

The New York Times

US Approves Alaska Offshore Drilling From Gravel Island

By THE ASSOCIATED PRESS

JULY 13, 2017,

ANCHORAGE, Alaska — Petroleum exploration has largely ceased in federal waters off Alaska but an Italian multinational oil and gas company has received permission to move ahead with modest drilling plans on leases sold in 2005.

The federal Bureau of Ocean Energy Management late Wednesday announced conditional approval of an exploratory drilling plan submitted by Eni US Operating Co. Inc., part of Eni S.p.A.

The company plans to drill four exploration wells from the Spy Island drill site, an 11-acre (.04-square kilometer) artificial gravel island constructed in state of Alaska waters 6 to 8 feet (1.8 to 2.4 meters) deep. It's one of four artificial islands in the Beaufort Sea off Alaska's north coast that support oil production.

Former President Barack Obama last year banned oil and gas exploration in most of the Arctic Ocean. President Donald Trump in April ordered Interior Secretary Ryan Zinke to review the ban with the goal of opening offshore areas. Environmental and Alaska Native groups in May sued to maintain the ban.

Environmental groups say potential Arctic Ocean spills put polar bears, bowhead whales and other marine mammals at risk.

Eni's leases would have expired at the end of 2017, said Kristen Monsell, an attorney for the Center for Biological Diversity, in a prepared statement. Eni's plan calls for extended-reach wells that could stretch more than 6 miles (9.7 kilometers) into federal waters. The Trump administration provided the public only 21 days to review and comment on the exploration plan and only 10 days to comment on scoping for an environmental assessment, she said.

"Approving this Arctic drilling plan at the 11th hour makes a dangerous project even riskier," Monsell said. "An oil spill here would do incredible damage, and it'd be impossible to clean up."

Personnel at Eni's office in Anchorage said they could not comment and forwarded a request for comment to company officials in Milan.

The artificial island currently supports production wells on state of Alaska leases.

The federal exploration plan proposes two extended-reach main holes and two "sidetracks" to evaluate oil and gas at federal leases.

The exploration wells would begin from the island and extend to the ocean floor to the federal leases.

Armstrong Oil and Gas submitted the original winning lease bids at a 2005 federal lease sale. Eni proposes winter-only drilling starting in December and ending in May 2019.

The permit does not authorize Eni to produce oil. That would require submission and approval of a development and production plan.