



## Shell gets conditional OK for Beaufort drilling

By DAN JOLING (AP) – 10/19/09

ANCHORAGE, Alaska — A federal agency announced approval Monday of a plan by Shell Offshore, Inc.'s to drill exploratory wells next year on two leases in the Beaufort Sea off Alaska's north coast — a decision that environmental groups contend ignores threats to the Arctic environment and its wildlife.

The Minerals Management Service said Shell must meet certain conditions, including federal air and water quality rules and marine mammal protection requirements.

Shell Alaska vice president Pete Slaiby called it a positive step toward drilling next year.

"We sincerely believe this exploration plan addresses concerns we have heard in the North Slope Communities which have resulted in the programs being adjusted accordingly," he said in a prepared statement.

Environmental groups claim the Arctic and its marine mammals already are under stress from global warming and the loss of sea ice.

"Obama could have installed Sarah Palin as Secretary of Interior and the polar bear and Arctic ecosystem would be no worse off than it is under Ken Salazar," said Brendan Cummings, an attorney for the Center for Biological Diversity, which successfully petitioned to list polar bears as threatened under the Endangered Species Act.

Shell obtained the two leases during sales in 2005 and 2007. The sales were included in the 2002-2007 five-year oil and gas leasing program and were not affected by a court decision on the current leasing program, which sent the 2007-2012 program back to MMS for additional analysis.

According to the agency, Shell's plans include a mid-drilling season break and removal of the drill ship to accommodate fall subsistence bowhead whaling by the Inupiat Eskimo villages of Kaktovik and Nuiqsut.

Operations would be suspended Aug. 25 and vessels would either move to the northwest during whale hunts or would leave the Beaufort Sea entirely. Drilling activity could be resumed after completion of the subsistence hunts possibly as late as Oct. 31, depending on ice and weather.

Drilling operations are planned using the Frontier Discoverer, a drill ship that MMS said has been retrofitted and ice-reinforced for operations in Arctic waters.

The two leases are about 16 and 23 miles north of Point Thompson.

The Beaufort Sea is estimated to contain 8.22 billion barrels of oil and 27.64 trillion cubic feet of natural gas, according to MMS.

Alaska's two U.S. senators praised the announcement. Republican Lisa Murkowski called it an encouraging sign that Alaska's oil and natural gas resources will continue to play a major role in America's energy security. Democrat Mark Begich said the decision showed that Interior Secretary Salazar and the Obama Administration recognize the importance of Alaska's abundant offshore oil and gas resources, including safeguards for important subsistence resources.

But Cummings of the Center for Biological Diversity said petroleum companies have not proved they can clean up a spill in Arctic conditions, especially broken ice. Boom and other measures used to contain oil in open water were ineffective in tests off Alaska's coast. Just getting equipment to a catastrophic spill in the Beaufort, which has few support facilities and some of the worst weather and light conditions in the world, would be challenging.

"Survival of the polar bear in the Beaufort Sea is already tenuous," Cummings said. "Any additional stress such as the noise disturbance from the drilling itself and the risk of a catastrophic spill takes us in a wrong direction."

Shell Alaska spokesman Curtis Smith said in an e-mail response to questions that the company will meet all requirements laid down by state and federal law.

"Shell has assembled the most environmentally sensitive and thoroughly responsible exploration plan in history," he said. "That includes a world-class oil spill response fleet that would be on-site 24/7 in the extremely unlikely event of a spill."

He said Shell and industry partners continue to make advances in spill prevention and response technology.

"Recent trials in Norway again substantiate the majority of oil spilled on ice-covered waters can be removed," he said.

David Dickson of the Alaska Wilderness League in Washington, D.C., said MMS has been premature and less than thorough in its environmental review.

Spokesmen for Oceana and Ocean Conservancy said MMS approved Shell's Beaufort plan despite a substantial and recognized lack of science or planning. The approval continues failed policies that led federal courts to invalidate the approval of the current five-year leasing program, the groups said.

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