

STATE OF ALASKA

**DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF SPILL PREVENTION AND RESPONSE
INDUSTRY PREPAREDNESS PROGRAM
Marine Vessels Section**

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March 8, 2006

OIL DISCHARGE PREVENTION AND CONTINGENCY PLAN APPROVAL

Dare Haines
Operations Manager
Unocal Alaska
909 W. 9th Avenue
Anchorage, AK 99501

SUBJECT: Union Oil Company of California, Cook Inlet Vessel Oil Discharge Prevention and Contingency Plan and Renewal Application of ADEC Plan Number 051-CP-5119 dated September 8, 2005

Dear Mr. Haines:

The Alaska Department of Environmental Conservation has completed review of the application for approval of the following Oil Discharge Prevention and Contingency Plan 051-CP-5119, submitted on September 8, 2005.

Plan Name and Dates:	Union Oil Company of California Cook Inlet Vessel Operations Oil Discharge Prevention and Contingency Plan, dated March 8, 2006.
Supporting Documents:	CISPRI Technical Manual, dated June 2003.
Plan Holder:	Union Oil Company of California P.O. 196247 Anchorage, Alaska 99519-6247
Covered Vessels:	Vessel to be determined; operating in Cook Inlet.

PLAN APPROVAL: The Department has determined that the referenced plan satisfies minimum planning standards and other requirements established under applicable statutes and regulations. Therefore, the Union Oil Company of California Cook Inlet Vessel Operations Oil Discharge Prevention and Contingency Plan is hereby approved, effective **March 8, 2006**. This approval supersedes the previous plan approval and certificate of approval issued by the Department, dated July 9, 2003. A certificate of approval stating that the Department has approved the contingency plan is enclosed.

Within 30 days of the date of this letter, the plan holder must submit to the Department updated versions of the Union Oil Company of California Cook Inlet Vessel Operations Oil Discharge Prevention and Contingency Plan, including all revisions instituted during the recent plan review and the conforming plan edits agreed to by the plan holder in their responses to the Department's requests for additional information dated November 21, 2005 and February 13, 2006. You must send two complete plan copies to the Department's Valdez office and one plan copy to the Department's Anchorage office. In addition, you must send either a complete updated version of the plan or a copy of the plan edits and revisions to each controlled document holder of your contingency plan. Please be advised that no plan material(s) has been added to, deleted from, or changed within your contingency plan since the plan was submitted on September 8, 2005.

TERMS and CONDITIONS: Notice of Changed Relationship with Response Contractors. 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). 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 C-plan.

This condition is reasonable and 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.

EXPIRATION: This approval expires **March 7, 2011**. After the approval expires, vessel operations are prohibited by Alaska law until an approved plan is once again in effect.

RENEWAL: To renew this plan approval, the plan holder must submit a completed renewal application no later than 180 days prior to the expiration date in this approval. The application must include a copy of the existing plan highlighting new language and redlining deleted language in the plan. These requirements are to ensure the submitted plan is approved before the current plan in effect expires.(18 AAC 785.420).

REVOCATION, SUSPENSION, OR MODIFICATION: This approval is effective only while the plan holder is "in compliance with the plan" as approved on **March 8, 2006** and with all of the terms described in this letter. 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 equipment 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 as 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 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 of the permit decision. 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 of the permit decision. If a hearing is not requested within 30 days, the right to appeal is waived.

If you have any questions, please contact John Kotula or Vince Kelly at (907) 835-4698.

Sincerely,


Bill Hutmacher
Program Manager

Enclosure: Certificate of Approval, Number: 06 CER-004

cc: w/ enclosures:

Laura Hammond, Unocal
John Kotula, ADEC, Valdez
Theresa Casillas, ADEC, Valdez
Project File

cc: w/o enclosures:

Betty Schorr, ADEC, Anchorage
Bill Hutmacher, ADEC, Anchorage
Mark Fink, ADF&G, Anchorage
Carol Fries, ADNR, Anchorage
Mary Ogle, Kodiak Island Borough, Kodiak
Gary Williams, Kenai Peninsula Borough, Soldotna
Thede Tobish, Municipality of Anchorage, Anchorage
Mike Munger, CIRCAC, Kenai