

THE NEWS ROOM

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THE BUREAU OF OCEAN ENERGY
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BOEMRE Approves First Deepwater Drilling Permit To Meet Important New Safety Standards in Gulf of Mexico

NEW ORLEANS – The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) today approved the first deepwater drilling permit since the Deepwater Horizon explosion and resulting oil spill. Noble Energy's application for a permit to bypass is for Well #2 in Mississippi Canyon Block 519, approximately 70 miles south east of Venice, La.

"This permit represents a significant milestone for us and for the offshore oil and gas industry, and is an important step towards safely developing deepwater energy supplies offshore," said BOEMRE Director Michael R. Bromwich. "This permit was issued for one simple reason: the operator successfully demonstrated that it can drill its deepwater well safely and that it is capable of containing a subsea blowout if it were to occur. We expect further deepwater permits to be approved in coming weeks and months based on the same process that led to the approval of this permit."

Initial drilling on this well began April 16, 2010, in 6,500 feet water depth, and the activities were suspended June 12, 2010, under the temporary drilling moratorium, issued in the wake of the Deepwater Horizon spill.

BOEMRE has worked diligently to help industry adapt and conform to new and rigorous safety practices. Noble Energy has met new safety regulations and information requirements in Notices to Lessees (NTL) N06 and N10, and the Interim Final Safety Rule. These standards ensure that oil and gas development continues, while meeting unprecedented new safety regulations that are part of the Obama Administration's efforts to ensure that offshore drilling and production in the United States continues as safely as possible.

As part of its approval process, the bureau reviewed Noble Energy's containment capability available for the specific well proposed in the permit application. Noble Energy contracted with the Helix Well Containment Group (Helix) 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.

The approved permit allows the drilling of a bypass well. An operator drills a bypass in order to drill around a mechanical problem in the original hole to the original geologic target from the existing wellbore. In this case, Noble Energy will be drilling around the plugs set in the original well when drilling was suspended in order to complete the project.

Today's permit adds to the increasing number of permits that have been approved since new safety regulations have been put in place, including 37 permits for new shallow water wells. 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.

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