



Minerals Management Service Office of Public Affairs

Questions and Answers on Shell's OCS Chukchi Sea Exploration Plan

1. When did Shell submit the Exploration Plan (EP)?

Shell's plan was deemed submitted on October 20, 2009.

2. What environmental information did MMS use to evaluate the EP?

MMS has a robust Environmental Studies Program, has collected data in the Chukchi Sea, and has gathered information from other Chukchi research, which was used for the environmental analysis on the EP. MMS has developed a new suite of studies in the Chukchi Sea to key in on possible future development sites. Many of these have already been started, and the others are slated to begin in the near future.

3. What did Shell do to provide information for the EP?

Shell has collected site-specific data for each of the proposed well sites for its 2010 program that enables the MMS to make a site-specific determination regarding archaeological resources, biological resources or habitat that could support biological resources at each site. Shell and ConocoPhillips have continued research programs and collected local and regional environmental data (acoustical monitoring, physical oceanography, plankton ecology, benthic ecology, fisheries ecology) for the last three years to support environmental assessment for exploration activities.

4. What areas are covered by the EP?

Shell's plan includes seven of the 275 leases awarded to Shell in Lease Sale 193 (2008). Shell has identified five potential drill sites, but will drill only three maximum, with locations dependent on ice conditions. The closest drilling site is Burger, which is more than 60 miles from shore, and is about 80 miles from Wainwright, 90 miles from Point Lay, 140 miles from Barrow, and 190 miles from Point Hope. Shoebill and Crackerjack are further offshore; however Shoebill is about 180 miles from Point Hope.

5. What activities has Shell requested under the EP?

Shell proposes to drill up to three wells using one drill ship, one ice management vessel, an ice class anchor handling vessel, one offshore supply vessel, one lightering vessel to transfer supplies for shore work and four spill response vessels including one barge.

6. What is under litigation?

Currently, the leases considered for exploration in the EP are involved in two lawsuits. The first case resulted in a remand of the 2007-2012 OCS Leasing Program under which the leases were issued, *Center for Biological Diversity v. DOI*, [Nos. 07-1247, 07-1433 (D.C. Cir.)]. The MMS review and decision on the EP is consistent with the MMS declaration filed with the Court prior to the Court's July 28, 2009 Order. In that declaration MMS said that it would "review and act upon exploration plans for Chukchi Sea leases but will suspend activities under any approved plan pending the Secretary's reconsideration decision on the remanded program." The second case

concerns Sale 193 (the sale at which the leases were issued), *Native Village of Point Hope v. Salazar* [No. 1:08-cv-00004-RRB (D. Alaska)] in the United States District Court for the District of Alaska. Both lawsuits have been stayed pending the Secretary of the Interior completing the environmental sensitivity analysis and the Secretary's balancing decision pursuant to Section 18 of the OCS Land Act.

7. How much did Shell Pay for these leases?

Shell paid over \$400 million to acquire these seven leases.