Shell's Safety System Problems Plague Arctic Plans

DAN JOLING, Associated Press

ANCHORAGE, Alaska (AP) — Safety equipment that Shell Oil volunteered to put into place for drilling off the coast of Alaska is complicating the company's quest to reach oil-bearing rock during the short open-water drilling season this year.

Royal Dutch Shell PLC announced Monday that a containment dome being tested off the coast of Bellingham, Wash., was damaged Saturday night in its final test. Time needed to repair the damage, on top of delays from ice and waiting for the Alaska Natives' whaling season to end, figured into a decision to cancel plans to complete exploratory wells this year in the Chukchi and Beaufort seas.

"We can see that we're better off optimizing this year around top holes and next year drilling into hydrocarbons," Shell Oil President Marvin Odum told The Associated Press. "That's the way we get the best out of a multiyear approach."

Interior Secretary Ken Salazar last month cited Shell's failure to obtain certification for the Arctic Challenger, the oil spill response barge that will carry the containment dome, as the prime reason the company has not been able to drill into hydrocarbon zones this year.

Shell Alaska spokesman Curtis Smith said Monday the dome is one of several precautions against a major spill.

"It was something that Shell volunteered to put in place as a fourth line of defense against an unlikely blowout," he said. "Once we volunteered do it, it became part of the exploration plan and it became a piece of equipment that we had to deliver."

The first defense, he said, would be killing a blowout the traditional way: by pouring drilling mud down a well.

The second method, he said would be activating a blowout preventer — a device that seals off a well. For the Arctic offshore wells, Shell's blowout preventers will be equipped with double shear rams for redundancy, Smith said.

Already positioned near the Arctic prospects, he said, is the third line of defense — a capping stack. The device looks like a giant spark plug and is designed to provide a metal-to-metal seal on a malfunctioning blowout preventer. The capping stack, he said, could be used to send drilling mud down a hole, simply stopping petroleum flow, or direct oil, gas and water to the surface. It was the most significant change to Shell's safety program after BP's Deepwater Horizon blowout at the Macondo prospect in the Gulf of Mexico, Smith said.

"The capping stack is modeled after the same one that ultimately stopped the most prolific offshore blowout in the history of North America," he said. "We modified it. We made it Arctic-ready."

Shell's is prebuilt, he said.

"During Macondo, there was not one available," he said.

The fourth method, which remains in Bellingham, is the containment barge carrying the dome. "The containment system is an apparatus that would essentially hover over a compromised well funneling escaping oil, gas and water into this dome," Smith said.

He did not have details as to how the dome was damaged.

"The cause and the extent of the damage are being investigated right now," he said.