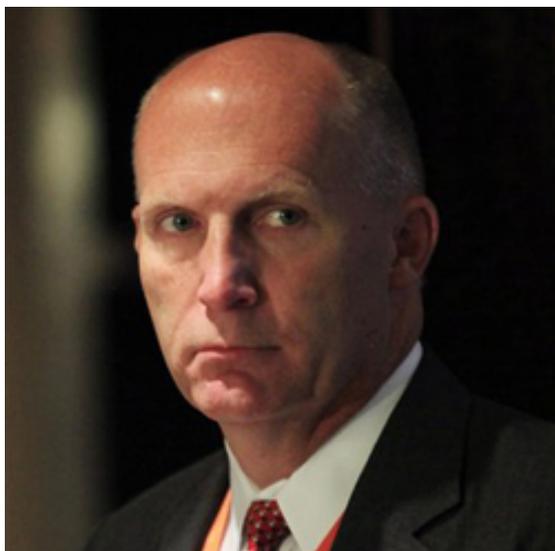


## **Big Oil Criticizes Obama's Drilling Ban**

JANE WARDELL & JENNIFER QUINN, Associated Press Writers



*Steven Newman, Transocean Ltd. president and CEO is seen during a break of the sessions of the World National Oil Companies Congress, in central London, Tuesday June 22, 2010. Newman, the owner of the broken Deepwater Horizon rig spewing oil into the Gulf of Mexico criticized US President Barack Obama's six-month ban on deepwater drilling and a BP executive was heckled Tuesday at the major oil conference. (AP Photo/Lefteris Pitarakis)*

LONDON (AP) — Oil executives sharply criticized President Barack Obama's six-month ban on deepwater drilling at a major industry conference Tuesday, saying the world did not have enough other sources of oil to eliminate using deepsea rigs.

The massive oil slick in the Gulf of Mexico and the moratorium imposed by Obama dominated discussions at the World National Oil Companies Congress in the British capital, and a BP executive standing in for embattled BP CEO Tony Hayward was heckled by protesters.

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Transocean Ltd. president and CEO Steven Newman, owner of the destroyed Deepwater Horizon rig involved in sending millions of gallons of oil into the Gulf, said Obama's ban, which is currently being reviewed by a U.S. federal judge, was unnecessary.

"There are things the administration could implement today that would allow the industry to go back to work tomorrow without an arbitrary six-month time limit," Newman told reporters on the sidelines of the meeting.

Obama's ban reflects growing unease about oil companies seeking to drill farther out to sea and deeper than ever before. The process is expensive, risky and largely uncharted, highlighted by the April 20 explosion at the BP-operated rig that killed 11 workers and set off worst oil spill in U.S. history.

The U.S. Interior Department halted the approval of any new permits for deepwater drilling in the Gulf and suspended drilling at 33 existing exploratory wells, but the moratorium has been challenged in court. Judge Martin Feldman in New Orleans has said he will make a decision on it by Wednesday.

Chevron executive Jay Pryor, also at the London conference, said the U.S. government's move would "constrain supplies for world energy."

"It would also be a step back for energy security," said Pryor, global vice president for business development at the U.S. company.

BP chief of staff Steve Westwell, who was heckled during a speech in which he stood in for Hayward, said "regulators around the world will obviously want to know what happened" to cause the blown-out well in the Gulf and change their procedures accordingly.

But he said deepwater drilling is needed as supplies of land and shallow water oil diminish.

"The world does need the oil and the energy that is going to have to come from deepwater production going forward," Westwell said. "Therefore, the regulatory framework must still enable that to be a viable commercial position."

Hayward pulled out of the conference Monday after stinging criticism for spending Saturday at England's Isle of Wight to see his yacht compete in a famous race, an outing that drew outrage on the Gulf coast and an acerbic response from the White House.

Westwell was interrupted twice during his address by protesters from Greenpeace shouting "we need to end the oil age!" The hecklers were escorted out of the central London hotel by security.

Shukri Ghanem, the head of Libya's National Oil Corp. who serves as the North African nation's de facto oil minister, said he was happy for BP to continue to operate in his country's territorial waters despite the blown-out well in the Gulf of

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Mexico.

Ghanem, who said he planned to meet with Hayward while in London, said the spill is "a real tragedy, but in a way it's exaggerated."

"It is unfortunate, but it is an opportunity to be more careful in the future," he said.

BP signed an exploration and production deal with Libya's National Oil Co. — worth at least \$900 million — in June 2007, going back into Libya for the first time in more than 30 years.

Libya's proven oil reserves are the ninth largest in the world, while vast areas remain unexplored for new deposits.

Outside the conference, one of the protesters, Emma Gibson, called on BP to end its investment in a controversial Canadian tar sands project and end deepwater drilling.

"We really need to speed up progress to end the oil age," Gibson told reporters.

Westwell declined to comment on BP's public battle with Anadarko Petroleum Corp., which has a 25 percent stake in the well, over who is responsible for the catastrophic failure of the Deepwater Horizon well, which has leaked more than 120 million gallons of oil already, according to the most pessimistic U.S. government estimates.

"We will need to wait for the investigation to conclude," Westwell said.

Westwell also declined to comment on what assets BP might sell off if the cost of the cleanup and the relief effort in the Gulf takes too heavy a toll. The company, which turned a \$16 billion profit last year, has spent \$2 billion fighting the spill for the last two months. It has also set up a \$20 billion fund to compensate victims.

Oil from the blown-out undersea well has been washing up from Louisiana to Florida, killing birds and fish and coating marshes, wetlands and beaches with tar balls and oily debris. A pair of relief wells considered the best chance at a permanent fix won't be completed until August.

Westwell said Hayward was "genuinely sorry" not to be at the conference, where he had been due to give a keynote address on about the global responsibilities of international oil companies.

"He and I both hope you understand his schedule is under incredible pressure at the moment," Westwell told delegates.

"He is the CEO," Westwell said when questioned about Hayward's position and whereabouts, adding that Hayward was in London attending to other company matters.

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