Shell Gets Approval for Arctic Spill Response Plan

DAN JOLING, Associated Press

ANCHORAGE, Alaska (AP) — Federal offshore drilling regulators on Wednesday approved Shell Oil's spill response plan for exploratory drilling in the Beaufort Sea, drawing strong criticism from environmental groups that claim oil companies cannot clean up oil in ice-choked waters.

The announcement by the Interior Department's Bureau of Safety and Environmental Enforcement said the decision followed the agency's thorough review of the plan for Arctic Ocean waters off Alaska's north coast. The agency in February approved Shell's oil spill response plan for the Chukchi Sea off Alaska's northwest coast.

Shell hopes to drill exploratory wells in both locations during the summer open-water season using separate drilling ships. Shell Alaska spokesman Curtis Smith said in an email that the approval is a major milestone.

"It further reinforces that Shell's approach to Arctic exploration is aligned with the high standards the Department of Interior expects from an offshore leader and adds to our confidence that drilling will finally commence in the shallow waters off Alaska this summer," he said.

The federal government estimates 26.6 billion barrels of recoverable oil and 130 trillion cubic feet of natural gas are in the Arctic Ocean's outer continental shelf reserves.

Shell Oil Co., the U.S. arm of Royal Dutch Shell PLC, hopes to drill up to three wells in the Chukchi during the short open water season this summer and two wells in the Beaufort.

Shell's response plan calls for more than a dozen vessels accompanying the drilling ships. One would carry a capping stack that could be lowered to the ocean bottom to control a blowout. Skimmers and boom would be on board other vessels and the flotilla would include a tanker to hold captured crude oil.

Environmental groups contend petroleum companies cannot adequately clean up a spill in temperate waters, as demonstrated by BP's 2010 Deepwater Horizon blowout in the Gulf of Mexico, much less remote, frigid Arctic Ocean waters that may see ice ranging from slush to icebergs.

Cindy Shogan, director of the Alaska Wilderness League, called the approval disappointing.

"There is no viable way to clean up an oil spill in the extreme conditions of America's Arctic Ocean, yet the Obama administration continues to give the green

light to Shell Oil's plans for drilling this summer," she said in a statement. "We can only hope that President Obama shows the leadership he promised and refuses to bow to the demands of Big Oil by not granting Shell the final permits it needs to begin drilling in July."

"The Obama administration once again decides to let Shell play Russian roulette with the Arctic ecosystem," said Brendan Cummings, an attorney for the Center for Biological Diversity, in an email to the BSEE announcement.

BSEE Director James Watson said in the announcement that Shell still needs agency approval for specific wells before it can drill, and that it must demonstrate its spill response capability.

"We have conducted an exhaustive review of Shell's response plan for the Beaufort Sea," Watson said. "Our focus moving forward will be to hold Shell accountable and to follow-up with exercises, reviews and inspections to ensure that all personnel and equipment are positioned and ready."

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