Environment: Ready for another Gulf oil disaster?

New oil leasing planned in western Gulf of Mexico

by Bob Berwyn

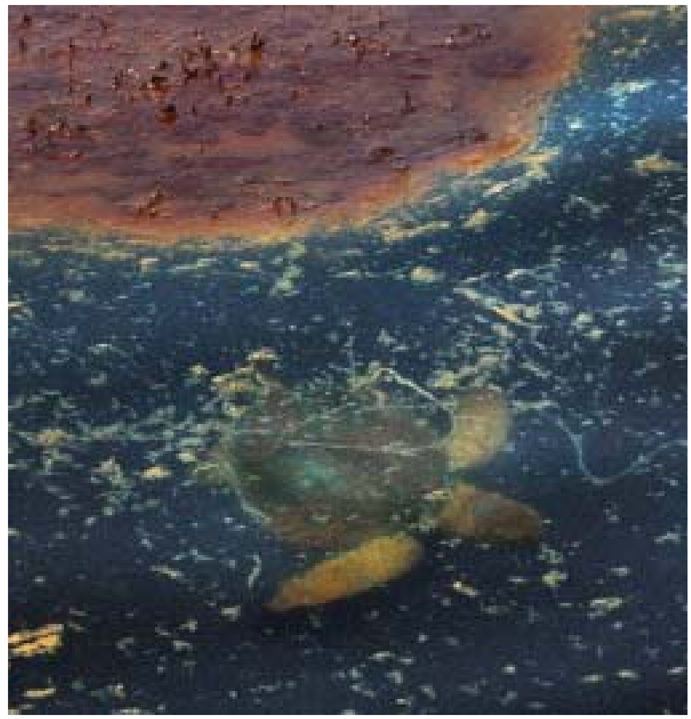
SUMMIT COUNTY — While biologists are still trying to understand the full ramifications of last year's Deepwater Horizon oil disaster in the Gulf of Mexico, the Obama administration has apparently caved in to political pressure by opening new areas in the Gulf for oil-drilling leases.

Conservation groups immediately protested the proposed leasing, pointing out that many existing leases are inactive, and that the environmental toll from last year's deep-sea oil spill is still climbing.

University of Georgia researchers have documented areas of sea floor that are still covered with oil residue; the National Oceanic and Atmospheric Administration is reporting catches of Gulf finfish like red snapper with open and unhealed sores, and University of Central Florida research recently linked the oil spill to more than 150 dead dolphins that have washed up on Gulf coasts since January 2011, including 65 newborn, infants, stillborn or those born prematurely.
The new sale opens up 21 million acres to drilling, from nine miles to 250 miles offshore — a decision that perpetuates the same approach to drilling that led to the disaster. The sale will include all available unleased areas in the Western Gulf Planning Area offshore Texas.

"The Obama administration missed an opportunity to look at the real impacts of offshore oil drilling," said Deirdre McDonnell, an attorney with the Center for Biological Diversity. "Instead it's turning a blind eye to the risks."

Government officials said the new leasing areas could produce up to 400 million barrels of oil.



A sea turtle swims near oiled sargassum after last year's Deepwater Horizon oil disaster in the Gulf of Mexico. PHOTO VIA NOAA.

"This sale is an important step toward a secure energy future that includes safe, environmentally-sound development of our domestic energy resources that will continue to reduce our dependence on foreign oil and create jobs here at home," Secretary Salazar said. "Since the Deepwater Horizon spill, we have strengthened oversight at every stage of the oil and gas development process, including deepwater drilling safety, subsea blowout containment, and spill response capability. Exploration and development of our Western Gulf's vital energy resources will continue to help power our nation and drive our economy."

Despite government claims that they can ensure environmentally safe drilling, the administration's own National Commission on the BP Deepwater

Horizon Oil Spill highlighted the risks associated with drilling ultra-deepwater wells at depths greater than 5,000 feet — including the risk of an uncontrolled blowout like Deepwater Horizon, the largest manmade environmental disaster in U.S. history.

“Caving to industry, President Obama’s giving the green light to offshore drilling we know has the potential to kill marine life and the coastal communities that depend on it,” said McDonnell. “This sale is a return to business as usual. For the sake of a quick buck today, future generations will pay with polluted waters and devastating climate change.”

The administration claims that a supplemental environmental impact statement that analyze the effects of the Deepwater Horizon spill on the Western Gulf of Mexico addresses most of the concerns.

From the Department of Interior press release:

“BOEM was established to oversee the responsible development of the nation’s offshore resources and to ensure a fair return for the American taxpayer through lease sales.” said Director Beaudreau. “We are committed to balanced decision-making by ensuring that appropriate consideration of the environment is given in every case. The decision to hold this sale was made after careful analysis of the best scientific information available regarding the effects of the Deepwater Horizon oil spill.”

Lease Sale 218, the last remaining Western Gulf Planning Area sale scheduled in the 2007-2012 Outer Continental Shelf (OCS) Oil and Natural Gas Leasing Program, encompasses 3,913 unleased blocks covering more than 21 million acres. The blocks are located from nine to about 250 miles offshore, in water depths ranging from 16 to more than 10,975 feet (5 to 3,346 meters). BOEM estimates the lease sale could result in the production of 222 to 423 million barrels of oil and 1.49 to 2.65 trillion cubic feet of natural gas.

The Final Notice of Sale (FNOS) gives the lease terms and economic conditions for this particular sale. It includes an increase in the minimum bid amount for blocks in water depths of 1,312 feet (400 meters) and greater from $37.50 to $100 per acre. The minimum bid amount for leases in the shallower water depths will remain at $25 per acre.

This change is based on a rigorous historical analysis of the last 15 years of lease sales in the Gulf of Mexico. The analysis, adjusted for energy prices at time of each sale, demonstrates that leases that received high bids of less than $100 per acre have experienced virtually no exploration and development activities. Raising the minimum bid will discourage companies from inventorying offshore acreage that they are unlikely to explore during the lease term.

All terms and conditions for Western Sale 218 are detailed in the FNOS information package, which is available at: http://boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Lease-Sales/218/Proposed-Notice-of-Sale-218-Package.aspx. Copies can also be requested from the Gulf of Mexico Region’s Public Information Unit at 1201 Elmwood Park Boulevard, New Orleans, LA 70123, or at 800-200-GULF (4853).

The FNOS can be viewed today in the Federal Register at: http://www.ofr.gov/(X(1)S(jbdorpwoct2r0qdmnbo1nxyv))/OFRUpload/OFRData/2011-29340_PI.pdf