



October 5, 2022

Comments for the 2023-2028 National OCS Oil and Gas Leasing Proposed Program
Docket ID: **BOEM-2022-0031**

Ms. Hammerle,

The Independent Petroleum Association of America (IPAA) appreciates the opportunity to comment on the Interior Department's 2023-2028 "Proposed Program" for the Outer Continental Shelf Oil and Gas Leasing Program (National OCS Program). IPAA is the national trade association representing the thousands of independent crude oil and natural gas explorers and producers in the United States. Our members operate both onshore on federal, state, and private lands as well as offshore in the OCS and Alaska. IPAA also operates in close cooperation with forty-four unaffiliated independent national, state, and regional associations, which together represent thousands of royalty owners and the companies that provide services and supplies to the domestic industry. IPAA is dedicated to ensuring a strong and viable domestic oil and natural gas industry, recognizing that an adequate and secure supply of energy developed in an environmentally responsible manner is essential to the national economy.

On Friday, July 1, 2022, the Interior Department released its 2023-2028 "Proposed Program" for the Outer Continental Shelf Oil and Gas Leasing Program (National OCS Program). While the release of the Proposed Program was welcome after many months of delay, our nation is still left in the unfortunate position of facing a substantial gap between National OCS Programs for the first time since issuing programs were required in the early 1980s.

Perhaps the most concerning part of the Proposed Program is the fact that the proposal leaves open the possibility of scheduling no lease sales from 2023 to 2028. Simply put, a National OCS Program devoid of lease sales would be a significant blow for the country's energy future and security needs. In addition, scheduling no lease sales would not satisfy the requirements of the OCS Lands Act. At a time when the nation is suffering from skyrocketing energy prices and is increasingly turning to foreign nations to supply our energy needs, scheduling zero offshore lease sales for the next five years would be a devastating blow to the U.S. energy industry and do irreparable harm.

In 2021, offshore production accounted for 15% of U.S. oil production¹ and 2% of U.S. gas production. A recent EIAP study projects that precluding lease sales until 2028 would result in a 33% decrease - 885,000 fewer barrels per day - in offshore oil and natural gas production by 2036. Inevitably, this would further exacerbate many of the current negative trends and pricing issues our nation is already facing. Furthermore, federal oil and natural gas production is an important revenue source for the federal and state treasuries not only where operations take place, but for the entire country. Oil and natural gas production accounts for the second largest revenue receipts to the federal Treasury.

While the Biden Administration has intently focused on addressing climate concerns and expressed its intention to make oil and natural gas obsolete, independent analysis from the Energy Information Administration has shown that oil and natural gas will be necessary to meet America's energy needs for the foreseeable future. When we accept that reality, the question becomes whether we want to strengthen our energy security and maintain our role as a global energy leader by producing that oil and natural gas here in America or become reliant on foreign nations.

Continued American offshore exploration, development, and production will provide greater economic and energy security benefits to U.S. companies, workers, and consumers. Additionally, Gulf of Mexico offshore production is recognized as some of the least carbon-intensive production in the world.

IPAA represents numerous offshore producers as well as service companies that work in partnership with producers. Offshore production is a capital-intensive industry where drilling one well can cost upwards of ten times the cost of an onshore well. Offshore operators rely on certainty for the multi-year process. A five-year gap would have devastating long-term impacts to not only producers but also the service and supply companies, who would no longer have contracts for work as a result.

The Biden Administration is in the unique position to be the first in recent history, either Republican or Democrat, to reject the need and benefit of a strong domestic energy sector through continued offshore leasing and development. The United States must remain in control of our own energy future by maximizing our domestic energy production potential. It is incumbent that the 2023-2028 Final National OCS Program includes the 10 proposed Gulf of Mexico lease sales and the lease sale proposed for the Cook Inlet in Alaska.

Thank you for the opportunity to speak on behalf of our member companies.

Sincerely,



Dan Naatz
COO and Executive Vice President of Government Relations and Political Affairs
Independent Producers Association of America