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March 9, 2018

Ms. Kelly Hammerle  
National OCS Oil and Gas Leasing Program Manager  
Bureau of Ocean Energy Management (VAM-LD)  
45600 Woodland Road  
Sterling, VA 20166-9216

Re: Notice of Availability (NOA) of the 2019-2024 Draft Proposed Outer Continental Shelf (OCS) Oil and Gas Leasing Program and Notice of Intent (NOI) to Prepare a Programmatic Environmental Impact Statement (EIS)- Docket Number: BOEM-2017-0074

Dear Ms. Hammerle,

The Petroleum Equipment & Services Association (PESA) is the national trade association for the oilfield service, supply and manufacturing sector (OFS sector). PESA represents approximately 200 companies that provide the services, technology, equipment and expertise necessary to safely and efficiently explore and produce oil and natural gas. Our members are committed to advancing safety, environmental stewardship and ensuring that society's continued economic progress is fueled through the sustainable development of our natural resources.

PESA joined a broad coalition of trade associations, including the American Petroleum Institute, in developing extensive comments on the Draft Proposed Outer Continental Shelf (OCS) Oil and Gas Leasing Program 2019-2024 (DPP) and Notice of Intent to Prepare a Programmatic Environmental Impact Statement published in the Federal Register on January 8, 2018. PESA supports the conclusions and recommendations of these comments submitted to the Bureau of Ocean Energy Management (BOEM) on March 9, 2019.

PESA appreciates the opportunity to submit its own comments to reinforce several critical issues addressed in the coalition's submittal. PESA welcomes BOEM's comprehensive and robust five-year offshore oil and natural gas leasing plan which provides greater access to the vital national resources stewarded by the Federal Government. These natural resources should be made available for orderly development, subject to environmental safeguards, in a manner which is consistent and balanced with other national priorities.

The DPP would make available more than 90% of the total OCS acreage and more than 98% of undiscovered, technically recoverable oil and natural gas resources in federal offshore areas. PESA believes this inclusive leasing strategy aims to implement President Trump's "America-First" offshore energy strategy, outlined in his April 2017 Executive Order.

The DPP recognizes the importance of creating opportunities to address future oil and natural gas supplies, maintaining a robust U.S. oil and natural gas industry and increasing energy security. In recent years, increased domestic production has served as a buffer to cushion the U.S. from higher oil prices caused by rising world demand and geopolitical tensions. With the time needed to develop offshore oil and gas stretching 10 to 15 years from the time of a lease sale, especially in frontier areas, the U.S. needs to maintain activity in existing areas of operation and consider expanding access to unexplored and undeveloped OCS areas that have been off limits for decades. Resources from these areas will be needed to replace the onshore and offshore oil and natural gas reserves that are currently being produced.

PESA strongly supports the inclusion of new Atlantic, Pacific and offshore Alaska areas, but is extremely concerned over the uncertainty regarding the availability of the Eastern Gulf of Mexico (EGOM). Based on industry data, there is substantial potential for oil and gas resources that can be safely and efficiently developed in the EGOM. It is imperative for BOEM to continue to move forward with its National Environmental Policy Act (NEPA) assessment on the EOGM in anticipation of the expiration of the statutory moratorium in 2022. The DPP is an early step in a multi-year process to develop a final OCS leasing program. The DPP development process typically involves a narrowing of sales in successive drafts, based on economic and environmental reviews. It is during this comprehensive review process that economic, environmental and national security issues can be appropriately analyzed and aligned.

Most importantly, we are confident that development of U.S. oil and gas resources on the OCS may be obtained safely while simultaneously protecting the environment. PESA concurs with the assessment of BOEM and the co-chairs of the National Commission that a number of factors—among them, enhanced spill prevention, containment and response practices; technological advances in drilling operations, well construction, and offshore structures; and a shared commitment to sustainable practices among the regulators and the regulated industry—have made OCS exploration safer and more environmentally sound.<sup>i,ii</sup> Industry, government and other stakeholders have continued their concerted efforts towards the goal of zero incidents.

Opening America's OCS for energy development could provide substantial benefits to all Americans. A series of studies between 2013-2014 indicate that within 20 years of leasing, resource development in the Atlantic, Pacific and the EGOM could:<sup>iii</sup>

- Create more than 838,000 jobs
- Spur nearly \$450 billion in new private sector spending
- Contribute more than \$550 billion to the U.S. economy
- Generate more than \$200 billion in federal and state government revenue
- Add more than 3.5 million barrels of oil equivalent per day

PESA and its member companies are available to provide input on policy options the Trump Administration is considering advancing. We greatly appreciate your continuing consideration of the views of the OFS sector. Should you have any questions, please contact Jean Gould, Director Public Policy at [jgould@pesa.org](mailto:jgould@pesa.org) or 713-933-1920.

Sincerely,



Leslie Beyer  
President  
Petroleum Equipment & Services Association

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<sup>i</sup> Bureau Ocean Energy Management. (2015). *2017-2022 Outer Continental Shelf Oil and Gas Leasing Draft Proposed Program*. Washington, D.C. Retrieved from: <https://www.boem.gov/2017-2022-DPP/>

<sup>ii</sup> Oil Spill Commission. (2014, April 18). *The BP Oil Spill – Four Years Later, Statement by Senator Bob Graham and William K. Reilly, Former Co-Chairs of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling*. [Press release]. Retrieved from <http://oscaction.org/topics/assessing-progress/>

<sup>iii</sup> Quest Offshore. (2013 and 2014). *The Economic Benefits of Increasing U.S. Access to Offshore Oil and Natural Gas Resources in the Atlantic. The Economic Benefits of Increasing U.S. Access to Offshore Oil and Natural Gas Resources in the Eastern Gulf of Mexico. The Economic Benefits of Increasing U.S. Access to Offshore Oil and Natural Gas Resources in the Pacific*. Sugarland, TX. Retrieved from: <http://www.noia.org/offshore-energy/studies/>