

BOEM Proposes Beaufort Sea Lease Sale for 2019

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In late March, the United States Bureau of Ocean Energy Management (BOEM) issued a Call for Information and Nominations for a proposed sale in the Beaufort Sea Planning area in late 2019. The Beaufort Sea is a marginal sea of the Arctic Ocean north of the Northwest Territories, the Yukon, and Alaska and west of Canada's Arctic islands. The stated purpose of the Call is to "solicit industry nominations for areas of leasing interest and to gather comments and information on the area included in the Call for consideration in planning for the proposed OCS [Outer Continental Shelf] oil and gas lease sale."

Pursuant to federal regulation, BOEM has requested comments from the industry and public regarding:

Industry interest in the area proposed for leasing, including nominations or indications of interest in specific blocks within the area;

- (a) Geological conditions, including bottom hazards;
- (b) Archaeological sites on the seabed or near shore;
- (c) Potential multiple uses of the proposed leasing area, including subsistence and navigation;
- (d) Areas that should receive special concern and analysis; and
- (e) Other socioeconomic, biological, and environmental information.

One BOEM official has recently stated that he believes the Beaufort Sea possesses great oil and gas potential, but that because of its unique and environmentally sensitive areas important to the subsistence needs of the region's Alaska Native communities, this Call process is integral to identify which areas can be safely drilled and which should be protected for wildlife and traditional uses.

Once the Call process is complete and BOEM has had an opportunity to review and analyze the comments, BOEM will proceed to area identification, where it will develop a recommendation of the area proposed for leasing and an environmental analysis. If Interior Secretary Zinke approves the proposal, the agency will then publish the proposed area for leasing in the Federal Register. BOEM appears to recognize that its timeframe for potentially leasing blocks in the Beaufort Sea is ambitious; the Call itself states that for a lease sale to happen in 2019, “and given the long lead time needed to prepare for a proposed sale, the planning process must begin now.”

In the past, the federal government has been reticent to allow drilling in the Arctic. The Trump Administration has clearly taken a more robust approach to drilling for oil and gas in this area. While BOEM is satisfying its regulatory requirements before making an official decision to lease this area—and purportedly a final decision has yet to be made—it seems all but certain that it fully intends to start leasing blocks. But we must wait to see where exactly the industry will have new opportunities and what areas will remain preserved for environmental and Native concerns.

At last month’s Gulf of Mexico sale, the BOEM offered 77 million acres up for lease; however, it drew little interest in undeveloped areas lacking established infrastructure. So even if BOEM ends up having a lease sale for the Beaufort Sea, it remains to be seen whether industry will jump at any new opportunity in the Arctic.