



[Drilling Plans Off Cuba Stir Fears of Impact on Gulf](#)

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HOUSTON — Five months after the BP oil spill, a federal moratorium still prohibits new deepwater drilling in the American waters of the Gulf of Mexico. And under longstanding federal law, drilling is also banned near the coast of Florida.

Yet next year, a Spanish company will begin drilling new wells 50 miles from the Florida Keys — in Cuba’s sovereign waters.

Cuba currently produces little oil. But oil experts say the country might have reserves along its north coast as plentiful as that of the international oil middleweights, Ecuador and Colombia — enough to bolster its faltering economy and cut its dependence on Venezuela for its energy needs.

The advent of drilling in Cuban waters poses risks both to the island nation and the United States.

Ocean scientists warn that a well blowout similar to the BP disaster could send oil spewing onto Cuban beaches and then the Florida Keys in as little as three days. If the oil reached the Gulf Stream, a powerful ocean current that passes through the region, oil could flow up the coast to Miami and beyond.

The nascent oil industry in Cuba is far less prepared to handle a major spill than even the American industry was at the time of the BP spill. Cuba has neither the submarine robots needed to fix deepwater rig equipment nor the platforms available to begin drilling relief wells on short notice.

And marshaling help from American oil companies to fight a Cuban spill would be greatly complicated by the trade embargo on Cuba imposed by the United States government 48 years ago, according to industry officials. Under that embargo, American companies face severe restrictions on the business they can conduct with Cuba.

The prospect of an accident is emboldening American drilling companies, backed by some critics of the embargo, to seek permission from the United States government to participate in Cuba’s nascent industry, even if only to protect against an accident.

“This isn’t about ideology. It’s about oil spills,” said Lee Hunt, president of the International Association of Drilling Contractors, a trade group that is trying to broaden bilateral contacts to promote drilling safety. “Political attitudes have to change in order to protect the gulf.”

Any opening could provide a convenient wedge for big American oil companies that have quietly lobbied Congress for years to allow them to bid for oil and natural gas deposits in waters off Cuba. Representatives of Exxon Mobil and Valero Energy attended an energy conference on Cuba in Mexico City in 2006, where they met Cuban oil officials.

Right now, Cuba's oil industry is served almost exclusively by non-American companies. Repsol, a Spanish oil company, has contracted with an Italian operator to build a rig in China that is scheduled to begin drilling several deepwater test wells next year. Other companies, from Norway, India, Malaysia, Venezuela, Vietnam and Brazil, have taken exploration leases.

New Mexico's governor, Bill Richardson, a Democrat who regularly visits Cuba, said Cuba's offshore drilling plans are a "potential inroad" for loosening the embargo. During a recent humanitarian trip to Cuba, he said, he bumped into a number of American drilling contractors — "all Republicans who could eventually convince the Congress to make the embargo flexible in this area of oil spills."

"I think you will see the administration be more forward-moving after the election," Mr. Richardson said.

Despite several requests in the last week, Cuban officials declined to make anyone available for an interview.

Currently, the United States, Mexico and Cuba are signatories to several international protocols in which they agreed to cooperate to contain any oil spill. In practice, there is little cooperation between Washington and Havana on oil matters, although American officials did hold low-level meetings with Cuban officials after the BP blowout.

"What is needed is for international oil companies in Cuba to have full access to U.S. technology and personnel in order to prevent and/or manage a blowout," said Jorge Piñón, a former executive of BP and Amoco. Mr. Piñón, who fled Cuba as a child and now briefs American companies on Cuban oil prospects, said the two governments must create a plan for managing a spill.

Several American oil and oil service companies are eager to do business in Cuba, Mr. Piñón said, but they are careful not to identify themselves publicly because they want to "protect their brand image in South Florida," where Cuban-Americans who support the embargo could boycott their gasoline stations and other products.

There are signs the Obama administration is aware of the safety issues. Shortly after the BP accident, the Office of Foreign Assets Control, the agency that regulates the embargo, said it would make licenses available to American service companies to provide oil spill prevention and containment support.

Charles Luoma-Overstreet, a State Department spokesman, said licenses would be granted on a "application-by-application basis," but he would not comment on the criteria. Mr. Piñón said it appeared that an American company could apply for a license before an emergency but that a license would be issued only after an accident had occurred. "We're jumping up and down for clarification," he said.

One group — Clean Caribbean & Americas, a Fort Lauderdale cooperative of several oil

companies — has received licenses to send technical advisers, dispersants, containment booms and skimmers to Cuba since 2003. But it can only serve the member companies Repsol and Petrobras, not Cuba's government.

Economic sanctions on Cuba have been in effect in one form or another since 1960, although the embargo has been loosened to allow the sale of agricultural goods and medicines and travel by Cuban-Americans to the island.

Mr. Hunt of the drillers' group said that the association had sent a delegation to Cuba in late August and had held talks with government officials and Cupet, the Cuban national oil company.

He said that Cuban officials, including Tomás Benítez Hernández, the vice minister of basic industry, asked him to take a message back to the United States. "Senior officials told us they are going ahead with their deepwater drilling program, that they are utilizing every reliable non-U.S. source that they can for technology and information, but they would prefer to work directly with the United States in matters of safe drilling practices," Mr. Hunt said.

Mr. Benítez became the acting minister last week when the minister of basic industry, the agency that oversees the oil industry, was fired for reasons still unclear.

Donald Van Nieuwenhuise, director of petroleum geoscience programs at the University of Houston, said that if an accident occurred in Cuban waters, Repsol or other companies could mobilize equipment from the North Sea, Brazil, Japan or China. But "a one-week delay could be disastrous," he said, and it would be better for Havana, Washington and major oil companies to coordinate in advance.

Opponents of the Cuban regime warn that assisting the Cubans with their oil industry could help prop up Communist rule. Instead of making the drilling safer, some want to stop it altogether.

Senator Bill Nelson, Democrat of Florida, is urging President Obama to recall a diplomatic note to Havana reinforcing a 1977 boundary agreement that gives Cuba jurisdiction up to 45 miles from Florida. "I am sure you agree that we cannot allow Cuba to put at risk Florida's major business and irreplaceable environment," he wrote the president shortly after the BP accident.

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