

1.6.11 NEW ORLEANS (CN) - The Obama administration on Monday gave 13 oil companies permission to resume deepwater oil and gas production without submitting detailed environmental reviews. The move came despite criticism of the Interior Department's lax enforcement of regulations and exemptions granted to BP before Deepwater Horizon disaster. The new waivers will apply only if the 13 companies' "worst case" scenarios for its wells are no worse than they were before the Deepwater Horizon spill.

"Going forward, we are substantially enhancing our environmental reviews and analysis under NEPA," said Michael Bromwich, director of the Bureau of Ocean Energy Management, Regulation and Enforcement, referring to the National Environmental Policy Act.

"But as we move forward, we are taking into account the special circumstances of those companies whose operations were interrupted by the moratorium and ensuring that they are able to resume previously approved activities. For those companies that were in the midst of operations at the time of the deepwater suspensions, today's notification is a significant step toward resuming their permitted activity."

In a win for the oil and gas industry, the companies, including Chevron, Shell Offshore and Murphy Exploration & Production Co., were told they can get back to work on previously drilled wells as long as they comply with new policies and regulations.

The 13 companies will not have to complete detailed environmental reviews, as required by the National Environmental Policy Act.

After the Deepwater Horizon disaster that killed 11 people and set off the worst oil spill in history, the Interior Department put a hold on offshore oil and gas production pending implementation of stricter regulation.

After the moratorium was imposed, critics said that problem was not just lack of regulation, but lax enforcement - such as the Mineral Management Service's waiving of BP's NEPA review before the Deepwater Horizon exploded.

Critics also said the moratorium would cost jobs and result in regulations that were no better or no more enforceable.

The Interior Department called off the moratorium in October, but did not allow for production to resume.

A federal report estimated that between 8,000 and 12,000 jobs in the Gulf region were lost because of the moratorium.

New regulations after the 5-month moratorium put more stringent requirements on operators of oil and gas drilling vessels, and tightened the standards for drilling rig equipment, such as blowout preventers and blind-shear rams - the giant scissor-like apparatuses that cut through the pipe in case of a blowout or malfunction.

The final standards for offshore drilling are to be released this month. But improvements in regulation thus far still do not compare with international standards for vessels drilling off the coasts of Norway and Brazil.

While vessels in countries such as Norway and Brazil require blowout preventers to come equipped with an acoustic link that would allow for shutoff of a malfunctioning well from a remote location in case of emergency (such as a lifeboat as the rig burns and sinks), new U.S. blowout preventer regulations still do not require such a device.

Bureau of Ocean Energy Management (BOEMRE) regulations require vessels to come equipped with "remote stations set up in different areas of the drilling rig (rather than the driller's panel) that can activate the BOP [blowout preventer]; the remote stations would not be in a lifeboat," according to a Dec. 15 email from Eileen Angelico, BOEMRE public affairs officer. (Parentheses in original)

Bromwich and other BOEMRE officials told The Associated Press that the waivers of NEPA requirements for oil and gas companies with pre-existing wells do not reverse its previous plan not to waive detailed environmental reviews. Although the oil companies will not be required to complete detailed reviews under the National Environmental Policy Act, they will have to comply with new regulations and policies.

The companies "will not be required to revise a previously submitted Exploration Plan or

Development Operations Coordination Document if the worst-case discharge estimated for the project ... is less than the worst-case discharge estimate included by the company in its Oil Spill Response Plan. However, if the worst-case discharge exceeds the Oil Spill Response Plan, further reviews will be conducted," according to the BOEMRE [statement](#) released Monday.

The 13 companies are ATP Oil & Gas Corp.; BHP Billiton Petroleum (GOM) Inc.; Chevron USA Inc.; Cobalt International Energy; ENI U.S. Operating Company Inc.; Hess Corp.; Kerr-McGee Oil & Gas Corp.; Marathon Oil Co.; Murphy Exploration & Production Co.-USA; Noble Energy Inc.; Shell Offshore Inc.; Statoil USA E&P Inc.; and Walter Oil & Gas Corp.

The agency's decision came just days after Brazilian state oil company Petrobras said that its 2010 oil production would reach a record high for the month of December and for the year, with 2 million barrels a day ever since several new wells came on line.