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U.S. House of Representatives Committee on Natural Resources Washington, DC 20515

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March 5, 2009

JAMES H. ZOIA CHIEF OF STAFF

> The Honorable Ken Salazar Secretary Department of the Interior 1849 C Street, N.W. Washington DC 20240

Dear Secretary Salazar,

We are writing to stress that the upcoming Central Gulf Oil and Gas Lease Sale 208 cannot and should not be delayed. This Sale scheduled for March 18, 2009 should go forward as planned to increase investment in American energy, strengthen our nation's energy independence, and create thousands of jobs in the Gulf of Mexico region.

The Central Gulf Planning Area has produced more offshore oil and gas than any other Outer Continental Shelf (OCS) area, and the annual Central Gulf Sale is the largest annual oil and gas lease sale held by the United States. For the first time since 1988, this Sale will offer the so-called "181 South" area consisting of more than 4.2 million acres as mandated by the Gulf of Mexico Energy Security Act of 2006.

As our nation continues to experience a serious economic crisis and face severe energy challenges, it is more important than ever that the Department truly demonstrate its commitment to President Obama's expressed goal of implementing a fully comprehensive energy strategy. However, after only a little more than a month in office, the Department has already established a clear track record of opposing oil and gas development in our country:

- February 4th The Department announced that the Bureau of Land Management would withdraw areas offered for oil and gas leases in Utah.
- February 10th The Department announced a decision to essentially restore the OCS moratoria by unreasonably delaying the new 5-year leasing program and mandating reports that are designed to result in long-term withdrawal of OCS areas from oil and gas leasing.

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• **February 25**th - The Department announced a decision to unreasonably delay the new round of oil shale research, demonstration, and development (R, D & D) leases.

If the Department decides to delay Central Gulf Oil and Gas Lease Sale 208, it will further establish a dangerous trend of opposition to American-made energy and the creation of new American jobs in the energy sector. Additionally, a delay of this sale would throw obstacles in the way of providing access to American oil and gas that the Energy Information Administration says the Nation will need well past 2030 and also discourage energy companies from pursuing new opportunities in our country.

As the decision making process continues, we strongly encourage the Department to move forward on schedule with the Central Gulf Lease 208 sale that may bring in billions of dollars to the U.S. Treasury, open an entirely new frontier of the Gulf for oil development, and save and create thousands of jobs. In addition, the 181 South Area will share revenue with the states of Alabama, Mississippi, Louisiana, and Texas helping those states deal with this economic downturn. MMS's own estimates say that this sale could result in production of approximately .8 to 1.3 billion barrels of oil and 3.3 to 5.4 trillion cubic feet of natural gas. These are resources that are critically needed by the American consumers and will help us offset our future energy needs.

Failure to move forward with this lease sale at this critical juncture may threaten not just future leasing in this area of the Gulf but our entire OCS program. Preparation for a lease sale as large as the annual Central Gulf Sale requires a massive commitment of human and financial capital by dozens of companies. If these companies no longer trust that the government will hold the lease sales that it announces, many will no longer bid or they will reduce their bids, resulting in lower government receipts and less energy produced.

We hope to hear from you quickly that you plan to allow this lease sale to move forward and look forward to working with you to open other areas equally rich in resources for the American people.

Rep. Doc Hastings (WA)

Ranking Member, Committee on

Natural Resources

Sincerely,

Rep. Doug Lamborn (CO)

Ranking Member, Subcommittee on Energy and Mineral Resources The Honorable Ken Salazar March 5, 2009 Page 3



Rep. Rob Bishop (UT)
Ranking Member, Subcommittee on
National Parks, Forests and Public Lands

Rep. Louie Gohmert (TX)

Rep. John Fleming (LA)

Rep. Jeff Flake (AZ)

Rep. Don Young (AK)

Rep. Paul Broun (GA)

Rep. Cathy McMorris Rodgers (WA)
Ranking Member, Subcommittee on
Water and Power

Rep. Mike Coffman (CO)

Rep. Bill Cass dy (LA)

Rep. Jason Chaffetz (UT)

M.C.

Rep. Elton Gallegly (CA)

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