

Obama administration approves first deepwater drilling permit since BP oil spill

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The Obama administration has approved the first deepwater drilling permit for the Gulf of Mexico since the Deepwater Horizon disaster, which caused the worst oil spill in history. The permit was granted to Houston, Texas-based oil and gas company Noble Energy Inc. It allows Noble Energy to resume drilling at a well it had begun work on just days before the BP oil spill and was forced to abandon when the Obama administration established a moratorium on offshore drilling in May 2010. Noble's well is located less than 20 miles away from the site of BP's Macondo well.

There are currently seven more permits under consideration by the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), the agency which oversees offshore drilling, and that agency's director, Michael Bromwich, expects more will be approved within weeks. With the BOEMRE decision, the Obama administration is making it clear that it is putting the debacle of the BP oil spill behind it and announcing that the Gulf of Mexico is once again open for business.

Bromwich said of the decision to approve Noble Energy's permit that the "industry has been waiting for signals that deepwater drilling would be able to resume, and I think they'll take this as that signal." Rising stock prices among the major oil and energy companies during trading on Tuesday suggest the Obama administration's "signal" was clearly received. Shares of Ensco, Noble Corp. and Diamond Offshore all rose following the approval of Nobel Energy's permit. Transocean Ltd., one of the corporations responsible for the Deepwater Horizon disaster, also saw its stock rise by 10 cents on Tuesday, to \$84.73 a share.

Randall Luthi, president of the National Ocean Industries Association, responded to the BOEMRE decision, saying "Taking the Department of Interior at

its word that this is not a token permit and that many are lined up to be approved in the near future, today's action sends a calming signal to operators, producers and service companies that the long drought is just about over."

Nearly one year after the blowout at BP's Deepwater Horizon oilrig, none of those responsible for the disaster have been held accountable. The environmental catastrophe in the Gulf region continues while the majority of workers and small business owners whose livelihoods were destroyed by the disaster remain without compensation. While the Obama administration gave its assurances that drilling would not resume in the Gulf until measures had been put in place to ensure the safety of the environment, no substantive changes have been made to safety practices within the industry. It will be business as usual for the oil companies now preparing to return to the Gulf.

The decision to once again permit drilling in the Gulf comes only days after a presentation by marine scientist Samantha Joye of the University of Georgia delivered at the annual conference of the American Association for the Advancement of Science (AAAS) in Washington in which Joye revealed evidence of extensive environmental damage persisting in the Gulf.

Joye's report contradicts recent claims by Kenneth Feinberg, the administrator of BP's \$20 billion compensation fund for spill victims, that the Gulf of Mexico will have fully recovered by 2012. Joye's findings reveal that, far from being on the verge of total recovery, the Gulf seafloor remains coated with large amounts of oil, as well as soot resulting from the burning of surface oil that also contains petroleum products.

Contradicting reports that microbes had broken down

much of the oil and gas discharged into the Gulf waters, Joye reported to the AAAS meeting that “Magic microbes consumed maybe 10 percent of the total discharge, the rest of it we don’t know. There’s a lot of it out there.” Joye presented photographic evidence of dead sea life, including crabs, tube worms and brittle stars discovered by her team on the Gulf seafloor.

In an online discussion from AAAS, Joye described some of the results of her research into the level of contamination in Gulf waters. “The BP Blowout was not an oil spill,” said Joye, “it was a hydrocarbon discharge. The discharge contained 40 percent gaseous hydrocarbons like methane. We converted this gaseous discharge to ‘barrel of oil equivalent’ units and found that the gas component accounted for an additional 1.5 to 3 million barrel of oil equivalents discharged. This increases the size of the discharge by a significant margin, by 30 to 50 percent.”

Responding directly to Feinberg’s report, Joye told the Associated Press, “I’ve been to the bottom. I’ve seen what it looks like with my own eyes. It’s not going to be fine by 2012.”



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