



Lease Extension and Energy Security Act (LEASE)

Summary

The LEASE Act extends offshore leases impacted by the U.S. Department of Interior's drilling moratorium for an additional 12 months. In this way, the LEASE Act returns to lessees the lease time taken from them during the moratorium. This will also increase domestic energy production and protect American jobs.

Background

In the wake of the BP Deepwater accident, the DOI ordered lease holders in the Gulf of Mexico to halt all exploration operations—including seismic and drilling operations. At that time 33 leaseholders were conducting exploration drilling, while thousands of lease holders were in the earlier stages of exploration. To date less than 20 deepwater permits have been approved, while the rest are waiting and trying to resume operations.

Why the LEASE Act?

The LEASE Act provides a **fair** and **reasonable** restoration of the time lost from the Department of the Interior's moratorium and allows domestic energy producers to continue exploration without having to worry about leases expiring.

The DOI has the authority to issue a "suspension of operations" which would have put the leases on a "time out"; however, the DOI failed to act. Because the DOI has failed to take the appropriate action, thousands of leaseholders in the Gulf of Mexico are paying rent to the government for access to develop federal lands while losing time on the leases.

Companies invest millions of dollars and spent nearly a decade in the exploration phase before "first oil" is reached (if at all). Following a precise and meticulous timeline is extremely important and loss time can sabotage and entire operation. Extending the leases provides the leaseholders with certainty to continue making investments on its lease, including investing in the local workforce.