

Domestic Petroleum Council
Independent Petroleum Association of America
International Association of Drilling Contractors
International Association of Geophysical Contractors

March 5, 2004

The Honorable Tom Ridge
Secretary

Department of Homeland Security

Naval Security Station, Nebraska and Massachusetts Avenue, NW
Washington, DC, 20528

By fax: 202 282 8236

The Honorable Gale Norton
Secretary

Department of the Interior

1849 C Street, NW

Washington, DC 20240

By fax: 202 208 5048

Dear Secretaries Norton and Ridge:

We are increasingly concerned about the possibility that tracts may be withdrawn from future Gulf of Mexico lease sales, or that existing leases may be impaired, at the request of some liquefied natural gas (LNG) import facility proponents. Those proponents may believe that certain lease activity could interfere with terminal facility construction or operation, or require less-than-preferable sea lane access to those facilities.

As national associations representing those on the leading edge of geoscience evaluation, exploration, development and production to provide natural gas and oil from the Outer Continental Shelf of the Gulf of Mexico, we and our members understand the need for imported LNG to complement domestic supplies of natural gas. We also support building the infrastructure to provide needed imports.

What we do not support and will actively oppose is any process that allows LNG proponents to receive lease tract sale withdrawals, stipulations or other restrictions without full disclosure of what is being requested, and an opportunity to comment on such requests and have our comments fully considered in advance of decisions related to them.

Full disclosure of, and comment on, requested withdrawals, stipulations and/or other restrictions -- prior to decisions on content of notices of lease sales -- is crucial. Otherwise our members may see millions of dollars of pre-lease sale seismic and other geoscience investment and evaluation wasted. In addition, a single withdrawn lease tract could put billions of cubic feet of natural gas resources off limits -- in areas not otherwise subject to statutory or administrative moratoria.

Such action would be contrary to the intent of the President's Executive Orders of May 18, 2001, that have the objectives of increasing domestic production and reducing energy imports

Each of our associations values our ability to work with the Bush Administration as true partners in providing secure energy supplies needed by our nation. We strongly support the efforts that you and your personnel continue to make toward an improved energy future. And we look forward to working with you to find the right policy and process balances involving LNG imports and domestic natural gas and oil production from the Gulf of Mexico.

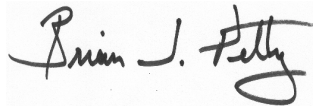
Sincerely,



William F. Whitsitt
President
Domestic Petroleum Council



Chip Gill
President
International Association
of Geophysical Contractors



Brian Petty
Senior Vice President
International Association
of Drilling Contractors



Barry Russell
President
Independent Petroleum Association
of America

cc: Johnnie Burton
Director, Minerals Management Service

Admiral Thomas Gilmour
Assistant Commandant – Marine Safety, Security and Environmental
Protection
U.S. Coast Guard

John Jamian
Deputy Maritime Administrator
U.S. Maritime Administration

Robert Middleton,
Director
White House Task Force on Energy Project Streamlining

Kevin O'Donovan
Special assistant to the Vice President for Domestic Policy