEIS.

The United States Environmental Protection Agency (USEPA) published a Notice of Availability (NOA) in the *Federal Register* on April 22, 2011, to start the public review and comment period on the Draft SEIS. In accordance with 30 CFR 256.26, BOEMRE scheduled public hearings soliciting comments on the Draft SEIS. The hearings provided an opportunity to obtain information and comments from interested parties to help in the evaluation of potential effects of the proposed lease sale. An announcement of the dates, times, and locations of the public hearings was included in the NOA for the Draft SEIS. A copy of the public hearing notices was included with the Draft SEIS that was mailed to the parties indicated above, posted on the BOEMRE Internet website (<http://www.gomr.BOEMRE.gov>), and published in local newspapers. BOEM addressed all substantive comments received in the preparation of the Final SEIS.

On August 12, 2011, a NOA of the Final SEIS was published by the U.S. Environmental Protection Agency (USEPA) in the *Federal Register*. Five comment letters were received and are summarized below.

USEPA - A letter dated September 8, 2011, from the USEPA determined that their comments on the Draft SEIS were adequately addressed and the discussion on the incomplete and unavailable information is clearer and expanded. USEPA provided information that dredged material disposal sites along the Gulf Inter-coastal Water Way and numbered 66, 65A, 65B, and 65C are not Ocean Dredged Material Disposal Sites (ODMDS). Those open water disposal sites are among those regulated under Section 404 of the Clean Water Act and are managed by the U.S. Army Corps of Engineers. There is a separate group of sites that are the only ODMDS. Those ODMDS are regulated under the Marine Protection, Research, and Sanctuaries Act and are managed by the USEPA.

Louisiana Department of Environmental Quality - An e-mail dated September 15, 2011, from the Louisiana Department of Environmental Quality offered no objections.

Earthjustice, Sierra Club and the Gulf Restoration Network - A joint letter dated September 11, 2011, from Earthjustice, Sierra Club and the Gulf Restoration Network commented that: since research was still ongoing, the Final SEIS could not effectively consider the DWH spill; the new rules could not be relied upon to prevent a spill; the analysis did not adequately consider risks in deepwater drilling; site-specific reviews should be conducted; and the public was not given a meaningful opportunity to participate in the review of oil spill response measures.

Oceana - A letter dated September 9, 2011, from Oceana stated that the Final SEIS better analyzed the potential impacts than the Draft SEIS. However, Oceana made comments regarding BOEMRE's determination of accidental or catastrophic events, cleanup and response capabilities, impacts of the DWH event, climate change, oil spill risk analysis, Endangered Species Act consultation, and requested BOEMRE to consider delaying the lease sale as an alternative, until additional data on DWH was collected.

American Petroleum Institute (API) - A letter dated September 12, 2011, from API provided comments on the toxicity of dispersants, an anecdotal report of whale sharks swimming through an oil slick and the Center for Biological Diversity's methodology for estimating mortality due to oil spills. API requested that BOEMRE consider these comments in future NEPA documents. API states that its comments were not intended to cause changes in the Final SEIS.

The comments submitted on the Final SEIS did not offer new information that would have changed the conclusions made in the Final SEIS. The Final SEIS evaluated information that has become available since completion of the Multisale EIS and previous 2009-2012 SEIS. No new significant impacts were identified for Lease Sale 218 that were not already assessed in the Multisale EIS and the 2009-2012 SEIS; therefore, the recently completed Final SEIS does not alter the conclusions of the kinds, levels, or locations of impacts described in those documents.

3. ALTERNATIVES FOR THE PROPOSED WESTERN PLANNING AREA LEASE 218

The following alternatives were included for analysis in the Multisale EIS and the 2009-2012 SEIS and are described in detail in the Final SEIS.

Alternative A—The Proposed Action: This is the Agency's preferred alternative. This alternative would offer for lease all unleased blocks within the WPA for oil and gas operations, except whole and partial blocks within the boundary of the Flower Garden Banks National Marine Sanctuary and whole and partial blocks in the Western Gap buffer area. The WPA sale area encompasses about 28.7 million acre. Approximately 18.3 million acre (64 percent) of the WPA sale area is currently unleased. The estimated amount of resources projected to be developed as a result of the proposed WPA lease sale is 0.222-0.423 billion barrels of oil (BBO) and 1.495-2.647 trillion cubic feet (Tcf) of gas.

Alternative B—The Proposed Action Excluding the Unleased Blocks Near Biologically Sensitive Topographic Features: This alternative would offer for lease all unleased blocks in the WPA, as described for the proposed action (Alternative A), with the exception of any unleased blocks subject to the Topographic Features Stipulation.

Alternative C—No Action: This would cancel the proposed WPA lease sale. The opportunity for development of the estimated 0.222-0.423 BBO and 1.495-2.647 Tcf of gas that could have resulted from the proposed WPA lease sale would be precluded or postponed. Any potential environmental impacts resulting from the proposed lease sale would not occur or would be postponed. This is also analyzed in the EIS for the 5-Year Program on a nationwide programmatic level.

Alternatives Considered but Not Analyzed

Alternatives to Areawide Leasing - The Multisale EIS forecasted a future analysis for Use of a Nomination and Tract Selection Leasing System Alternative for both a WPA and CPA proposed lease sale. Since the publication of the Multisale EIS, this Agency has contracted a study of leasing policy alternatives that may serve to further the many goals of the Outer Continental Shelf Lands Act. The study evaluated different leasing options, some pertaining to the alternative size of areas offered for leasing and some pertaining to alternative lease terms and conditions. Options for alternative sizes included areawide annual, areawide every other year, or 5 percent of areawide as a proxy for nomination scale. Options for alternative lease terms and conditions included different royalty rates, minimum bid or rental amounts, profit shares, work commitments, multi-round bidding, and shorter primary terms. No combination of options was provisionally found superior to the current system on all performance measures. The performance measures against which the alternatives were evaluated included expeditious and orderly development of resources, fair return for leased resources, promotion of competition, equitable sharing of the costs and benefits of offshore leasing, facilitation of regional planning, minimizing environmental risks, and maximizing social value.

In January 2010, this Agency modified the original contract to have an additional scenario (growth in resource size from the most current estimates) run through the original contractor's model. Then, after the DWH event, BOEMRE did a second contract modification to address scenarios involving a drilling pause and a delay in future lease sales such as is occurring now.

When this additional work is delivered, BOEM will reconsider alternative leasing scenarios. Informed by this study and recent events, future leasing decisions could result in fewer sales, smaller sale sizes, or higher fees, any of which would more simply and directly serve many of the same purposes as tract nomination sales. The recommendations from multiple Secretarial and Presidential inquiries are likely to include stricter drilling and safety requirements that would need to be considered in conjunction with leasing system alternatives. It is possible that future leasing decisions could result directly or indirectly in fewer blocks leased per sale or fewer sales held per year, leading ultimately to fewer blocks drilled and developed.

Pending completion of the revised scope of work for the alternative leasing system analysis within the wider context of possible or likely regulatory changes, BOEMRE determined that it was not appropriate to include the Use of a Nomination and Tract Selection Leasing System Alternative in the SEIS.

4. ENVIRONMENTALLY PREFERABLE ALTERNATIVE

BOEM has identified Alternative C, defined as the No Action alternative in the SEIS, as the environmentally preferable alternative.

5. ENVIRONMENTAL AND SOCIOECONOMIC IMPACTS

BOEM has reexamined the analysis presented in the Multisale EIS and the 2009-2012 SEIS, based on additional significant information available since the publication of the Multisale EIS and the 2009-2012 SEIS, and new circumstances and information relating to the DWH event. None of the additional information analyzed in this SEIS was found to alter the environmental concerns and impact conclusions as presented in the Multisale EIS and the 2009-2012 Supplemental EIS for a WPA lease sale. In some cases, the additional information supported the conclusions in the Multisale EIS and the 2009-2012 SEIS.

The full analyses of the potential impacts of routine activities and accidental events associated with the proposed action and the proposed action's incremental contribution to the cumulative impacts are described in the 2011 SEIS. A summary of the potential impacts from the WPA proposed action on each environmental and socioeconomic resource and the conclusions of the analyses can be found below.

Air Quality: Emissions of pollutants into the atmosphere from the routine activities associated with the WPA proposed action are projected to have minimal impacts to onshore air quality because of the prevailing atmospheric conditions, emission heights, emission rates, and the distance of these emissions from the coastline, and are expected to be well within the National Ambient Air Quality Standards (NAAQS). While regulations are in place to reduce the risk of impacts from hydrogen sulfide (H₂S) and while no H₂S-related deaths have occurred on the OCS, accidents involving high concentrations of hydrogen sulfide (H₂S) could result in deaths and injuries as well as environmental damage. These emissions from routine activities and accidental events associated with the proposed action are not expected to have concentrations that would change onshore air quality classifications.

Coastal and Offshore Waters: Impacts from routine activities associated with the WPA proposed action would be minimal. Coastal water impacts associated with routine activities include increases in turbidity resulting from pipeline installation and navigation canal maintenance, discharges of bilge and ballast water from support vessels, and run-off from shore-based facilities. Offshore water impacts associated with routine activities result from the discharge of drilling muds and cuttings, produced water, residual chemicals used during workovers, structure installation and removal and pipeline placement. The discharge of drilling muds and cuttings cause temporary increased turbidity and changes in sediment composition. The discharge of produced water results in increased concentrations of some metals, hydrocarbons, and dissolved solids within an area of about 100 meters (m) (328 feet [ft]) adjacent to the point of discharge. Structure installation and removal and pipeline placement disturbs the sediments and causes increased turbidity. In addition, offshore water impacts result from supply and service-vessel bilge and ballast water discharges.

Small spills (<1,000 barrels [bbl]) are not expected to significantly impact water quality in coastal or offshore waters. Large spills ($\geq 1,000$ bbl), however, could impact water quality in coastal waters. Accidental chemical spills, release of synthetic-based fluid (SBF), and blowouts would have temporary localized impacts on water quality.

Coastal Barrier Beaches and Associated Dunes: Routine activities in the WPA such as increased vessel traffic, maintenance dredging of navigation canals, and pipeline installation would cause negligible impacts and would not deleteriously affect barrier beaches and associated dunes. Indirect impacts from routine activities are negligible and indistinguishable from direct impacts of onshore activities. The potential impacts from accidental events, primarily oil spills, associated with the WPA proposed action are anticipated to be minimal.

Wetlands: Routine activities in the WPA such as pipeline emplacement, navigational channel use, maintenance dredging, disposal of OCS wastes, and construction and maintenance of OCS support infrastructure in coastal areas are expected to result in low impacts. Indirect impacts from wake erosion and saltwater intrusion are expected to result in low impacts that are indistinguishable from direct impacts from inshore activities. The potential impacts from accidental events, primarily oil spills, are anticipated to be minimal.

Seagrass Communities: Turbidity impacts from pipeline installation and maintenance dredging associated with the proposed action would be temporary and localized. The increment of impacts from service-vessel transit associated with the proposed action would be minimal. Should an oil spill occur near a seagrass community, impacts from the spill and cleanup would be considered short term in duration and minor in scope. Close monitoring and restrictions on the use of bottom-disturbing equipment to clean up the spill would be needed to avoid or minimize those impacts.

Topographic Features: The routine activities associated with the WPA proposed action that would impact topographic feature communities include anchoring, infrastructure and pipeline emplacement, infrastructure removal, drilling discharges, and produced-water discharges. However, adherence to the proposed Topographic Features Stipulation would make damage to these ecosystems unlikely. Contact with accidentally spilled oil would cause lethal and sublethal

effects in benthic organisms, but the oiling of benthic organisms is not likely because of the small area of the banks, the scattered occurrence of spills, the depth of the features, and because the proposed Topographic Features Stipulation, if applied, would keep subsurface sources of spills away from the immediate vicinity of topographic features.

Sargassum: The impacts to *Sargassum* that are associated with the proposed action are expected to have only minor effects to a small portion of the *Sargassum* community as a whole. The *Sargassum* community lives in pelagic waters with generally high water quality and would be resilient to the minor effects predicted. It has a yearly cycle that promotes quick recovery from impacts. No measurable impacts are expected to the overall population of the *Sargassum* community from the WPA proposed action.

Chemosynthetic and Nonchemosynthetic Deepwater Benthic Communities: Chemosynthetic and nonchemosynthetic communities are susceptible to physical impacts from structure placement, anchoring, and pipeline installation associated with the WPA proposed action; however, the provisions of Notice to Lessees and Operators (NTL) 2009-G40 greatly reduce the risk of these physical impacts by clarifying that avoidance of potential chemosynthetic communities, and by consequence avoidance of other hard-bottom communities, is required. Even in situations where substantial burial of typical benthic infaunal communities occurred, recolonization from populations from widespread, neighboring, soft-bottom substrate would be expected over a relatively short period of time for all size ranges of organisms. Potential accidental events associated with the proposed action are expected to cause little damage to the ecological function or biological productivity of the widespread, low-density chemosynthetic communities and the widespread, typical, deep-sea benthic communities.

Marine Mammals: Routine events related to the WPA proposed action, particularly when mitigated as required by BOEM, are not expected to have long-term adverse effects on the size and productivity of any marine mammal species or population endemic to the northern GOM. Characteristics of impacts from accidental events depend on chronic or acute exposure resulting in harassment, harm, or mortality to marine mammals, while exposure to dispersed hydrocarbons is likely to result in sublethal impacts.

Sea Turtles: The routine activities of the WPA proposed action are unlikely to have significant adverse effects on the size and recovery of any sea turtle species or population in the GOM. Accidental events associated with the proposed action have the potential to impact small to large numbers of sea turtles. Populations of sea turtles in the northern GOM would be exposed to residuals of oils spilled as a result of the proposed action during their lifetimes. While chronic or acute exposure from accidental events may result in the harassment, harm, or mortality to sea turtles, in most foreseeable cases, exposure to hydrocarbons persisting in the sea following the dispersal of an oil slick would result in sublethal impacts.

Coastal and Marine Birds: The majority of effects resulting from routine activities associated with the WPA proposed action on endangered/threatened and nonendangered/nonthreatened coastal and marine birds are expected to be sublethal. These effects include behavioral effects, exposure to or intake of OCS-related contaminants or discarded debris, temporary disturbances, and displacement of localized groups from impacted habitats. Impacts from potential oil spills

associated with the proposed action and oil-spill cleanup on birds are expected to be negligible; however, small amounts of oil can affect birds, and there are possible delayed impacts on their food supply.

Fish Resources and Essential Fish Habitat: Fish resources and essential fish habitat (EFH) could be impacted by coastal environmental degradation, marine environmental degradation, pipeline trenching, and offshore discharges of drilling discharges and produced waters associated with routine activities. The impact of coastal and marine environmental degradation is expected to cause an undetectable decrease in fish resources or in EFH. Impacts of routine discharges are localized in time and space and are regulated by USEPA permits and would have minimal impact. Accidental events that could impact fish resources and EFH include blowouts and oil or chemical spills. A subsurface blowout would have a negligible effect on GOM fish resources. If spills due to the proposed action were to occur in open waters of the OCS proximate to mobile adult finfish or shellfish, the effects would likely be nonfatal, and the extent of damage would be reduced due to the capability of adult fish and some adult shellfish to avoid a spill.

Commercial Fishing: Routine activities in the WPA, such as seismic surveys and pipeline trenching, would cause negligible impacts and would not deleteriously affect commercial fishing activities. Indirect impacts from routine activities to inshore habitats are negligible and indistinguishable from direct impacts of inshore activities on commercial fisheries. The potential impacts from accidental events, a well blowout or an oil spill, associated with the WPA proposed action are anticipated to be minimal. Commercial fishermen are anticipated to avoid the area of a well blowout or an oil spill. Any impact on catch or value of catch would be insignificant compared with natural variability.

Recreational Fishing: Routine activities in the WPA, such as seismic surveys and pipeline trenching, would cause negligible impacts and would not deleteriously affect recreational fishing activities. Indirect impacts to inshore habitats are negligible and indistinguishable from direct impacts of inshore activities on recreational fisheries. Temporary localized impacts to recreational fishermen from oil spills are anticipated as a result of the WPA proposed action and possibly some loss of revenue to facilities supported by recreational fishermen such as boat launches and bait shops.

Recreational Resources: While marine debris and nearshore operations, either individually or collectively, may adversely affect the quality of some recreational experiences, they are unlikely to reduce the number of recreational visits to Gulf Coast beaches. Except for a catastrophic spill such as the DWH event, it is unlikely that a spill would be a major threat to recreational beaches because any impacts would be short term and localized, and should have no long-term effect on tourism.

Historic and Prehistoric Archaeological Resources: The greatest potential impact to an archaeological resource as a result of routine activities associated with the WPA proposed action would result from direct contact between an offshore activity (e.g., platform installation, drilling rig emplacement, and dredging or pipeline project) and a historic or prehistoric site. The archaeological survey and archaeological clearance of sites, where required prior to an operator beginning oil and gas activities on a lease, are expected to be highly effective at identifying

possible offshore archaeological sites; however, should such contact occur, there would be damage to or loss of significant and/or unique archaeological information. It is expected that coastal archaeological resources would be protected through the review and approval processes of the various Federal, State, and local agencies involved in permitting onshore activities.

It is not very likely that a large oil spill would occur and contact coastal prehistoric or historic archaeological sites from accidental events associated with the proposed action. Should a spill contact a prehistoric archaeological site, damage might include loss of radiocarbon-dating potential, direct impact from oil-spill cleanup equipment, and/or looting resulting in the irreversible loss of unique or significant archaeological information. The major effect from an oil-spill impact on coastal historic archaeological sites would be visual contamination, which would be temporary and reversible.

Land Use and Coastal Infrastructure: The WPA proposed action would not require additional coastal infrastructure, with the exception of possibly one new gas processing facility and one new pipeline landfall, and it would not alter the current land use of the analysis area. The existing oil and gas infrastructure is expected to be sufficient to handle development associated with the proposed action. There may be some expansion at current facilities, but the land in the analysis area is sufficient to handle such development. There is also sufficient land to construct a new gas processing plant in the analysis area, should it be needed. Accidental events such as oil or chemical spills, blowouts, and vessel collisions would have no effects on land use. Coastal or nearshore spills, as well as vessel collisions, could have short-term adverse effects on coastal infrastructure requiring cleanup of any oil or chemicals spilled.

Demographics: The WPA proposed action is projected to minimally affect the demography of the analysis area. Population impacts from the proposed action are projected to be minimal (<1 percent of total population) for any economic impact area in the GOM region. The baseline population patterns and distributions, as projected and described in Chapter 3.3.5.4 of the Multisale EIS, are expected to remain unchanged as a result of the proposed action. The increase in employment is expected to be met primarily with the existing population and available labor force with the exception of some in-migration (from elsewhere within or outside the U.S.), which is projected to move into focal areas such as Port Fourchon, Louisiana. Accidental events associated with the proposed action, such as oil or chemical spills, blowouts, and vessel collisions likely, would have no effects on the demographic characteristics of the Gulf coastal communities.

Economic Factors: The WPA proposed action is expected to generate less than a one percent increase in employment in any of the coastal subareas, even when the net employment impacts from accidental events are included. Most of the employment related to the proposed action is expected to occur in Texas and Louisiana. The demand would be met primarily with the existing population and labor force.

Environmental Justice: Environmental justice implications arise indirectly from onshore activities conducted in support of OCS exploration, development, and production. Because the onshore infrastructure support system for OCS-related industry (and its associated labor force) is highly developed, widespread, and has operated for decades within a heterogeneous GOM

population, the proposed action is not expected to have disproportionately high or adverse environmental or health effects on minority or low-income people. The WPA proposed action would help to maintain ongoing levels of activity rather than expand them.

Soft-Bottom Habitats: The routine activities associated with the WPA proposed action that would impact soft bottoms generally occur within a few hundred meters of platforms, and the greatest impacts are seen close to the platform communities. Although localized impacts to comparatively small areas of the soft-bottom benthic habitats would occur, the impacts would be on a relatively small area of the seafloor compared with the overall area of the seafloor of the WPA (115,645 square kilometers [km²]; 44,651 square miles [mi²]). The WPA proposed action is not expected to adversely impact the entire soft-bottom environment because the local impacted areas are extremely small compared with the entire seafloor of the GOM.

Diamondback Terrapins: The routine activities of the WPA proposed action are unlikely to have significant adverse effects on diamondback terrapins. Accidental events associated with the proposed action have the potential to impact small to large numbers of terrapins. Due to the extended distance from shore, impacts associated with activities occurring as a result of the WPA proposed action are not expected to impact terrapins or their habitat.

6. MITIGATION

The NEPA process is intended to help public officials make decisions that are based on an understanding of environmental consequences and to take actions that protect, restore, and enhance the environment.

Lease stipulations included for analysis in the SEIS were developed as the result of scoping efforts over a number of years for the continuing OCS Program in the GOM. Four lease stipulations are proposed for WPA Lease Sale 218—the Topographic Features Stipulation, the Military Areas Stipulation, the Protected Species Stipulation, and the Law of the Sea Convention Royalty Payment Stipulation. The Law of the Sea Convention Royalty Payment Stipulation is applicable to WPA Lease Sale 218, but it is not an environmental stipulation. The Naval Mine Warfare Area Stipulation is no longer applicable to the WPA lease sale area by memorandum dated April 3, 2009, from the Department of the Navy.

Topographic Features Stipulation - The Topographic Features Stipulation protects the biota of the topographic features from adverse effects due to routine oil and gas activities, including physical damage from anchoring and rig emplacement and the potential toxic and smothering effects from muds and cuttings discharges. The Topographic Features Stipulation has been included in leases since 1973 and has effectively prevented damage to the biota of these banks from routine oil and gas activities such as anchoring. Monitoring studies have demonstrated that the shunting requirements of the stipulation are effective in preventing the drilling mud and cuttings from impacting the biota of the banks. The topographic highs on and near these blocks are often associated with salt domes, which are attractive areas for hydrocarbon exploration. Blocks on the topographic features have been offered for lease with a stipulation that has proven effective in protecting sensitive biological resources.

Military Areas Stipulation - The Military Areas Stipulation has been applied to all blocks leased in military areas since 1977 and reduces potential impacts, particularly in regards to safety; but, it does not reduce or eliminate the actual physical presence of oil and gas operations in areas where military operations are conducted. The stipulation contains a “hold harmless” clause (holding the U.S. Government harmless in case of an accident involving military operations) and requires lessees to coordinate their activities with appropriate local military contacts.

Protected Species Stipulation - The Protected Species Stipulation has been applied to all blocks leased in the GOM since December 2001. This stipulation was developed in consultation with the Department of Commerce, National Oceanic and Atmospheric Administration (NOAA)/National Marine Fisheries Service (NMFS), and the Department of the Interior, United States Fish and Wildlife Service (USFWS) in accordance with Section 7 of the Endangered Species Act (ESA) and is designed to minimize or avoid potential adverse impacts to federally protected species.

The Law of the Sea Convention Royalty Payment Stipulation - The Law of the Sea Convention Royalty Payment Stipulation applies to blocks or portions of blocks beyond the U.S. Exclusive Economic Zone (EEZ) (generally greater than 200 nmi [230 mi; 370 km] from the U.S. coastline). Leases on these blocks may be subject to special royalty payments under the provisions of the 1982 Law of the Sea Convention (consistent with Article 82), if the U.S. becomes a party to the Convention prior to or during the life of the lease.

Mitigating measures in the form of lease stipulations are added to the lease terms and are therefore enforceable as part of the lease. In addition, each exploration and development plan, as well as any pipeline applications that may result from the lease sale, will undergo a NEPA review, and additional project-specific mitigations are routinely applied as conditions of plan approval. The BOEM has the authority to monitor and enforce these conditions and refer violations to BSEE, which has the authority to inspect and enforce the conditions of any lease terms, including stipulations, as well as the conditions of plan or permit approvals and other mitigating measures and, under 30 CFR 250 Subpart N, seek penalties or other remedies against any lessee or any operator that fails to comply.

Existing Mitigating Measures - There are mitigating measures that have been proposed, identified, evaluated, or developed through previous lease sale NEPA review and analysis. Many of these mitigating measures have been adopted and incorporated into regulations and/or guidelines governing OCS exploration, development, and production activities. All plans for OCS activities (e.g., exploration and development plans, pipeline applications, and structure-removal applications) go through rigorous BOEM/BSEE review and approval to ensure compliance with established laws and regulations. Existing mitigating measures must be incorporated and documented in plans submitted to BOEM. Operational compliance of these mitigating measures is now enforced through BSEE’s Environmental Enforcement Division (eg. onsite inspection program, as-built records) after completion of operations.

Mitigating measures are a standard part of BOEM’s program to ensure that the operations are always conducted in an environmentally sound manner (with an emphasis on minimizing any adverse impact of routine operations on the environment). For example, mitigating measures

ensure site clearance procedures that eliminate potential snags to commercial fishing nets and that, as appropriate, may require surveys to detect and avoid archaeological sites and biologically sensitive areas such as pinnacles, topographic features, and chemosynthetic communities.

Some mitigating measures are incorporated into OCS operations through cooperative agreements or efforts with industry and various State and Federal agencies. These mitigating measures include NMFS's Observer Program to protect marine mammals and sea turtles during explosive removals, labeling operational supplies to track possible sources of debris or equipment loss, development of methods of pipeline landfall to eliminate impacts to beaches or wetlands, and beach cleanup events.

Site-specific mitigating measures are also applied by BOEM or BSEE, as appropriate, during plan and permit reviews. Many of these site-specific mitigations were being required frequently, so a list of "standard" mitigations was developed. There are currently over 120 standard mitigations. The wording of a standard mitigation is developed by BOEM or BSEE in advance and may be applied whenever conditions warrant. Standard mitigation text is revised as often as is necessary (e.g., to reflect changes in regulatory citations, agency/personnel contact numbers, and internal policy). Site-specific mitigation "categories" include the following: air quality; archaeological resources; artificial reef material; chemosynthetic communities; Flower Garden Banks; topographic features; hard bottoms/pinnacles; military warning areas and Eglin Water Test Areas (EWTA's); hydrogen sulfide; drilling hazards; remotely operated vehicle surveys; geophysical survey reviews; and general safety concerns. Site-specific mitigation "types" include the following: advisories; conditions of approval; hazard survey reviews; inspection requirements; notifications; post-approval submittals; and safety precautions. In addition to standard mitigations, BOEM or BSEE may also apply nonrecurring mitigating measures that are developed on a case by case basis. Therefore, BOEM has adopted all practicable means to avoid or minimize environmental harm from the selected alternatives at the lease sale stage. Additional mitigations that are determined on a case by case basis to be appropriate at the plan review stage and at the permitting stage may also be adopted.

The BOEM and BSEE continually evaluate the effectiveness of mitigation measures. A primary focus of this effort is requiring post-approval submittal of information to BOEM within a specified timeframe after a triggering event that is tracked by BSEE (e.g., end of operations reports for plans, construction reports for pipelines, and removal reports for structure removals).

7. CONSULTATION AND COORDINATION

COASTAL ZONE MANAGEMENT ACT (CZMA)

The proposed action is considered to have reasonably foreseeable coastal effects in the coastal zone, and is subject to a Federal Consistency Determination (CD). A consistency review was performed and CDs for the affected States of Louisiana and Texas were prepared prior to the proposed lease sale. BOEMRE reviewed each State's Coastal Management Plan (CMP) and analyzed the potential impacts as outlined in the SEIS, new information, and applicable studies as they pertain to the enforceable policies of each CMP. CZMA requires that Federal actions that are reasonably likely to affect any land or water use or natural resource of the coastal zone

be “consistent to the maximum extent practicable” with relevant enforceable policies of the State’s federally approved coastal management program (15 CFR 930 Subpart C).

Based on the analyses, the BOEMRE Director made an assessment of consistency, which was sent to each State. On September 30, 2011, the State of Louisiana reviewed the CD and the SEIS for Sale 218 and determined that the lease sale, as proposed, was consistent with the Louisiana Coastal Resources Program (LCRP). No response, or request for an extension, was received from Texas on, or before, the due date of September 30, 2011; therefore concurrence is presumed for the State of Texas.

Endangered Species Act (ESA)

The ESA of 1973 as amended (16 U.S.C. 1531 *et seq.*), as amended established a national policy designed to protect and conserve threatened and endangered species and the ecosystems upon which they depend.

The ESA formal consultation with NMFS for the proposed GOM lease sales in the CPA and WPA in the 2007–2012 5-Year OCS Leasing Program, including Lease Sale 218, was concluded with receipt of the Biological Opinion on June 29, 2007. The Biological Opinion concludes that the proposed lease sales and associated activities in the GOM in the 2007–2012 Outer Continental Shelf Leasing Program are not likely to jeopardize the continued existence of threatened and endangered species under NMFS jurisdiction or destroy or adversely modify designated critical habitat. Sea turtles are under NMFS jurisdiction except when the turtles are on their nesting beaches. NMFS issued an Incidental Take Statement on sea turtle species; the Incidental Take Statement contains reasonable and prudent measures with implementing terms and conditions to help minimize take.

USFWS and MMS consulted informally, as per USFWS guidance on CPA and WPA lease sales in the 2007–2012 OCS Leasing Program. On September 14, 2007, MMS received a letter of concurrence from USFWS to conclude the informal consultation.

Following the DWH event, BOEMRE requested re-initiation of ESA consultation with both NMFS and USFWS on July 30, 2010. NMFS responded with a letter to BOEMRE on September 24, 2010. USFWS responded with a letter to BOEMRE on September 27, 2010. The reinitiated consultations are not complete at this time, although BOEM, as lead agency, and BSEE are in discussions with both agencies. The existing consultations remain in effect until the reinitiated consultations are completed. BOEM and BSEE are working with both agencies to develop an interim coordination program while consultation is ongoing.

On May 19, 2011, NOAA and BOEMRE signed a Memorandum of Understanding to increase communication and coordination between the two Federal agencies by outlining specific processes to ensure effective and timely communication of agency priorities and upcoming activities, identifying and undertaking critical environmental studies and analyses and other provisions. BOEM and NOAA also intend to assess the effects of the entire GOM OCS Leasing Program through Section 7 consultation under the ESA, and incorporate new oil spill risk assessments prepared and new information that will be available following the DWH oil spill. Until that programmatic consultation is completed and a new ESA coordination and review

process is required under ESA, NOAA and BOEM will follow an interim ESA review process for lease actions of the OCS.

With consultation ongoing, BOEM will continue to comply with all Reasonable and Prudent Measures and the Terms and Conditions under these existing consultations, along with implementing the current BOEM-imposed mitigation, monitoring, and reporting requirements. Based on the most recent and best available information at the time, BOEM will also continue to closely evaluate and assess risks to listed species and designated critical habitat in upcoming environmental compliance documentation under NEPA and other statutes.

MAGNUSON-STEVENS FISHERY CONSERVATION AND MANAGEMENT ACT

Pursuant to Section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act, Federal agencies are required to consult with NMFS on any action that may result in adverse effects to EFH. The NMFS published the final rule implementing the EFH provisions of the Magnuson-Stevens Fisheries Conservation and Management Act (50 CFR 600) on January 17, 2002. Certain OCS activities authorized by BOEM may result in adverse effects to EFH, and therefore, require EFH consultation.

The MMS consulted on a programmatic level by letters of July 1999 and August 1999 to address EFH issues for certain MMS OCS activities (i.e., plans of exploration and production, pipeline rights-of-way, and platform removals). In March 2000, MMS Gulf of Mexico OCS Region consulted with NMFS's Southeast Regional Office in preparing a NMFS regional finding for the Gulf of Mexico OCS Region that allows BOEM to incorporate the EFH assessments into NEPA documents. An EFH consultation for the CPA and WPA lease sales included in the 5-Year Program, using the *Gulf of Mexico OCS Oil and Gas Lease Sales: 2003-2007; Central Planning Area Sales 185, 190, 194, 198, and 201; Western Planning Area Sales 187, 192, 196, and 200, Draft Environmental Impact Statement* (USDOJ, MMS, 2002) as the NEPA document, was initiated in March 2002 by this Agency with NMFS's Southeast Regional Office. The NMFS responded in April 2002, endorsing the implementation of resource protection measures previously developed cooperatively by MMS and NMFS in 1999 to minimize and avoid EFH impacts related to exploration and development activities in the CPA and WPA. In addition to routine measures, additional conservation recommendations were made. In May 2002, MMS responded to NMFS, acknowledging receipt and agreement to follow the additional conservation recommendations. The EFH conservation measures recommended by NMFS serve the purpose of protecting EFH. Continuing agreements, including avoidance distances from the topographic features' No Activity Zones and live-bottom pinnacle features, as well as circumstances that require project-specific consultation, appear in the clarifying provisions of NTL 2004-G05.

Effective January 23, 2006, NMFS modified the identification and descriptions of EFH. One of the most important changes noted in the amendment is the elimination of the EFH description and identification from waters between 100 fathoms and the seaward limit of the EEZ.

Further programmatic consultation was initiated and completed for the 5-Year Program's lease sales included in the Multisale EIS. The NMFS concurred by letter dated December 12, 2006, that the information presented in the 2003-2007 Draft Multisale EIS satisfies the EFH consultation procedures outlined in 50 CFR 600.920 and as specified in NMFS's March 17,

2000, findings. Provided that MMS proposed mitigations, NMFS's previous EFH conservation recommendations, and the standard lease stipulations and regulations are followed as proposed, NMFS agreed that impacts to EFH and associated fishery resources resulting from activities conducted under the 5-Year Program's lease sales would be minimal. Following the DWH event, NMFS requested a comprehensive review of the existing EFH consultation in their September 24, 2010, response to a BOEMRE July 30, 2010, letter. In light of this request, BOEM and NMFS have had discussions and are working on a new consultation document for the next Multisale EIS. The existing consultation remains in effect until the reinitiated consultations are completed.

NATIONAL HISTORIC PRESERVATION ACT

In accordance with the National Historic Preservation Act (NHPA) (16 U.S.C. 470) Federal agencies are required to consider the effect of their undertakings on historic properties. The implementing regulations for Section 106 of the NHPA (16 U.S.C. 470f), issued by the Advisory Council on Historic Preservation (16 CFR 800), specify the required review process. The BOEMRE initiated a request for consultation with the affected Gulf States and Tribal Nations on November 12, 2010, via a formal letter. A timeline of 30 days was provided and two responses were received. The State of Louisiana, in a letter to BOEMRE dated December 16, 2010, indicated that no known historic properties will be affected by this undertaking and that consultation regarding the proposed action is not necessary. The Seminole Tribe of Florida-Tribal Historic Preservation Officer (STOF-THPO) responded to BOEMRE's request for consultation on December 6, 2010. The STOF-THPO indicated that there was no objection to the proposed undertaking at this time. The STOF-THPO requested to review the impending remote-sensing survey reports that are to be conducted over the high-probability zones within the project area (which is not within the WPA or the subject of this SEIS). Additionally, the STOF-THPO requested to be notified if cultural resources that are potentially ancestral or historically relevant to the Seminole Tribe of Florida are inadvertently discovered at any point during this process. Neither of these responses requested consultation. No further responses were received beyond the 30-day timeline and no further requests for consultation were received.

This Section 106 consultation is concluded at this time. BOEM will continue to impose mitigating measures, and monitoring and reporting requirements to ensure that historic properties are not affected by the proposed undertaking. BOEM will reinitiate the consultation process with affected parties should such circumstances warrant further consultation.

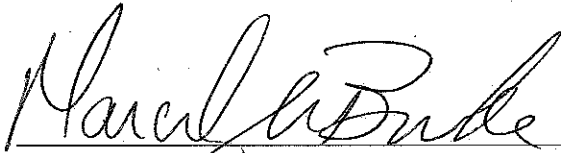
8. DECISION

BOEM has selected Alternative A, defined as the Proposed Action and preferred alternative in the Final SEIS. Specifically, Alternative A offers for lease all available unleased acreage (about 3,900 blocks) in the WPA, except whole and partial blocks within the boundary of the Flower Garden Banks National Marine Sanctuary and whole and partial blocks within the former Western Gap that are within 1.4 nautical miles north of the continental shelf boundary between the United States and Mexico. BOEM is offering for lease in WPA Oil and Gas Lease Sale 218 all blocks and partial blocks listed in the document "List of Blocks Available for Leasing" included in the FNOS Sale 218 Package.

Alternative C was not selected because if the lease sale were to be canceled, the resulting development of oil and gas would most likely be postponed to a future sale. The overall level of OCS activity in the WPA would only be reduced by a small percentage and it would not significantly change the environmental impacts of overall OCS activity. Additionally, the need for domestic energy sources and the subsequent provision of positive economic impacts from exploration and production, including employment, would not be realized. Furthermore, revenue collected by the Federal Government (and thus revenue disbursements to the States) would not be available. Although other sources of energy may substitute for the lost production, these sources may have significant negative environmental impacts of their own. Therefore, BOEM has not selected Alternative C because the public need for domestic energy sources and the economic benefits that would be realized through oil and gas exploration outweigh the potential environmental impact of the proposed action

BOEM's selection of the preferred alternative reflects an orderly resource development with protection of the human, marine, and coastal environments, while simultaneously ensuring that the public receives an equitable return for these resources and that free-market competition is maintained.

Please indicate your concurrence by signing and dating below:



Marcilynn A. Burke
Acting Assistant Secretary
Land and Minerals Management

Date: 11/07/11