

BP scraps plans to drill in Arctic due to Gulf spill: report

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The energy giant said it was no longer planning to try and win an exploration licence in Greenland, it said.

"We are not participating in the bid round," a spokesman for the British firm told the paper without giving details on why the decision was taken.

BP's decision came after Scottish exploration group Cairn Energy

revealed Tuesday it had discovered gas off Greenland's coast and said there may be other hydrocarbon resources in the region.

The news fuelled expectations of a new [oil](#) rush, but also sparked concerns among environmental campaigners over the effect of energy firms targeting the area, which is home to blue whales, [polar bears](#) and seals.

Greenpeace activists have travelled to the Arctic on board one of their ships to pressure Cairn into stopping its operations in the area.

The bureau of minerals and petroleum in Greenland's capital Nuuk said the names of successful bidders for exploration licences will be announced in the next couple of weeks, according to the Guardian.

Senior sources told the paper that the Greenland government and BP had agreed it would be a bad idea for the company to be involved.

"With the Greenpeace ship already harassing Cairn off Greenland -- a company which has an exemplary safety record -- everyone realised it would be political madness to give the green light to BP," one source said.

The [Gulf of Mexico](#) oil spill, which started in April with the sinking of the Deepwater Horizon rig, unleashed millions of barrels of oil and caused massive environmental damage.

BP managed to stop oil gushing from the ruptured well last month, but its image has taken a battering and the British firm is facing clean-up and compensation costs running into tens of billions of dollars.

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