Judge strikes down moratorium on new deepwater drilling in the Gulf of Mexico

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24 June 2010

A federal judge in New Orleans has ruled that the Obama administration’s six-month moratorium on new deepwater oil drilling in the Gulf of Mexico is unlawful and has issued a preliminary injunction against it.

The decision was handed down Tuesday in response to a civil suit brought by Hornbeck Offshore Services, a Louisiana-based company. Hornbeck’s ships are hired out by major oil companies in the area to bring diesel fuel and other supplies to project sites in the Gulf.

Hornbeck argued that the May 28 moratorium, which prohibited oil companies from proceeding with exploratory drilling in waters deeper than 500 feet and suspended operations at 33 new wells in the Gulf, was illegal. The company argued that it imposed an unnecessary punishment as a result of the failure of one oil rig.

Obama’s moratorium was from the beginning intended to buy time and blunt the growth of popular outrage over the poisoning of the Gulf after the April 20 Deepwater Horizon rig explosion. The administration has pledged to expand offshore oil drilling, and Interior Secretary Ken Salazar insisted that the moratorium was a “pause” not a “stop” button.

However, the oil industry has chafed at any restriction or even temporary halt to deep-sea oil drilling, even in the midst of the worst environmental disaster in US history. The oil giants have pressed for an immediate end to the moratorium, cynically citing laid-off workers as a rationale to resume its highly profitable operations.

In his ruling, Judge Martin Feldman declared, “An invalid agency decision to suspend drilling of wells in depths of over 500 feet simply cannot justify the immeasurable effect on the plaintiffs, the local economy, the Gulf region, and the critical present-day aspect of the availability of domestic energy in this country.”

It quickly came out that Feldman, like many judges in the Gulf region, has many financial ties to the oil industry. A financial disclosure report for 2008, the most recent report available, shows that Feldman has investments in Transocean, the owner of the Deepwater Horizon rig leased by BP, and Halliburton, a contractor responsible for cementing the well.

Feldman also has investments in two of BP's largest private shareholders—investment management firm BlackRock and banking giant JP Morgan Chase. He has money tied up in numerous energy companies, including Hercules Offshore, Prospect Energy, Provident Energy, Peabody Energy Corp., ATP Oil & Gas Corp., and others.

The revelations of Feldman’s financial ties to oil and energy giants only underscore the extent to which officials in every branch of government—legislative, executive, and judicial—are bought and paid for by the large energy conglomerates.

No fewer than seven judges in federal district courts of New Orleans have already recused themselves from taking on cases involving the Deepwater Horizon oil spill because of their financial ties to the industry.

The same applies to the 5th Circuit Court of Appeals, which oversees the entire region. The *Los Angeles Times* notes in an article published Wednesday that the court last month “left in limbo a landmark case brought by Hurricane Katrina victims because the court couldn’t muster a quorum to review it. Eight of the circuit’s 17 judges stepped down because of financial interests in the oil, gas and chemical companies being sued for alleged culpability in global warming.”

The 5th Circuit Court of Appeals will be the location of an appeal, which the Obama administration announced it would file following the Tuesday ruling against the moratorium. White House Press Secretary

Robert Gibbs said the president believed "that continuing to drill at these depths without knowing what happened does not make any sense and potentially puts the safety of those on the rigs and the safety of the environment in the Gulf at a danger."

At the same time, however, the administration indicated that it would seek to modify the moratorium to even further water down the restrictions that it imposes. Salazar said in a statement before the Senate Appropriations Panel on Wednesday that the administration "will in the weeks and months ahead take a look at how it is that the moratorium in place might be refined."

Salazaar said new rules will be issued which "will include the criteria under which it is appropriate to take a look at the lifting of the moratoria." Salazar indicated that the administration might loosen the moratorium for areas where the oil industry claims to have knowledge of drilling conditions.

The Obama administration is committed to expanding offshore oil drilling, and Salazar himself has close ties to the oil industry. Just weeks before the April 20 disaster on BP's Deepwater Horizon rig, Obama opened up to development by oil companies nearly 170 million acres of US coastal waters that had previously been off limits, including large sections of the Gulf of Mexico.

Even as the oil spill in the Gulf spreads, the Obama administration continues to grant drilling leases to several corporations, including BP, and has granted waivers to oil companies that will allow their operations to forgo detailed environmental safety analysis.

Having caused the worst environmental disaster in US history, the primary concern of the executives at the major oil companies is to quickly return to business as usual. The ruling by Judge Feldman and the subsequent actions of the Obama administration have given them reason to be optimistic.