

# Interior issues 4th deepwater permit

**Phil Taylor, Environment & Energy Publishing, 3-22-11**

The Interior Department issued its fourth permit today for an offshore oil and gas well that was previously banned under a federal moratorium.

The permit allows Exxon Mobil Corp. to begin drilling a previously permitted well about 240 miles off the coast of Louisiana in nearly 7,000 feet of water.

Exxon will be the first to use the Marine Well Containment Co., an industry consortium, to cap and contain an oil spill in the case of a runaway well.

The permit is the fourth issued in the past month for activities included in the deepwater moratorium, which halted operations involving subsea blowout preventers and floating drill rigs following BP PLC's massive oil spill last April in the Gulf of Mexico.

Interior's Bureau of Ocean Energy Management, Regulation and Enforcement yesterday also approved the first deepwater exploration plan since the BP spill.

"Today's permit approval is the fourth to be approved in the month since the industry confirmed its capability to contain a deepwater loss of well control and blowout," BOEMRE Director Michael Bromwich said in a statement. "We will continue to review and approve applications that demonstrate the ability to operate safely in deep water."

Bromwich noted that the rate of deepwater permit applications has increased recently as companies gain familiarity with new regulatory requirements established in the wake of the BP spill, which include containment plans, new well integrity standards, worst-case discharge scenarios and worker safety protocols.

"We expect additional permit approvals in the near future," Bromwich said.

The American Petroleum Institute, responding to yesterday's approval of the first deepwater exploration plan, said each new permit issued by the agency helps put oil and gas industry employees back to work.

"We look forward to the day when a single permit on plan doesn't merit a press conference by the secretary of the Interior," said Erik Milito, API's upstream director. "With the existing backlog of plans, we would like to hear how the administration plans to proceed towards more robust energy production."

As of yesterday, Interior said it had permitted 26 additional deepwater permits for activities including water injection wells to boost existing production and for other drilling activities that involve fixed rigs or surface blowout preventers.

BOEMRE has received 43 deepwater drilling proposals that are subject to the new safety and environmental requirements. More than half of the permits have been returned to applicants in need of additional information, which has often involved subsea containment.

A total of 16 applications are pending, nine of which have been submitted in the past few weeks, the agency said.