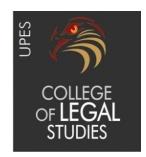
# EXPLORATION AND PRODUCTION OF OIL AND GAS IN THE ARCTIC : ANALYSING THE LEGAL FRAMEWORK AND ENVIRONMENT POLICY CONSIDERATIONS

MANJEET KUMAR SAHU

#### SUBMITTED UNDER THE GUIDANCE OF: MR. RAJKUMAR

# This dissertation is submitted in partial fulfillment of the degree of B.A., LL.B. (Hons.) with specialization in Energy Laws





**COLLEGE OF LEGAL STUDIES** 

**UNIVERSITY OF PETROLEUM & ENERGY STUDIES** 

DEHRADUN

2015

#### CERTIFICATE

THIS IS TO CERTIFY THAT THE RESEARCH WORK ENTITLED **"EXPLORATION AND PRODUCTION OF OIL AND GAS IN THE ARCTIC : ANALYZING THE LEGAL FRAMEWORK AND ENVIRONMENT POLICY CONSIDERATIONS"** IS THE WORK DONE BY <u>MANJEET KUMAR SAHU</u> UNDER MY GUIDANCE AND SUPERVISION FOR THE PARTIAL FULFILLMENT OF THE REQUIREMENT OF <u>B.A., LL.B.</u> (HONS.) DEGREE AT COLLEGE OF LEGAL STUDIES, UNIVERSITY OF PETROLEUM & ENERGY STUDIES, DEHRADUN.

SIGNATURE & NAME OF SUPERVISOR

DESIGNATION

DATE

### DECLARATION

I DECLARE THAT THE DISSERTATION ENTITLED "EXPLORATION AND PRODUCTION OF OIL AND GAS IN THE ARCTIC : ANALYZING THE LEGAL FRAMEWORK AND ENVIRONMENT POLICY CONSIDERATIONS" IS THE OUTCOME OF MY OWN WORK CONDUCTED UNDER THE SUPERVISION OF MR. <u>RAJKUMAR</u>, AT COLLEGE OF LEGAL STUDIES, UNIVERSITY OF PETROLEUM & ENERGY STUDIES, DEHRADUN.

I DECLARE THAT THE DISSERTATION COMPRISES ONLY OF MY ORIGINAL WORK AND DUE ACKNOWLEDGEMENT HAS BEEN MADE IN THE TEXT TO ALL OTHER MATERIAL USED.

SIGNATURE & NAME OF STUDENT

DATE

# **TABLE OF CONTENTS**

ABBREVIATIONS	
ACKNOWLEDGEMENT	
1 INTRODUCTION	1
1.1. BACKGROUND	2
1.2. COUNTRY-WISE CLASSIFICATION	3
2. HISTORY OF OIL AND GAS EXPLORATION IN ARCTIC REGION	7
2.1 DISCOVERY OF OIL AND GAS	7
2.2 MADNESS FOR ENERGY MADE THE ARCTIC REGION WIDELY	8
2.3 HISTORICAL MILESTONES OF OIL AND GAS EXPLORATION IN THE ARCTIC REGION	9
2.4 Arctic : The Busiest Place on Earth	11
3. A NEW ENERGY BASKET	13
3.1 Amerasia Basin	13
3.2 ARCTIC ALASKA BASIN	14
3.3 EAST BARENTS BASIN	15
3.4 East Greenland Basin	15
3.5 EAST GREENLAND AND EAST CANADA BASIN	16
3.6 West Siberian Basin	16
3.7 THE YENISEY- KHATANG BASIN	17
3-A. Demystifying the Arctic	17
4. MAJOR PLAYERS IN THE FIELD OF EXPLORATION AND PRODUC	TION AT
ARCTIC	20
4.1Roseneft	20
4.3 EXXONMOBIL	
4.3 ENI	21
4.4 Statoil	22

4.5 GAZPROM	
4.6 Total	
4.7 Shell	
4.8 CAIRN	
4.9 TULLOW OIL PLC	
4.10 MAERSK OIL	
4.11 CONCOPHILLIPS CO	
4.12 DET NORSKE OLJESELSKAPASA (DETNOR)	
5. ARCTIC COUNCIL: INSTITUTIONAL SET UP	FOR THE GOVERNANCE OF ARCTIC
REGION	
5.1 INTRODUCTION	
5.2 WHAT IS ARCTIC COUNCIL ?	
5.3 ARCTIC ENVIRONMENTAL PROTECTION STRATEGY	(AEPS)
5.4 WORKING GROUPS IN THE ARCTIC COUNCIL	
A) Arctic Council Action Plan (ACAP)	
B) Arctic Monitoring and Assessment Programme (A	(MAP)
C) Conservation of Arctic Flora and Fauna (CAFF)	
D) Emergency Prevention, Preparedness and Respo	nse (EPPR)
E) Protection of the Arctic Marine Environment (PA	ME)
F) Sustainable Development Working Group (SDWC	7)
5.5 AGREEMENT OF MARINE OIL POLLUTION PREPARED	NESS AND RESPONSE TO THE ARCTIC35
5.6 AGREEMENT ECONOMIC COUNCIL (AEC)	
6. INTERNATIONAL LAW AND THE ARCTIC	
6.1 Arctic need simpler Laws	
6.2 ATTRIBUTES OF INTERNATIONAL LEGAL REGIMES IN	THE ARCTIC
6.3 APPLICABLE CONVENTIONS AND ITS RELEVANCY W	ITH OFFSHORE OIL AND GAS ACTIVITIES38
6.3.1 Arctic and the United Nations Convention on	the Law of the Sea (UNCLOS41
6.3.1.1 Is the decision of the Commis	sion on the Limits of the Continental Shelf
(CLCS) binding ?	
	ve disputes46
1 <i>J J</i>	

6.3.1.4 Unresolved Mystery47
6.3.2 Arctic and the Convention for the Protection of the Marine Environment of the
North-East Atlantic (OSPAR)
6.3.3 Arctic and the International Maritime Organisation (IMO)
6.3.4 Arctic and UN Declaration on the Rights of Indigenous Peoples (UNDRIP51
6.3.4.1 Indigenous People: Right to Self – Determination
6.3.4.2 Rights of Indigenous People under International Legal Regime54
6.3.4.2.1 Interpretation of Article 27 under the International
Covenant on Civil and Political Rights, 1966
6.3.5 Arctic and the United Nation Framework Convention on Climate Change (UNFCCC)
6.3.6 Arctic and International Convention on Civil Liability For Bunker Oil Pollution Damage, 2001
6.3.7 Arctic and the United Nations Environment Program (UNEP)
6.3.8 Arctic and the Antarctic Treaty
6.3.9 Arctic and Impact of other International Environmental Law in the Arctic62
6.3.10 Arctic Offshore Oil and Gas Guidelines
7. CONCLUSION
8. BIBLIOGRAPHY70

### **ABBREVIATIONS**

- ACAP ARCTIC COUNCIL ACTION PLAN
- AEPS ARCTIC ENVIRONMENTAL PROTECTION STRATEGY
- AEC ARCTIC ECONOMIC COUNCIL
- AHDR ARCTIC HUMAN DEVELOPMENT REPORT
- AMAP ARCTIC MONITORING AND ASSESSMENT PROGRAMME
- ATS ANTARCTIC TREATY SYSTEM
- AU Assessment Units
- BCFG BILLION CUBIC FEET OF NATURAL GAS
- CAFF CONSERVATION OF ARCTIC FLORA AND FAUNA
- CCAMLR CONVENTION ON THE CONSERVATION OF ANTARCTIC MARINE LIVING RESOURCES
- CEO CHIEF EXECUTING OFFICER
- CLCS COMMISSION ON THE LIMITS OF THE CONTINENTAL SHELF
- EA ENVIRONMENTAL ASSESSMENT
- EEZ-EXCLUSIVE ECONOMIC ZONE
- EPPR EMERGENCY PREVENTION, PREPAREDNESS AND RESPONSE
- EU EUROPEAN UNION
- GEUS GEOLOGICAL STUDY OF DENMARK AND GREENLAND
- ICES INTERNATIONAL COUNCIL FOR EXPLORATION OF THE SEA
- ILO INTERNATIONAL LABOUR ORGANIZATION
- IMO INTERNATIONAL MARITIME ORGANIZATION
- IMCO INTER- GOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION
- IOC INTERGOVERNMENTAL OCEANOGRAPHIC COMMISSION
- ITLOS INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA
- MARPOL INTERNATIONAL CONVENTION FOR THE PREVENTION OF POLLUTION FROM SHIPS
- MMBNGL MILLION BARRELS OF NATURAL-GAS LIQUIDS
- MMBO MILLION BARRELS OF OIL

- OILPOL INTERNATIONAL CONVENTION FOR THE PREVENTION OF POLLUTION OF THE SEA BY OIL
- OPRC INTERNATIONAL CONVENTION ON OIL POLLUTION PREPAREDNESS, RESPONSE AND CO-OPERATION
- OSPAR "OSLO" AND "PARIS
- OSRL OIL SPILL RESPONSE LIMITED
- PAME PROTECTION OF THE ARCTIC MARINE ENVIRONMENT
- PPR POLLUTION PREVENTION AND RESPONSE
- R&D-RESEARCH AND DEVELOPMENT
- SDWG SUSTAINABLE DEVELOPMENT WORKING GROUP
- SOLAS INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA
- UNDRIP UN DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES
- UNCLOS UNITED NATIONS CONVENTION ON LAW OF THE SEA
- UNFCCC UNITED NATION FRAMEWORK CONVENTION ON CLIMATE CHANGE
- UNEP UNITED NATIONS ENVIRONMENT PROGRAM
- USGS US GEOLOGICAL SURVEY

#### ACKNOWLEDGEMENT

I express my deep sense of gratitude to all of them who were directly or indirectly involved in the preparation of this dissertation. I have made use of classroom situations, UPES Library database and internet in collecting the materials for the dissertation.

I place on record my sincere thank to my mentor **Mr. Rajkumar**, for his consistent guidance and sharing of his impeccable knowledge about the Oil and Gas Legal Framework in the Arctic region, which helped me to bring this dissertation to a sound culmination. He assisted me thoroughly throughout the progress of dissertation, clearing my doubts and confusions at every juncture. The Successful completion of this dissertation is a fete to his efforts.

The intent of this Dissertation is to understand the existing legal regulatory framework for hydrocarbon exploration in Arctic region. It is emphatically stressed throughout the dissertation that the existing governance framework for offshore oil and gas activities in the Arctic region needs to be strengthened and especially in the area of oil spill prevention, containment, and response.

I also would like to thank my family and friends for their moral support and guidance. Lastly, I thank the Almighty God, without whose blessings this dissertation could not have been successful.