



**STATE OF NORTH CAROLINA  
OFFICE OF THE GOVERNOR**

PAT McCRORY  
GOVERNOR

June 14, 2016

The Honorable Sally Jewell  
Secretary  
U.S. Department of the Interior  
1849 C Street, NW  
Washington, DC 20240

**RE: Proposed 2017-2022 Outer Continental Shelf (OCS) Oil & Gas Leasing Program**

Dear Secretary Jewell:

I am writing to express my disappointment with your decision to remove lease sale 260 from the 2017-2022 Outer Continental Shelf (OCS) Oil and Gas Leasing Program (Proposed Program). At a time when the United States should be moving toward energy security, we should not close the door on offshore energy exploration before we know what Mid-Atlantic OCS resources can be harnessed in an environmentally sound way. The proposed federal program unreasonably elevates the demands and unsubstantiated concerns of special interest groups above the interests of the vast majority of Americans who seek the economic prosperity and energy independence that offshore exploration would bring to our nation.

As governor of the most military-friendly state in the country, I wholeheartedly appreciate the need to protect the military's ability to conduct training exercising in the Atlantic OCS. I am confident that my administration's Department of Military and Veterans Affairs can safeguard military activities in the region through the creation of appropriate limitations on offshore activities. The Bureau of Ocean Energy Management (BOEM) routinely includes stipulations in Gulf of Mexico leases to address military and other multiple use conflicts without prohibiting most oil and gas-related activities. Eliminating the incompatible areas and establishing site-specific limitations in other areas would keep the vast majority of the technically recoverable undiscovered resources offshore North Carolina in play.

Withdrawing the Mid-Atlantic from the offshore oil and gas leasing plan could ultimately cost North Carolina tens of thousands of high-paying jobs and billions in needed revenue for schools, infrastructure, and environmental programs such as dredging and beach renourishment. BOEM estimates in the Proposed Program that the incremental net value of one Atlantic lease sale would have been more than \$14 billion, including almost \$2 billion in net social and environmental gains under a mid-price case scenario.

The United States has become the world's top natural gas producer and one of the world's top oil producers to the benefit of our economy and national security. Our current prominence is the result of wise policy decisions made ten to fifteen years ago. Opening up frontier areas such as the Mid-Atlantic OCS to exploration and development could ensure a secure energy future for

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decades to come. BOEM estimates in the Proposed Program that the mid-Atlantic OCS planning area holds approximately 2.4 billion technically recoverable barrels of oil and 23.4 trillion technically recoverable cubic feet of natural gas. Based on 2012 consumption rates, this resource could supply North Carolina's gas needs for more than 50 years.

In addition, access to new oil and gas reserves would accelerate our country's move away from coal power plants towards a cleaner energy future. The U.S. Department of Energy predicts that large-scale transitions from carbon fuels to renewable energy and zero emissions generation resources may take decades. Because natural gas plays a vital role in supporting the integration of intermittent renewable sources, abundant supplies are also beneficial for the advancement of solar and wind energy facilities.

I urge the U.S. Department of the Interior and other federal agencies to promptly complete the review of four pending applications requesting approval to conduct geophysical surveys in the Atlantic. New exploration using modern 2D and 3D seismic techniques will provide policy makers and industry more accurate resource estimates from which they can make informed decisions about the Mid-Atlantic OCS. Existing estimates are based on decades-old technology and do not effectively quantify or pinpoint potential resources. New data will ensure economically and environmentally sound activity should future development take place.

The National Science Foundation demonstrated that seismic surveying can be done safely when it conducted a 2D seismic survey off the coast of North Carolina in the fall of 2014. The N.C. Divisions of Coastal Management and Marine Fisheries did not receive any reports of disturbances or injury to marine wildlife and received no reports of adverse impacts. That is consistent with observations made by the National Oceanic and Atmospheric Administration in May 2015.

Please direct any questions you may have to Donald R. van der Vaart, Secretary of the N.C. Department of Environmental Quality at [donald.vandervaart@ncdenr.gov](mailto:donald.vandervaart@ncdenr.gov) or 919-707-8625.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat McCrory". The signature is fluid and cursive, with the first name "Pat" being the most prominent.

Governor Pat McCrory  
State of North Carolina