

## Summary of “The Wreck of the Kulluk”

*New York Times*

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Much like the Titanic, some thought the Kulluk—an oil drilling rig—would never fail. Shell’s purchase and subsequent demise of this massive drill is detailed in the *New York Times* piece “The Wreck of the Kulluk.” Through this project, Shell hoped to procure oil from the Alaskan Arctic. Machines like the Kulluk exist because **easy oil is gone**, and the hunt for oil has gone to extremes. **The desire to satisfy our insatiable oil appetite has become increasingly uneconomical, with the break-even point for such unconventional oil projects starting at \$70 per barrel.**

But the costs don’t end there, and the story of the Kulluk serves as a perfect example of what can go wrong, and why the price is just too high. While the base cost of the Kulluk was never disclosed, we know **upgrades alone cost \$292 million**. The Alaskan Arctic has no deepwater port, causing Shell to bring not only the Kulluk, but also 83 personnel and a myriad of equipment on-site. Shell built a **\$400 million Arctic-ready containment dome** for the project, **spent over \$2 billion in leases, bringing total costs to \$6 billion** just to make drilling feasible. Foul weather which damaged the Kulluk prior to drilling, lengthy permit approvals, a displacement of the project’s support drill ship, and Arctic ice melting much later than expected all delayed project launch and increased costs. A faulty electrical connection caused irreparable damage to the project’s \$400 million containment dome. Project costs were astronomical. **And this was just to drill a test well, not to extract oil.**

Once the Kulluk could finally leave port, it never arrived at its final destination. A massive storm and snapped towline created a life-threatening situation for it’s 18-person skeleton crew and the Coast Guard members who rescued them by helicopter amidst surging seas. Throughout the rescue process and shortly before it had become evident that some basic safety protocols had not been followed.

After the snapped towline and rescue of its crew, **the Kulluk ran aground**, shipwrecking itself onto an uninhabited island en route to the Alaskan Arctic. The Kulluk, which promised seemingly limitless prosperity through visually compelling ads accompanied by snappy slogans, has become known as **one of the more recent failed projects of the oil industry**. Lives and habitat were put at risk, but thankfully neither was gravely harmed.

The wreck of the Kulluk serves as a cautionary tale as to why investments in clean, renewable energy sources are needed – and continued reliance on oil is increasingly risky and expensive.

[http://www.nytimes.com/2015/01/04/magazine/the-wreck-of-the-kulluk.html?\\_r=2](http://www.nytimes.com/2015/01/04/magazine/the-wreck-of-the-kulluk.html?_r=2)