

**BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.**

ENVIRONMENTAL APPEALS BOARD
U.S. EPA
APR 27 11 41 AM '09

In re:)
)
Shell Offshore Inc.)
Kulluk Drilling Unit)
)
OCS Permit No. R10OCS-AK-07-01)
(Revised))
_____)

OCS Appeal Nos. 08-01, 08-02, and 08-03

**SHELL OFFSHORE INC.'S NOTICE OF NON-OPPOSITION TO
EPA MOTION TO DISMISS APPEAL**

On December 18, 2008, the Environmental Appeals Board, with the agreement of Shell Offshore Inc. (SOI), stayed further proceedings in this consolidated appeal of SOI's minor source Outer Continental Shelf air permit for exploration operations by the drillship *Kulluk*. The Board placed this appeal in abeyance pending issuance by the U.S. Court of Appeals for the Ninth Circuit of its mandate in *Alaska Wilderness League v. Kempthorne*, No. 07-71457, following that Court's decision on November 20, 2008, vacating the Mineral Management Service's approval of SOI's exploration plan for proposed drilling in the Beaufort Sea utilizing the drillship *Kulluk*. Subsequently, the Ninth Circuit withdrew its opinion and indicated it will issue a new decision, but has not yet done so.

On March 26, 2009, SOI notified EPA that it wished to withdraw the *Kulluk* minor source permit application and requested that the Agency terminate and cancel the proposed permit. On April 24, 2009, EPA Region 10 advised all parties to this consolidated appeal that

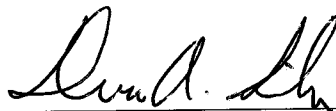
the Agency had decided to terminate all activity on the permit. SOI understands that EPA will file a motion today with the Board to dismiss the consolidated appeal of the *Kulluk* permit. SOI hereby states that it does not oppose EPA's motion.

SOI decided to withdraw the *Kulluk* permit so that Region 10 could focus its resources on completing, as expeditiously as possible, major source PSD permitting for SOI's planned exploration activities utilizing a different drill ship in the Chukchi and Beaufort Seas. In view of SOI's substantial investment over a four-year period in securing and defending the *Kulluk* permit, SOI did not take this decision lightly. However, SOI understood that withdrawing the permit would save resources that Region 10 could instead devote to timely issuance, and potential defense, of the PSD permits. Similarly, SOI does not wish to burden the Board or its docket with further proceedings on this permit.

DATED this 27th day of April 2009.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Notice of Non-Opposition to EPA Motion to Dismiss Appeals were served on the following persons via U.S. Mail on April 27, 2009:

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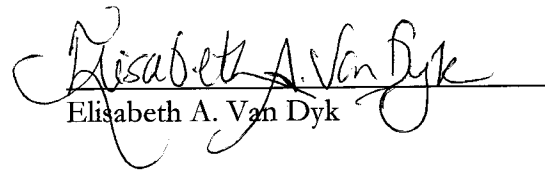
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