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U.S. Said to Allow Drilling Without Needed Permits

By IAN URBINA

WASHINGTON — The federal Minerals Management Service gave permission to BP and dozens of other oil companies to drill in the Gulf of Mexico without first getting required permits from another agency that assesses threats to endangered species — and despite strong warnings from that agency about the impact the drilling was likely to have on the gulf.

Those approvals, federal records show, include one for the well drilled by the Deepwater Horizon rig, which exploded on April 20, killing 11 workers and resulting in thousands of barrels of oil spilling into the gulf each day.

The Minerals Management Service, or M.M.S., also routinely overruled its staff biologists and engineers who raised concerns about the safety and the environmental impact of certain drilling proposals in the gulf and in Alaska, according to a half-dozen current and former agency scientists.

Those scientists said they were also regularly pressured by agency officials to change the findings of their internal studies if they predicted that an accident was likely to occur or if wildlife might be harmed.

Under the Endangered Species Act and the Marine Mammal Protection Act, the Minerals Management Service is required to get permits to allow drilling where it might harm endangered species or marine mammals.

The National Oceanic and Atmospheric Administration, or NOAA, is partly responsible for protecting endangered species and marine mammals. It has said on repeated occasions that drilling in the gulf affects these animals, but the minerals agency since January 2009 has approved at least three huge lease sales, 103 seismic blasting projects and 346 drilling plans. Agency records also show that permission for those projects and plans was granted without

getting the permits required under federal law.

"M.M.S. has given up any pretense of regulating the offshore oil industry," said Kierán Suckling, director of the Center for Biological Diversity, an environmental advocacy group in Tucson, which filed notice of intent to sue the agency over its noncompliance with federal law concerning endangered species. "The agency seems to think its mission is to help the oil industry evade environmental laws."

Kendra Barkoff, a spokeswoman for the Minerals Management Service, said her agency had full consultations with NOAA about endangered species in the gulf. But she declined to respond to additional questions about whether her agency had obtained the relevant permits.

Federal records indicate that these consultations ended with NOAA instructing the minerals agency that continued drilling in the gulf was harming endangered marine mammals and that the agency needed to get permits to be in compliance with federal law.

Responding to the accusations that agency scientists were being silenced, Ms. Barkoff added, "Under the previous administration, there was a pattern of suppressing science in decisions, and we are working very hard to change the culture and empower scientists in the Department of the Interior."

On Tuesday, Interior Secretary Ken Salazar announced plans to reorganize the minerals agency to improve its regulatory role by separating safety oversight from the division that collects royalties from oil and gas companies. But that reorganization is not likely to have any bearing on how and whether the agency seeks required permits from other agencies like NOAA.

Criticism of the minerals agency has grown in recent days as more information has emerged about how it handled drilling in the gulf.

In a letter from September 2009, obtained by The New York Times, NOAA accused the minerals agency of a pattern of understating the likelihood and potential consequences of a major spill in the gulf and understating the frequency of spills that have already occurred there.

The letter accuses the agency of highlighting the safety of offshore oil drilling operations while overlooking more recent evidence to the contrary. The data used by the agency to justify its approval of drilling operations in the gulf play down the fact that spills have been increasing and understate the "risks and impacts of accidental spills," the letter states. NOAA declined several requests for comment.

The accusation that the minerals agency has ignored risks is also being levied by scientists working for the agency.

Managers at the agency have routinely overruled staff scientists whose findings highlight the environmental risks of drilling, according to a half-dozen current or former agency scientists.

The scientists, none of whom wanted to be quoted by name for fear of reprisals by the agency or by those in the industry, said they had repeatedly had their scientific findings changed to indicate no environmental impact or had their calculations of spill risks downgraded.

"You simply are not allowed to conclude that the drilling will have an impact," said one scientist who has worked for the minerals agency for more than a decade. "If you find the risks of a spill are high or you conclude that a certain species will be affected, your report gets disappeared in a desk drawer and they find another scientist to redo it or they rewrite it for you."

Another biologist who left the agency in 2005 after more than five years said that agency officials went out of their way to accommodate the oil and gas industry.

He said, for example, that seismic activity from drilling can have a devastating effect on mammals and fish, but that agency officials rarely enforced the regulations meant to limit those effects.

He also said the agency routinely ceded to the drilling companies the responsibility for monitoring species that live or spawn near the drilling projects.

"What I observed was M.M.S. was trying to undermine the monitoring and mitigation requirements that would be imposed on the industry," he said.

Aside from allowing BP and other companies to drill in the gulf without getting the required permits from NOAA, the minerals agency has also given BP and other drilling companies in the gulf blanket exemptions from having to provide environmental impact statements.

Much as BP's drilling plan asserted that there was no chance of an oil spill, the company also claimed in federal documents that its drilling would not have any adverse effect on endangered species.

The gulf is known for its biodiversity. Various endangered species are found in the area where the Deepwater Horizon was drilling, including sperm whales, blue whales and fin whales.

In some instances, the minerals agency has indeed sought and received permits in the gulf to harm certain endangered species like green and loggerhead sea turtles. But the agency has not received these permits for endangered species like the sperm and humpback whales, which are more common in the areas where drilling occurs and thus are more likely to be affected.

Tensions between scientists and managers at the agency erupted in one case last year involving a rig in the gulf called the BP Atlantis. An agency scientist complained to his bosses of catastrophic safety and environmental violations. The scientist said these complaints were ignored, so he took his concerns to higher officials at the Interior Department.

"The purpose of this letter is to restate in writing our concern that the BP Atlantis project presently poses a threat of serious, immediate, potentially irreparable and catastrophic harm to the waters of the Gulf of Mexico and its marine environment, and to summarize how BP's conduct has violated federal law and regulations," Kenneth Abbott, the agency scientist, wrote in a letter to officials at the Interior Department that was dated May 27.

The letter added: "From our conversation on the phone, we understand that M.M.S. is already aware that undersea manifolds have been leaking and that major flow lines must already be replaced. Failure of this critical undersea equipment has potentially catastrophic environmental consequences."

Almost two months before the Deepwater Horizon exploded, Representative Raúl M. Grijalva, Democrat of Arizona, sent a letter to the agency raising concerns about the BP Atlantis and questioning its oversight of the rig.

After the disaster, Mr. Salazar said he would delay granting any new oil drilling permits.

But the minerals agency has issued at least five final approval permits to new drilling projects in the gulf since last week, records show.

Despite being shown records indicating otherwise, Ms. Barkoff said her agency had granted no new permits since Mr. Salazar made his announcement.

Other agencies besides NOAA have begun criticizing the minerals agency.

At a public hearing in Louisiana this week, a joint panel of Coast Guard and Minerals Management Service officials investigating the explosion grilled minerals agency officials for allowing the offshore drilling industry to be essentially "self-certified," as Capt. Hung Nguyen of the Coast Guard, a co-chairman of the investigation, put it.

In addition to the minerals agency and the Coast Guard, the Deepwater Horizon was overseen by the Marshall Islands, the "flag of convenience" under which it was registered.

No one from the Marshall Islands ever inspected the rig. The nongovernmental organizations that did were paid by the rig's operator, in this case Transocean.

Campbell Robertson contributed reporting from New Orleans, and Andy Lehren from New York.