



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT
WASHINGTON, DC 20240-0001

SEP 21 2017

Memorandum

To: Acting Director
Chief of Staff
Chief, Congressional Affairs
Chief, Office of Budget and Program Coordination
Chief, Office of Strategic Resources
Chief, Office of Environmental Programs
Chief, Office of Renewable Energy
Chief, Office of Public Affairs
Alaska Regional Director
Gulf of Mexico Regional Director
Pacific Regional Director

From: Robert L. Sebastian *Robert L. Sebastian*
Acting Chief, Office of Policy, Regulation and Analysis

Subject: BOEM Part 600, Manual Chapter 3, Oil and Gas Leasing Process Policy and Responsibilities

Attached for your reference is guidance concerning the major roles and responsibilities throughout the bureau for fundamental aspects of BOEM's oil and gas lease sale process. This guidance has been approved and signed by BOEM's Acting Director. You are asked to distribute this guidance throughout your respective organizations and let staff know that the guidance can also be found at <http://currents.boem.gov/> and <http://www.boem.gov>.

Questions regarding the manual chapter may be directed to the Office of Policy, Regulation and Analysis.

Attachments

cc: James Schindler

**DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT MANUAL**

TRANSMITTAL SHEET

Release No. 1

Effective: SEP 21 2017

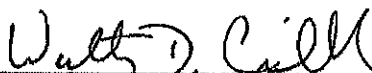
SUBJECT: Program Series
Part: 600 General Leasing and Operations
Chapter: 3 Oil and Gas Leasing Process Policy and Responsibilities

EXPLANATION OF MATERIAL TRANSMITTED:

This Chapter describes the major roles and responsibilities throughout the bureau for fundamental aspects of BOEM's oil and gas lease sale process. This Chapter replaces IPD No. 07-07, Leasing Process Procedures, issued on September 10, 2007.

REPORTS REQUIRED: Not applicable

EFFECTIVE DATE:



Walter D. Cruickshank
Acting Director

FILING INSTRUCTIONS:

REMOVE:

<u>IPD</u>	<u>No.</u>	<u>Pages</u>
IPD	07-07	7

INSERT

<u>Part</u>	<u>Chapter</u>	<u>Pages</u>	<u>Version</u>
600	3	18	1

OPR: Office of Policy, Regulation and Analysis

BUREAU OF OCEAN ENERGY MANAGEMENT
BOEM Manual Chapter

Effective Date:

Series: Program

Part 600: General Leasing and Operations

Chapter 3: Oil and Gas Leasing Process Policy and Responsibilities

Originating Office: Office of Strategic Resources, Leasing Division

3.1 Purpose.

This chapter describes major roles and responsibilities throughout the bureau for fundamental aspects of BOEM's oil and gas lease sale process. The overarching responsibilities set out in this chapter help ensure oil and gas lease sales are conducted in a consistent manner and in compliance with the Outer Continental Shelf Lands Act (OCSLA), other applicable Federal statutes, regulations, executive orders, and Departmental policies. Each Region, Division, or Office mentioned in this chapter may develop Standard Operating Procedures that provide more detailed process descriptions for the specific duties or responsibilities mentioned herein.

3.2 Authorities.

The following is a list of major legal authorities relevant to BOEM OCS oil and gas leasing program processes; it is not an inclusive list of all Federal authorities.

- A. Outer Continental Shelf Lands Act (OCSLA), 43 U.S.C. 1331-1356a.**
- B. Outer Continental Shelf Lands Act Amendments of 1978, 43 U.S.C. Chapter 36.**
- C. Coastal Zone Management Act (CZMA), 16 U.S.C. 1451-1466.**
- D. National Environmental Policy Act (NEPA), 42 U.S.C. 4321-4347.**
- E. Energy Policy and Conservation Act of 1975, 42 U.S.C. 6213.**
- F. Energy Policy Act of 2005, Pub. L. No. 109-58.**

3.3 Policy.

BOEM's policy is to ensure the BOEM Director and the Department of the Interior's (DOI) Assistant Secretary for Land and Minerals Management (ASLM) are provided comprehensive, accurate, and timely information to make decisions regarding the Federal Government's planning and execution of OCS oil and gas lease sales and the issuance of OCS oil and gas leases. The leasing process will be completed in accordance with applicable laws, regulations, and guidance, consistent with BOEM's mission.

3.4 Responsibilities.

A. BOEM Director

- (1) Ensures leasing processes and policies reflect the guiding principles of BOEM and DOI.
- (2) Ensures the bureau has in place the appropriate resources to implement the National OCS Oil and Gas Leasing Program (National Program), conduct lease sales, and issue leases.
- (3) Determines, through the issuing of an Area Identification (Area ID) decision and associated NEPA process, the proposed area, alternatives, and appropriate stipulations for each lease sale.
- (4) Obtains/issues final approval of all documents necessary to conduct lease sales and issue leases, including:
 - (a) ASLM's final approval of all lease sale decision memoranda and any associated NEPA Records of Decision;
 - (b) Director surname and/or approval of all Proposed and Final Notices of Sale (NOS) packages and associated EIS Records of Decision;
 - (c) Director signature of the OCSLA section 19 letters to the Governors of the affected States; and
 - (d) Director approval and signature of *Federal Register* notices for oil and gas lease sales (e.g., Proposed and Final Notices of Sale, Calls for Information and Nominations, etc.)
- (5) Approves revisions to BOEM's oil and gas lease form (Form BOEM-2005).
- (6) Coordinates with other Federal and State agencies and foreign governments to resolve disputes over area ownership, including the approval of agreements or processes in connection with the offering for lease of such disputed areas.
- (7) Defers cash bonus payment subject to Secretarial approval.

-
- (8) Reconsiders (affirms or reverses) the rejection by the authorized officer of oil and gas bids.
 - (9) Enters into agreements with States with respect to data sharing related to oil and gas leasing.
 - (10) Authorizes compensation to oil and gas lessees for cancellation of leases.

B. Chief, Office of Strategic Resources

- (1) Ensures the Headquarters (HQ) Leasing Division (LD) has the available resources needed to develop and implement the National Program and associated lease sales.
- (2) Provides strategic guidance to the Director and Deputy Director on how to best manage the development of offshore oil and gas resources to support BOEM's leasing and development goals.
- (3) Provides policy direction and support to the Regional offices on leasing decisions.
- (4) Provides support, as needed, to ensure lease sale documents are moved expeditiously between/among the HQ LD, Regional offices, Solicitor's Office (SOL), BOEM Directorate, and ASLM.
- (5) Supports BOEM Office of International Affairs in resolving disputes with other countries over ownership of OCS lands.
- (6) Surnames lease sale documents in Proposed and Final NOS lease packages.
- (7) Approves the Critical Actions Dates (CADs) developed by the HQ LD Sales Coordination Branch, in coordination and consultation with the Regions, for each oil and gas lease sale.
- (8) Manages the process for updating BOEM's oil and gas lease form (Form BOEM-2005).

C. Chief, Leasing Division

- (1) Ensures appropriate staff resources are available to prepare and process National Program documents, lease sale notices, and lease sale decision documents.
- (2) Provides support, as needed, to ensure lease sale documents are moved expeditiously between the Regional offices and HQ.
- (3) Reviews and surnames lease sale documents and supporting materials (i.e., sale notices, *Federal Register* publications, Lease Stipulations, Information to Lessees, decision documents, briefing materials, etc.).
- (4) Coordinates with the Office of Policy, Regulation, and Analysis (OPRA), SOL, and Regional offices for revising BOEM's oil and gas lease form (Form BOEM-2005).

-
- (5) Ensures compliance with restrictions on joint bidding. Receives Statements of Production from companies and publishes a restricted joint bidders list twice yearly in the Federal Register in accordance with CFR 556.511-515.

D. Chief, Sales Coordination Branch

- (1) Collaborates with the Regional offices on the development of all lease sale documents and supporting materials [i.e., CADs, sale notices, *Federal Register* publications (e.g., Notices of Availability, Notices of Sale, Calls for Information, and Request for Information), Lease Stipulations, Information to Lessees, decision documents, briefing materials, etc.].
- (2) Ensures lease sales are executed in accordance with the National Program.
- (3) Ensures lease sales are conducted in a manner consistent with BOEM's oil and gas leasing regulations, and terms and conditions of the lease sales are consistent with applicable Federal statutes, regulations, executive orders, and DOI and BOEM policies.
- (4) Manages the processes for individual lease sales, including:
 - (a) Development of the CADs, lease sale notices, decision documents, briefing materials, and *Federal Register* notices;
 - (b) Development of recommendations for senior bureau executives to consider during decision-making;
 - (c) Review of all lease sale documents to verify compliance with leasing procedures, policies and regulations;
 - (d) Ensuring lease sale packages are accurate, complete and on-schedule; and
 - (e) Reviewing and surnaming documents in Proposed and Final NOS lease packages.
- (5) Ensures timely review and surname of all lease sale documents, in accordance with the approved CADs, through the Regional offices, HQ LD, Economics Division (ECON), Division of Environmental Assessment (DEA), Resource Evaluation Division, OPRA, SOL, BOEM Directorate, ASLM, and any other applicable offices.
- (6) Coordinates with SOL to ensure Federal and State statutes, regulations, enforceable policies, Notices to Lessees and Operators (NTLs), and Lease Stipulations mentioned in the decision documents and Proposed and Final NOS packages are cited correctly and that any items within those packages do not contradict any existing statute, regulation, policy, or NTL.

E. Chief, Mapping and Boundary Branch

- (1) Ensures the lease sales are supported by appropriate OCS cadastral maps and data.
- (2) Coordinates development of OCS cadastral maps and data between the Regional offices and the HQ.
- (3) Reviews documents in Proposed and Final NOS lease packages.

F. Chief, Economics Division

- (1) Designs fiscal terms for leases, and, when appropriate, makes recommendations for fiscal incentives for energy exploration, development, and production.
- (2) Reviews the lease terms and conditions in lease sale documents, and in the lease addenda, including price thresholds for royalty relief provisions.
- (3) Reviews and surnames lease sale documents.
- (4) Coordinates with the Regional Supervisor for Resource Evaluation to evaluate and identify any anomalous bidding patterns following an OCS lease sale.
- (5) Coordinates with the Regional Supervisor for Leasing and Plans to identify the appropriate sample set of prepared lease instruments for SOL review.
- (6) Provides Resource Evaluation staff with the price assumptions in the Economic Parameters Review and Response for fair market value evaluations.
- (7) Provides neutral third-party review in the bid appeal process.
- (8) Prepares economic analyses that support policies for the bureau's leasing decisions and regulatory functions.
- (9) Coordinates with the Bureau of Safety and Environmental Enforcement (BSEE), as applicable, on BOEM/BSEE policies on royalty relief provisions, including price thresholds and other applicable statutes and regulations.

G. Chief, Resource Evaluation Division

- (1) Ensures the resource estimates presented in the National OCS Oil and Gas Programmatic Environmental Impact Statement (EIS) and supporting documents also appear in decisional lease sale documents, and that the reason for any change is explained.
- (2) Reviews and surnames lease sale documents.
- (3) Provides policy guidance and direction with regard to the bid evaluation process and

the awarding of leases.

- (4) Ensures resource economic evaluation models adhere to appropriate Federal statutes and regulations, and to lease sale terms and conditions.
- (5) Coordinates with ECON Division to ensure all leases are awarded in such a manner as to ensure the Federal government obtains fair market value.
- (6) Provides oversight, policy guidance, and direction for offshore oil and gas geologic and geophysical evaluations and the development of models for geologic and engineering assessments of mineral resource potential of the OCS.

H. Chief Environmental Officer

- (1) Coordinates with the Regional Director on the preparation of appropriate NEPA review documents for a lease sale.
- (2) Ensures all required environmental documents and consultations are conducted in accordance with Federal statutes, regulations, executive orders, and DOI and BOEM policies in a timely and efficient manner.
- (3) Recommends to the Director whether to approve a lease sale EIS Record of Decision when environmental review and consultation requirements have been satisfied.
- (4) Collaborates with the requisite Regional Office to facilitate the timely completion of the NEPA decision document for a lease sale.

I. Chief, Division of Environmental Assessment

- (1) Ensures relevance and accuracy of environmental and lease sale documents prepared by a Region.
- (2) Ensures adequacy of environmental consultations conducted in support of a lease sale.
- (3) Advises the Chief Environmental Officer to recommend approval of a lease sale NEPA document when environmental review and consultations requirements have been satisfied.
- (4) Timely files any lease sale EIS with U.S. Environmental Protection Agency.
- (5) Ensures completeness and coordination of *Federal Register* notices related to lease sale NEPA documents.
- (6) Ensures completeness and coordination of the NEPA decision document for a lease sale.

J. Chief, Office Policy, Regulation and Analysis

- (1) Assists the Office of Strategic Resources in coordinating the approval process for revisions to BOEM's oil and gas lease form (Form BOEM-2005).
- (2) Coordinates with the Office of Strategic Resources and the Office of Environmental Programs to establish a *Federal Register* publication schedule for upcoming oil and gas lease sale notices and environmental documents.
- (3) Once a notice has been properly surnamed and cleared by the Department, submits it to the Office of the Federal Register. Resolves edits requested by the Office of the Federal Register and then disseminates the approved publication date, including when the notice will appear for public inspection and for publication.
- (4) Ensures final lease sale and associated environmental documents are properly posted online to Regulations.gov (as needed) and moved to the appropriate docket in the Federal Document Management System.

K. Regional Responsibilities

Although the general responsibilities of the regions are the same and each region works to effectively support the bureau's mission, each region also is inherently unique based upon its location, staffing, organizational structure, constituencies, stakeholders, and regionally-important environmental issues. The Alaska Region (AKOCSR) and the Gulf of Mexico Region (GOMR) responsibilities for oil and gas leasing processes are detailed separately below. Should a lease sale be scheduled in another region in the future, this Chapter will be updated to address responsibilities for such a sale at that time.

Alaska OCS Regional Office

(1) Regional Director

- (a) Ensures the AKOCSR has the available resources needed to successfully carry out lease sales in accordance with the National Program.
- (b) Ensures AKOCSR's lease sales are conducted in a manner consistent with BOEM's oil and gas leasing regulations, and that terms and conditions of the lease sale are consistent with applicable Federal statutes, regulations, executive orders, and DOI and BOEM policies.
- (c) Ensures the AKOCSR actions are in compliance with all Federal laws, regulations, and directives (e.g., NEPA, Council on Environmental Quality [CEQ] regulations, executive orders, and DOI and BOEM policies) for the draft and final NEPA documents and associated Records of Decision.
- (d) Ensures high quality scientific information and traditional/indigenous knowledge informs the decision-making process.

-
- (e) Ensures the CADs have been coordinated and collaborated between AKOCSR and the Office of Strategic Resources and implementation adheres to those dates.
 - (f) Ensures AKOCSR coordinates with applicable offices (e.g., ECON, HQ LD, DEA, and SOL), other Federal agencies, Federally recognized tribes, Alaska Native Claims Settlement Act (ANCSA) corporations, and stakeholders to provide senior management with balanced, accurate, and thorough information and analyses to support appropriate lease sale decisions.
 - (g) Conducts government-to-government consultations with Federally recognized Tribes and ANCSA corporations as necessary.
 - (h) If applicable, signs the CZMA consistency determination (CD) and its cover letter prior to its distribution.
 - (i) Collaborates with the Chief Environmental Officer regarding the NEPA decision document for a lease sale.
 - (j) Acts as the primary liaison with industry representatives in the AKOCSR's area of jurisdiction with respect to oil and gas lease sales.
 - (k) Conducts the opening and public reading of lease sale bids.
 - (l) Determines AKOCSR's course of action if there are indications of anomalous bidding patterns following a lease sale.
 - (m) Approves and signs:
 - i. the bid adequacy decision document;
 - ii. the lease decision document; and
 - iii. the decision document for high bids rejected.
 - (n) Accepts or rejects bids for OCS tracts offered at lease sales, pursuant to 30 CFR 556.516.
 - (o) Executes each lease instrument on behalf of the Federal Government, as Lessor.

(2) Regional Supervisor, Leasing and Plans

- (a) Coordinates with HQ LD on leasing issues and policies, procedures, standard operating procedures, development of CADs, lease sale documents, and public notices.
- (b) Ensures that the terms and conditions for lease sales are consistent with Federal statutes, regulations, executive orders, and DOI and BOEM policies. Reviews

terms and conditions for lease sales to ensure consistency with internal directives across Regional offices.

- (c) Works with other BOEM offices, Federal agencies, Federally recognized tribes, ANCSA corporations, and interested parties to provide BOEM's senior executives with balanced, accurate, and thorough information and analyses to support lease sale decisions.
- (d) If applicable, oversees completion of the CZMA consistency determination process and ensures adequate resources are available to develop, process, and distribute CDs in accordance with the CADs.
- (e) Provides oversight of the Chief, Leasing Section, for all pre-sale, lease sale, and post-sale processes, including preparation of lease addenda (e.g., ITLs and Lease Stipulations), bid receipt, bid opening, bid adjudication, bid entry into Technical Information Management System (TIMS), SOL review, lease preparation, lease issuance, lease activation, and recording and scanning of lease documents into official records.
- (f) Reviews and ensures each lease instrument is accurate and consistent with:
 - i. the terms and conditions in the Final NOS;
 - ii. the bid information as submitted by the high bidders at the sale; and
 - iii. the Regional Director's bid adequacy decision.
- (g) Prepares the lease sale decision documents for high bids rejected by the bid adequacy review.
- (h) Participates in government-to-government consultations with Federally recognized tribes and ANCSA corporations, as necessary.
- (i) If applicable, reviews requests from lessees for extensions to initial periods for exploration. Coordinates review and approval of such requests, as needed, with BSEE and confirms to lessees whether BOEM approves the extension.
- (j) Supports the Regional Supervisor for Environment on the preparation of NEPA documents to ensure the leasing history, proposed action and the purpose and need are appropriately stated and NEPA documents are completed in accordance with approved lease sale CADs.

(3) Chief, Leasing Section

- (a) Manages all pre-sale and sale processes, including the Call for Information and Nominations, the Area ID, preparation and review of lease sale documents, coordination and development of lease addenda, Lease Stipulations, Information to Lessees (ITLs), NTLs, and lease sale logistical planning (e.g., bid receipt, facility

rental, security arrangements, and bid opening and reading).

- (b) Maintains lease sale documentation for compiling decision file records.
- (c) Coordinates with HQ LD to prepare draft lease sale documents that accurately reflect the administrative, economic, and environmental choices available to senior management based on thorough, accurate, and balanced information and analyses.
- (d) Prepares and distributes the draft lease sale documents for AKOCSR review.
- (e) Coordinates with HQ LD and HQ SCB on any critical process issues that arise regarding individual lease sales or schedules and ensures AKOCSR's lease sale processes progress according to the approved CADs.
- (f) Identifies blocks whose availability for lease sale is impacted by a pending appeal or litigation, and blocks deferred from a sale.
- (g) Ensures all prospective bidders are qualified to hold a lease on the OCS.
- (h) Ensures the leases issued as a result of a lease sale are consistent with the terms and conditions of the Final NOS, including lease addenda and Lease Stipulations.
- (i) Confirms with the Office of Natural Resources Revenue that funds for the bonus bid deposits, balance of payment of bonus bids, and annual rentals are collected within the required timeframes.
- (j) Ensures the timely execution of each lease to the highest qualified bidder after:
 - i. Determining that the bid is the highest valid bid;
 - ii. Determining that the amount of the bid meets fair market value;
 - iii. Receiving receipt of written concurrence from the Federal Trade Commission (FTC) and Department of Justice (DOJ);
 - iv. Receiving certification of a sample of lease documents from SOL; and
 - v. Determining that written consensus to execute the lease has been reached among the Regional Director, the Regional Supervisor for Resource Evaluation, the Regional Supervisor for Leasing and Plans, and ECON.
- (k) Informs the BSEE Office of Field Operations on critical lease status developments, such as expiration and relinquishment of leases.
- (l) When applicable, ensures lease sale CDs are based on the best available scientific and traditional/indigenous knowledge and information, if applicable, the lease sales do not preclude consistency with the CZMA and the State's enforceable policies.
 - i. Prepares, finalizes, and transmits the lease sale CDs and CD cover letters in accordance with the CADs for the lease sale.

-
- ii. Coordinates with the HQ LD Sales Coordination Branch to ensure the area depicted and described in the CDs is consistent with the area designated for the lease sale in the Area ID document.
 - iii. Coordinates with SOL to obtain a review and surname of the CDs and CD cover letters.

(4) Regional Supervisor, Resource Evaluation

- (a) Coordinates with ECON on the development of economic terms and conditions for individual lease sales.
- (b) Provides policy guidance regarding geophysical data and information requirements.
- (c) Provides policy guidance regarding the fair market value evaluation and awarding of leases.
- (d) Reviews geophysical data and information requirements.
- (e) Conducts fair market value determinations and prepares the Bid Acceptance/Rejection Recommendations Memorandum.
- (f) Provides analysis and prepares documents in response to any bid rejection appeal.
- (g) Supports the Regional Supervisor for Environment on the preparation of NEPA documents to ensure the exploration and development scenario is adequately addressed and NEPA documents are completed in accordance with approved lease sale CADs.

(5) Regional Supervisor, Environment

- (a) Manages the environmental consultations and drafting of NEPA documents for lease sales, ensuring they are consistent with NEPA and CEQ regulations, as well as other applicable Federal statutes, regulations, policies, executive orders and DOI and BOEM policies.
- (b) Provides oversight and review to the Chief, Environmental Assessment Section, and the Chief, Environmental Sciences Management Section, for the inclusion of environmental sciences information in environmental documentation and resource protection consultations that support the lease sale decision-making process.
- (c) Advises the Chief, Division of Environmental Assessment, concerning approval of a lease sale NEPA document when environmental review and consultation requirements have been satisfied.
- (d) Notifies HQ LD and senior management regarding critical environmental issues that have the potential to impact leasing and environmental stipulations that will affect lease sale documents.

(6) Chief, Environmental Analysis Section and Chief, Environmental Sciences Management Section

- (a) Ensures lease sale NEPA documents are based on high quality scientific information and traditional/indigenous knowledge and comply with applicable Federal statutes, regulations, policies, executive orders, and DOI and BOEM policies.
- (b) Ensures environmental consultations supporting lease sale decisions are conducted in accordance with relevant laws and regulations.
- (c) Ensures all environmental terms and conditions for lease sales are accurate, clearly understandable, and properly included in the lease sale notices and lease instruments.

Gulf of Mexico OCS Regional Office

(1) Regional Director

- (a) Ensures GOMR has the available resources needed to successfully carry out lease sales in accordance with the National Program.
- (b) Ensures GOMR's lease sales are conducted in a manner consistent with BOEM's oil and gas regulations, and that terms and conditions of the lease sale are consistent with applicable Federal statutes, regulations, executive orders, and DOI and BOEM policies.
- (c) Ensures GOMR actions are in compliance with all applicable Federal laws, regulations, and directives (e.g., NEPA, Council on Environmental Quality [CEQ] regulations, executive orders, and DOI and BOEM policies) for the draft and final NEPA documents and associated Records of Decision.
- (d) Ensures high quality scientific knowledge informs the decision-making process.
- (e) Ensures the CADs have been coordinated between GOMR and the Office of Strategic Resources and implementation adheres to those dates.
- (f) Ensures GOMR coordinates with applicable offices (e.g., ECON, HQ LD, DEA, and SOL), other Federal agencies, and stakeholders to provide senior management with balanced, accurate, and thorough information and analyses to support appropriate lease sale decisions.
- (g) Conducts government-to-government consultations with Federally recognized tribes as necessary.
- (h) Oversees completion of the CZMA consistency determination process, including:

-
- i. Consulting with States on CZMA issues;
 - ii. Ensuring individual lease-sale terms are consistent to the maximum extent practicable with the enforceable policies of approved State coastal zone management programs; and
 - iii. Signing CDs and their cover letters prior to their distribution to the States.
 - (i) Collaborates with the Chief Environmental Officer regarding the NEPA decision document for a lease sale.
 - (j) Acts as the primary liaison with industry representatives in GOMR's area of jurisdiction with respect to oil and gas lease sales.
 - (k) Conducts the opening and public reading of lease sale bids.
 - (l) Determines GOMR's course of action if there are indications of anomalous bidding patterns following a lease sale.
 - (m) Approves and signs:
 - i. the bid adequacy decision document;
 - ii. the lease decision document; and
 - iii. the decision document for high bids rejected.
 - (n) Accepts or rejects bids for OCS tracts offered at lease sales, pursuant to 30 CFR 556.516.
 - (o) Executes each lease instrument on behalf of the Government, as Lessor.

(2) Regional Supervisor, Leasing and Plans

- (a) Coordinates with HQ LD on leasing issues and policies, procedures, standard operating procedures, development of CADs, lease sale documents, and public notices.
- (b) Ensures that terms and conditions for lease sales are consistent with Federal statutes, regulations, executive orders, and DOI and BOEM policies. Reviews terms and conditions for lease sales to ensure consistency with internal directives across Regional offices.
- (c) Works with other BOEM offices, Federal agencies, and stakeholders to provide senior management with balanced, accurate, and thorough information and analyses to support lease sale decisions.
- (d) Provides oversight of the leasing duties performed by:

-
- i. Chief, Leasing and Financial Responsibility Section;
 - ii. Chief, Mapping Automation Section;
 - iii. Chief, Adjudication Section; and
 - iv. Chief, Plans Section
- (e) Provides oversight and review to the Chief, Adjudication Section, for all bid adjudication, lease preparation, SOL review, lease issuance, and preparation of decision documents for high bids rejected after the bid adequacy review.
- (f) Reviews and ensures each lease instrument is accurate and consistent with:
- i. the terms and conditions in the Final NOS;
 - ii. the bid information as submitted by the high bidders at the sale; and
 - iii. the Regional Director's bid adequacy decision.
- (g) Participates in government-to-government consultations with Federally recognized tribes, as necessary.
- (h) Reviews requests from lessees for extensions to initial periods for exploration. Coordinates review and approval of such requests with BSEE and confirms to lessees whether BOEM approves the extension.

(3) Chief, Leasing and Financial Responsibility Section

- (a) Manages all pre-sale and sale processes, including preparation and review of lease sale documents, coordination and development of lease addenda (e.g., ITLs and Lease Stipulations), and lease sale logistical planning (e.g., bid receipt, facility rental, security arrangements, and bid opening and reading).
- (b) Maintains lease sale documentation for compiling decision records and administrative records.
- (c) Identifies blocks that are under appeal/deferred from a sale.
- (d) Maintains accurate documentation of the proposed and accepted changes to the lease sale terms and conditions as part of the decision record and administrative record.
- (e) Coordinates with HQ LD to prepare draft sale documents that accurately reflect the administrative, economic, and environmental choices available to senior management based on thorough, accurate, and balanced information and analyses.
- (f) Prepares and distributes the draft sale documents for GOMR review.
- (g) Coordinates with HQ LD and HQ SCB on any critical process issues that arise regarding individual lease sales or schedules and ensures GOMR lease sale

processes progress according to the approved CADs.

- (h) Coordinates with ONRR to ensure funds for bonus bid deposits, the balance of payment of bonus bids, and annual rentals are collected within the required timeframes.
- (i) Manages all lease sale processes related to bid receipt, bid entry into the TIMS database, lease activation, and recording and scanning of lease sale documents into the official records database.
- (j) For all lease sales, validates:
 - i. Data for the list of blocks and acreage available for leasing; and
 - ii. The unleased split blocks and available unleased acreage of blocks with aliquots and irregular portions under lease or deferred.
- (k) Monitors pre-sale data entry into TIMS during bid receipt to ensure accuracy.
- (l) Monitors sale-day bid data entry into TIMS to ensure accuracy.
- (m) Ensures data integrity of sale-day information and verifies accuracy of data in sale reports.

(4) Chief, Mapping Automation Section

- (a) Ensures the accuracy of all maps included in lease sale notices and supports all regional lease sale mapping processes.
- (b) Calculates the acreage available for leasing.
- (c) Creates the split block package.
- (d) Calculates the available unleased acreage of blocks with aliquots and irregular portions under lease or deferred.
- (e) Develops the Proposed and Final NOS lease terms and economic conditions maps, stipulations and deferrals maps, sale day bid and sale day GOM lease history maps.
- (f) Creates maps showing tracts being offered for lease.
- (g) Develops the below seabed operation stipulation maps.
- (h) Develops the topographic feature stipulation maps.
- (i) Develops maps and figures for NEPA documents.

(5) Chief, Adjudication Section

- (a) Manages all lease sale processes related to bid adjudication, lease preparation, lease issuance, and preparation of decision documents for high bids rejected after the bid adequacy review.
- (b) Ensures all prospective bidders are qualified.
- (c) Monitors the adjudication of high bids.
- (d) Monitors the preparation and assembly of lease documents after verification of applicable lease data, lease addenda, Lease Stipulations, topographic features maps, and/or split-block diagrams.
- (e) Coordinates SOL review of random sample of leases and receives SOL certification of same.
- (f) Ensures the timely execution of leases to the highest qualified bidder after:
 - i. Determining that the bid is the highest valid bid;
 - ii. Confirming Resource Evaluation/ECON have determined that the amount of the bid meets fair market value;
 - iii. Receiving written concurrence from SOL and ECON regarding results from the random sample lease review;
 - iv. Receiving written concurrence from the Federal Trade Commission (FTC) and Department of Justice (DOJ); and
 - v. Determining that written consensus to execute the lease has been reached among the Regional Director, the Regional Supervisor for Resource Evaluation, and the Leasing Section, HQ LD, and ECON Chiefs.
- (g) Monitors lease execution and ensures timely and accurate scanning and recording of executed leases.
- (h) Coordinates with the BSEE Office of Field Operations on critical lease status information, such as spudding of wells and expiration and termination of leases.

(6) Chief, Plans Section

- (a) Provides operational lease stipulation information related to the approval of plans and rights-of-use and easement.
- (b) Provides updated information regarding applicable policies and regulations associated with the approval of plans that describe how leases will be explored and developed, and resources produced.

(7) Regional Supervisor, Office of Environment

- (a) Manages the environmental consultations and drafting of NEPA documents for lease sales, ensuring they are consistent with NEPA and CEQ regulations, as well as other applicable Federal statutes, regulations, policies, executive orders and DOI and BOEM policies.
- (b) Oversees completion of the CZMA consistency determination process and ensures adequate resources are available to develop, process, and distribute CDs in accordance with the CADs.
- (c) Provides oversight and review to the Chief, Environmental Assessment Section, and the Chief, Biological and Sciences Section, for the inclusion of environmental sciences information in environmental documentation and resource protection consultations that support the lease sale decision-making process.
- (d) Notifies Regional Director, Chief of Office of Strategic Resources, and HQ LD, as early as possible, regarding critical environmental issues or CZMA issues that have the potential to impact leasing or affect lease sale documents.

(8) Chief, Environmental Assessment Section; Chief, Biological and Social Sciences Section; and Chief, Physical Sciences Section

- (a) Ensures environmental assessments and consultations supporting lease sale decisions are conducted in accordance with their mandating laws and regulations.
- (b) Ensures lease sale NEPA documents are coordinated with the appropriate staff and subject matter experts and ensures timely completion of NEPA documents consistent with the approved lease sale CADs.
- (c) Ensures lease sale NEPA documents are based on high quality scientific information and comply with applicable Federal statutes, regulations, policies, executive orders, and DOI and BOEM policies.
- (d) Ensures all environmental terms and conditions for lease sales are accurate, clearly understandable, and properly included in the sale documents, and can be readily converted to enforceable lease terms.
- (e) Ensures lease sale CDs are based on high quality scientific information and comply with the CZMA and the applicable State's enforceable policies.
 - i. Prepares, finalizes, and transmits the lease sale CDs and CD cover letters in accordance with the CADs for the lease sale.
 - ii. Coordinates with the HQ LD Sales Coordination Branch to ensure the area depicted and described in the CDs is consistent with the area designated for

-
- the lease sale in the Area ID document.
 - iii. Coordinates with SOL to obtain a review and surname of the CDs and CD cover letters.

(9) Regional Supervisor, Resource Evaluation

- (a) Coordinates with ECON on the development of economic terms and conditions for individual lease sales.
- (b) Provides policy guidance regarding geophysical data and information requirements.
- (c) Provides policy guidance regarding the fair market value evaluation and awarding of leases.
- (d) Reviews geophysical data and information requirements.
- (e) Identifies, acquires, and loads proprietary geophysical data required to conduct fair market value determinations.
- (f) Conducts fair market value determinations by preparing prospect specific resource estimates, exploration and development scenarios, and net present value determinations for tracts receiving bids in the OCS lease sales.
- (g) Prepares the Bid Acceptance/Rejection Recommendations Memorandum.
- (h) Provides analysis and prepares documents in response to any bid rejection appeal.

3.5 Procedures.

Standard Operating Procedures are developed and maintained by the various offices and Regions for performing the duties and responsibilities described within this Manual Chapter.