



United States Department of the Interior
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

Alaska OCS Region
3801 Centerpoint Drive, Suite 500
Anchorage, Alaska 99503-5823

SEP 25 2015

Susan Childs, Alaska Venture Support Integrator, Manager
Shell Exploration and Production
3601 C Street, Suite 1000
Anchorage, Alaska 99503

Dear Ms. Childs:

On July 22, 2015, the Bureau of Safety and Environmental Enforcement - Alaska Region (BSEE) conditionally approved the Application for Permit to Drill (APD) submitted by Shell Gulf of Mexico, Inc. (Shell) for Well Number 001, Burger V, on lease OCS-Y-2324, Block 6915, in the Chukchi Sea. As of the date of that APD approval, the capping stack was not yet available to be deployed to the Burger Prospect on its carrier vessel *Fennica*. The capping stack is required by your approved Exploration Plan to be available within 24 hours when drilling into or working in hydrocarbon bearing zones. Therefore we were unable to approve the full scope of activities under your APD.

Since the APD was conditionally approved, the *Fennica* and capping stack have become available for use in the Chukchi Sea. Shell has submitted an Application for Permit to Modify (APM), requesting to have the well depth restriction lifted. BSEE finds that the capping stack is now capable of being deployed within 24 hours of the Burger Prospect when Shell is drilling or working in hydrocarbon zones. Therefore the prior restriction is lifted, and Shell is now authorized to complete the Burger V 001 well to total depth, in accordance with all remaining conditions of your APD.

In addition, your APM requested clarification of APD Condition of Approval (COA) number 2. The APM requested that the Arctic Containment System (ACS) only be positioned in Goodhope Bay while the Discoverer is drilling or working in zones capable of flowing liquid hydrocarbons, and not necessarily during all drilling operations. BSEE finds that request to be consistent with the intent of the requirement for the ACS, and it is also hereby approved.

If you have any questions, please contact me at (907) 334-5311, or via e-mail at kevin.pendergast@bsee.gov.

Sincerely,

Kevin J. Pendergast, PE CPG
Regional Supervisor, Field Operations