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## Obama officials still approving flawed Gulf drilling plans

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WASHINGTON — Despite President Barack Obama's promises of better safeguards for offshore drilling, federal regulators continue to approve plans for oil companies to drill in the Gulf of Mexico with minimal or no environmental analysis.

The Department of Interior's Minerals Management Service has signed off on at least five new offshore drilling projects since June 2, when the agency's acting director announced tougher safety regulations for drilling in the Gulf, a McClatchy review of public records has discovered.

Three of the projects were approved with waivers exempting them from detailed studies of their environmental impact — the same waiver the MMS granted to BP for the ill-fated well that's been fouling the Gulf with crude for two months.

In a May 14 speech in the Rose Garden, Obama said he was "closing the loophole that has allowed some oil companies to bypass some critical environmental reviews."

Environmental groups, however, say the loophole is as wide as ever and that the administration is allowing oil companies to proceed with drilling plans that may be just as flawed as BP's, which concluded that a major spill was "unlikely" and that the company was equipped to manage even the worst-case blowout.

"It's just outrageous," said Kieran Suckling, executive director of the Center for Biological Diversity, a conservation organization. "The whole world is screaming and . . . they're just continuing to move this stuff through the system."

The Obama administration has said it's cracking down on the oil industry with a six-month moratorium that prevents regulators from granting new permits for offshore wells deeper than 500 feet underwater in the Gulf of Mexico. That, however, hasn't stopped oil companies from submitting new drilling plans, which, as McClatchy reported earlier this month, routinely underestimate environmental risks and overestimate the companies' ability to respond to a disaster.

According to MMS records, since June 2 the agency has granted environmental exemptions — known as "categorical exclusions" — to three new drilling projects. Of those, an Exxon Mobil site at a water depth of 1,000 feet and a Marathon Oil site at 775 feet are classified as deepwater; the third is a shallow-water project by Houston-based Rooster Petroleum.

Environmentalists say these approvals fly in the face of the June 2 order by acting MMS director Bob Abbey that requires oil companies to submit additional safety information in their development plans. All three drilling plans were submitted to the MMS before Abbey's order.

The MMS also approved two other deepwater drilling plans — for a Chevron site 6,730 feet underwater and for an Exxon site at a depth of 6,943 feet — after subjecting them to environmental reviews, the records show.

When Obama's six-month ban is lifted, experts say these projects could form the basis for new, flawed wells unless the MMS submits them to tougher oversight.

"At no point did any of the moratoriums cease the use of (categorical exclusions)," Suckling said. "They're cueing up all these drilling projects with no environmental review, so they're just sitting at the starting line" until the ban ends.

A spokesman for the Interior Department said the policy on categorical exclusions "is still being studied" as part of a 30-day congressionally mandated review of U.S. drilling policy. The department issued a separate directive Friday that requires oil companies to submit information about the possibility of a blowout, which had been missing from many drilling plans, but made no mention of the waivers.

Suckling's group filed a petition with the department this week to ban the waivers and charged that the MMS violated the 1970 National Environmental Policy Act when it approved a 2007 lease sale — including for BP's blown-out Macondo well — saying it would have "no significant environmental impacts."

The center also has filed suit in federal court in Louisiana to force the MMS to review all 49 exploration plans for the Gulf that were approved with categorical exclusions.

Other environmental groups have brought similar suits, with lawyers charging that the ongoing issuance of the waivers is part of a business-as-usual mentality among the oil industry and the Department of Interior.

Congressional investigators found that, 11 days before the April 20 explosion aboard BP's Deepwater Horizon rig, the company sent a letter to federal officials urging them to continue issuing the waivers "to avoid unnecessary paperwork and time delays."

"The fact that the agency continued to spit them out while oil was pouring into the Gulf is just ridiculous to the extreme," said Mike Senatore, an attorney for Defenders of Wildlife, a nonprofit environmental group.

There are other signs that the BP spill hasn't put the brakes on offshore drilling in the Gulf.

Last week, Defenders of Wildlife and the Southern Environmental Law Center filed suit in federal court in Alabama challenging the MMS's approval of 198 new deepwater leases in the central Gulf since the BP spill began.

The lease sales — an earlier step, before oil companies submit drilling plans — create an incentive to continue offshore drilling despite the risks, attorneys argue. If federal regulators opt to cancel a lease once it's issued, the government must repay the company the fair market value of the lease or compensate it for the cost of its bid plus interest, the lawyers said.

"It immediately puts the U.S. taxpayer on the hook financially," Senatore said.

The lawsuit challenges Lease Sale 213, which covers 36 million acres in the central Gulf off the coasts of Louisiana, Mississippi and Alabama, and drew \$1.3 billion in bids at a March auction at the Superdome in New Orleans, according to MMS records. Of 198 deepwater leases sold, at least 10 are owned by BP and are located over a mile deep, the groups say.

"The moratorium does not stop this process," Senatore said.

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