



# United States Department of the Interior

## BUREAU OF OCEAN ENERGY MANAGEMENT

Alaska Outer Continental Shelf Region  
3801 Centerpoint Drive, Suite 500  
Anchorage, Alaska 99503-5823

**AUG 12 2015**

Shell Gulf of Mexico Inc.  
Attn: Susan Childs – Alaska Venture Support Integrator, Manager  
3601 C Street, Suite 1000  
Anchorage, Alaska 99503

Dear Ms. Childs:

On May 11, 2015, the Bureau of Ocean Energy Management, Alaska Region (BOEM) conditionally approved the Shell Gulf of Mexico Inc. (Shell) Revised Outer Continental Shelf Lease Exploration Plan; Chukchi Sea, Alaska; Burger Prospect: Posey Area Blocks 6714, 6762, 6764, 6812, 6912, 6915; Chukchi Sea Lease Sale 193 Revision 2 (March 2015), herein referred to as the EP. Condition #2 of BOEM's approval does not allow Shell to conduct exploratory drilling operations below the last casing point set prior to penetrating a zone capable of flowing liquid hydrocarbons in measurable quantities within 34 days of a "trigger date" established each year by BOEM if both drill rigs are in close proximity to each (i.e., both positioned on the Burger Prospect) or 38 days if one drill rig is in Dutch Harbor.

On August 6, 2015, Shell requested a deviation from condition #2. Shell requests that condition #2 be adjusted because only one drilling unit will be actively drilling at a time in 2015, with the other rig standing by and able to commence relief well drilling operations more quickly if needed. Shell's request is based on the assertion that, given operational realities during the 2015 season, it can place a backup relief well drilling unit on standby in order to drill a relief well within a shorter timeframe (30 days) than is considered within its EP (34 or 38 days, depending on the location of the backup relief well drilling unit).

BOEM continues to believe that the timeframes specified in condition #2 are appropriate to address risks associated with late season drilling and to ensure a greater opportunity for spill response and cleanup. Condition #2 is predicated on concerns that reach beyond the timely drilling of a relief well. BOEM's imposition of condition #2 considers the distance of drilling operations to shore, the limited support infrastructure in the Chukchi Sea, worst case discharge estimates, the capacity and location of oil spill response equipment, and the importance of mounting substantial cleanup operations in favorable conditions. These additional concerns are not fully addressed by the ability to drill a relief well more quickly. Accordingly, BOEM will not approve Shell's request for a deviation to condition #2. All provisions of condition #2 remain unchanged.

If you have any questions, please contact Bill Ingersoll, Chief of Plans Section at 907-334-5224 or by email at [william.ingersoll@boem.gov](mailto:william.ingersoll@boem.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "David W. Johnston", with a large, stylized flourish extending to the right.

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

cc: Brian Salerno, Bureau of Safety and Environmental Enforcement  
Mark Fesmire, Bureau of Safety and Environmental Enforcement  
Kevin Pendergast, Bureau of Safety and Environmental Enforcement  
Abigail Hopper, Bureau of Ocean Energy Management  
Walter Cruickshank, Bureau of Ocean Energy Management