

US cancels drilling rights auctions in Alaskan Arctic

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US President Barack Obama points to Bear Glacier during a boat tour of the Kenai Fjords National Park on September 1, 2015, as part of his visit to Alaska

The United States has announced it is calling off two auctions for oil and gas drilling rights in the Arctic off Alaska and has denied requests for lease extensions by Shell and Statoil.

The move comes just weeks after President Barack Obama visited

Alaska and Shell said its Burger J well in the Chukchi Sea, off the northwest coast of Alaska, did not warrant further exploration due to insufficient [oil](#) and gas being located and regulatory uncertainties.

"In light of Shell's announcement, the amount of acreage already under lease and current market conditions, it does not make sense to prepare for lease sales in the Arctic in the next year and a half," Interior Secretary Sally Jewell said in a statement Friday announcing the US decision.

The two canceled auctions—Arctic offshore lease sales under the 2012-2017 offshore oil and gas leasing program—were for the Chukchi and Beaufort seas, potentially scheduled for 2016 and the first half of 2017, respectively, the statement said.

It also said that the Bureau of Safety and Environmental Enforcement had denied requests for "lease suspensions" from Shell and Statoil that would have allowed them to keep their leases beyond their primary 10-year terms set to expire in 2017 for the Beaufort Sea and in 2020 for the Chukchi Sea.

"Among other things, the companies did not demonstrate a reasonable schedule of work for exploration and development under the leases," Jewell said.

Environmentalists saw Shell's announcement last month as a big win in their battle to protect local wildlife, and urged Obama to ban all energy companies from launching drilling projects in the region.

Shell scraps oil drilling in the Arctic

Anglo-Dutch energy giant was searching for oil and gas in one of the world's most ecologically sensitive regions



Map of Alaska and the Arctic locating Shell's oil and gas drilling area, including the Burger J well (135 x 120 mm)

Greenpeace called the latest announcement "huge news for the Arctic," urging supporters to contact Obama to thank him for "taking action to protect the Arctic and our climate."

Obama, who visited Alaska in late August and early September to raise awareness of climate change, had angered environmentalists with his decision to allow the Anglo-Dutch oil giant to drill in the Chukchi sea.

He defended the move ahead of his trip to Alaska, saying he shared

people's concerns about offshore drilling but that his administration, in the wake of the BP spill in the Gulf of Mexico, had worked to make sure that oil exploration was done at the "highest standards possible."

Friday's announcement comes amid a countdown to a much-anticipated United Nations climate conference in Paris in December.

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