

US opens new areas of Gulf of Mexico to drilling

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Oil rigs seen from the Pemex Ku-S oil processing center in the Gulf of Mexico, pictured in 2010. The US government offered up new areas of the central Gulf of Mexico for drilling for the first time since the 2010 BP oil spill and received \$1.7 billion in winning bids, officials said.

The US government offered up new areas of the central Gulf of Mexico for drilling for the first time since the 2010 BP oil spill and received \$1.7 billion in winning bids, officials said Wednesday.

Environmental groups tried to block the long-awaited sale by filing a lawsuit Tuesday arguing that it will endanger the already damaged ecosystem.

"The government is gambling with the Gulf by encouraging even more offshore drilling in the same exceedingly <u>deep waters</u> that have already



proven to be treacherous, rather than investing in safer clean energy that creates jobs without risking lives and livelihoods," said Jacqueline Savitz, vice president for North America at Oceana, one of five groups filing suit.

"This move sets us up for another disastrous oil spill, threatening more human lives, livelihoods, industries and marine life, including endangered species, in the greedy rush to expand <u>offshore drilling</u>."

The Obama administration said it conducted a "rigorous analysis" of the impact of the 2010 spill prior to opening up new areas to leasing as part of a plan to expand "safe and responsible" domestic production.

"This sale, part of the president's all-of-the-above <u>energy strategy</u>, is good news for American jobs, good news for the Gulf economy, and will bring additional domestic resources to market," Secretary of the Interior <u>Ken Salazar</u> said in a statement.

Officials estimate that energy companies will be able to recover between 800 million and 1.6 billion barrels of oil and 3.3 to 6.6 trillion cubic feet of natural gas if the tracts are fully developed.

The <u>Interior Department</u> had offered more than 39 million acres of new tracts ranging from three to more than 230 miles (give to 370 kilometers off the coasts of Louisiana, Alabama and Mississippi in depths ranging from 10 to more than 11,200 feet (3 to 3,400 meters).

It received winning bids on 2.4 million acres.

The sale comes six months after the government opened up 21 million acres -- an area about the size of South Carolina -- in the western Gulf of Mexico and received \$337 million in winning bids for over a million acres off the coast of Texas.



The April 20, 2010 explosion on the BP-leased Deepwater Horizon drilling rig killed 11 workers, blackened beaches in five US states and devastated the Gulf Coast's tourism and fishing industries.

It took 87 days to cap BP's runaway well 5,000 feet (1,500 meters) below the surface that spewed some 4.9 million barrels (206 million gallons) of oil into the <u>Gulf of Mexico</u>.

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