

THE NEWS ROOM

FOR RELEASE:
March 30, 2011

THE BUREAU OF OCEAN ENERGY
MANAGEMENT,
REGULATION AND ENFORCEMENT

Office of Public Affairs

BOEMRE Approves Deepwater Drilling Permit for New Well included in First Approved Exploration Plan

NEW ORLEANS - The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) today approved a deepwater drilling permit for a new well that was described in Shell Offshore Inc's recently approved Exploration Plan. The proposed well was also considered in the Site-Specific Environmental Assessment (SEA) completed as part of the plan review. In order to receive the permit approval, Shell complied 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 permit to drill a new well for Shell's Well #DC001 in Garden Banks Block 427 in 2,721 ft. water depth, approximately 137 miles off the Louisiana coastline, south of Lafayette.

"Today's permit approval represents a culmination of a broad and comprehensive review process involving an exploration plan, a site-specific environmental assessment, and the application for the drilling permit - all of which complied with our rigorous safety and environmental standards," said BOEMRE Director Michael R. Bromwich. "The completion of this process further demonstrates that we are proceeding as quickly as our resources allow to properly regulate offshore oil and gas operations in the most safe and environmentally-responsible manner."

All offshore wells are identified in either an exploration or development plan, which require approval prior to drilling permits being issued. Shell's supplemental Exploration Plan, which includes Well #DC001, was approved March 21, 2011, as the first new deepwater exploration plan approved since the Deepwater Horizon explosion and resulting oil spill. As part of the plan's review process, BOEMRE prepared a SEA to examine Shell's proposed exploration activities in accordance with the National Environmental Policy Act and the implementation of departmental and bureau regulations. For more information, go to:

<http://www.doi.gov/news/pressreleases/Interior-Approves-First-Gulf-of-Mexico-Deepwater-Exploration-Plan-with-Post-Deepwater-Horizon-Environmental-Review.cfm> .

As part of the permit approval process, the bureau reviewed Shell's containment capability available for the specific well proposed in the permit application. Shell has contracted with the Marine Well Containment Company 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 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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