THE NEWS ROOM

THE BUREAU OF OCEAN ENERGY MANAGEMENT, REGULATION AND ENFORCEMENT

FOR RELEASE: March 25, 2011

Office of Public Affairs

BOEMRE Approves Sixth Deepwater Drilling Permit that Meets New Safety Standards

NEW ORLEANS – The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) today approved a sixth deepwater drilling permit that complies with rigorous new safety standards implemented in the wake of the Deepwater Horizon explosion and resulting oil spill. This includes satisfying the requirement to demonstrate the capacity to contain a subsea blowout. The approved permit is a revised permit to drill a new well for Statoil Gulf of Mexico LLC's Well #1 in Alaminos Canyon Block 810 in 7,134 ft. water depth, approximately 216 miles off the Texas coastline, south of Texas City.

"This permit is the sixth we have approved since February 17, when industry demonstrated that it had the capacity to handle subsea blowouts and spills. Some say we are now proceeding too quickly; some say we are still proceeding too slowly. The truth is, we are proceeding as quickly as our resources allow to approve permit applications that satisfy our rigorous safety and environmental standards," said BOEMRE Director Michael R. Bromwich. "We will continue to do so."

Statoil's Well #1 is a new well. The operator had a rig under contract and an approved Permit to Drill a New Well when activities were suspended due to the temporary drilling suspensions imposed following the Deepwater Horizon oil spill.

As part of its approval process, the bureau reviewed Statoil's containment capability available for the specific well proposed in the permit application. Statoil has contracted with the Helix Well Containment Group to use its capping stack to stop the flow of oil should a well control event occur. The capabilities of the capping stack meet the requirements that are specific to the characteristics of the proposed well.

BOEMRE has worked diligently to help industry adapt to and comply with new, rigorous safety practices. These standards ensure that oil and gas development continues, while also incorporating key lessons learned from the Deepwater Horizon oil spill. This new permit meets the new safety regulations and information requirements in Notices to Lessees (NTL) N06 and N10, and the Interim Final Safety Rule.

Today's permit adds to the number of permits that have been approved since new safety regulations have been put in place. For a list of well types, pending and approved permits, and information on new safety regulations, go to:

http://www.gomr.boemre.gov/homepg/offshore/safety/well_permits.html.

Contact: BOEMRE Public Affairs-Gulf