

THE NEWS ROOM

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THE BUREAU OF OCEAN ENERGY
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BOEMRE Approves Additional Deepwater Drilling Permit that Meets New Safety Standards

NEW ORLEANS – The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) today approved a fourth 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 Exxon Mobil Corporation's Well #3 in Keathley Canyon Block 919 in 6,941 ft. water depth, approximately 240 miles off the Louisiana coastline, south of Lafayette, La. Today's is the first permit approved that designates the Marine Well Containment Company (MWCC) containment system as its containment solution.

"Today's permit approval is the fourth to be approved in the month since the industry confirmed its capability to contain a deepwater loss of well control and blowout. We will continue to review and approve applications that demonstrate the ability to operate safely in deep water," said BOEMRE Director Michael R. Bromwich. "As we have seen, the rate of deepwater permit applications is increasing, which reflects growing confidence in the industry that it understands and can comply with the applicable requirements, including the containment requirement. We expect additional permit approvals in the near future."

ExxonMobil's Well #3 is a new well. The operator had a rig on-location 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.

ExxonMobil has contracted with the MWCC to use its capping stack to stop the flow of oil should a well control event occur. As part of its approval process, the bureau reviewed ExxonMobil's containment capability available for the specific well proposed in the permit application and confirmed that the capabilities of the capping stack met the requirements specific to the proposed well's characteristics.

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.

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