

What is Virginia's policy on offshore oil and gas?

Virginia's offshore oil and gas policy, as set out in the [Code of Virginia § 67-300](#), supports the production and development of oil and natural gas resources 50 miles or more off the Atlantic shoreline, as long as such development takes into account the impact on affected localities, concerns of the armed forces of the United States of America, and the Mid-Atlantic Regional Spaceport. Virginia's consideration of its offshore energy policy began with the 2005 General Assembly, which initiated a series of events that resulted in the current version of the policy being adopted in 2010.

Virginia had no offshore energy policy for many years, due to the fact that federal waters in the Atlantic were off-limits to oil and gas leasing and drilling. The U.S. Department of the Interior, pursuant to the Outer Continental Shelf Lands Act, controls all oil and gas resources in federal waters, which extend from three miles to about 200 miles from the coast in most states. In 1982, Congress began inserting provisions in the Department of the Interior's appropriations bill that prohibited the expenditure of any funds for development of offshore oil and gas leasing plans in the majority of the Outer Continental Shelf, including the Atlantic planning areas. In 1990, President George H.W. Bush issued a presidential directive prohibiting oil and gas leasing and drilling in these same areas. This directive was extended through 2012 by President Clinton.

In 2005, in response to rising natural gas prices, the Virginia General Assembly passed House Joint Resolution 625, which directed the Virginia Secretary of Commerce and Trade to complete a study of the possibility of exploring for natural gas in the coastal areas of the Commonwealth. The study was completed and released as 2006 House Document 22. The study's key findings included the following:

- Natural gas exploration is safe
- Virginia should allow exploration for natural gas
- Gas exploration should be just one part of a comprehensive energy policy

The study recommended, however, that certain conditions be met:

- Virginia needs a broad-based energy policy emphasizing efficiency
- Any plans for developing offshore energy should provide ample opportunity for public involvement
- If oil is discovered, the Commonwealth must carefully consider the risk of spills
- Any offshore drilling activity must protect the environment and public safety
- There should be no drilling closer than 50 miles to shore
- All activities and facilities must be consistent with local zoning and Virginia's Coastal Zone Program requirements

In response to the HD 22 study, the 2006 Virginia General Assembly passed Senate Bill 262, which called for the drafting of a comprehensive Virginia Energy Plan within 18 months. SB 262 also codified Virginia's offshore oil and gas policy, drawing heavily on the recommendations of HD 22. Under the new

Title 67, “Virginia Energy Plan,” in the Code of Virginia, a provision was placed to “support federal efforts to determine the extent of natural gas resources 50 mile or more off the Atlantic shoreline,” and to promote “the inclusion of Atlantic planning areas” in federal leasing plans “with respect to natural gas exploration...” These provisions became known as Virginia’s “gas-only, exploration-only” offshore oil and gas policy.

Even though oil and gas resources on the Outer Continental Shelf are completely under the authority of the federal government, the Department of the Interior is required to consider the policy positions of coastal states. Virginia was the only Atlantic state to express interest in determining the extent of its offshore natural gas resources, and the Secretary of the Interior took notice. In early 2006, the Department of the Interior’s Minerals Management Service (MMS) was developing its five-year oil and gas leasing program for 2007-2012. Even though there were standing moratoria on leasing and drilling from Congress and the President, the MMS decided to propose a lease sale for a 2.9 million acre area off the coast of Virginia, fully recognizing that such a sale could not occur with the moratoria in place. The final map of the area proposed for leasing honored the Commonwealth’s request for a 50-mile buffer zone and a no-obstruction area off of the mouth of Chesapeake Bay.

The new leasing plan became effective on July 1, 2007, with Virginia Sale 220 scheduled for 2011. In July 2008, in the final year of his presidency, President George W. Bush decided to rescind the presidential directive prohibiting leasing and drilling in the Atlantic. In the fall of 2008, Congress lifted its budgetary moratorium. With these developments, it appeared that Lease Sale 220 might actually take place in 2011.

In 2010, Senate Bill 394, passed by the General Assembly and signed by the Governor, changed the policy language in the Code of Virginia to favor exploration, development, and production of both oil and natural gas. Virginia’s policy was now made consistent with the federal oil and gas leasing plan.

On April 20, 2010, the Deepwater Horizon accident occurred in the Gulf of Mexico. The well drilled into an overpressured oil reservoir and workers were unable to control the flow of oil into the wellbore. The well blew out and the drilling rig caught fire and sank. Eleven workers were never found and an estimated 210 million gallons of oil were discharged into Gulf waters before the well was brought under control in July. This was the first major blowout of an oil well in U.S. waters since the Santa Barbara oil spill of 1969.

In the wake of this disaster, the Secretary of the Interior cancelled Virginia Lease Sale 220 in May of 2010. In early 2011, BOEM released its proposed five year leasing plan for 2012-2017. The plan excluded any oil and gas leasing or drilling in the Atlantic. This is the plan currently in effect until June 30, 2017.

In January 2015, BOEM issued its 2017 – 2022 Outer Continental Shelf Oil and Gas Leasing Draft Proposed Program. It included a proposed lease sale for waters off of Virginia, North Carolina, South Carolina, and Georgia, scheduled for the year 2021. BOEM will consider comments received on this

proposal as it prepares the next version of the plan, the Proposed Program. After another comment period and review, the agency will issue the Proposed Final Program, probably in early 2017. The Final Program will take effect July 1, 2017.

Virginia's policy remains in favor of offshore oil and gas exploration, development, and production.