

Anchorage Daily News

May 17, 2010

Drilling critics warn of dangers from a spill in the Arctic

SHELL: Company's win in court has it poised to begin.

By **DAN JOLING**

The Associated Press

Inupiat Eskimo whale hunter George Kingik follows news accounts of the oil spill in the Gulf of Mexico. He cringes when he imagines crude fouling his backyard, Alaska's Chukchi Sea.

"They're not ready for the Arctic," Kingik said from his home in Point Hope, 700 miles northwest of Anchorage. "It's completely different up here."

Shell Oil two years ago spent \$2.1 billion for leases in the Chukchi, the arm of the Arctic Ocean that the United States shares with Russia, and the home to one of America's two polar bear populations.

The federal Minerals Management Service estimated the sale area contained 15 billion barrels of conventionally recoverable oil and 77 trillion cubic feet of conventionally recoverable natural gas. Shell is poised to begin exploratory drilling this summer on leases as far as 140 miles offshore.

Alaska Native groups and environmentalists are hoping a judge or the Obama administration will intervene.

Shell won a significant court victory last week when the 9th U.S. Circuit Court of Appeals rejected consolidated lawsuits that challenged Minerals Management Service approval of the oil company's plans.

The court determined that the MMS met its obligations to consider the potential threat of exploratory drilling to wildlife and the risk for disaster before it approved Shell's Arctic Ocean projects.

Shell spokesman Curtis Smith said the company awaits appeals of required federal air permits before it can send its drilling ship north to the Chukchi and Beaufort seas off Alaska's northwest and north coast. The company also needs

a final Interior Department blessing and authorizations on several wildlife issues.

NEAREST HELP FAR AWAY

Alaska's indigenous people and environmentalists say a catastrophic spill in the Chukchi would leave the petroleum company without backup resources considered routine in the rest of the country.

The nearest Coast Guard base is Kodiak, more than 900 air miles away. Nearby coastal communities such as Point Hope are tiny and lack deep-water harbors and large airports. Cleanup assets are stationed at Prudhoe Bay, hundreds of miles away on Alaska's north coast. Unlike at Prince William Sound, where more than 300 fishing boats are under contract to lay down boom if another supertanker hits a reef like the Exxon Valdez, there's no one to call for local assistance.

If a blowout occurred late in the summer, it could be impossible for another rig to arrive and drill a relief well before the water freezes, leaving a well to flow until it plugged itself or spill response vessels reached it the following summer, according to drilling opponents.

Shell's 514-foot drilling ship, the Frontier Discoverer, could be in place by July. Smith said Shell can drill safely and that it's not fair to draw parallels between drilling in the relatively shallow Chukchi and the Gulf of Mexico.

"The (Deepwater) Horizon was drilling in 5,000 feet of water to a depth of 18,000 feet," he said by e-mail. "The pressure they encountered in the well is three to five times greater than what we expect to encounter in Alaska, where we will be drilling in 150 feet of water to a depth of roughly 10,000 feet."

The difference in expected down-hole



A young male walrus rests on the beach in Barrow in September of 2007. Lack of ice in the Chukchi Sea over the previous summer forced a large number of walrus to haul out on shore until ice reformed in October. (North Slope Borough via The Associated Press archive 2007).

pressure, he said, gives Shell a higher safety margin.

"We would have significantly more time to identify and respond to a downhole event," he said. If its blowout preventer failed, the weight of drilling mud remaining in the well would effectively shut off the well, he said.

Margaret Williams, a World Wildlife Fund director in Anchorage, said: "The point is it could happen. We saw the state-of-the-art technology go wrong in the gulf."

The Minerals Management Service and Shell have touted advances in Arctic oil spill research and cleanup in water choked with ice. Williams said advances have not been tested outside of optimal lab and field conditions. Burning requires thick, pooled oil. The ability to detect and track oil in and under ice remains unproven, according to the WWF.

CHUKCHI A ROUGH PLACE

The Chukchi Sea, frozen most of the year, rarely offers optimal conditions. Summertime temperatures in the 40s and gale-force winds are common. Heavy fog can restrict visibility.

Shell's exploration plan states that the chances for a catastrophic spill are minimal.

“A large oil spill, such as a crude release from a blowout, is extremely rare and not considered a reasonably foreseeable impact,” it said. The Minerals Management Service agreed, concluding, “the probability of a large spill occurring during exploration is insignificant.”

Rebecca Noblin, an Anchorage-based attorney for the Center for Biological Diversity, said the analysis was dubious last year and without merit now.

“In light of the recent catastrophic oil spill occurring in the Gulf of Mexico from BP’s exploration drilling, such a position is now clearly untenable,” she said.

Smith said Shell is prepared for the worst-case scenario -- a spill of 5,500 barrels per day. The company is accompanying the drill ship with a flotilla of about a dozen boats, including a response vessel, a storage tanker, barges, skimmer vessels and a tug. Smith said Shell has invested hundreds of millions of dollars in “response assets.”

Shell Oil, the U.S. arm of Royal Dutch Shell PLC, has the backing of Alaska’s political leaders. With few exceptions, despite living through the 1989 Exxon Valdez debacle, they embrace the “drill, baby, drill” mentality articulated by former Gov. Sarah Palin. Upward of 90

percent of Alaska’s general fund revenue comes from the petroleum industry. State leaders look to offshore oil to provide jobs and keep the trans-Alaska pipeline from running dry.

Kingik, 66, the former mayor of Point Hope, is not reassured, saying a blowout in the Chukchi would devastate his community of 773. He eats fish, whales, walrus and seals, even crab blown onto shore by Chukchi storms. “It’s just like you eating your veggies from the garden. That’s what it means to us.

“That’s what kept us alive for thousands of years, before America became America.”