



## **BSEE AUTHORIZES SHELL PREPARATORY ACTIVITIES IN BEAUFORT SEA** **Limited Activities to be Conducted in Non-Oil-Bearing Zones**

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**WASHINGTON** — As part of the Obama Administration’s all-of-the-above energy strategy to expand safe and responsible domestic energy production, Bureau of Safety and Environmental Enforcement (BSEE) Director James A. Watson today announced that Shell will be allowed to move forward with certain limited preparatory activities in the Beaufort Sea offshore Alaska. Today’s action builds upon BSEE’s authorization on August 30 for Shell to conduct similar preparatory activities in the Chukchi Sea, in preparation for potential development activities in the future.

“BSEE has set the bar high for exploration activities in the Arctic, and any approved operations must meet those standards,” said BSEE Director Jim Watson. “BSEE continues to closely monitor Shell’s ongoing approved preparatory drilling activities in the Chukchi Sea, and today’s approval of limited work in the Beaufort Sea must also meet the same rigorous safety, environmental protection and emergency response standards.”

Under the permit approved today, Shell will be allowed to begin certain preparatory activities in the Beaufort Sea that will increase the overall safety of any future exploratory drilling. These activities include the creation of a mudline cellar, a safety feature that ensures that the blowout preventer is adequately protected below the level of the seafloor. Shell is also authorized to drill and set the first two strings of casing into shallow non-oil-bearing zones. These operations would support, but are not the same as, oil production activities, and no operations may begin in the Beaufort Sea until the subsistence whaling season has ended and Shell has received approval from the Bureau of Ocean Energy Management (BOEM).

Shell recently notified BSEE that the company does not plan to drill into potentially oil-bearing zones in either the Beaufort or Chukchi Seas this year. Under conditions and requirements set forth in Shell’s Chukchi and Beaufort Sea Exploration Plans and Oil Spill Response Plans, which were approved by BOEM and BSEE respectively, Shell is required to have its containment system - designed to capture flowing liquid hydrocarbons in the unlikely event of a loss of well control - fully tested by BSEE, certified by the U.S. Coast Guard, and in the Arctic before any drilling into oil-bearing zones can occur.

BSEE inspectors are maintaining their full-time presence on the *Noble Discoverer* drill ship in the Chukchi, and will also be onboard the *Kulluk* drilling vessel full-time during its operations in the Beaufort Sea, to provide continuous oversight and monitoring of all approved activities.

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