Shell Exploration and Production  
AK Venture Support Integrator  
Attn: Susan Childs, Manager  
3601 C Street, Suite 1000  
Anchorage, Alaska 99503  

Dear Ms. Childs:

The Bureau of Ocean Energy Management has no objection to Shell Exploration and Production (Shell) moving the Kulluk drill rig onto the drill site location at Sivuliq and mooring up. Shell, however, is not allowed to commence exploratory drilling operations without receiving the specific approval from BOEM following the completion of bowhead whaling subsistence hunting activities for the year at Kaktovik. BOEM will consult with the National Marine Fisheries Service (NMFS) to confirm that subsistence hunting activities have been completed at Kaktovik. Also, no exploratory drilling may commence without Bureau of Safety and Environmental Enforcement (BSEE) authorization; the final approval to commence drilling will rest with BSEE.

BOEM appreciates the effort between Shell and the Alaska Eskimo Whaling Commission (AEWC) to reach an acceptable arrangement allowing the Kulluk to move onto the drilling location pending completion of whaling activities at Kaktovik. BOEM encourages similar cooperation for resolving other issues affecting both parties in the future.

If you have any questions concerning this letter, please call me at (907) 334-5273 or by email at david.johnston@boem.gov.

Sincerely,

David W. Johnston, Regional Supervisor  
Office of Leasing and Plans

cc- Johnny Aiken, Alaska Eskimo Whaling Commission  
Jessica LeFevre, Alaska Eskimo Whaling Commission  
Tommy Beaudreau, Bureau Ocean Energy Management  
Mark Fesmire, Bureau of Safety Environmental Enforcement  
Jeffrey Missal, Bureau of Safety and Environmental Enforcement  
David Moore, Bureau of Safety and Environmental Enforcement  
Geoff Haskett, U.S. Fish and Wildlife Service  
Craig Perham, U.S. Fish & Wildlife Service  
James Balsiger, Region National Marine Fisheries Service  
Brad Smith, National Marine Fisheries Service