



New Areas Open for Drilling in Gulf

The Raw Story, an online news source, reported on June 20 that the U.S. has opened new areas in the central Gulf of Mexico for drilling. However, amid controversy that the move will further damage a fragile ecosystem, environmental groups filed a lawsuit hoping to prevent more drilling. The lawsuit was filed Tuesday, one day before officials announced \$1.7 billion on winning bids.



For the first time since the April 20, 2010 explosion of the Deepwater Horizon (leased by BP), the Interior Department had offered, according to Raw Story, "more than 39 million acres of new tracts ranging from three to more than 230 miles (... 370 kilometers off the coasts of Louisiana, Alabama and Mississippi in depths ranging from 10 to more than 11,200 feet (3 to 3,400 meters). It received winning bids on 2.4 million acres."

The sale followed an analysis of the BP spill conducted by the Obama administration to increase drilling that is "safe and responsible."

But, Jacqueline Savitz, vice president for North America at Oceana, one of the groups filing suit, said, "The government is gambling with the Gulf by encouraging even more offshore drilling in the same exceedingly deep waters that have already proven to be treacherous, rather than investing in safer clean energy that creates jobs without risking lives and livelihoods."

According to the <u>Natural Resources Defense Council</u> (NRDC), the Southern Environmental Law Center filed the suit on behalf of Oceana, Defenders of Wildlife, NRDC, and the Center for Biological Diversity. The groups are claiming that the Bureau of Ocean Energy Management (BOEM) dismissed the lessons learned during the Deepwater Horizon disaster and "failed to obtain essential information about the status of species and resources still suffering from the 2010 oil spill" and "ignored critical information about the spill's impacts that may've changed how it proceeded and better protected life." Savitz added, "This move sets us up for another disastrous oil spill, threatening more human lives, livelihoods, industries and marine life, including endangered species, in the greedy rush to expand offshore drilling."

However, in a sputtering economy with a desperate need for jobs, the move promises to boost the nation's economy. Secretary of the Interior Ken Salazar stated, "This sale, part of the president's all-of-the-above energy strategy, is good news for American jobs, good news for the Gulf economy, and will bring additional domestic resources to market."

Energy companies lined up to bid on the newly available leases, and an estimated recovery between 800 million and 1.6 billion barrels of oil is expected, along with 3.3 to 6.6 trillion cubic feet of natural gas — if full development of the tract occurs.

Six months earlier, the government opened an additional 21 million acres in the western Gulf of Mexico, bagging \$337 million in bids for an area off the Texas coast.

<u>FuelFix</u>, an online news and analysis source for the energy industry (anchored by the *Houston*



Written by Kelly Holt on June 23, 2012



Chronicle), noted that this auction was, according to Tommy Beaudreau, director of BOEM, a "record-setting day in terms of investment in offshore oil and gas."

The analysis also included comments from Salazar, that the auction results are "proof positive that the oil and gas industry is confident they can meet the heightened requirements."

But FuelFix also noted that "Some congressional Republicans said the Obama administration was unfairly taking credit for Wednesday's successful sale, which combined a planned 2012 auction with one originally scheduled for 2011. The Interior Department postponed the 2011 central Gulf sale to allow time to update required environmental reviews of the region that took the Deepwater Horizon disaster into account."

"While the Obama administration has now canceled and delayed more offshore lease sales than they have held, that is not stopping them from patting themselves on the back for holding a lease sale that was originally scheduled by the previous administration," said Rep. Doc Hastings, (R-Wash.) Critics note that Obama is poised to take election-year advantage of opportunities to shore up the economy, and that Wednesday's sale is one of those opportunities.

Photo: Two Offshore Production Platforms For Oil and Gas Development via Shutterstock





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