



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Washington, D.C. 20240
<http://www.blm.gov>



Memorandum

APR 19 2017

To: Acting Deputy Secretary
Through: Katharine MacGregor, Acting Assistant Secretary
Land and Minerals Management
From: Michael D. Nedd, Acting Director – Bureau of Land Management
Subject: Bureau of Land Management response to Secretary's Order 3349, Sections 5(c)(i), (ii), and (v)

BACKGROUND

Secretary's Order (SO) 3349, which was signed on March 29, 2017, implements the review of agency actions directed by Executive Order 13783 signed by the President on March 28, 2017, entitled "Promoting Energy Independence and Economic Growth" (March 28, 2017 EO). SO 3349 also directs a reexamination of the mitigation policies and practices across the Department of the Interior (DOI) in order to better balance conservation strategies and policies with the need for creating jobs.

DISCUSSION

This memorandum responds to sections 5(c)(i), 5(c)(ii), and 5(c)(v) of S.O. 3349. Section 5(c)(i) states that the Bureau of Land Management (BLM) shall proceed expeditiously with proposing to rescind the final rule entitled, "Oil and Gas; Hydraulic Fracturing on Federal and Indian Lands," 80 *Fed. Reg.* 16128 (Mar. 26, 2015). (b) (5)

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Section 5(c)(ii) states that within 21 days, the BLM shall review the final rule entitled, "Waste Prevention, Production Subject to Royalties, and Resource Conservation," 81 *Fed. Reg.* 83008 (January 17, 2017), and report to the Assistant Secretary – Land and Minerals Management on whether the rule is fully consistent with the policy set forth in Section 1 of the March 28, 2017 EO. (b) (5)

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Section 5(c)(v) of SO 3349 states: Within 21 days, each bureau and office head shall provide to the Deputy Secretary, through their Assistant Secretary, a report that identifies all existing Department Actions issued by their bureau or office that potentially burden (as that term is defined in the March 28, 2017 EO) the development or utilization of domestically produced energy resources, with particular attention to oil, natural gas, coal, and nuclear resources." The term "burden" as defined in the March 28, 2017 EO "means to unnecessarily obstruct, delay, curtail, or

otherwise impose significant costs on the siting, permitting, production, utilization, transmission, or delivery of energy resources.” The term “Department Action” from SO 3349 refers to “all existing regulations, orders, guidance documents, policies, instructions, notices, implementing actions, and any other similar actions.” (b) (5)

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NEXT STEPS

(b) (5)

BOEM/ASLM Agenda April 20, 2017

Executive Travel and Speeches:

- On April 20, 2017, the Acting Director is speaking at the International Offshore Wind Partnering Forum in Annapolis, MD.
- On May 3, the Acting Director is scheduled to speak at the Offshore Technology Conference in Houston, TX. He will attend the OTC May 1-3.
- On May 4, Acting Director will be a speaker for the BOEM Leadership Development Program in New Orleans, LA.

Hot Topics/Major Issues:

- **Current Five Year Program:**
 - **Lease Sale 244, Cook Inlet, AK:** The Proposed Notice of Sale (NOS) published in the Federal Register on Feb. 28, 2017. The Final NOS is currently with for SOL surnaming. The ASLM briefing is scheduled for Apr. 26. The Final NOS must publish in the *Federal Register* by May 22 in order to hold the sale as scheduled on June 21, 2017.
- **2017 – 2022 Five Year Program:**
 - **Lease Sale 249, Gulf of Mexico:** The Proposed Notice of Sale for Lease Sale 249 published Mar. 7, 2017. This will be the first lease sale under the 2017-2022 Five Year Program. The lease sale is scheduled for Aug. 16, 2017.
 - **Supplemental EIS for Gulf of Mexico Lease Sales 2018:** The Notice of Availability (NOA) of the Draft Supplemental EIS for Gulf of Mexico Lease Sales 2018 published on Mar. 31, 2017. Public meetings are scheduled as follows: New Orleans, LA, Apr. 25; Houston, TX, Apr. 27; Pensacola, FL, May 1; Mobile, AL, May 2; and Gulfport, MS, May 3, 2017.
- **Atlantic G&G Permit Applications:** BOEM is preparing a memo to reinstate the permit applications for deep-penetration air-gun surveys in the Mid & South Atlantic that were denied in early Jan. 2017. The applicants have all appealed the denials to IBLA.
- **Eni Exploration Plan for Beaufort Sea:** On Mar. 3, Eni submitted an Exploration Plan (EP) to explore leases in the Beaufort Sea. BOEM sent a non-proprietary Request for Additional Information (RFAI) to Eni on Mar. 24. On Mar. 28, Eni met with BOEM to discuss the request. On Apr. 3, BOEM met with Eni to discuss proprietary RFAIs. The proprietary RFAIs focused on: Eni's Worst Case Discharge model; the inclusion of wellbore surveys into the EP; and adequate seismic data description. Another meeting is tentatively scheduled the week of Apr. 24 to discuss ENI responses to RFAIs.
- **Arctic Offshore Regulators Forum:** The BOEM Alaska Office Regional Director will attend the fourth Arctic Offshore Regulators Forum (AORF) in Helsinki, Finland, Apr. 17-21, 2017. The AORF provides an arena for Arctic resources managers and regulators to discuss best practices, case studies, and solutions to challenges that have occurred in recent years.
- **International Offshore Petroleum Environmental Regulators (IOPER) Annual General Meeting (AGM):** On May 22-25, BOEM will be hosting and chairing the IOPER AGM in Santa Barbara, CA. The federal or provincial offshore oil and gas regulators for approximately eleven different jurisdictions are expected to participate in the meeting.

IOPER is a collaborative group of national regulators whose members are focused on raising the environmental performance of the offshore petroleum exploration and production industry.

- **Atlantic Sand Assessment Project:** BOEM initiated the Atlantic Sand Assessment Project (ASAP), following Hurricane Sandy in order to identify and assess new potential sand resources which might be needed for beach and coastal protection and restoration projects in the future. Following survey work from MA to FL the past two years, in 2017 BOEM is continuing with detailed geophysical and geological surveys of specific areas off several mid-Atlantic states to determine potential volumes and the extent of new sand resources. BOEM's contractor submitted a draft Geophysical Data Acquisition Plan on Apr. 12, 2017, with survey sites offshore southern NJ and DE. Geophysical surveys are tentatively scheduled to begin on Apr. 23, 2017 offshore Brigantine, NJ. Geological surveys (vibracoring) are tentatively scheduled to begin in mid-June, 2017.
- **Brevard County, FL Beach Renourishment:** Brevard County has contacted BOEM regarding interest in OCS sand from Canaveral Shoals II for renourishment of the Brevard North and South Reaches. The US Army Corps of Engineers, Jacksonville District would be the federal sponsor.
- **Offshore Renewables:**
 - **Government-to-Government Consultation:** BOEM is working to schedule meetings in May with Federally-recognized tribes within the project vicinity of the New York, Rhode Island, and Massachusetts WEAs. A meeting with the Mashpee Wampanoag Tribe is scheduled for May 10-11 and with Wampanoag Tribe of Gay Head (Aquinnah) for May 15, and meetings are with the Narragansett Indian Tribe and the Shinnecock Indian Nation are targeted for the week of June 12.
 - **Atlantic Link:** Representatives from Emera, a Canadian energy company, met with BOEM to discuss the proposed Atlantic Link project that would connect onshore wind and hydro power in Canada to the Massachusetts market via a 350 mile HvDC submarine cable traversing the Outer Continental Shelf. BOEM will require Emera to obtain a Right-of-Way for the project.
 - **North Carolina:** On Mar. 16, BOEM held its seventh renewable energy lease sale. A Wind Energy Area of approximately 122,405 acres offshore Kitty Hawk, North Carolina received the high bid of \$9,066,650 from Avangrid Renewables, LLC. The Department of Justice has completed its anti-trust review of the sale, with no issues raised.
 - **Cape Wind Energy Project:** In response to the DC Circuit Court's remand order, OREP is preparing a supplement to the 2009 Final Environmental Impact Statement. BOEM's Notice of Availability was published on March 31, concurrent with EPA's notice. The 45-day comment period ends on May 15. Over 40 comments have been received so far.
 - **NY and RI/MA Intergovernmental Task Force Meetings:** BOEM is working with the states of NY, MA, and RI to schedule two Intergovernmental Task Force meetings – a Joint RI/MA Task Force Meeting and a NY Task Force meeting. The primary focus of the meetings will be to discuss the status of current leases, receive lessee updates on future activities, and discuss the new unsolicited lease requests offshore MA and NY. The RI/MA meeting is targeted for the week of May 15; the NY meeting will be June 12.

- **California:** BOEM and CEC continue to conduct stakeholder outreach. They will meet with the CA Fish and Game Commission in Sacramento on Apr. 27. The final three tribal outreach meetings organized by the State have been scheduled: May 9 in Monterey (location/host tribe has not yet been provided by CEC); May 16, hosted by Rincon Band of Luiseño Indians in Valley Center; and May 18, hosted by the Federated Indians of Graton Rancheria in Rohnert Park.

Congressional

- Sens. Murkowski and Sullivan have introduced S. 883, the OPENS Alaska Act. SENR plans to have a hearing on the bill, but at this time does not anticipate requesting a DOI witness.
- BOEM is coordinating with the U.S. Army's legislative office on a request by House of Representatives Oversight & Government Reform Committee, Subcommittee on Interior, Energy, and Environment staff members to conduct a site visit to the GOMR to discuss G&G permitting and the leasing process, specifically lease sales – changes in process and use of online sales.

Packages with ASLM for Surname/Approval:

- Memo Approval of BOEM GOMR Information Transfer Meeting (ITM) 2017 (3/27)
- Congressional letters to inform the execution of a MOA between BOEM and U.S. Army Corps. of Engineers, noncompetitive use of OCS sand to construct the Mississippi Coastal Improvement Program (4/7)
- Memo regarding Bureau of Ocean Energy Management Response to Secretary Order 3349 (4/6)(4/14)
- BOEM Response to Secretarial Order 3349, Section 5 c(v)
- Request for approval to sponsor American Fisheries Society Meeting (4/11)
- Letter to Alaska State Historic Preservation Officer regarding Hilcorp Alaska LLC's (Hilcorp) Liberty Development and Production Plan (4/17)