

Rosneft to Start Drilling Oil in the Arctic This Year

By [The Moscow Times](#)

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Russia's biggest oil company Rosneft plans to start drilling for oil on the Arctic shelf in August, the company's vice president Andrei Shishkin said.

"Rosneft will start working in the Arctic region from this year. In August we will begin drilling at our Universitetskaya well in the Kara Sea and we plan to get first results in November," Shishkin said at Arctic Oil and Gas Forum in Moscow, PRIME news agency reported.

Rosneft will be following in the footsteps of Gazpromneft, the oil arm of Russia's gas monopoly Gazprom, which began pumping oil in the neighboring Pechora Sea in December. That project generated a storm of publicity last fall when 30 activists and crew of a Greenpeace ship were jailed after getting too close to Gazpromneft's drilling rig during a protest. Environmentalists claim that oil companies do not have the expertise to safely drill in harsh Arctic conditions — the Kara Sea is frozen for 10 months a year — and that an oil

spill in the region would do [catastrophic damage](#) to a fragile ecosystem.

"The program to develop the Arctic shelf is an important strategic state objective ... It is not only a new step for the oil industry, but a new step in the industrialization of the country," said Shishkin, who served as deputy energy minister from 2010 to 2012.

The cost of tapping a single exploration well is about \$1 billion, Shishkin said. "Oil from the Arctic shelf is more expensive than oil drilled in open waters, but current technology and light taxation mean it can be profitable."

Earlier this month, Rosneft said it would focus the greater part of its exploration work and investment this year on offshore projects, where preparation is going full-steam for deep-water drilling, both in the Kara Sea and in the Caspian.

Rosneft has 46 oil and gas exploration and extraction licenses in Russia's offshore waters with total reserves of more than 42 billion tons of oil and oil equivalent. The majority of this — 34.6 billion tons — is in the Arctic shelf.

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