STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF SPILL PREVENTION AND RESPONSE
INDUSTRY PREPAREDNESS AND PIPELINE PROGRAM
Exploration Production and Refineries Section

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March 13, 2002

File No.: 305.30.5069

OIL DISCHARGE PREVENTION
AND CONTINGENCY PLAN APPROVAL

RECEIVED
MAR 15 2002
VICE PRESIDENT
UNOCAL ALASKA

Mr. Charles A. Pierce, Vice President
Unocal Alaska
909 W 9th Ave
Anchorage, AK 99501

Dear Mr. Pierce:

Re: Plan Approval for the Unocal Cook Inlet Production Facilities, Oil Discharge Prevention and Contingency Plan (plan), Plan Number 004-CP-2008

The Alaska Department of Environmental Conservation (Department) has completed its review of the Unocal Cook Inlet and Swanson River Production Facilities Oil Discharge Prevention and Contingency Plan, Plan Number 004-CP-2008, submitted on September 5, 2000 for the renewal of the plan approval. The application for renewal of the plan approval was reviewed in accordance with the provisions outlined in 18 AAC 75.455.

This approval applies to the following Oil Discharge Prevention and Contingency Plan (plan):

Plan Title:	**Unocal Oil Discharge Prevention and Contingency Plan, Cook Inlet Production Facilities.**
Supporting Documents:	**Cook Inlet Spill Prevention and Response, Inc. Technical Manual, Volumes I – IV, dated February 1998, as revised, updated, and amended upon approval.**
Plan Holder:	**Unocal Corporation, Anchorage, Alaska.**
Covered Facilities:	**<u>Production Platforms</u>: Anna, Baker, Bruce, Dillon, Dolly Varden, Granite Point, Grayling, King Salmon, Monopod, Steelhead. <u>Cook Inlet onshore facilities</u>: Granite Point Tank Farm, Trading Bay Production Facility, East Forelands Delivery Facility and Swanson River Production Facility.**

PLAN APPROVAL: Approval of the referenced plan is hereby **effective March 13, 2002.** This approval supersedes all previous Department approvals and Certificates of Approval.

A certificate of approval stating that the contingency plan has been approved by the Department is enclosed. **This approval is subject to the following terms and conditions:**

1. Unocal will continue to participate in Cook Inlet Spill Prevention and Response, Inc. (CISPRI) Committee meetings and other scheduled related workshops to ensure implementation of an adequate shoreline and wildlife protection plan during a spill response. This condition will continue in effect until such plans are finalized and agreed upon by the involved CISPRI member companies and reviewing agencies. Any proposed amendments to the CISPRI Technical Manual must be submitted to the Department for review and approval, prior to implementation.

   This condition is reasonable and necessary to assure compliance with 18 AAC 75.415, 18 AAC 75.425(e)(1, 3 & 4), 18 AAC 75.430, 18 AAC 75.432, 18 AAC 75.436, and 18 AAC 75.445.

2. Notice of Changed Relationship with Response Contractor. Because the plan relies on the use of response contractor(s) for its implementation, the plan holder must immediately notify the Department in writing of any change in the contractual relationship with the plan holder's response contractor(s), and of any event including but not limited to any breach by either party to the response contract that may excuse a response contractor from performing, that indicates a response contractor may fail or refuse to perform, or that may otherwise affect the response, prevention, or preparedness capabilities described in the approved plan.

   This condition is reasonably necessary because there are certain risks associated with allowing a plan holder to rely in part or total upon a response contractor instead of obtaining its own response capability. The risks arise, in part, because the certainty of the contractor's response is dependent upon the continuation of the legal relationship between it and the plan holder. Given this risk, the Department must be promptly informed of any change of the contractual relationship between the plan holder and the response contractor, and of any other event that may arguably excuse the response contractor from performing or that would otherwise affect the response, prevention, or preparedness capabilities described in the approved plan. The Department may seek appropriate modifications to the plan or take other steps to ensure that the plan holder has continuous access to sufficient resources to protect the environment and to contain, cleanup, and mitigate potential oil spills

3. Oil Spill Response Best Available Technology Analyses. Within 60 days after the effective date of revisions to 18 AAC 75 necessitated by the Alaska Supreme Court's Decision No. 5531 regarding best available technology determinations, the plan holder will submit a plan amendment to comply with the new regulations. Prior to its incorporation into the plan, the amendment will undergo public review in accordance with 18 AAC 75.455.

   This condition is reasonable and necessary to comply with Supreme Court Decision No. 5531(Lakosh v. ADEC, et. al.), dated February 1, 2002, which invalidated the existing 18 AAC 75.445(k)(1) and (2). DEC is revising its regulations to implement the ruling, which will affect all Oil Discharge Prevention and Contingency Plan holders. DEC has attached this condition to its approval so that the spill prevention and response improvements that have been made to this

plan can be implemented without delay, and to ensure that plan holders comply with the Supreme Court's Decision in a timely and orderly manner.

4. Coordination and Renewal. At the Department's request, the plan holder's designated representative will meet with representatives of the Department to:

- Coordinate drills, inspections, training, or other activities related to the contingency plan;
- Identify best available technology or other requirements that may apply to the facility at the time of the next renewal application;
- Identify potential plan amendments; and
- Identify and resolve issues that may affect expeditious submittal review, and approval or the renewal application.

This condition is reasonable and necessary as a plan condition under AS 46.04.030(e) to ensure the plan holder's compliance with the requirements of AS 46.04.030(d), AS 46.04.030(e), 18 AAC 75.415, and 18 AAC 75.420, and to implement drills and exercises authorized by AS 46.04.030(e)(1-4).

EXPIRATION: This approval **expires March 13, 2005.** After the approval expires, Alaska law prohibits operation of these facilities until an approved plan is once again in effect.

AMENDMENT: Before any change to this plan may take affect, the planholder must submit an Application for Amendment to the plan with any additional information needed to evaluate the proposed amendment. This is to ensure that changes to the plan do not diminish the planholder's ability to respond to a discharge and to evaluate any additional environmental considerations that may need to be taken into account. (18 AAC 75.415).

REVOCATION, SUSPENSION, OR MODIFICATION: This approval is effective only while the plan holder is in "compliance with the plan" and with all of the terms and conditions described above. The Department may, after notice and opportunity for a hearing, revoke, suspend, or require the modification of an approved plan if the plan holder is not in compliance with it, or for any other reason stated in AS 46.04.030(f). In addition, Alaska law provides that a vessel or facility that is not in "compliance with the plan" may not operate (AS 46.04.030). The Department may terminate approval prior to the expiration date if deficiencies are identified that would adversely affect spill prevention, response or preparedness capabilities.

DUTY TO RESPOND: Notwithstanding any other provisions or requirements of this contingency plan, a person causing or permitting the discharge of oil is required by law to immediately contain and cleanup the discharge regardless of the adequacy or inadequacy of a contingency plan (AS 46.04.020).

NOTIFICATION OF NON-READINESS: Within twenty-four (24) hours after any significant response equipment specified in the plan becomes non-operational or is removed from its designated storage location, the plan holder must notify the Department in writing and provide a schedule for the equipment's substitution, repair, or return to service (18 AAC 75.475(b)).

CIVIL AND CRIMINAL SANCTIONS: Failure to comply with the plan may subject the plan holder to civil liability for damages and to civil and criminal penalties. Civil and criminal sanctions may also be imposed for any violation of AS 46.04, any regulation issued thereunder, or any violation of a lawful order of the Department.

INSPECTIONS, DRILLS, RIGHTS TO ACCESS AND VERIFICATION OF EQUIPMENT, SUPPLIES AND PERSONNEL: The Department has the right to verify the ability of the plan holder to carry out the provisions of its contingency plan and access to inventories of equipment, supplies and personnel through such means pas inspections and discharge exercises, without prior notice to the plan holder. The Department has the right to enter and inspect the covered vessel or facility in a safe manner at any reasonable time for these purposes and to otherwise ensure compliance with the plan and the terms and conditions (AS 46.04.030(e) and AS 46.04.060). The plan holder shall conduct exercises for the purpose of testing the adequacy of the contingency plan and its implementation (18 AAC 75.480 and 485).

FAILURE TO PERFORM: In granting approval of the plan, the Department has determined that the plan, as represented to it by the applicant in the plan and application for approval, satisfies the minimum planning standards and other requirements established by applicable statutes and regulations, taking as true all information provided by the applicant. The Department does not warrant to the applicant, the plan holder, or any other person or entity: (1) the accuracy or validity of the information or assurances relied upon; (2) that the plan is or will be implemented; or (3) that even full compliance and implementation with the plan will result in complete containment, control, or clean-up of any given oil spill, including a spill specifically described in the planning standards.

The plan holder is encouraged to take any additional precautions and obtain any additional response capability it deems appropriate to further guard against the risk of oil spills and to enhance its ability to comply with its duty under AS 46.04.020(a) to immediately contain and clean up an oil discharge.

COMPLIANCE WITH APPLICABLE LAWS: If amendments to the approved plan are necessary to meet the requirements of any new laws or regulations, the plan holder must submit an application for amendment to the Department at the above address. The plan holder must adhere to all applicable state statutes and regulations as they may be amended from time to time. This approval does not relieve the plan holder of the responsibility for securing other federal, state or local approvals or permits, and that the plan holder is still required to comply with all other applicable laws.

ADJUDICATORY HEARING: Any person who disagrees with the decision may request an adjudicatory hearing by serving upon the Commissioner a request for hearing that complies with the requirements of 18 AAC 15.200-310. Hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation at 410 Willoughby Ave, Suite 303, Juneau, AK 99801-1795 within 30 days of receipt of this letter. If a hearing is not requested within 30 days, the right to a hearing is waived and the decision becomes final. Please send a copy of the hearing request to the undersigned.

If you have any questions, please contact Ted Moore at 269-7569 or me at 465-5290.

Sincerely,

Jeff Mach
Oil and Gas Coordinator

Enclosure: Certificate of Approval, Number 02-CER-4452

Cc w/o enclosure:
Mark Fink, ADFG, Anchorage
Sam Means, ADNR, Anchorage
Carl Lautenberger, USEPA
Capt. William Hutmacher, USCG
Mike Munger, CIRCAC
Dan Bevington, Kenai Peninsula Borough
Harry Eaton, Unocal Alaska, Kenai

ALASKA DEPARTMENT
of
Environmental Conservation
Certificate of Approval
for
Oil Discharge Prevention and Contingency Plan

Certificate Number: 02-CER-4452

Plan Number: 004-CP-2008

Name of Plan: Unocal Cook Inlet Production Facilities Oil Discharge Prevention and Contingency Plan

Name of Facilities: Production Platforms: Anna, Baker, Bruce, Dillon, Dolly Varden, Granite Point, Grayling, King Salmon, Monopod, Steelhead. Cook Inlet onshore facilities: Granite Point Tank Farm, Trading Bay Production Facility, East Forelands Delivery Facility and Swanson River Production Facility.

Facility Address/Location: Unocal Corporation, P.O. Box 196247, Anchorage, AK 99519-6247

Telephone: (907) 276-7600 **Fax:** (907) 263-7698

Region(s) of Operation (18 AAC 75.495): Cook Inlet

Effective Date of Approval: March 13, 2002 **Expiration Date:** March 13, 2005

This approval is subject to the terms and conditions of the applicable Department of Environmental Conservation contingency plan approval letter and continuing compliance with the requirements of AS 46.04 and 18 AAC 75.

3/13/02

Jeff Mach, Approving Authority Date
Oil and Gas Coordinator

Revised 5/28/02