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Salazar Conditionally Approves Shell's Exploration Plan For Certain Chukchi Sea Leases

Drilling Contingent on Shell Adherence to Stringent Environmental Requirements

WASHINGTON, DC– Secretary of the Interior Ken Salazar today announced that the Department's Minerals Management Service (MMS) has approved, with conditions, Shell Gulf of Mexico, Inc.'s Exploration Plan to drill three exploratory, information-gathering wells in the Chukchi Sea.

"A key component of reducing our country's dependence on foreign oil is the environmentally-responsible exploration and development of America's renewable and conventional resources," said Salazar. "By approving this Exploration Plan, we are taking a cautious but deliberate step toward developing additional information on the Chukchi Sea."

In 2008, Shell's subsidiary paid \$2.1 billion for leases during Chukchi Sea Oil and Gas Lease Sale 193. The 2008 sale was included in the previous Administration's 2007-2012 Five-Year Oil and Gas Leasing Program to cover leasing for oil and gas in the Outer Continental Shelf for that five-year period. The Exploration Plan now approved allows Shell to drill up to three exploration wells during the July-October open water drilling season.

Shell proposes activities using one drill ship, one ice management vessel, an ice class anchor handling vessel, and oil spill response vessels. The closest proposed drill site is more than 60 miles to shore and approximately 80 miles from Wainwright, Alaska.

"Our approval of Shell's plan is conditioned on close monitoring of Shell's activities to ensure that they are conducted in a safe and environmentally responsible manner," added Salazar. "These wells will allow the Department to develop additional information and to evaluate the feasibility of future development in the Chukchi Sea.

The 2007-2012 OCS plan is currently undergoing review in response to a U.S. Court of Appeals for the D.C. Circuit order which required additional environmental analysis. The Secretary's decision on the remaining plan is forthcoming.

Q&A - Shell's OCS Chukchi Sea Exploration Plan

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MMS: Securing Ocean Energy & Economic Value for America U.S. Department of the Interior