

EPA issues permit for Shell's Beaufort Sea sites

EPA permit brings Shell a step closer to drilling in Beaufort Sea

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NEW YORK (Associated Press) - A permit issued by the Environmental Protection Agency puts Shell Oil Co. one step closer to drilling in the Arctic this year, agency officials said Thursday.

The decision came a day after President Bush urged Congress to lift its long-standing ban on offshore oil and gas drilling, arguing that the U.S. needs to increase its energy production.

The EPA permit allows Shell Offshore Inc., a subsidiary of Dutch-owned Royal Dutch Shell PLC, to release up to 245 tons of nitrogen oxides at each of its drilling sites in the Beaufort Sea.

That's roughly equivalent to the amount produced by 1,500 school buses each year, EPA officials said.

Shell's exploratory drilling project will meet all "health-based ambient air quality standards," said Rick Albright, director of EPA's Air, Waste and Toxics office in Seattle.

Shell spokesman Curtis Smith said the permit is one of more than a dozen needed to drill in the Beaufort.

"We're pleased the EPA issued the permit for the 2008 drilling program," Smith said. "We remain committed to operating in a safe and environmentally responsible manner."

Although the permit puts a cap on nitrogen oxides, it does nothing to limit the output of carbon dioxide, a gas that has caused temperatures to rise worldwide. The warming has triggered a dramatic melting of Arctic sea ice.

Carbon dioxide is not regulated under the EPA's ambient air quality standards, said Nancy Helm, air permits program manager in EPA Region 10, which includes Alaska.

Shell's current exploration plan is still blocked by an injunction from the 9th Circuit Court of Appeals, pending a final ruling on whether the company can drill at all.

"We're hopeful that the 9th Circuit will overturn the exploration plan and render this permit meaningless," said Brendan Cummings, an attorney with the Center for Biological Diversity.

The air-quality permit can be challenged through the EPA appeals process, as well as in court.□