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# MMS Releases Draft Proposed Offshore Leasing Program for 1997-2002

Comment Period Closes October 9, 1995.

On August 9, the Minerals Management Service (MMS) released its Draft Proposed Program for Offshore Oil and Gas Leasing for 1997-2002, representing a critical juncture for the future of the offshore program. This 5-Year Program will help determine the contribution the nation's offshore resources will make to our energy supply for the early 21st century.

MMS received over 2,300 comments from Governors; State, local, and Federal agencies; industry; environmental groups; and members of the general public in response to a November 1994 "Request for Input." The Bureau reviewed those comments and carefully considered them in developing the Draft Proposed Program.

"One of MMS's goals in developing this 5-Year Program is to build on successes, and learn from the past, through consultation and careful consideration of all comments, and the use of sound environmental, economic, and physical science information," said MMS Director Cynthia Quarterman.

Subsequently, this program differs from previous programs primarily in the way in which it was formulated. "I think the real difference here is that in the past, the program was formulated in Washington, D.C. But for this 5-Year Program, the MMS offshore regions are playing a major role," said Carol Hartgen, Program Director for the 5-Year Program.

"We rely on the Outer Continental Shelf (OCS) Regions not only for analysis, but we rely on them for their unique understanding of the areas. They have been instrumental in discussing and developing options and have worked extensively with local constituents. It's a bottom up, rather than top down approach," she said.

"Working with our constituencies in developing the program is one of the major highlights of the program. In addition to careful consideration of their written comcontinued on page 3

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Doug Karlberg, Alaska fisherman and inventor of the Multiple Boom System, tests it out at OHMSETT. See story on this innovative idea, pages 6-9 inside.

# Message from the Director

I'm especially pleased to release this issue of "MMS Today." The focus of this issue is the Draft Proposed Program for Oil and Gas Leasing for 1997-2002.

This 5-Year Program is meant to be a paradigm for consensus building in the Outer Continental Shelf (OCS) Program — not only for the years 1997-2002 — but well beyond.

Consensus building has been key to the formulation of this Program and will continue to be key in administering the Program. The new 5-Year Program is based on three main policy objectives endorsed by President Clinton and Secretary Babbitt: 1) consensus-based decisionmaking; 2) science-based decisionmaking; and 3) the use of natural gas as the environmentally preferred fuel.

We've been working closely with all of our constituencies from coast-to-coast, have formed many productive working relationships, and established many cooperative studies — pooling together the scientific expertise from MMS and affected states as we work together to determine the future of our nation's offshore energy program. We've worked extensively with affected counties in California, and we've worked closely with Alaska, Florida, and the Mid-Atlantic States to name a few. All have and will continue to have substantial input into

our nation's oil and gas leasing program. Our approach has been to resolve conflicts over existing leases before moving forward with new leasing in certain areas of the country.

MMS believes that it is important that the Bureau be in sync with states and local communities concerning the development of offshore resources.

MMS believes that it is important that the Bureau be in sync with states and local communities concerning the development of offshore resources. One way of ensuring that is through providing them with the best scientific data and facts on which they can base their decisions. We believe that in order to have a responsible leasing program, it must be based on sound science, state-of-the art technology, and the ability to adapt to and accommodate new and advanced technologies and those on the horizon.

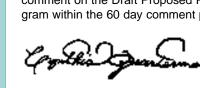
Interior Secretary Babbitt called to the forefront of MMS's mission the use of sound science in all offshore decisionmaking. He also called for us to

work closely with all affected parties in developing America's offshore oil and gas leasing program. As you may know, I requested that the Scientific Committee of the Minerals Management Advisory Board play a greater role in developing this 5-Year Program by laying the scientific groundwork for future decision-making. The Scientific Committee will be working closely with the OCS Policy Committee, ensuring there is an interface between science and policy in the 5-Year Program. I believe their input has been and will continue to be of great value.

We have focused this 5-Year Program on natural gas-prone areas and protecting sensitive coastal and marine environments. Prior to this Program, decisions placed great emphasis on factors such as relative net social value and industry interest, with correspondingly less attention given to such factors as the goals, and policies of coastal states, the other uses of the sea and the seabed, and different circumstances facing OCS regions and adjacent onshore areas. We believe this 5-Year Program gives greater consideration to the goals and policies of affected states and other constituencies. It should serve as a framework for collaboration among parties rather than as a lightning rod for future controversy.

I believe the Draft Proposed Program strikes a proper balance between making OCS oil and gas resources available for the benefit of the nation and safeguarding the marine, coastal, and human environments. We feel our unwavering commitment to consensusbased decisionmaking, science-based decisionmaking and the use of natural gas is the right one to carry us into the 21st century.

I hope you will take the opportunity to comment on the Draft Proposed Program within the 60 day comment period.



| Cynthia Quarterman, Director                                                                                                                                                                                                                                  |
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The 5-Year Plan is only the beginning of the process. State and local communities will continue to have opportunities for input during the entire process — from lease sale to production.

#### 5-Year Draft Plan

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ments, we have really, seriously talked to people — especially affected states — about this program, and about their concerns, and what could be done to accommodate them," said Hartgen.

Another highlight of the program is the use of stakeholders taskforces. "The Alaska stakeholders taskforce (see p. 14) was invaluable," she says. "The fact that group was located in Alaska and it was able to bring together affected parties such as federal and state agencies, local governments, Alaska natives, commercial fishermen, environmentalists, and industry to make recommendations is a significant achievement."

Another related example is the MMS Tricounty forum that exists in California. There, the Pacific OCS Region has been working closely with the counties of Santa Barbara, San Luis Obispo, and Ventura. "They have had tremendous success and have developed good working relationships with state and county officials," she said.

"We've encouraged similar types of working relationships with other states such as Florida and some of the Mid-Atlantic States. Florida is interested in developing a 'studies' task force to look at environmental studies that are in progress. In addition, we've talked to some Mid-Atlantic States to see if they were interested in developing a group that would, perhaps, look at things for the longer term for their area," she said. "At the OCS Policy Committee meeting in Houston in May, the Committee adopted a resolution whereby they would encourage further use of similar working groups and taskforces. Not all other areas in the country are yet ready to engage in that kind of thing, but we've still been talking with them to address their concerns and see if the dialogue can be opened further," she said.

In addition, a joint subcommittee of the OCS Policy and the Scientific Committee of the Minerals Management Advisory Board passed a resolution in June, in

### Draft Proposed Lease Sale Schedule and Map

#### **Gulf of Mexico**

Western Gulf of Mexico ...... Annual ........ Sale in program area Central Gulf of Mexico ....... Annual ........ Sale in program area Eastern Gulf of Mexico,

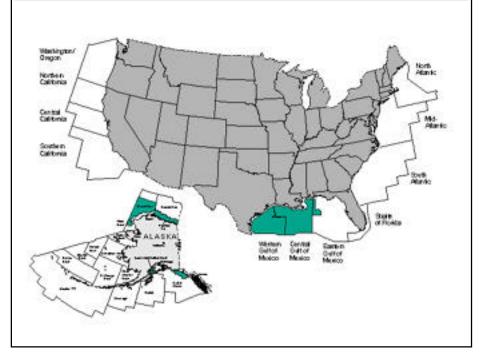
Offshore Alabama ......2001 ...... Sale in program area

#### Alaska

#### Pacific

Southern California ...... No sales, but continue consensus building

#### Atlantic



which they agreed to assist in reviewing the 5-Year Program. "One of the things that the Scientific Committee will be looking at are the areas that have been subject to moratoria and the status of the studies that are being conducted in those areas," said Hartgen. "They will be looking at the big picture to help identify where the priorities need to be."

Hartgen said that "the real emphasis of the OCS program has been that, although it is a national program, what really needs to be brought into that national picture are the differences among the Regions — and that's what we've been doing," she said.

Hartgen credits MMS Director Cynthia Quarterman with the new approach to the program — for really taking the time to listen to people's concerns ... and then doing something about those con-

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cerns. "I think it has been truly very beneficial to talk to people, and just in this 'exchange,' you realize what kind of information people need even in those instances where people are not in favor of the program. I think you still accomplish something by talking to them and establishing that kind of rapport," she said.

Hartgen has spent a considerable amount of her time talking to staffers in both the U.S. House and Senate. "These meetings have been very useful because I think they really like to know what's going on and what we're doing. They've been very appreciative of us visiting with them and just explaining the 'process' and the particulars of what we're looking at before any decisions are made. The offshore oil and gas leasing program hasn't had the attention it had in the 1970's and 80's, but nonetheless, it is still an important contribution too the nation's energy supply and U.S. Treasury," she said.

The new 5-Year Program has also fully utilized the concept of "matrix management." The matrix management approach is essentially a "team" approach, she said. "We have a team of people working on the Program Document itself, and another team for the Environmental Impact Statement (see article on p. 11 for EIS streamlining). Those teams don't just include headquarters staff. They include regional personnel, and there's a policy group that includes representatives from the Department and from the Office of Policy Analysis and Environmental Review, as well as the National Oceanic and Atmospheric Administration. That group meets quarterly to keep people up to date and to get their input for policy issues. For example, they played a major role in the recommendations to extend the comment period for the initial 'Request for Comments,' issued in November 1994. And we've been continuing to work with other bureaus in the Department — not just getting their comments and sending them paper — but actually establishing contact and working more with them,"

#### Other 5-Year Highlights:

Planning Areas Configuration. Draft Proposed Program would move boundary between Beaufort Sea and Chukchi Seal Planning Areas to more accurately conform with bodies of water after which they were named. Whole and partial Official Protraction Diagrams (OPD) would be added to the Beaufort Sea; Aleutian Arc; Washington-Oregon; Northern, Central, and Southern California; and South Atlantic Planning Areas, but none of the additions would be considered for leasing. OPD beyond OCS and EEZ from Gulf of Alaska would be deleted.

Assurance of Fair Market Value. Basic minimum bid level would be set at \$25 per acre, subject to sale-by-sale reconsideration, and the current two-phased bid adequacy process would be retained.

As announced in the Call for Comment published in the *Federal Register* on April 20, 1995, other proposals are being considered for the Proposed Program.

### **Next Steps in the Process**

Comments on Draft Proposed Program are due 60 days from the date of publication. After review of comments, internal analysis, constituents discussions, and review of the decisions announced in this document, Proposed Program and draft EIS will be published in January 1996, with a 90-day comment period. Late summer 1996, Proposed Final Program and final EIS issued. Sixty days after Proposed Final Program is submitted to President and Congress, the Secretary may approve the new program.

she said. Bureaus that commented on the program include, for example, the Fish and Wildlife Service, the U.S. Geological Survey, the Bureau of Indian Affairs, and the Bureau of Land Management. "MMS has been working with these bureaus," she said.

"The benefit of these teams, which include cross-representation from all programs in MMS — such as inspection and enforcement, and offshore safety management — is that the entire offshore program has input into the development of the 5-Year Program. They contribute their expertise, and therefore, the entire 5-Year Program is integrated with the research and development and operational areas of the program — they all wrap into it, pooling together the scientific expertise from all areas within the Bureau," she said.

What's the 'big' news for this 5-Year Program? Hartgen says it's really the way MMS has gone about not only developing the program, but the way MMS will continue to administer the program. "And that is to focus as much and get as many of the decisions made at the low-

est level possible — right where a lot of the action is," she said.

Hartgen said that the 5-Year Plan is only the beginning of the process. State and local communities will continue to have opportunities for input during the entire process from lease sale to production.

When the 5-Year Program becomes 'final,' Hartgen said she will be happy if it reflects the Bureau's commitment to "develop consensus and to have parties sit down and be able to identify ways that they can work together, understand and respond to the other side's positions, and then move forward ... to develop the resources in appropriate areas."

"There's been a realization that in some of these places where there's been tremendous controversy, that we need to sit down and be able to talk that over and figure out what to do. And that takes time. And that's the kind of thing that's being done. I think all parties are realizing that you just can't go on when you're at loggerheads. You have to sit down and resolve issues. And I think we're making a lot of progress."

-Donna Cedar-Southworth



Bob Stewart is the President of the National Oceans Industries Association.

The views expressed in this article are those of the author and do not necessarily reflect those of the Minerals Management Service.

The Five-Year OCS Oil and Gas Leasing Program is always of paramount importance to the offshore oil and gas industry. It is that program, with its five year schedule of lease sales, that sets the parameters within which the program will operate. The new program (1997-2002) will define the shape and scope of offshore leasing and development into the next century. It takes on additional significance because the current program is the most modest in scope of any program to date.

Thus, a crucial question in considering the new plan is, should we be satisfied with the status quo, or should we seek innovative approaches? Innovative approaches that will come closer to the objective of "...an equitable sharing of developmental benefits and environmental risks among the various regions" contained in section 18 (a) (2) (B) of the OCS Lands Act.

The way in which that question is answered will send a strong signal, not only to the industry, but to the nation as a

whole about the seriousness with which we view the importance of domestic energy development. There is no getting around the fact that our economy is the largest and most productive in the world. Nor can one dispute the fact that energy is the oxygen that our economy breathes. At stake then, is the degree to which we are willing to put our economy and our standard of living at risk by allowing ourselves to become more dependent on foreign energy supplies when there are other alternatives available

It seems clear that there is no panacea that will assure abundant future energy supplies while, at the same time, calming the controversies that have surrounded domestic energy development in the past. There are, however, some partial answers that could help. An example can be found by examining the results achieved by the Tri-County Forum in Southern California. There, the MMS Pacific Region gathered the appropriate stakeholders to consider how to develop OCS leases off the coasts of Santa Barbara, Ventura and San Luis Obispo counties. The discussions and give and take among the parties have contributed significantly to increasing production in that area from 90 thousand barrels a day (TBD) to over 200 TBD.

In another consensus-building effort, as the direct result of recommendations made in the OCS Policy Committee Report, "Moving Beyond Conflict to Consensus," an Alaska Regional Stakeholders Task Force was established in late 1994. After successful deliberations by a diverse group of Alaska interests over a period of several months, in May of this year they delivered to MMS a ten point recommended program including guidelines and criteria for including five planning areas for evaluation in the next Five-Year Program - the Beaufort Sea. the Chukchi Sea. Hope Basin, the Gulf of Alaska and Cook Inlet/Shelikof Strait. The Task Force recommended that sales in these areas should be spread out over the Five-Year schedule, ideally with one sale being held per year.

This kind of consensus building exercise can be emulated elsewhere. Suggestions that consensus building exercises might prove useful, such as those contained in the OCS Policy Committee report, have been met with the suggestion that a sufficient consensus already exists in opposition to leasing in many areas to dispose of the issue. If one considers the interests and welfare of citizens who do not live on or near our coasts, that consensus looks mighty thin. In any event, times, circumstances and attitudes change and we suggest it would be a serious mistake to close the debate with so much at stake and with the recent successes of the Tri-County Forum and the Alaska Regional Stakeholders Task Force to suggest that the outcome is not a foregone conclusion.

Unfortunately, attempts to seek a new and broader consensus will be meaningless if the new Five-Year Oil and Gas Leasing Program is limited to the Central and Western Gulf of Mexico and a few planning areas off the coast of Alaska. In the February 1995 edition of MMS Today, Director Cynthia Quarterman set down some goals and objectives for the agency in 1995. Her number one objective is "Initiating the development of a new Five-Year Plan by building on the successes, but not repeating the mistakes of the past through consultations with state and local governments, industry, environmental groups, and the general public and utilization of sound environmental, economic and physical science information."

This laudable objective can be given real meaning if approached as an experiment. To do this MMS should propose one or two limited sales which would be experiments in consensus building outside of the Central and Western Gulf of Mexico and Alaska. Such proposed sales would provide both backdrop and context for a gathering of stakeholders and for the initiation of discussions to see what might be agreed to. In this process the typical question that permeates moratorium debates and Five-Year plan discussion, "Whether to proceed," might

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# Research & Development at MMS

Guest Author Bob Stewart
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be supplemented by the question, "How can we proceed?" This approach would permit all participants to not only contribute to the discussion, but to give full rein to their creativity in coming up with new approaches to solving energy development issues, a far more satisfying policy than one that says, "Let's not bother to discuss it."

Finally, as MMS considers the new Five-Year Program it should keep in mind the needs of coastal environments and economies. In doing so, it should carefully consider the nature of the threats to environments and economies posed by offshore energy development. Then it should tailor the protections to account for the degree of those threats. If that sounds like cost/benefit analysis applied to OCS decisionmaking, so be it. In fact, cost/benefit analysis is, in essence, mandated by Section 18 of the OCS Lands Act. Too often in the past, it has been asserted that a particular coastal area needed protection and the discussion has ended there.

We need, as a part of the discussion, to determine what different levels of protection will cost. What does eliminating an area from the Five-Year Plan, or covering it with a legislated moratorium, mean in terms of future federal revenue, our future needs for imported energy, the growth of the trade deficit and the chronic weakness of the dollar in international currency markets, the impact on regional economics, the creation or loss of jobs nationally and numerous other vital issues that have all to often been ignored in OCS access discussions?

Industry welcomes the opportunity to discuss these ideas with MMS and others with an interest in the future of the OCS leasing and development program. We believe the program has a future outside of its traditional home and look forward to pursuing that future in concert with all interested parties.

-June 1995

"With MMS, any accident — and the program is jeopardized. We're more motivated, and it's critical that we demonstrate our capabilities," says Bud Danenberger, Chief of MMS's Offshore Engineering and Technology Division.

MMS's Offshore Technology Assessment and Research (TAR) Branch is a part of that Division and is comprised of structural engineers, oceanographers, and oil spill clean up and prevention experts to name just a few. Collectively, their job is to ensure that the nation's offshore oil and gas operations are safe not just in the short term, but in the longterm as well — to provide the research and development necessary to adapt to changing times on the Outer Continental Shelf, and to ensure the safety of operations for any areas that may be included in the nation's 5-Year Oil and Gas Leasing Program.

Just some of the items TAR performs research on includes, aging pipelines and platforms, seismic activity in the Pacific and Alaska OCS Regions, seismic requalification of platforms, deepwater operational requirements, oil spill research and development, blowout prevention, and air emissions. In short, every aspect of offshore oil and gas operations from the permitting process through lease abandonment and removal requires the scientific expertise of individuals within the TAR Branch. Equally as important is TAR experts role in anticipating and preventing future problems.

"MMS has taken a leadership role in all of these areas," says Danenberger. The one thing we find that everyone supports - states, industry, and environmental groups — is when we take a leadership role in addressing technical problems and bring everyone to the table to help solve them. As a regulatory agency, there is a lot of discussion these days as to what our proper role should be; for example, do you regulate through performance standards or prescriptive rules? MMS tends to view our role more as a catalyst, so that when a technical need is identified, we hold a workshop or bring the affected people together. We never

"The one thing we find that everyone supports — states, industry, and environmental groups — is when we take a leadership role in addressing technical problems and bring everyone to the table to help solve them," said Bud Danenberger, Chief, Offshore Engineering and Technology Division.

want to act alone on these issues, so the project is tightly coordinated," he says.

The TAR branch has been focusing on several distinct areas, which they refer to as "five critical safety paths into the future" including: 1) keeping safe oil and innovative platforms and pipelines; 2) withstanding earthquakes offshore; 3) containing, and cleaning up spilled oil; 4) keeping safe deep ocean operations; and 5) reducing exhaust pollution.

### Ensuring Safety of Oil & Gas Platforms

Charles Smith is a Research Program Manager in the TAR branch. He sees a major problem facing the country right now is our roads, bridges, and pipelines. "We built these things a long time ago, and haven't put the attention we should into maintaining these structures. Aging infrastructure is a major project onshore, and a while back MMS identified this as a problem we were going to need to address for the offshore as well. We got industry and others to work with us on the effort to study aging infrastructure. Collectively, we agreed that rather than developing new regulations to solve the problem, it was in everyone's best interest to participate in developing standards to address these issues. This is not just a problem in the United States. Right now, the United Kingdom is addressing the same issue," he said.



MMS places four strong motion instruments on sea floor in the Santa Barbara Channel to measure seismic activity.

"There are more than 4000 offshore facilities in the Gulf of Mexico. Over one-third or roughly 36 percent of these are over 20 years old, so in the late 1980's our whole attention turned to addressing aging structures. We want to ensure that older platforms have the same integrity as newer platforms. We developed a comprehensive methodology to assess older platforms and held a successful international workshop to work with industry on assessment. Industry has adopted section 17 of the American Petroleum Institute's (API) document."

# Planning for Safety in Deepwater

Another critical area for research and development is the emerging "new frontier," or deepwater area. Danenberger says that there could be 100,000 jobs generated by deepwater development in the Gulf of Mexico if it reaches its full potential, and the resource potential is tremendous — estimates are as high as 20 billion barrels of oil equivalent. TAR's number one concern with deepwater is to ensure it's done safely. that MMS understands all of the issues. and MMS works with industry on a regulatory scheme. Danenberger cites the Deep Star project as a valuable asset in getting all the right parties together to study deepwater exploration and development.

Charles Smith addresses some of the engineering challenges associated with deepwater development, such as, inspection and repairs to pipelines in deepwater. Industry does not have as much experience with the newer platforms as they do with older ones. "We've formed a true partnership between government and industry in studying these and all other aspects of deepwater development together," he says.

Both Smith and Danenberger say one of the most useful developments in the program has been the formation of Regional Offshore Technical Assessment Committees (ROTAC's). "ROTAC's are comprised of personnel in each region, who are charged with keeping apprised of technical developments in their area. problems and issues that they think we need to better study, and research and workshops that we need to conduct," says Danenberger. The ROTAC's meet once a year to review studies from the previous year and to collectively prioritize studies for the upcoming year. Danenberger explained that MMS brings in pipeline experts from the Gulf of Mexico, and structural and petroleum

engineers from the regions. He says that everyone has a different perspective and it helps immensely to have the regions tie into the research projects that TAR is doing. "We've tried to integrate the research program more, so we have a meeting of the minds and can trouble-shoot together. We benefit from their input as to what they see as problems, and they benefit from ours," said Smith.

# Researching Oil Spill Clean-up & Prevention

"Undoubtedly, one of the areas of which I'm most proud is the oil spill research and prevention work TAR has done, particularly burning spilled oil as an oil spill cleanup method, known as in-situ burn research," said Danenberger. He cites a former MMS employee, Ed Tennyson, with having the foresight to see the benefit of MMS taking over the National Oil Spill Test Facility (OHMSETT). Tennyson wanted MMS to take over the facility before the Valdez accident ever occurred, recognizing it as the only facility in North America where one could test full size booms and skimmers in the presence of oil and in the presence of waves and currents.

Tennyson retired in early 1995 and Joe Mullin, of the TAR branch, assumed oversight for the oil spill research and development program.

Mullin noted that MMS has been focusing its more recent efforts at OHMSETT on enhancing research and development. Rather than just testing new equipment, MMS is actively researching and developing new ways to detect, understand, and ultimately clean up spills. For example one recent test conducted at OHMSETT was conducted with the U.S. Coast Guard who wanted to test an experimental airborne sensor. "They are developing the sensor to measure the thickness of oil spills because if you can fly over the spill and see where the thicker portions are day or night, you can steer your response ships out there to clean up more of the oil and you can be more effective with your booms and skimmers," says Mullin.

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Research & Development
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In addition, Mullin says that MMS has just received a draft permit from the State of New Jersey to conduct burn experiments at OHMSETT. The permit is out for a 30-day comment period. That will be followed by meetings with all affected parties to address their concerns. Burning won't conceivably take place until next year, however, Mullin is optimistic that they can build on experiments and research that has been conducted by other agencies and follow up with burn experiments in the controlled setting at OHMSETT.

"This is really what the Oil Pollution Act (OPA) of 1990 is all about — getting together to review any ideas that come in and to advance oil spill technology," says Danenberger.

One of the most extraordinary stories associated with OHMSETT is told by Larry Hannon, also of the TAR branch. This past June MMS tested a multiple boom at OHMSETT that was initiated by an Alaskan fisherman. Two and a half years ago, Doug Karlberg, an Alaskan fisherman contacted Hannon. Karlberg had been under contract to help clean up the Valdez spill. He felt the booms and skimmers they used were impractical. In his mind, a boom system is not that different than a trawl net used to catch fish. With the help of MMS, the U.S. Coast Guard, and Environment Canada. Karlberg was able to get Pacific Link to fabricate his ideal boom--not one, but a series of booms with a skimmer placed in the last boom. The multiple booms run on the concept that it's okay to lose oil, as long as the boom behind it catches and traps the lost oil. And to enhance the process there is a trawl underneath. The new piece of equipment would also be able to work at 2-3 knots as opposed to the 1.5 knots that traditional booms and skimmers operate in.

Results are not yet in, but if the experiment is a success, it will result in a revolutionary new piece of equipment that can recover more oil at higher speeds Hannon said.

In situ burning is an area in which MMS has developed an expertise all its own. MMS has participated in a number of burns. For example, last summer MMS participated in a series of burn experiments in Newfoundland at which experts estimated that the efficiency rate of removal for the burn was 99 percent, and the removal rate was 100 to 1000 times more rapid than with conventional equipment. Last September, MMS participated in the largest ever research burn, conducted by Alaska Clean Seas, to study in situ combustion of water-in-oil emulsion oil slicks. Preliminary results of that burn indicate the addition of emulsion breakers permit ignition and efficient burning of oil slicks that contain up to 60 percent water. And in October, test burns in Alabama evaluated burning rates, smoke emissions, and downwind transport of chemical compounds. Results indicated that the real-time sampling probe, used to monitor emissions from the burn, were successful in the

Mullin said that he just returned from three scoping meetings in California. He said the State wants to start using in situ burning and the State was impressed with the studies that MMS, the U.S. Coast Guard, and all the various agencies have done. "I find that particularly gratifying ... it shows to me that we've been systematically addressing all the concerns that have arisen from the states and other federal agencies, and shows that good cooperation between federal and state agencies has satisfactorily answered any data gaps that might have existed," he says.

In situ burn has been approved in the states of Louisiana, Texas, and Alaska. Florida, North Carolina, and Alabama all have draft plans out for public comment, and the State of Washington is looking at in situ burn as well.

Mullin says that most people don't realize that invisible fumes come off the oil. These fumes are very carcinogenic, he says, and they are what pose the most health hazard. In burning, all compounds are destroyed due to the high temperature of the combustion process.



Studies show burning spilled oil is safer than evaporation.

"If I had the choice between having my family downwind of an oil spill that was evaporating or burning, I'd put them downwind of the burning slick every time," he says.

Aside from assessing the safety of platforms and aging structures, deepwater research, OHMSETT, and burn experiments, some of the other work of which TAR is particularly proud includes seismic assessment and air emissions.

## Assessing Seismic Activity

"In California and Alaska, earthquakes are a major concern," says Smith. Whereas in the old days, we used to measure earthquakes onshore and use that information to design structures, we've now started putting instruments on the sea floor and discovered the response on the sea floor is quite different," he says. MMS now has a major effort underway in California. In June, MMS placed four strong motion instruments on the sea floor in the Santa Barbara Channel. One was located at Shell's platform Eureka, off of Huntington Beach; two were placed off of Chevron's Platform Gale; and the fourth is located off of Torch's platform Irene off of Point Arguello, which will give MMS and indus-

# Technology Assessment Research (TAR) Workshops

try a comprehensive network to gauge seismic activity. The California State Lands Commission is also involved in the effort, creating an offshore seismic hazard map and will help MMS in requalification efforts.

### Reducing Exhaust Emissions Offshore

Exhaust emissions offshore is another area of research and development involving TAR. Danenberger noted that MMS currently has a study in California that shows great promise for virtually eliminating the nitrogen oxide emissions from turbines. It is still too early to tell, he says, but the treatment is promising and could remove one of the principle barriers to development.

Aside from the five critical safety paths described above, there are several other areas in which MMS has taken a leadership role, such as platform abandonment and removal, blowout prevention, risk factors — including the human factor.

Danenberger says that the offshore safety program has a lot of different elements: operations, inspections, accident investigations, research, regulations, training, and the Safety and Environmental Management Program (SEMP), which goes across all areas. "But to have an effective program, it has to be integrated - our inspectors and accident investigators have to feed into rulemaking and research; inspectors have to tell us what's causing accidents and then the research people must study those areas. In turn, research has to provide the latest breakthroughs to the inspectors, training personnel, and regulations personnel. Our program must be integrated with the 5-Year Oil and Gas Leasing Program so they understand what mitigations exist, what spill response techniques work in the Arctic, and so on so the leasing portion of MMS can offer options for the states to review."

For more information on the Technology Assessment and Research Branch, contact Charles Smith or Joe Mullin at 703-787-1598.

-Donna Cedar-Southworth

MMS' Technology Assessment & Research (TAR) Branch regularly supports research and technical evaluations in the areas of safety and pollution prevention technologies as well as oil spill response related to offshore oil and gas operations. A small, but significant, component of the TAR program is the sponsorship of a series of international workshops on topics related to offshore operations.

Examples of recent workshops include:

- A workshop was held in July 1993 on the design of new deep pile foundations and their effects on soil properties. The development of offshore resources in increasingly deep water and more difficult seabed soils has initiated a new era in designing deep pile foundations. The information from this workshop is relevant to qualifying new platform designs and requalifying aging platforms.
- An October 1993 workshop on use of high strength, light weight composite materials in offshore operations was held. Newer platform designs, such as the tension leg platforms are very weight sensitive. The use of traditional structural steel or concrete in this type of platform would result in a very uneconomical design. Composites offer advantages in lower maintenance costs, resistance to corrosion and very high strength. This is especially significant for the design of new composite risers for deepwater operations.
- In December 1993, an international workshop was held on assessment and regualification procedures for offshore production structures. One of the growing concerns is how industry should address the aging offshore infrastructure. The evidence of damage to platforms and other offshore infrastructure from natural forces, like Hurricane Andrew, as well as from accidents, has pointed out the need for safe and reliable assessment methods. This workshop addressed the enormous need for more sophisticated and rational regualification procedures for aging and damaged offshore facilities.

- The December 1994 workshop on underwater welding of marine structures produced valuable insights into technological developments in welding as a repair and fabrication technique. These relatively low cost repairs in expensive offshore structures may help extend the production life and safety of these facilities.
- A workshop on sea ice mechanics held in April 1995 summarized information on the location, movement and forces created by arctic sea ice. In order to make a number of small petroleum discoveries in the Beaufort Sea bordering northern Alaska, a connecting pipeline is under consideration. The workshop was instrumental in gathering knowledge on sea ice gouging of the seafloor and the potential for ice keels to sever pipelines. That information is crucial to design and approval of the pipeline.
- In January 1994, an international workshop was held on the in—situ burning of oil spills to present the state of knowledge to industry, government, and research organizations and to prioritize research and information needs. This workshop was part of MMS's continuing effort to ensure the relevance of our research program to the needs of the user community.
- A workshop was held in February 1995 on causes of damage to underwater pipelines. The interest, enthusiasm, and extensive participation by industry in the pipeline workshop was outstanding.
- A workshop on issues related to lease abandonment and platform removal is planned for April 1996, as well as a workshop in the fall 1995 to assess the role of human and organizational factors in improving the safety of offshore operations.

For more information or for copies of proceedings contact Jim Lane or Charles Smith at (703) 787-1559.

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# Potential Contribution of OCS Oil and Gas — A Statistical and Economic Perspective

As the MMS releases its Draft Proposed Program for Oil and Gas Leasing for 1997-2002, we must continually ask ourselves, do we need to make these resources available to the nation. Although exploration activities have occurred on only a fraction of the OCS, the oil and gas produced offshore make a major contribution to U.S. energy supplies.

In 1993 approximately 363 million barrels of crude oil and condensate and 4.5 trillion cubic feet of natural gas were produced from the OCS. The OCS accounted for about 14 percent of U.S. oil production and about 23 percent of natural gas production. Without the production from the OCS, the U.S. would have had to buy more oil from overseas. The additional oil imports would have added about \$10 billion to the \$51 billion we spent on foreign oil in 1993.

Since the inception of the federal OCS program, over 10 billion barrels of crude oil and condensate and over 110 trillion cubic feet of natural gas have been produced and used by Americans.

Natural gas reserves on the OCS make up about one-fifth of the total U.S. inventory, and OCS oil comprises nearly one-eighth of total U.S. reserves. The OCS resource base has the potential to make a more significant contribution to U.S. energy supplies. The OCS is believed to hold undiscovered, conventionally recoverable resources of approximately 25 billion barrels of oil and 160 trillion cubic feet of natural gas —- approximately two-fifths of the undiscovered, recoverable oil and gas resources estimated to remain in this country.

#### 1992 versus 1995 Energy Forecasts

To judge whether continued production of OCS natural gas and oil is still a necessary component of U.S. energy supplies, the current energy forecast was compared to the forecast reflecting energy prospects at the time the present 5-year OCS natural gas and oil program was adopted in 1992. The forecasts are from the Department of Energy's 1992 and 1995 Annual Energy Outlook.

Energy consumption increases at a moderate rate of about 1 percent per year in both forecasts, indicating that energy conservation and efficiency will still be important elements of U.S. energy policy. Estimates of domestic production have been revised downward in the 1995 Outlook. Consequently, the 1995 outlook predicts higher levels of energy imports—about 2 quadrillion Btu's higher in each of the 3 years included in the forecasts (one quadrillion Btu's is equivalent to approximately 170 million barrels of oil or 1 trillion cubic feet natural gas).

The study went on to evaluate other energy sources in the overall picture. Production of crude oil, coal, and renewable energy is revised downward in the 1995 outlook. Overall, there is little difference in the estimated production of natural gas liquids, natural gas, and nuclear energy.

The estimated consumption of petroleum is higher in the 1995 than in the 1992 forecast, while consumption of coal and renewable energy is lower. There is little difference in the forecasted consumption of natural gas and nuclear power, except for 2010, for which the natural gas consumption forecast has increased and the forecast for nuclear energy has decreased slightly.

The differences in production and consumption between the two forecasts are clearly reflected in the levels of petroleum and natural gas imports which, with one exception, are higher in the 1995 forecast. In the 1992 outlook, estimated annual imports of crude oil and petroleum products averaged 24.55 quadrillion Btu's for the period 2000-2010, while averaging 26.26 quadrillion Btu's in the 1995 Outlook, an increase of 7 percent. Estimated imports of natural gas averaged 3.14 quadrillion Btu's in the 1992 Outlook and 3.49 quadrillion Btu's in the 1995 Outlook, an increase of 11 percent.

The updated forecasts show an even greater-than-expected U.S. dependence on foreign oil supplies to meet the nation's petroleum consumption. Based on the 1992 Outlook data, the

United States would depend on imports of crude oil and petroleum products for 57, 60, and 62 percent of its petroleum consumption in 2000, 2005, and 2010, respectively. In the 1995 outlook, projected dependence had increased to 61, 64, and 66 percent for those same 3 years. (These figures are based on net imports rather than gross import data. Gross imports would be about 5 percentage points higher.)

While these numbers in and of themselves might not seem overly significant, when translated into dollars, the differences are dramatic. For example, the 1995 Outlook estimate of oil imports (crude oil plus refined products) for 2010 is approximately 1.22 quadrillion Btu's higher than the 1992 Outlook estimate. The estimated cost of the additional 1.22 quadrillion Btu's of crude oil and petroleum imports is in the range of over \$5 billion (\$1993). The total cost of the imported oil in 2010 based on projections from the 1995 Outlook is over \$100 billion (\$1993).

The Outlook forecasts are generally based on historical trends and assumptions about future conditions and events. The forecasts cannot factor in the sudden and dramatic social, political, or military upheavals that produce huge oil price increases in a matter of days or weeks. Past examples of such events include the Arab oil embargo in 1973, the Iranian revolution in 1979, and Iraq's invasion of Kuwait in 1990. As U.S. dependence on foreign oil imports rises, so does the threat these events and consequent price hikes pose to the Nation's economy.

While energy conservation will play an important role in our energy future, more recent forecasts predict lower domestic crude oil and renewable energy production and higher levels of crude oil and petroleum product imports. Thus, the environmentally sound production of offshore oil and gas may be even more critical to the nation's economic well-being than it was just a few years ago.

—Larry Maloney Kim Coffman

# Effective EISs — Environmental Impact Statements

# Comparison of 1992 and 1995 Forecasts of Total U.S. Energy Production, Imports, and Consumption (Quadrillion Btu's)

| Year  | Domestic Production |       |  | Imports |       | Consumption |        |
|-------|---------------------|-------|--|---------|-------|-------------|--------|
|       | 1992                | 1995  |  | 1992    | 1995  | 1992        | 1995   |
| 1990* | 71.08               |       |  | 18.46   |       | 84.28       |        |
| 2000  | 75.10               | 70.51 |  | 26.02   | 28.20 | 95.61       | 94.61  |
| 2005  | 78.81               | 72.75 |  | 28.91   | 30.87 | 101.20      | 99.37  |
| 2010  | 83.40               | 75.86 |  | 31.03   | 32.62 | 106.10      | 103.88 |

<sup>\*</sup> Actual 1990

Source: "Annual Energy Outlook," Energy Information Administration, U.S. Department of Energy, 1992, 1994 (actual 1990), and 1995.

### Comparison of Reference Case Forecasts 1992 and 1995 Annual Energy Outlook (AEO) Selected Energy Factors

(Quadrillion Btu's)

|                                         | 1990   | 2000     |          | 200      | 05       | 2010     |          |
|-----------------------------------------|--------|----------|----------|----------|----------|----------|----------|
|                                         | Actual | AEO 1992 | AEO 1995 | AEO 1992 | AEO 1995 | AEO 1992 | AEO 1995 |
| Production<br>Crude Oil &<br>condensate | 15.57  | 13.13    | 11.33    | 12.64    | 10.92    | 12.56    | 11.42    |
| Natural Gas<br>Liquids                  | 2.17   | 2.27     | 2.57     | 2.36     | 2.69     | 2.28     | 2.81     |
| Dry Natural<br>Gas                      | 18.49  | 19.89    | 19.65    | 20.74    | 20.53    | 20.06    | 21.51    |
| Coal                                    | 21.46  | 24.33    | 22.08    | 26.49    | 23.21    | 31.23    | 24.51    |
| Nuclear Power                           | 6.20   | 6.97     | 6.96     | 7.06     | 6.97     | 6.92     | 6.36     |
| Renewable<br>Energy                     | 6.20   | 8.51     | 7.92     | 9.51     | 8.43     | 10.36    | 9.25     |
| Consumption<br>Petroleum<br>Products    | 33.55  | 36.39    | 36.89    | 38.23    | 39.30    | 39.59    | 40.82    |
| Natural Gas                             | 19.30  | 22.57    | 22.78    | 23.82    | 23.76    | 23.37    | 25.30    |
| Coal                                    | 19.01  | 20.70    | 20.14    | 21.97    | 21.01    | 25.21    | 21.97    |
| Nuclear Power                           | 6.20   | 6.97     | 6.98     | 7.06     | 6.97     | 6.92     | 6.36     |
| Renewable<br>Energy                     | 6.23   | 8.98     | 7.83     | 10.08    | 8.32     | 11.02    | 9.41     |
| Imports<br>Crude Oil                    | 12.80  | 16.59    | 19.14    | 18.51    | 19.72    | 18.76    | 19.53    |
| Petroleum<br>Products                   | 3.40   | 5.89     | 5.18     | 6.22     | 7.10     | 7.67     | 8.12     |
| Natural Gas                             | 1.54   | 2.80     | 3.17     | 3.20     | 3.33     | 3.42     | 3.97     |
| Other                                   | 0.73   | 0.75     | 0.71     | 0.98     | 0.73     | 1.18     | 1.00     |

Source: Annual Energy Outlook -- With Projections to 2010; 1992 and 1995; Energy Information Administration, U.S. Department of Energy

President Clinton asked all federal agencies to streamline to make government more responsive to the needs of the American people. This Administration is committed to achieving common sense reforms of environmental programs — making them work better, serve more people, and ultimately cost less.

In response to the President's challenge, MMS determined that Environmental Impact Statements (EIS) had become bulky and cumbersome and difficult, if not almost impossible, for some stakeholders to read. While necessary on some levels, the information was diffused and ineffective.

MMS has used EISs to focus on the environmental impact of natural gas and oil development and production. They have served as an important repository for scientific analyses MMS has done prior to going forward with lease sales, exploration and development projects. EISs have also been the predominant "collective" form of communication on environmental concerns, which MMS makes available to all customers.

At a 3-day workshop in early April, MMS staff developed recommendations for streamlining EISs. Associate Director for Offshore Tom Gernhofer acted on these recommendations and implemented a series of measures for shorter documents that retain the rigorous analysis, which earned MMS the 1994 Federal Environmental Quality Award.

Some of MMS's new EIS streamlining measures include:

- eliminating redundant analysis within the EIS:
- focusing not only on the concerns of decision-makers but also of the public;
- describing in realistic terms and just plain English potential results of leasing;
- eliminating unnecessary background material that is not required to support analysis; and
- devising a means by which the public can access more detailed information pertaining to their particular needs and interests.

Continued on page 12

# \$229 Million Disbursed to 36 States in First Half of 1995

Effective EISs

Continued from page 11

The EIS Streamlining effort is also consistent with Federal regulations for complying with the National Environmental Policy Act (NEPA) and President Clinton's Paperwork Reduction Act. The NEPA regulations state in part that agencies shall "implement procedures to make the NEPA process more useful to decision-makers and the public, reduce paperwork and the accumulation of extraneous background data, and emphasize real environmental issues and alternatives."

As EISs have become much more detailed and complex over the years, the result has been an increase in the amount of time it takes to produce the documents and higher costs. Moreover, EISs became informational mazes, which were more and more difficult for the average citizen to navigate and comprehend.

The President's NPR initiative made it clear that the communication effort of an EIS is equally important to its content, function, and overall purpose. As one representative of an Alaskan Native Corporation asked, "If an EIS ends up in my village, and no one can make sense of it, can it have an impact?" Clearly, the answer is no. Therefore, MMS is doing all it can to make the documents more readable and "user friendly" to as many customers as possible.

The simplification of EISs will broaden MMS's contributions to good science and research for more people, not just those with legal or scientific backgrounds. More detailed information will still be available to those who have specific needs or interests on an individual basis.

MMS believes this important step will be good for all Americans because EISs will now be tailored for use by all the people they were intended to serve.

The streamlining pilot is underway and will focus on the 1997-2002 5- Year Plan. We invite your comments as we continue to work to tailor these documents — your documents — so that they might better serve your needs.

MMS distributed more than \$229 million to 36 states during the first half of 1995. The money represents the states' cumulative share of revenues collected for mineral production on federal lands located within their borders and from federal offshore oil and gas tracts adjacent to their shores.

The MMS is responsible for collecting, accounting for, auditing and disbursing revenues associated with mineral leases on federal and Indian lands. Disbursements are made to states on a monthly basis, as bonuses, rents, royalties and other revenues are collected.

A state is entitled to a share of the mineral revenues collected from federal lands located within that state's boundaries. For the majority of federal lands, states and the federal government share the revenues: 50 percent to the state, 40 percent to the Reclamation Fund for water projects, and 10 percent to the U.S. Treasury. One exception, Alaska, gets a 90-percent share, as prescribed by the Alaska Statehood Act.

Certain coastal states with federal offshore tracts adjacent to their seaward boundaries receive 27 percent of those mineral royalties as well.

In 1994, more than \$537 million was distributed to state treasuries by MMS. During the first six months of 1995, \$229 million was distributed to 36 states.

| Alabama \$3,427,145.11 Louisiana \$4,435,306.31 Oregon \$21,559.23 Alaska \$2,351,934.91 Michigan \$376,325.94 Pennsylvania \$14,034.03 Arizona \$15,952.54 Mississippi \$343,365.33 South Carolina \$1,870.55 Arkansas \$446,456.17 Missouri \$523,181.41 South Dakota \$196,862.98 California \$14,138,218.80 Montana \$12,612,507.45 Tennessee \$63.38 Colorado \$14,924,681.75 Nebraska \$6,960.67 Texas \$3,819,879.30 Florida \$10,097.00 Nevada \$2,847,518.16 Utah \$12,875,895.68 Idaho \$784,928.28 New Mexico \$56,599,269.57 Virginia \$47,302.58 Illinois \$42,922.87 North Carolina \$456.50 Washington \$166,407.52 Indiana \$98.80 North Dakota \$1,447,929.80 West Virginia \$113,469.18 Kansas \$476,572.19 Ohio \$111,519.28 Wisconsin \$726.96 Kentucky \$44,970.49 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Wisconsin                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Kentucky\$44,970.49                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Oklahoma \$803,537.41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Wyoming \$95,195,054.60                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Total \$229,224,982.73                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

In 1994, more than \$537 million was distributed to state treasuries by MMS. During the first six months of 1995, \$229 million was distributed to 36 states.

# Stewardship Awards

In May MMS honored three mineral resource companies for their superior record in production reporting and royalty reporting during the last year. Marathon Oil Company, Caulkins Oil Company and CIG Exploration, Inc. were presented the Secretary of the Interior's Mineral Revenues Stewardship Awards at the 1995 North American Petroleum Accounting Conference in Dallas, Texas.

Since 1987, the Interior Department has been commending exceptional performance by companies that report production and pay royalties for federal and Indian minerals leases to MMS. More than 1,600 companies submit monthly reports of mineral sales and production and pay royalties for minerals that are sold or removed from these leases.

The awards are given to one large and one small company in each of two categories: production reporting and royalty reporting. They are based on the accuracy and timeliness of submissions to MMS, as well as cooperation in problem resolution and other actions to improve the process.

During Fiscal Year 1994, Marathon Oil Company and CIG Exploration, Inc. recorded the lowest error rates among royalty reporters in their size categories. Among production reporters, Marathon Oil Company and Caulkins Oil Company had the lowest error rates. With its latest honors, Marathon Oil becomes the first company to receive four special awards from the Interior Department.



# MMS Defers Three OCS Sales

On June 26 MMS announced a decision to defer three sales from the 1992-1997 5-Year Program. The sales are Eastern Gulf of Mexico sale 151, Mid- and South Atlantic sale 164, and Alaska's St. George's Basin sale 153.

The Eastern Gulf of Mexico and Midand South Atlantic areas have been subject to continuing, annual Congressional pre-leasing and leasing moratoria. There is insufficient time remaining to start and complete the 2-3 year consultation, environmental review and decisionmaking process required prior to holding a sale before the current 5-Year Program expires.

MMS received no nominations in response to a Joint Request for Interest and Comments for the St. George's Basin Sale in April 1992. Of the seven comments received, only one was from an oil and gas company that expressed no interest in the area due to very low hydrocarbon resource estimates. Since then, industry interest has continued to remain low.

## OPA Subcommittee

In May, the OCS Policy Committee voted to accept the report of a Subcommittee established to recommend ways to implement the financial responsibility requirement of the Oil Pollution Act of 1990 and to pass the recommendations on to the Secretary of the Interior.

The Subcommittee recommended that new legislation would be required to implement two of the recommendations:

■ Jurisdiction. The Subcommittee recommends that the Secretary of the Interior resolve the issue of the Oil Spill Financial Responsibility (OSFR) jurisdic-

tion by seeking legislation limiting the application of OSFR to offshore facilities located seaward of the coastline as defined in the Submerged Lands Act.

■ Amount. The Subcommittee recommends that the Secretary of the Interior resolve the issue of amount by seeking legislation that permits the Secretary to establish the amount of OSFR using an assessment of a facility's oil pollution risk.

They made two additional recommendations that would not require new legislation but would require new regulations:

- Exemption. The Subcommittee recommends that the Secretary of the Interior seek to administratively resolve the issue of exemptions to OSFR for offshore facilities.
- Insurance. The Subcommittee recommends that the Secretary of the Interior explore a range of options for demonstrating OSFR through self-insurance.

The Secretary of the Interior has considered the recommendations and will forward the report to Congress. While the Secretary was in general agreement with the recommendations concerning the amount of financial responsibility, de minimis exemptions and insurance, he did not give unqualified support to the recommendation on jurisdiction. While agreeing that a legislative fix was appropriate, the Secretary also noted that he could not endorse the de minimis exemptions without legislation.

In a letter to the chairman of the OCS Policy Committee, Secretary Babbitt said, "... I believe that it is time to resolve these issues associated with implementing section 1016(c)(1) so that the Department can develop a rule that meets the spirit of the Oil Pollution Act Continued on page 14

without imposing an unreasonable economic burden on a broad range of industries and groups."

## Alaska Task Force Recommendations

The 22-member Alaska Regional Stakeholders Task Force, chartered by the OCS Policy Committee, was asked last year to develop recommendations on the size, timing, and location of oil and gas lease sales in federal waters offshore Alaska for the next 5-Year OCS leasing program, from 1997 to 2002.

"The task force was extremely helpful in helping us look at those areas where MMS should focus its efforts," said Alaska Regional Director Judy Gottlieb, "and they brought forward the issue of subsistence and its importance to the culture and lifestyle of Alaska Natives."

Because of the their success, the Alaska Region is developing a plan to continue to use the task force through the rest of the 5-Year Program development and in its pre-lease process as much as possible.

Based on input gathered from meetings in Anchorage, Homer, Kotzebue, Kodiak, Yakutat and Barrow, the task force reached a majority consensus on ten recommendations. Some of these recommendations include:

- The five planning areas recommended for evaluation in the 5-Year EIS include: Beaufort Sea, Chukchi Sea, Hope Basin, Gulf of Alaska, Cook Inlet/Shelikof Strait. Ten planning areas were removed from consideration.
- Sales should be spread over the 5-year schedule; ideally one per year.
- The Department should continue to analyze and improve alternative energy analyses and transition to renewable energy resources.
- The Government needs a better understanding of subsistence needs to

### OUTER CONTINENTAL SHELF OIL AND GAS LEASING HISTORY

### (Quarterly as of (06/30/95)

|                              | Alaska | Atlantic | GOM       | Pacific | Total   |
|------------------------------|--------|----------|-----------|---------|---------|
| Sales Held                   | 17*    | 10*      | 72        | 11*     | 107*    |
| Blocks Offered               | 24,659 | 9,160    | . 160,526 | 1,887   | 196,232 |
| Leases Issued                | 1,562  | 410      | 12,002    | 470     | 14,444  |
| Active Leases                | 87     | 53       | 4,769     | 85      | 4,994   |
| Active Acres Leas (millions) |        | 0.30     | 24.23     | 0.43    | 25.38   |
| Wells drilled                | 82     | 51       | 31,636    | 1,104   | 32,873  |

Statistics on Central Gulf of Mexico Sale 152, which was held on May 10, 1995, are omitted from this table pending the completion of the bid evaluation analysis.

The responsibility for administering the Atlantic leases now rests with the Gulf of Mexico Region.

\* Note that the reoffering Sale RS-2, held on August 5, 1982, offered oil and gas tracts on the Alaska, Atlantic, and Pacific OCS and is recorded as a separate sale within each of those Regions. However, Sale RS-2 is considered a single sale in the overall statistical summary on OCS leasing.

recognize the importance and essence of subsistence values and economy. Subsistence user representatives should be invited to address the OCS Policy Committee.

■ If a lease sale goes forward and afterward lessees are not allowed to develop their leases, the government should buy back those leases to compensate lessees.

The recommendations were presented to the OCS Policy Committee in May. The Committee adopted the task force report and recommendations, which have been forwarded to the Secretary of the Interior.

### Sale 152: Good Results

Central Gulf of Mexico (CGOM) Sale 152 received 880 bids on 588 tracts (more than 2.9 million acres), the largest number of tracts since the 591 in CGOM Sale 118 in 1989 and the 4th largest number of bids received in the 41-year history of the program. The total dollar amount of high bids exceeded \$307 million, the largest amount since CGOM Sale 123 in 1990, when total high bids exceeded \$427.

Of the tracts receiving bids, 479 (81 percent) had been previously leased. All 7 tracts that had been rejected in CGOM Sale 147 in 1994 received bids, resulting in a net gain exceeding \$3.5 million on these tracts.

# Technical Papers & Presentations

# New Publications

Following are highlights of just some of the technical papers MMS scientists have presented this year:

Richard Anuskiewicz. The MMS Archeological Resource Management Program on the Outer Continental Shelf.

Ann Scarborough Bull. James J. Kendall, Jr. An Indication of the Process: Offshore Platforms as Artificial Reefs in the Gulf of Mexico.

Dagmar Fertl. Cooperative Feeding in Delphinids: Possible Costs, Benefits, and Causes.

Norman L. Froomer. Development of an Oil Spill Data Base in the Gulf of Mexico.

John Greene. Kenneth L. Graham. Wilfred W. Times. Norman L. Froomer. MMS's Use of GIS in support of Oil and Gas Leasing in the Gulf of Mexico.

Donald Howard. Deepwater Discoveries in the Gulf of Mexico/Regulatory Initiatives.

James J. Kendall. The Biology of Corals and Coral Reefs: A Short Course.

G. L. Lore. E. C. Batchelder. Using Production-based Plays in the Northern Gulf of Mexico as a Hydrocarbon Exploration Tool.

Chris C. Oynes. MMS Regulations of Offshore Air Emissions.

Robert Peterson. David W. Cooke. Deep-water Northern Gulf of Mexico Hydrocarbon Plays.

K.W. Sherwood, J.D. Craig, and R.T. Lothamer. Oil and Gas Exploration, U.S. Chukchi shelf (Abs).

T. Warren, K.W. Sherwood, D.K. Thurston, V.F. Kruglyak, S.A. Zerwick, O.V. Shcherban, and A.V. Grevtsev. Petroleum Exploration Opportunities on the U.S.-Russia Chukchi Sea Continental Shelf.

From Headquarters: 381 Elden Street Herndon, VA 22070-4817 (703) 787-1080

Federal Offshore Statistics: FY 1993. Francois. 1995. OCS Report. MMS 94-0060.

OCS Natural Gas & Oil Resource Management Program: Cumulative Effects 1987-1991. MMS. 1995. OCS Report. MMS 95-0007.

Offshore Scientific & Technical Publications: 1990-1993. Bajusz, Gall. 1995. OCS Report. MMS 95-0008.

Oil-Spill Risk Analysis: Central & Western GOM OCS Lease Sale 157 & 161. Price, Marshall, Lear. 1995. OCS Report. MMS 95-0026.

Oil-Spill Risk Analysis: OCS Lease Sale 158, Gulf of AK/Yakutat. Anderson, Johnson, Marshall, Lear, ed. 1995. OCS Report. MMS 95-0006.

From the Alaska Region: 949 East 36th Avenue, Room 110 Anchorage, AK 99508-4302 1-800-764-2627

Aerial Surveys of Endangered Whales in the Beaufort Sea, Fall 1993. Treacy. 1995. OCS Study. MMS 94-0032.

An Investigation of the Sociocultural Consequences of OCS Development in Alaska, Vols, I - VI. AK Dept. of Fish & Game. 1995. OCS Study. MMS 95-0010, 0011, 0012, 0013, 0014, 0015.

Monitoring of Populations and Productivity of Sea Birds at Cape Lisburne and Little Diomede, AK. Irons, ed., Fish & Wildlife Service. 1995. OCS Study. MMS 93-0060.

Remote Sensing Data Acquisition, Analysis and Archival, Vol. 1 & 2. Univ. of AK at Fairbanks, Stringer, et. al. 1995. OCS Study. MMS 93-0038. Technical Manual for a Coupled Sea-Ice/ Ocean Circulation Model. Hedstrom. 1995. OCS Study. MMS 94-0020.

From the Gulf of Mexico Region: 1201 Elmwood Park Blvd. New Orleans, LA 70123-2394 1-800-200-GULF

Bioavailability & Genotoxicityof Produced Water Discharges with Associated Offshore Production Operations. Winston, Means. 1995. OCS Study. MMS 95-0020.

Effects of Offshore Oil & Gas Development: A Current Awareness Bibliography. Lewandowski, ed. 1995. OCS Study. MMS 94-0062.

GOM Sales 152 & 155: Central & Western Planning Area, Final EIS, Vols. I & II. GOM. 1995. OCS EIS/EA. MMS 94-0058.

GOM Sales 157 & 161: Central & Western Planning Areas, Draft EIS, Vols. I & II. MMS. 1995. OCS EIS/EA. MMS 95-0017.

Mississippi River Plume Hydrography: Annual Report. Murray, Donley, ed., Coastal Studies Institute. 1995. OCS Study. MMS 94-0028.

OCS Statistical Summary, 1993 Leasing by Sale and by Map Area/Block Number. MMS. 1995. OCS Report. MMS 94-0022.

Oil & Gas Development & Coastal Income Inequality: A Comparative Analysis. Tolbert. 1995. OCS Study. MMS 94-0052.

Proceedings: 13th Annual GOM Information Transfer Meeting, December 1993. Univ. of New Orleans. 1995. OCS Study. MMS 94-0061.

Satellite Based Assessment of the Mississippi River Discharge Plume's Spatial Structure & Temporal Variability. Walker. 1995. OCS Study. MMS 94-0053.

# MMS Offices

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