BOEM Conditionally Approves Shell's Revised Chukchi Sea Exploration Plan

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After a comprehensive review and consideration of comments received from the public, stakeholders, and Federal and state partner agencies and tribes, the Bureau of Ocean Energy Management (BOEM) today conditionally approved Shell Gulf of Mexico, Inc.'s revised multi-year Exploration Plan (EP) for the Chukchi Sea.

Among the conditions of approval is the requirement that Shell obtain all necessary permits from other state and federal agencies, including permits to drill from the Bureau of Safety and Environmental Enforcement (BSEE) and appropriate authorizations under the Marine Mammal Protection Act. Another condition of approval prevents Shell from commencing drilling operations until all Biological Opinions under the Endangered Species Act have been issued and requires all operations under the plan comply with the terms and conditions included in those Biological Opinions.

"We have taken a thoughtful approach to carefully considering potential exploration in the Chukchi Sea, recognizing the significant environmental, social and ecological resources in the region and establishing high standards for the protection of this critical ecosystem, our Arctic communities, and the subsistence needs and cultural traditions of Alaska Natives," said BOEM Director Abigail Ross Hopper. "As we move forward, any offshore exploratory activities will continue to be subject to rigorous safety standards."

The EP describes all exploration activities planned by the operator, including the timing of these activities, information concerning drilling vessels, the location of each planned well, and actions to be taken to meet important safety and environmental standards and to protect workers, resources, wildlife and access to subsistence use areas. In accordance with the National Environmental Policy Act, the review of the EP included the preparation of an Environmental Assessment and a subsequent Finding of No Significant Impact.

"The review of this Exploration Plan was a team effort," said James Kendall, BOEM Alaska Regional Director. "We'd like to thank the experts in our cooperating agencies, the tribal government representatives who took time out from their busy schedules to do government-to-government consultations and of course the many members of the public and stakeholder organizations who provided us with valuable comments during the review process."

Shell's revised EP proposes the drilling of up to six wells within the Burger Prospect, located in approximately 140 feet of water about 70 miles northwest of the village of Wainwright. Shell will

conduct its operations using the drillship *M/V Noble Discoverer* and the semi-submersible drilling unit *Transocean Polar Pioneer*, with each vessel providing relief-well capability for the other. The two drilling units and their supporting vessels will depart the Chukchi Sea at the conclusion of each exploration drilling season.

The Department of the Interior is currently undertaking an ambitious reform agenda to strengthen, update and modernize Outer Continental Shelf (OCS) energy regulations. In April the Department announced proposed regulations to better protect human lives and the environment from oil spills. The proposed measures include more stringent design requirements and operational procedures for critical well control equipment used in OCS oil and gas operations.

The proposed well control rule, which is open for public comment, addresses the range of systems and equipment related to well control operations. The measures are designed to improve equipment reliability, building upon enhanced industry standards for blowout preventers and blowout prevention technologies. The rule also includes reforms in well design, well control, casing, cementing, real-time well monitoring and subsea containment.

Additionally, the Department released proposed <u>Arctic standards</u> in February that will ensure that exploration of the Alaska OCS is subject to strong standards specifically tailored to the region's challenging and unforgiving conditions. The proposed rule, which is open to public comment until May 27, 2015, includes many required measures that have been adopted previously as conditions on Shell's Arctic operations and which BOEM also adopted in its approval of this revised EP. Those standards build upon existing Arctic-specific standards as well as experience with previous operations offshore Alaska.

A copy of BOEM's conditional approval letter, the approved EP, the Environmental Assessment and the Finding of No Significant Impact are available at: www.boem.gov/shell-chukchi/

The Bureau of Ocean Energy Management (BOEM) promotes energy independence, environmental protection and economic development through responsible, science-based management of offshore conventional and renewable energy resources.

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