Dear Vladimir Vladimirovich,

On August 18th the towing of the Prirazlomnaya offshore ice-resistant stationary platform (“OIRSP”) started from Murmansk and on August 26th it has been delivered to a site in the Pechora Sea to be fixed on the seafloor. According to OJSC Gazprom’s statement dated August 18, 2011, “Special attention during the Prirazlomnaya construction was placed on the environmental safety issues”. Despite what the statement says, Russian non-governmental environmental organizations still have a lot of questions and comments on the project in the area of environmental safety, that we set forth in our Statement dated August 4, 2011 (see the Attachment).

Oil spill occurred from Shell platform in the North Sea on August 13th, 2011 has evidenced the incapability to eliminate accidents during oil production operations. In our view the incapability to clean acute oil spills is the major problem of Prirazlomnoye field development project: an estimated oil spill amounts 1,500 tones only while the platform can take up to 120,000 tonesof oil at a time. Large oil spill response infrastructure is located in Murmansk, a thousand kilometers from the Prirazlomnoye field. The existing level of preparedness to deal with possible emergencies in the Arctic was stated as insufficient at an International Conference “Prevention and elimination of emergencies in the Arctic” held on August 23-25, 2011 in Yakutsk with participation of representatives from the RF Ministry of Emergencies, the RF Ministry of Foreign Affairs, the RF FSS Frontier Service and the RF Ministry of Transport. In 2001-2015 the RF Ministry of Emergencies plans to establish 10 centers for emergency and rescue but they do not exist yet.

Attempting to start oil production from Prirazlomnaya OIRSP runs counter to the latest orders of the RF President given to the government based on the results of the meeting of the State Council Presidium held on June 9th, 2011; the conference was focused among others on the issues of ensuring ecological safety during realization of infrastructure projects for exploration, production and transportation of hydrocarbon on the RF continental shelf and within the RF exclusive economic zone in conformity with international requirements and standards, including through implementing financial support mechanisms for oil and oil product spill response activity (measures), as well as setting special environmental requirements for natural resource use in the RF Arctic zone permitting oil production **in ice-congested conditions only if operators have** proven techniques of under-ice oil spill response. There are no technologies and equipment capable of offshore oil spill efficient response in ice-congested conditions currently existing in the world with oil spill volume amounting even 1,500 tonnes. All our attempts to obtain the project documentation on the preparedness for oil spill response in ice-congested conditions from the operator in accordance with the legal procedure have been tried without much success.

The fact that the project is closed to public almost completely represents another serious problem related to ensuring ecological safety of the Prirazlomnoye field; it violates both international standards (for example, requirements of the Arctic Offshore Oil and Gas Guidelines adopted by the Arctic Council in 2009) and OJSC Gazprom best practice it demonstrated during environment impact assessment for trans-border purposes when implementing the Nord Stream Project.

It is also important to note that economic feasibility of hydrocarbon production in the Arctic region needs additional assessment. Thus, according to OJSC Gazprom’s representatives, investments in gas production can be in competition with energy efficiency. Efficiency potential of existing wells production and oil refining at refineries is much higher than the potential of developing new oil fields in the Arctic shelf. For example, just improving of oil recovery factor can provide much more oil than its volumes additionally produced from the Prirazlomnoye field.

Based on the mentioned above, a coalition of non-governmental environmental organizations - Russian Birds Conservation Union, Socio-Ecological Union, World Wildlife Fund (WWF) Russia, Greenpeace Russia, Bellona Murmansk – ask you to consider our suggestions related to the Prirazlomnoye Project, in particular:

* suspend Prirazlomnaya platform installation operations until the fulfillment of the orders of the RF President based on the results of the State Council meeting held on June 9th, 2011 in Dzershinsk;
* ensure the transparency of project documentation and approvals including summary conclusions of the State Environmental Appraisal of the Prirazlomnaya offshore ice-resistant stationary platform carried out in spring 2011;
* hold an open and comprehensive discussions of the project environmental safety as well as the project importance in the context of re-gearing of the Russian economy for innovation-based development;
* hold a comprehensive discussion of issues related to oil spill response in the Arctic region;
* hold a comprehensive discussion of economic feasibility of oil and gas production in the Arctic region including the Arctic shelf.

Russian Birds Conservation Union

Socio-Ecological Union

World Wildlife Fund (WWF) Russia

Greenpeace Russia

Bellona Murmansk

30 August 2011