

U.S. eases up on deepwater drillers in Gulf

Directive helps companies that were already drilling when ban was slapped on

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WASHINGTON — Thirteen companies whose deepwater drilling activities were suspended last year may be able to resume drilling without detailed environmental reviews, the Obama administration said Monday.

The decision comes as Noble Corp. announced that Marathon Oil canceled a \$752 million contract for a deepwater rig in the Gulf due to a lack of drilling permits.

The companies — they include Marathon, Chevron USA and Shell Offshore — will be allowed to resume work at previously drilled wells, as long as they meet new policies and regulations, officials said.

"For those companies that were in the midst of operations at the time of the deepwater suspensions (last spring), today's notification is a significant step toward resuming their permitted activity," said Michael Bromwich, director of the Bureau of Ocean Energy Management, Regulation and Enforcement.

The decision is a victory for the drilling companies, which in the past had routinely won broad waivers from rules requiring detailed environmental studies. After the disastrous BP spill in April, the Obama administration pledged it would require companies to complete environmental reviews before being allowed to drill for oil.

The National Ocean Industries Association applauded the department's decision, but said companies still need clarity on certain new drilling regulations.

"This is a positive development for an industry that has been anxiously waiting to get back to work," NOIA President Randall Luthi said in a statement.

The administration has been under heavy pressure from the oil industry, Gulf state leaders and congressional Republicans to speed up drilling in the Gulf of Mexico, which has come to a near halt since a moratorium on deepwater drilling was imposed in the wake of the BP spill. The ban was lifted in October, but drilling has not yet resumed in waters deeper than 500 feet.

The delay is hurting big oil companies that have billions of dollars in investments tied up in Gulf projects that are on hold. Smaller operators such as ATP Oil & Gas Corp., Murphy Exploration & Production Co.-USA, and Noble Energy Inc., also have been affected.

A federal report said the moratorium probably caused a temporary loss of 8,000 to 12,000 jobs in the Gulf region.

Bromwich and other officials stressed that the policy announced Monday was not a reversal of its previous plans not to waive detailed environmental reviews. It said that new rules have strengthened safety and reduced the risk of another catastrophic blowout such as the April 20 explosion of the Deepwater Horizon drilling rig, which killed 11 workers and set off the worst offshore oil spill in U.S. history.

"This decision was based on our ongoing review of environmental analyses in the Gulf and was in no way impacted by a singular company," said Melissa Schwartz, a spokeswoman for Bromwich.

Bromwich said in a statement that the new policy will accommodate companies whose operations were interrupted by the five-month moratorium on deepwater drilling, while ensuring that the companies can resume previously approved activities.

The firms will not be required to complete a detailed review under the National Environmental Policy Act, but they must comply with new policies and regulations set up in the wake of the BP spill, Bromwich said.

The 13 companies won't be required to revise their exploration plans if an updated estimate of the most oil that would be released in an uncontrolled spill is less than the amount included in spill-response plans on file with the bureau.

If the worst-case discharge estimate is higher, "further reviews will be conducted," according to the statement.