

United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

Alaska OCS Region 3801 Centerpoint Drive, Suite 500 Anchorage, Alaska 99503-5823 SEP 2 6 2012

Shell Exploration and Production AK Venture Support Integrator Attn: Susan Childs, Manager 3601 C Street, Suite 1000 Anchorage, Alaska 99503

Dear Ms. Childs:

The Bureau of Ocean Energy Management has no objection to Shell Exploration and Production (Shell) moving the Kulluk drill rig onto the drill site location at Sivulliq and mooring up. Shell, however, is not allowed to commence exploratory drilling operations without receiving the specific approval from BOEM following the completion of bowhead whaling subsistence hunting activities for the year at Kaktovik. BOEM will consult with the National Marine Fisheries Service (NMFS) to confirm that subsistence hunting activities have been completed at Kaktovik. Also, no exploratory drilling may commence without Bureau of Safety and Environmental Enforcement (BSEE) authorization; the final approval to commence drilling will rest with BSEE.

BOEM appreciates the effort between Shell and the Alaska Eskimo Whaling Commission (AEWC) to reach an acceptable arrangement allowing the Kulluk to move onto the drilling location pending completion of whaling activities at Kaktovik. BOEM encourages similar cooperation for resolving other issues affecting both parties in the future.

If you have any questions concerning this letter, please call me at (907) 334-5273 or by email at david.johnston@boem.gov.

Sincerely

David W. Johnston, Regional Supervisor

Office of Leasing and Plans

Johnny Aiken, Alaska Eskimo Whaling Commission
Jessica LeFevre, Alaska Eskimo Whaling Commission
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