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Salazar: Deepwater Drilling May Resume for Operators Who Clear

Higher Bar for Safety, Environmental Protection

WASHINGTON, DC —Secretary of the Interior Ken Salazar has determined it is appropriate that deepwater oil and gas drilling resume, provided that operators certify compliance with all existing rules and requirements, including those that recently went into effect, and demonstrate the availability of adequate blowout containment resources.

Secretary Salazar reached his <u>decision</u> after reviewing a report from Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEM) Director Michael R. Bromwich and considering other information on the progress of offshore oil and gas safety reforms, the availability of spill response resources, and improved blowout containment capabilities.

"In light of the Deepwater Horizon oil spill, we must continue to take a cautious approach when it comes to deepwater drilling and remain aggressive in raising the bar for the oil and gas industry's safety and environmental practices," said Salazar. "We have more work to do in our reform agenda, but at this point we believe the strengthened safety measures we have implemented, along with improved spill response and blowout containment capabilities, have reduced risks to a point where operators who play by the rules and clear the higher bar can be allowed to resume. The oil and gas industry will be operating under tighter rules, stronger oversight, and in a regulatory environment that will remain dynamic as we continue to build on the reforms we have already implemented."

"There has been significant progress over the last few months in enhancing the safety of future drilling operations, and in addressing some of the weaknesses in spill containment and oil spill response," said Director Bromwich. "More needs to be done – and more will be done to continuously improve the safety of deepwater drilling and to bolster the ability of the government and industry to respond in the case of a major blowout. But we believe the risks of deepwater drilling have been reduced sufficiently to allow drilling under existing and new regulations."

Secretary Salazar based his decision to lift the deepwater drilling suspensions on information gathered in recent months, including a report from Director Bromwich on October 1, that shows significant progress in reforms to drilling and workplace safety regulations and standards, increased availability of oil spill response resources since the Macondo well was contained on July 15 and killed on September 19, and improved blowout containment capabilities. Director Bromwich prepared his October 1 report and recommendations based on extensive public outreach and information gathering, including the eight public forums he held around the country to assess safety, spill response, and blowout containment issues

In his decision today, Secretary Salazar directs BOEM to require the following before approving drilling in deepwater that would have been subject to suspension under his July 12 Decision Memorandum:

Pursuant to applicable regulations, each operator must demonstrate that it has enforceable obligations that ensure that containment resources are available promptly in the event of a deepwater blowout, regardless of the company or operator involved. The Department of the Interior has a process underway regarding the establishment of a mechanism relating to the availability of blowout containment resources, and Secretary Salazar said he expects that this mechanism will be implemented in the near future.

That the CEO of each operator seeking to perform deepwater drilling certify to BOEM that the operator has complied with all regulations, including the new drilling safety rules.

Director Bromwich said that before deepwater drilling will resume, BOEM intends to conduct inspections of each deepwater drilling operation for compliance with regulations, including but not limited to the testing of BOPs.

In addition to the recently issued Drilling Safety Rule, Secretary Salazar said he anticipates the Department and BOEM will undertake further rulemaking that considers additional safety measures – such as redundant blind shear rams, remote activation systems for BOPs, and enhanced instrumentation and sensors on BOPs – to further enhance recent safety improvements. Future rulemakings may take into consideration information developed by ongoing investigations into the Deepwater Horizon oil spill, or as a result of public comments on the recently issued Drilling Safety Rule.

On July 12, Secretary Salazar <u>suspended certain deepwater drilling</u> activities based on his authorities and responsibilities under the Outer Continental Shelf Lands Act (OCSLA) to ensure safe operations on the OCS. The decision was supported by an extensive record of information supporting his determination that certain deepwater drilling posed a threat of serious, irreparable, or immediate harm or damage to the marine, coastal, and human environment.

For a fact sheet on recent offshore oil and gas drilling reforms, click here.

For a fact sheet on the requirements operators must fulfill before resuming deepwater drilling operations, <u>click here.</u>

For Secretary Salazar's decision memorandum, lifting the deepwater suspensions, click <u>here</u>.

For Director Bromwich's report on safety practices, spill response resources, and blowout containment capabilities, click here.