

STATE OF ALASKA

SARAH PALIN, GOVERNOR

**DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF SPILL PREVENTION AND RESPONSE
CONTAMINATED SITES PROGRAM**

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File: # 300.38.243

March 19, 2008

Chuck Stilwell
BP Exploration (Alaska) Inc
P.O. Box 196612
900 East Benson Blvd
Anchorage, AK 99519-6612

Re: Kuparuk State 24-11-12
Record of Decision

Dear Mr. Stilwell:

The Alaska Department of Environmental Conservation, Contaminated Sites Program (ADEC) reviewed the environmental records associated with exploration site Kuparuk State 24-11-12. This site had been contaminated by the release of a hazardous substance; however, based on the information provided to date, ADEC has determined that no further remedial action is required, and that Kuparuk State 24-11-12 can be closed subject to the conditions outlined in this document. The hazardous substance contamination has been adequately addressed and does not pose an unacceptable risk to human health or the environment.

This decision is based on the administrative record for this site which is located in the offices of the ADEC in Anchorage, Alaska. This letter summarizes the decision process used to determine the environmental status of this site and provides a summary of the regulatory issues considered in the ADEC determination.

Introduction

Site Name and Location

BPX Kuparuk 24-11-12
Section 23, Township 11N, Range 12E, Umiat Meridian
Prudhoe Bay, AK

Name and Mailing Address of Contact Party:

Chuck Stilwell
BP Exploration (Alaska) Inc
P.O. Box 196612
900 East Benson Blvd
Anchorage, AK 99519-6612

Database Record Key and CS file number:

ADEC Reckey # 2005360135601

CS file # 300.38.243

Regulatory authority under which the site is being cleaned up:

18 AAC 75 and 18 AAC 70

Background

The site is a remote gravel exploration pad, where two exploratory wells were drilled in the 1970's. Diesel contamination at the gravel pad is the result of historic releases and operations associated with oil exploration.

Site Characterization

A comprehensive site characterization was conducted in 2005, during which 21 boreholes were driven in the main gravel pad. Samples collected from boreholes contained diesel range organics (DRO) up to 29,600 mg/kg. Based on the results of the site characterization, the gravel pad was separated into areas of clean (DRO less than 200 mg/kg), restricted use (DRO greater than 200 but less than 2,000 mg/kg) and contaminated (DRO greater than 2,000 mg/kg). Excavation proceeded in stages so as to accurately identify and segregate contaminated and restricted use gravel from clean gravel.

Over 56,000 cubic yards (cy) of clean gravel was excavated and either used on site to backfill the reserve pit or hauled off site for reuse at Z pad. Contaminated gravel adjacent to the wellheads was designated as Resource Conservation and Recovery Act (RCRA) Exploration and Production (E&P) exempt and was transported to the Drill Site 4 grind and inject facility. Over 5,600 cy of non RCRA E&P exempt restricted use and contaminated gravel and tundra was transported to the East Dock landfarm for treatment.

Field screening was conducted to guide the excavation and confirmation samples were collected from impacted areas following excavation of impacted gravel. Confirmation samples contained DRO up to 1,330 mg/kg.

Following excavation of gravel, overburden (peat) was brought in and placed atop the former pad to approximate tundra grade after settling and to minimize ponding. The pad will be revegetated in accordance with a site specific revegetation plan and inspected occasionally to evaluate the progress of the rehabilitation.

Contaminants of Concern

Diesel Range Organics

Cleanup Levels

The cleanup levels for petroleum hydrocarbon-contaminated soil on manmade gravel pads and roads in the Arctic Zone are established in 18 AAC 75.341 Method One, Table A2 and 18 AAC 75.341 Method Two Tables B1 and B2.

A number of factors are considered by ADEC when evaluating site specific cleanup levels in the Arctic Zone including:

- human health (ingestion/inhalation);
- ecological impacts (contamination impacting ecological species other than humans);
- water (ground and surface) quality;
- presence of free phase product; and
- any other factors that might cause a deleterious impact to the environment.

In the Arctic Zone, the migration to surface water pathway is evaluated as the primary migration pathway since the migration to groundwater pathway is not considered applicable due to the presence of continuous permafrost.

The 18 AAC 75.341 Method Two Table B2 regulations also limit soil hydrocarbon concentrations to a “maximum allowable concentration”. This concentration was established based on a specific soil type in which hydrocarbon product may become mobile as a separate phase and migrate in the soil. If a petroleum hydrocarbon exceeds a soil saturation limit, there may be an increased risk of migration off the gravel pad to surface water or tundra that has to be evaluated when making environmental decisions. Therefore, the soil type must be evaluated when establishing cleanup levels in the Arctic Zone to ensure the petroleum hydrocarbon does not exceed the residual saturation levels and pose a risk by migrating.

ADEC has evaluated the current site specific information regarding North Slope soil types and considers a coarse gravel soil type to be representative of those gravel pads rather than a fine sandy silt soil that was considered when establishing the Table B2 Arctic Zone levels. The diesel range saturation point in a coarse gravel material is 2200 mg/kg; the gasoline range saturation point is 950 mg/kg with residual range being 4800 mg/kg.

NOTE: Even though the migration to groundwater pathway is not complete in the Arctic Zone, the soil cleanup levels established for the migration to groundwater pathway in the Over 40 inch Zone are considered to be the most stringent cleanup levels, and protective of human health and the environment. If these cleanup levels are achieved at an Arctic Zone site, it will allow for unrestricted closure. In addition, the 18 AAC 75.341 Method One Table A2 cleanup levels may also be considered when making a final closure determination. Either Method One or Method Two migration to groundwater cleanup levels are considered protective to allow full site closure. The guidance document, “Policy for Establishing Cleanup Levels for Sites in the Arctic Zone in Accordance With 18 AAC 75, Article 3,” provides additional information for management of residual contamination in the Arctic Zone.

Pathway Evaluation

The human health exposure and migration pathways that were evaluated for this decision document included: inhalation of outdoor air; ingestion of soil; dermal contact with soil; and ingestion of groundwater. The inhalation and ingestion pathways may be complete but contaminant concentrations did not exceed 18 AAC 75.341 Table B2, Method Two risk based cleanup levels for either ingestion or inhalation. Therefore, the HH exposure risk is considered acceptable. The dermal contact pathway is considered incomplete as the remaining contamination is sub-surface and is not available to receptors.

In the Arctic Zone, the migration to surface water pathway is evaluated as a possible risk to human health (drinking water source) and/or for compliance with Alaska Water Quality standards (18 AAC 70). Any surface water adjacent to this pad is not a drinking water source; therefore, the human exposure pathway is not considered complete.

In addition, the migration to surface water is evaluated as a possible exposure pathway for ecological receptors because of the tundra wetland ecosystem that exists throughout the Arctic region. The migration to surface water pathway may be complete but the remaining contamination is below tundra grade and covered with overburden, and is not anticipated to impact ecological receptors.

The exposure pathway analysis above was supported by the most recent ADEC Exposure Tracking Model (ETM) ranking. The ETM results showed all pathways to be one of the following: De Minimis Exposure, Exposure Controlled, or Pathway Incomplete.

ADEC Decision

There is contamination remaining above established cleanup levels at Kuparuk 24-11-12 but ADEC has determined there is no unacceptable risk to human health or the environment, and this site will be conditionally closed.

This decision is subject to the following conditions:

1. A Notice of Environmental Contamination will be recorded on the ADEC database to document that there is residual contamination remaining on site above the most stringent ADEC cleanup levels;
2. Any proposal to transport soil off site requires ADEC approval in accordance with 18 AAC 75.370 (b)

This determination is in accordance with 18 AAC 75.380 (d) and does not preclude ADEC from requiring additional assessment and/or cleanup action if future information indicates that this site may pose an unacceptable risk to human health or the environment.

Site closure (without conditions) can be achieved when soil sampling confirms that all soil meets the most stringent ADEC cleanup levels.

Appeal

Any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.195 -18 AAC 15.340 or an informal review by the Division Director in accordance with 18 AAC 15.185. Informal review requests must be delivered to the Division Director, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 15 days after receiving the department's decision reviewable under this section. Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 30 days after the date of issuance of this letter, or within 30 days after the department issues a final decision

under 18 AAC 15.185. If a hearing is not requested within 30 days, the right to appeal is waived.

If you have questions about this closure decision, please contact ADEC Project Manager William O'Connell at (907) 269-3057.

Sincerely,

A handwritten signature in cursive script that reads "Linda Nuechterlein".

Linda Nuechterlein
Environmental Manager

Cc. Gary Schultz, ADNR Fairbanks
Lori Aldrich, ADEC