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December 22, 2010

Mr. John Goll, Regional Supervisor
Bureau of Ocean Energy Management, Regulation and Enforcement
3801 Centerpoint Drive, Suite 500
Anchorage, AK 99503-5820

Re: Camden Bay Oil Discharge Prevention and Contingency Plan

Dear Mr. Goll:

The Bureau of Ocean Energy Management is encouraged to approve Shell Oil's Camden Bay Oil Discharge Prevention and Contingency Plan.

Following the BP Deepwater Horizon/Macondo incident, all offshore exploration and production activities received increased scrutiny, resulting in delays to lease, permitting, exploration and production activities. Shell Oil and other industry leaders have responded by increasing their internal scrutiny and by making major concessions to appease the public. These efforts come at no small cost and demonstrate commitment to safe and efficient operation in the OCS.

Past and present activities in the OCS, including the Deepwater Horizon/Macondo incident and Shell's proposed activities in the Beaufort Sea should be viewed in objective context. Prior to the tragic accident in the Gulf of Mexico, more than 30,000 wells had been drilled in the OCS and billions of barrels of oil produced without significant spills.

OCS exploration and production has generated tremendous economic and social benefit to the nation and local regions. Steady supply of petroleum products are essential to our society and will remain so for the foreseeable future, even as we endeavor to develop renewable forms of energy. Domestic energy production is less than it could and should be and increasing it should be a national priority.

Shallow water drilling in the Beaufort Sea is not faced with the same risks as drilling in the deep Gulf of Mexico. The Macondo well was drilled in depths exceeding 5,000 feet of water, whereas Shell plans to drill in about 150 water depths. Expected down-hole well pressures in the Beaufort will be on the order of one quarter of those encountered in the Macondo well. Shell has committed to well control as the primary focus of its drilling plans and has agreed to use the best available technologies which have been proven reliable in the Arctic.

Shell's plans were the subject of extensive oversight and public comment prior to being approved by Federal and State regulators. Shell's plans meet or exceed all applicable Federal or State standards and were found to be consistent with the Alaska Coastal Management Program.

Following careful analysis of the impacts of Shell's proposed Camden Bay exploration program, including a detailed multi-well program cumulative impacts analysis, BOEM determined that the



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proposed plan would have no significant impacts on the marine environment or marine mammal, bird or fish species.

Shell's oil spill prevention and response plan received particularly close scrutiny. Whereas prevention is the primary goal, Shell's plan also includes detailed oil spill contingency plans for the recovery of oil in the unlikely event of a spill. Their robust plan includes prepositioned response personnel, vessels and equipment to provide for immediate response.

In response to local concerns and not required by regulatory agencies, shell updated its project plans to collect muds and cuttings below the 20-inch casing. Those materials will be collected on a barge and not discharged into seawater as is otherwise permitted by law.

Shell's Camden Bay Exploration Plan and Oil Discharge Prevention and Contingency plan have been subjected to strenuous review and public comment. All concerns have been addressed and preventative measures meet or exceed statutory regulation. Their plan should be approved as recommended by the BOEM Environmental Assessment and Finding of No Significant Impact which was upheld by the Ninth Circuit Court of Appeals.

Thank you for the opportunity to comment on this important matter.

June A. McAtee
Vice President, Land and Natural Resources