

## **Background on Shell's Exploration Plan for the Beaufort Sea**

### **I. PURPOSE**

The purpose of this brief is to provide background information on the process of evaluating and approving exploration plans.

### **II. BACKGROUND**

An Exploration Plan (EP) and its supporting information must be submitted for approval to the MMS before an operator may begin exploratory drilling on a lease. The EP describes all exploration activities planned by the operator for a specific lease(s), the timing of these activities, information concerning drilling vessels, the location of each well, and other relevant information. An approved plan must be revised to approve any operator-requested changes such as surface location, type of drilling unit, or location of the onshore support base.

**MMS will find that an EP is “deemed submitted” only after the industry applicant has provided:**

1. All information required by MMS regulations.
2. A sufficient number of copies of the EP necessary for distribution.
3. Payment of fees as required.

MMS has a 15-working day timeframe to analyze and evaluate an operator's plan. If the plan is complete and meets MMS's operational and environmental standards, absent any problem, it will be deemed “submitted.”

**After MMS deems the EP “submitted”, the agency distributes the documents as follows:**

- Governor of Alaska
- Federal and State agencies
- Boroughs and other local governments
- Federally recognized American Indian tribes
- Various commissions (e.g., Alaska Eskimo Whaling Commission), and notifies other interested parties.

Note: MMS regulations only require copies go to the Governor and the State Coastal Zone Management agency. Alaska Region distributes to others beyond the requirements. Additionally, the MMS posts the EP on the MMS web site for public view.

In accordance with MMS regulations, parties have 21 days to submit comments on the proposed EP to MMS.

Pursuant to the OCS Lands Act, the MMS must take action on the EP within 30 calendar days of its submission to approve or disapprove the EP, or require modifications.

No activity described in an EP may occur until the MMS has approved the EP and the EP has been found consistent with the State of Alaska Coastal Management Plan.

Industry is required to document via the EP how it will comply with other applicable laws and regulations (e.g., Environmental Protection Agency (EPA) discharges, EPA air emissions, and FWS and NMFS MMPA authorizations).

MMS will not allow exploration activities to proceed unless and until industry has obtained these permits and authorizations.

### **MMS National Environmental Policy Act (NEPA) Compliance**

MMS conducts an environmental analysis on each proposed EP in accordance with NEPA Regulations, Department of the Interior (DOI) NEPA implementation procedures, and MMS Manual Chapters.

The EP that has been “deemed submitted” constitutes the proposed action and any subsequent approval is the “Major Federal Action” as described in NEPA provisions.

In determining whether to prepare an Environmental Impact Statement (EIS), the Federal agency shall determine under its procedures supplementing these regulations whether the proposal is one that normally requires an EIS; or normally does not require either an EIS or an environmental assessment (EA). If the proposed action is not covered by the above mentioned guidance then the agency shall prepare an EA.

If the EA indicates that approval of the plan would constitute a major Federal action significantly affecting the human environment, and an existing EIS is not current, an EIS must be prepared.

### **III. SEQUENCE OF EVENTS**

- Shell submitted EP: May 7, 2009
- MMS provided Shell completeness comments: May 29, 2009
- Shell re-submitted revised EP: June 25, 2009
- MMS requested additional clarification: July 15, 2009

- Shell re-submitted final EP July 22, 2009. This EP contains all information requested by MMS.
- MMS decision as to whether “deemed submitted” is due: August 12, 2009 (15 working days)

#### **IV. ADDITIONAL BACKGROUND**

The Shell Camden Bay EP includes two well sites:

Sivulliq: Lease OCS Y-1805, acquired in Sale 195 in 2005. Well site is located about 16 miles offshore north of Point Thomson in 107 feet of water, 60 miles from Kaktovik and about 45 miles from Cross Island (Nuiqsut staging point for Bowhead whale hunt),

Torpedo: Lease OCS Y-1941, acquired in Sale 202 in 2007. Well site is located about 23 miles offshore north of Point Thomson in 120 feet of water, 55 miles from Kaktovik and about 50 miles from Cross Island.

#### **Attachments:**

Assessment of Undiscovered Technically Recoverable Oil and Gas Resources (Map)