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U.S. Said to Allow Drilling Without Needed Permits

By IAN URBINA

WASHINGTON — The federal Minerals Management Service gave permission to BP and dozens of other oil companies to drill in the Gulf of Mexico without first getting required permits from another agency that assesses threats to endangered species — and despite strong warnings from that agency about the impact the drilling would likely have on the gulf.

Those approvals, federal records show, include one for the well drilled by the Deepwater Horizon, which exploded on April 20, killing 11 workers and resulting in thousands of barrels of oil spilling into the gulf each day.

The Minerals Management Service, or M.M.S., also routinely overruled its staff biologists and engineers who raised concerns about safety and environmental impact of certain drilling proposals in the gulf and in Alaska, according to a half dozen current and former M.M.S. scientists.

Those scientists said they were also regularly pressured by agency officials to change the findings of their internal studies if they predicted an accident was likely to occur or if wildlife might be harmed.

Under the Endangered Species Act and the Marine Mammal Protection Act, the Minerals Management Service is required to get permits to allow drilling anywhere that might harm endangered species or marine mammals.

The National Oceanic and Atmospheric Administration, or NOAA, is

responsible for protecting endangered species and marine mammals. It has said on repeated occasions that drilling in the gulf affects these animals, but the minerals agency has approved since January 2009 at least three huge lease sales, 103 seismic blasting projects, and 346 drilling plans.

Agency records also show permission for those projects and plans was granted without getting the permits required under federal law.

“M.M.S. has given up any pretense of regulating the off-shore oil industry,” said Kieran Suckling, director of the Center for Biological Diversity, an environmental advocacy group in Tucson, which filed notice of intent to sue the agency over its noncompliance with federal law concerning endangered species. “The agency seems to think its mission is to help the oil industry evade environmental laws.”

Kendra Barkoff, a spokeswoman for M.M.S., said her agency had full consultations with NOAA about endangered species in the gulf. But she declined to respond to additional questions about whether her agency had obtained the relevant permits.

Federal records indicate that these consultations ended with NOAA instructing the minerals agency that continued drilling in the gulf was harming endangered marine mammals and that the agency needed to get permits to be in compliance with federal law.

Responding to the accusations that agency scientists were being silenced, Ms. Barkoff added, “Under the previous administration, there was a pattern of

suppressing science in decisions, and we are working very hard to change the culture and empower scientists in the Department of the Interior.”

The explosion of the Deepwater Horizon has led to accusations that M.M.S. provided lax oversight.

On Tuesday, the secretary of the interior, Ken Salazar, announced plans to reorganize the agency to improve its regulatory role by separating safety oversight of the division that collects royalties from oil and gas companies. But that reorganization is not likely to have any bearing on how and whether the agency seeks required permits from other agencies like NOAA.

Criticisms of the minerals agency have grown in recent days as more information has emerged about how it handled drilling in the gulf.

In a letter from September 2009, obtained by The New York Times, NOAA accused the minerals agency of a pattern of understating the likelihood and potential consequences of a major spill in the gulf and understating the frequency of spills that have already occurred there.

The letter accuses the M.M.S. of highlighting the safety of the offshore oil drilling operations, while overlooking more recent evidence to the contrary. The data used by the agency to justify its approval of drilling operations in the gulf plays down the fact that spills have been on the increase and the “risks and impacts of accidental spills and chronic impacts are understated,” the letter states. NOAA declined several requests for comment.

The allegation that the minerals agency has ignored risks is also being levied by scientists working for the agency.

Managers at the agency have routinely overruled staff scientists whose findings highlight the environmental risks of drilling, according to a half dozen current or former M.M.S. scientists.

The scientists, none of whom wanted to be quoted by name for fear of reprisals by the agency or by those in the industry, said they had repeatedly had their scientific findings changed to indicate no environmental impact or had their calculations of spill risks downgraded.

“You simply are not allowed to conclude that the drilling will have impact,” said one scientist who has worked for the minerals agency for more than a decade. “If you find the risks of a spill are high or you conclude that a certain species will be affected, your report gets disappeared in a desk drawer and they find another scientist to redo it or they rewrite it for you.”

Another agency biologist who left the agency in 2005 after more than five years, and now works as an industry consultant, said agency officials go out of their way to accommodate the oil and gas industry.

He said, for example, seismic activity from drilling can have a devastating impact on mammals and fish, but agency officials rarely enforced the regulations meant to limit those effects.

He also said that the agency routinely ceded to the drilling companies the authority and responsibility for the monitoring of species that live or spawn near the drilling projects.

“What I observed was M.M.S. was trying to undermine the monitoring and mitigation requirements that would be imposed on the industry,” he said.

Aside from allowing BP and other companies to drill in the gulf without getting the required permits concerning

endangered species from NOAA, the minerals agency has also given BP and other drilling companies in the gulf blanket exemptions from having to provide environmental impact statements.

Much as BP’s drilling plan asserted that there was no chance of an oil spill, the company also claimed in federal documents that its drilling would not have any adverse affect on endangered species.

The gulf is known for its bio-diversity. Various endangered species are found in the area where the Deepwater Horizon was drilling, including sperm whales, blue whales and fin whales.

In some instance, the minerals agency has indeed sought and received permits in the gulf to harm certain endangered species like green and loggerhead sea turtles. But the agency has not received these permits for endangered species like the sperm and humpback whales that are more common in the areas where drilling occurs and thus are more likely to be affected.

Tensions between scientists and managers at the agency erupted in one case last year involving a rig in the gulf called the BP Atlantis. An agency scientist complained to his bosses of catastrophic safety and environmental violations. The engineer said these complaints were ignored, so he took his concerns to higher officials at the Department of the Interior.

“The purpose of this letter is to restate in writing our concern that the BP Atlantis Project presently poses a threat of serious, immediate, potentially irreparable and catastrophic harm to the waters of the Gulf of Mexico and its marine environment, and to summarize how BP’s conduct has violated federal law and regulations,” wrote the M.M.S. scientist, Kenneth Abbott, in a May 27, 2009, letter to officials at the Interior Department, a copy of which was obtained by The Times.

The letter added: “From our conversation on the phone, we understand that MMS is already aware that undersea manifolds have been leaking and that major flow lines must already be replaced. Failure of this critical undersea equipment has potentially catastrophic environmental consequences.”

Almost two months before the Deepwater Horizon exploded, Representative Raúl M. Grijalva, Democrat of Arizona, sent a letter to M.M.S. raising concerns about the BP Atlantis and questioning the agency’s oversight of the rig.

After the disaster, Mr. Salazar said he would delay granting any new oil drilling permits.

But the minerals agency issued at least five final approval permits to new drilling projects in the gulf since last week, records show. Despite being shown records indicating otherwise, Ms. Barkoff said her agency had granted no new permits since Mr. Salazar made his announcement.

Other agencies besides NOAA have begun criticizing the minerals agency.

At a public hearing in Louisiana this week, a joint panel of Coast Guard and Minerals Management Service officials investigating the explosion grilled agency officials for allowing the offshore drilling industry to be essentially “self-certified,” in the phrase of Capt. Hung Nguyen of the Coast Guard, a co-chairman of the investigation.

In addition to the minerals agency and the Coast Guard, the Deepwater Horizon was overseen by the Marshall Islands, the “flag of convenience” under which it was registered.

No one from the Marshall Islands ever inspected the rig. The nongovernmental organizations that did were paid by the rig’s operator, in this case Transocean.

Campbell Robertson contributed reporting from New Orleans, and Andy Lehren from New York.