

Federal Court Approves Plan to Drill Off Alaska's North Shore

Article By:

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On May 25, the **Ninth Circuit Court of Appeals** issued a [decision](#) upholding the **Bureau of Ocean Energy Management's (BOEM)** approval of Shell Oil Company's plan for exploratory drilling in Alaska's Chukchi Sea. Two Alaskan Inupiat groups and ten environmental groups, including [Greenpeace](#) and [the Sierra Club](#), brought the appeal challenging BOEM's August 2011 approval of the drilling plans. The environmental groups claimed that BOEM erred in approving the plan because (1) the plan did not adequately inform BOEM about its oil spill response plan, and (2) the seven-paragraph description of the well-capping stack and the containment systems was incomplete. However, the court deferred to BOEM's technical expertise in evaluating the adequacy of the oil spill response plan and found that BOEM had complied with applicable statutes and regulations in approving the plan.

The court's deference to BOEM's approval of well-capping technology is significant because it opens a gateway through which other drilling efforts in the Arctic can get approval. Well-capping, the same technology that BP used in containing the Deepwater Horizon spill, had never before been approved for use in Alaska or in Arctic drilling conditions. The opinion also marks a victory for Shell, which has been trying to get approval for the exploratory drilling project since 2005, when Shell purchased a lease portion in Alaska's continental shelf from the Minerals Management Service.

Other appeals are still pending in the Ninth Circuit, including one challenging the approval of federal air quality permits for the project. Unless that litigation disrupts the project, the Chukchi Sea drilling operations will commence early next month.

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