



Shell Oil Company

Marvin E. Odum

President

One Shell Plaza

P.O. Box 2463

Houston, Texas 77252-2463

April 2, 2014

The Honorable Sally Jewell
Secretary of the Interior
United States Department of the Interior
1849 C Street, N.W.
Washington, DC 20240

Dear Madam Secretary:

I am writing with respect to the critical need for the Department of the Interior (DOI) and the Bureau of Ocean Energy Management (BOEM) to devote the resources necessary to removing, expeditiously, any current regulatory obstacles to Shell's ability to re-commence exploratory drilling on its Chukchi Sea leases in 2015. As there remain a number of issues that should and must be addressed prior to 2015, this communication specifically focuses on the purported deficiencies in the Government's Lease Sale 193 Environmental Impact Statement (EIS), and uncertainty around planned updates to BOEM's air regulations.

In order for Shell to have confidence in moving forward in 2015, the EIS must be addressed, and the sale reaffirmed, through a prompt re-evaluation of assumed oil production. In addition, the government must include any other relevant information required by the National Environmental Policy Act (NEPA). During the last 9th Circuit remand on Lease Sale 193, it took only 3 months to prepare the initial draft of a Supplemental EIS (until DOI on its own volition chose to perform a Very Large Oil Spill analysis, which led to a much longer corrective period). Shell believes this Supplemental EIS can be completed and a Record of Decision (ROD) issued within 9-12 months from the January 22, 2014 9th Circuit decision.

In order for Shell to make the decision to commit resources necessary for a 2015 drilling program, DOI must reach an ROD on the Supplemental EIS on or before January 15, 2015. The timing of the ROD will affect timelines for necessary permits from DOI and other agencies with the recognition that DOI will begin work on Exploration Plans when they are submitted this summer. Shell encourages DOI to obtain any necessary additional resources to complete the work in a manner consistent with the timeframe above.

DOI has indicated that it is developing amendments to its current oil and gas air quality regulations. Shell believes that much of this work has been done by the DOI over the last 18 months. As you can appreciate, if there are modifications to the assets needed for 2015, then Shell needs as much lead time as possible. Specifically, Shell must have a clear understanding *by mid-April* of any new monitoring requirements that would require retrofit of assets.

Without a better understanding that the issues discussed above will be satisfactorily addressed in a timely manner, it will be very difficult for Shell to continue to invest the enormous resources it must to prepare to conduct drilling operations in 2015.

I remain willing and eager to work together to remove all barriers that prevent us from ultimately developing the petroleum resources that this country so badly needs, and which provides well-paying jobs to so many American workers.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Odum', with a long horizontal flourish extending to the right.

Marvin Odum, President
Shell Oil Company

cc: The Honorable Lisa Murkowski
United States Senator
709 Hart Building
Washington, D.C. 20510

The Honorable Mark Begich
United States Senator
111 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Donald E. Young
Congressman
2111 Rayburn House Office Building
Washington, D.C. 20515

Getting to Yes 2015 - Must Have Timeline

