

THE NEWS ROOM

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BOEMRE Issues Conditional Approval for Shell Exploration Plan for Beaufort Sea

*All Proposed Activities Must Meet New Rigorous Safety and Environmental
Standards*

ANCHORAGE, Alaska - The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) today issued conditional approval for a revised Exploration Plan (EP) submitted by Shell Offshore Inc. (Shell). The plan outlines Shell's proposal to drill up to four shallow water exploration wells in Alaska's Beaufort Sea beginning in July 2012. The leases to be explored under the current EP were acquired by Shell as part of Beaufort Sea Planning Area Oil and Natural Gas Lease Sales 195 and 202 held in 2005 and 2007 respectively.

The conditional approval of the EP follows the bureau's completion of a site-specific Environmental Assessment (EA) to examine the potential environmental impacts of the plan. Among the conditions of approval is the requirement that Shell obtain all necessary permits from other agencies, including the Environmental Protection Agency, the U.S. Fish & Wildlife Service, and the National Marine Fisheries Service.

"We base our decisions regarding energy exploration and development in the Arctic on the best scientific information available," said BOEMRE Director Michael R. Bromwich. "We will closely review and monitor Shell's proposed activities to ensure that any activities that take place under this plan will be conducted in a safe and environmentally responsible manner."

An EP describes all exploration activities planned by an operator on a specific lease or leases, including the anticipated timing of these activities, information concerning drilling vessels, the location of each planned well, and other relevant information. In addition to gaining approval of an EP, a company must submit applications for permits to drill (APDs) for every well proposed. Each APD is analyzed based upon the unique characteristics of the proposed well, and must fully comply with rigorous safety and environmental standards. These standards address issues ranging from well design and workplace safety, to requiring that operators demonstrate that they are prepared to deal with the potential for a blowout and worst-case discharge.

The EA considered new scientific information that had not been previously available for consideration or analysis, including the U.S. Geological Survey's June 2011 report, "An Evaluation of the Science Needs to Inform Decisions on Outer Continental Shelf Energy Development in the Chukchi and Beaufort Seas, Alaska."

Based on its review of the plan, new information that included extensive input from stakeholders, and previous *National Environmental Policy Act* analyses, BOEMRE found no evidence that the proposed action would significantly affect the quality of the human environment. Therefore, BOEMRE determined that an Environmental Impact Statement (EIS) was not required, and issued a Finding of No Significant Impact (FONSI), a key step in the approval of the EP.

BOEMRE received Shell's proposed exploration plan on May 4, 2011, and deemed it submitted on July 5, 2011. Consistent with federal regulations, an EP is deemed "submitted" once all supporting

materials and documentation have been provided, and have met regulatory requirements. Once a plan is deemed submitted, BOEMRE has 30 calendar days to analyze and evaluate it.

For more information, go to:

<http://www.boem.gov/About-BOEM/BOEM-Regions/Alaska-Region/Leasing-and-Plans/Plans/2012-Shell-Beaufort-EP/Index.aspx>

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