

**May 17, 2010**

**FACT SHEET REGARDING HALT ON PERMITS TO DRILL NEW WELLS**

In response to the BP oil spill, Secretary Salazar has directed MMS to stop issuing permits to drill new offshore oil and gas wells, pending a 30-day safety review requested by President Obama that will be completed by May 28, 2010. Secretary Salazar has also directed MMS to increase inspections and oversight of existing exploration and production activities to ensure that they are able to safely supply energy to the nation's economy. The Administration's approach recognizes that the Gulf of Mexico supplies approximately one-third of the nation's domestically produced oil and remains vital to the nation's economic security and energy security. Secretary Salazar will make decisions about potential changes to requirements for existing exploration and production operations based on the facts and recommendations of reviews and investigations that are underway.

**Operations on Existing Production Wells, Exploration Wells, and Permits**

On Monday, April 26, Secretary Salazar ordered immediate inspections of all deepwater drilling rigs in the Gulf of Mexico. Those inspections have been completed and MMS inspectors are now examining all deepwater production platforms. Operations that are in compliance with existing laws and regulations may continue for the present time but may be subject to additional safety requirements once the 30-day safety review has been completed on May 28.

Secretary Salazar has also directed MMS to carefully monitor operators' work on existing permits and wells. Pending the recommendations of the 30-day safety review, drilling under APDs approved prior to April 20 may go forward, along with applications to modify existing wells and permits, if those actions are determined to be appropriate. These permits include applications to sidetrack, applications to bypass, and applications to revise a permit, some of which may be necessary for the safety of the existing wellbore.

- A bypass is when an operator drills around a mechanical problem in the original hole to the original target from the existing wellbore.
- A sidetrack is when an operator drills to a new geologic target or a new location within the original target from the existing wellbore.
- A revision to a permit may be required for safety purposes, such as if an operator determines it necessary to set a liner deeper in the wellbore due to results from a formation integrity test.

**Temporary Halt on Permits to Drill New Wells**

On May 6, Secretary Salazar directed MMS to stop issuing permits to drill new wells (APDs) pending the completion of the 30-day safety review of safety issues on the OCS that President Obama ordered. MMS has also suspended permits to drill new wells that were approved after April 20, and on which operators had not begun drilling by May 6.

The safety review, which is scheduled for completion on May 28, will also help guide the Department's decisions on whether to approve Shell's applications for permits to drill (APDs) for the 5 exploration wells they are proposing in the Chukchi and Beaufort Seas.

The two relief wells that are part of the BP Oil Spill emergency response action have been exempted from the Department's hold on APDs for new wells that were received after April 20. The relief well APDs are going forward, subject to additional drilling protections.