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POLITICS

U.S. Will Allow Drilling for Oil in Arctic Ocean

By CORAL DAVENPORT MAY 11, 2015

WASHINGTON — The Obama administration on Monday gave conditional approval to allow Shell to start drilling for oil off the Alaskan coast this summer, a major victory for the petroleum industry and a devastating blow to environmentalists.

The decision adds a complex new chapter to the legacy of President Obama, who has pursued the most ambitious environmental agenda of any president but has sought to balance those moves by opening up untouched federal waters to new oil and gas drilling.

Shell has sought for years to drill in the icy waters of the Chukchi Sea. Federal scientists believe the region could hold up to 15 billion barrels of oil.

The Interior Department decision angered environmentalists who for years have demanded that the administration reject offshore Arctic drilling proposals. They fear that a drilling accident in the treacherous Arctic Ocean waters could have far more devastating consequences than the deadly Gulf of Mexico spill of 2010, when the Deepwater Horizon rig explosion killed 11 men and sent millions of barrels of oil spewing into the water.

Both industry and environmental groups say that the Chukchi Sea is one

of the most dangerous places in the world to drill. The area is extremely remote, with no roads connecting to major cities or deepwater ports within hundreds of miles, making it difficult for cleanup and rescue workers to reach in case of an accident.

The closest Coast Guard station with equipment for responding to a spill is over 1,000 miles away. The weather is extreme, with major storms, icy waters and waves up to 50 feet high. The sea is also a major migration route and feeding area for marine mammals, including bowhead whales and walruses.

The move came just four months after the Obama administration opened up a portion of the Atlantic Coast to new offshore drilling.

Administration officials said they had taken measures to ensure that the new drilling in the Arctic would be carefully regulated.

“We have taken a thoughtful approach to carefully considering potential exploration in the Chukchi Sea,” Abigail Ross Hopper, director of the Interior Department’s Bureau of Ocean Energy Management, said in a statement. She said that the administration recognized the need to establish high standards for the protection of the Arctic ecosystem as well as the cultural traditions of Alaska Natives and that the offshore exploration “will continue to be subject to rigorous safety standards.”

The Interior Department’s approval of the drilling was conditional on Shell’s receiving approval of remaining state and federal drilling permits for the project, including permits from the Bureau of Safety and Environmental Enforcement and authorizations under the Marine Mammal Protection Act.

Curtis Smith, a spokesman for Shell, called the approval “an important milestone” for Shell and said it showed the administration’s confidence in Shell’s commitment to safety.

But environmental groups denounced the move and said Shell had not demonstrated that it could drill safely in the Arctic Ocean.

“Once again, our government has rushed to approve risky and ill-conceived exploration in one of the most remote and important places on Earth,” said Susan Murray, a vice president of Oceana, an environmental group. “Shell has not shown that it is prepared to operate responsibly in the Arctic Ocean, and neither the company nor our government has been willing to fully and fairly evaluate the risks of Shell’s proposal.”

The Obama administration had initially granted Shell a permit to begin offshore Arctic drilling in the summer of 2012. However, the company’s first forays into exploring the new waters were plagued with numerous safety and operational problems. One of its oil rigs, the Kulluk, ran aground and had to be towed to safety. In 2013, the Interior Department said the company could not resume drilling until all safety issues were addressed.

In a review of the company’s performance in the Arctic, the department concluded that Shell had failed in a wide range of basic operational tasks, like supervision of contractors that performed critical work.

The report was harshly critical of Shell management, which acknowledged that it was unprepared for the problems it encountered operating in the unforgiving Arctic environment.

But the administration said that since then, the Interior Department has significantly strengthened and updated drilling regulations. And outside experts said that while the challenges of Arctic drilling were steep, the new plan surmounted them to some extent by allowing drilling only in the summer months and in shallow waters.

“It recognizes both the economic and energy potential of the Arctic seas, but also the environmental sensitivity of the area and the challenges of responding to spills and other incidents in such a harsh climate,” said

Thomas Lorenzen, who recently left the Justice Department after more than a decade as assistant chief in the environment and natural resources division, and is now a partner at the law firm of Dorsey & Whitney.

“Notably, the proposed exploration is in very shallow waters — only 140 feet deep — and thus it will not present the kinds of challenges that the Deepwater Horizon spill posed,” Mr. Lorenzen said. “That well was in water about 5,000 feet deep.”

The Obama administration has also issued new drilling safety regulations intended to prevent future accidents like the Deepwater Horizon explosion. Last month, the Interior Department proposed new rules to tighten safety requirements on blowout preventers, the industry-standard devices that are the last line of protection against explosions in undersea oil and gas wells.

The 2010 explosion was caused in part when a section of drill pipe buckled, which led to the malfunction of a supposedly fail-safe blowout preventer on a BP well.

Correction: May 11, 2015

An earlier version of this article misstated the waters in which Shell Gulf of Mexico, Inc. is conditionally approved to start drilling. It is only in the Chukchi Sea, not also in the Beaufort Sea.

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