

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Qugruk #2 Pad

Division of Spill Prevention and Response Prevention and Emergency Response Program

SITUATION REPORT

Repsol Q2 Pad Gas and Mud Release

SITREP #7

SPILL NUMBER: 12399904601

TIME/DATE OF SPILL: Repsol reported the incident to ADEC at 10:29 AM on February 15, 2012.

TIME/DATE OF SITUATION REPORT: 2:00 PM on February 20, 2012

TYPE/AMOUNT OF PRODUCT SPILLED: Repsol estimates that approximately 42,000 gallons (1,000 barrels) of fresh-water-based drilling mud have been released to the ice drilling pad and adjacent snow-covered tundra. An unknown amount of gas has been released. The mud that was released is a mixture of minerals (primarily barium sulfate) and water. Drilling mud is used to lubricate the drill, control formation pressure, and remove cuttings from the bore. No oil has been spilled.

INCIDENT LOCATION: Qugruk #2 Pad, on the Colville River Delta, approximately 18 miles northeast of Nuiqsut and approximately 150 miles southeast of Barrow (70° 27′ 19″ N, 150° 44′ 52″ W).

CAUSE OF SPILL: Repsol contractor Nabors Drilling was drilling an exploratory well when the drill penetrated a shallow gas pocket at a depth of 2,523 feet, resulting in a gas kick. The gas kick drove drilling mud out of the well and through the gas diverter onto the ice pad and adjacent snow-covered tundra. The gas diverter is a pipe that extends approximately 75 feet from the drilling rig toward the edge of the pad. Additional mud was pumped into the well in an attempt to control it, but that mud was also forced out by the gas.

POTENTIAL RESPONSIBLE PARTY (PRP): Repsol E&P USA

RESPONSE ACTION: Nabors Drilling and Cruz Construction Inc. workers have removed approximately 200 cubic yards of drilling mud and contaminated snow from areas adjacent to the east, north, and west sides of the drilling rig. This will improve access for crews and equipment working to cleanup and repair the rig. Due to the potential danger posed by the gas diverter in the event the well resumes flow, no cleanup will take place on or off the pad to the south of the rig before well control work is complete.

Well control workers have set up boilers outside the rig and begun using steam to thaw frozen drilling mud and water from around the drill cellar access doors. Thawing operations will first focus on gaining access to hydraulic lines and other equipment in the drill cellar that are essential to operating the well. Frozen material in the drill cellar is several feet thick, and at this time crews are not able to estimate how long it will take to complete the necessary thawing operations.

Drilling mud, water, and other material ejected from the well will be trucked to Prudhoe Bay for disposal in an approved injection well.

Two ADEC personnel stationed at the Palm Pad forward operating base are en route to the Qugruk #2 Pad for a site visit at the time of this report.

SOURCE CONTROL: The well ceased flowing at about 9:00 PM on February 16. Preparations for a well control operation are ongoing.

RESOURCES AFFECTED: Snow-covered tundra and ice pad. Drilling mud can affect tundra plants by changing soil pH and salinity. Brackish water produced by the well may also increase soil salinity.

FUTURE PLANS AND RECOMMENDATIONS: Cleanup cannot safely begin until the well is under control. The well control team will give cleanup personnel approximately 24 hours notice in advance of completion of the well control operation. Plans are in place for delineating and cleaning up the spill, and necessary personnel crews and equipment are on standby. A reduced incident management team will continue to monitor the operation from Anchorage and two ADEC responders will remain at Palm Pad until cleanup operations are imminent, at which time additional staff will be recalled.

UNIFIED COMMAND AND PERSONNEL:

Incident Commander: Jeremy Michels, O'Brien's Response Management

F.O.S.C.: Matt Carr, EPA S.O.S.C.: Steve Russell, ADEC

L.O.S.C.: Gordon Brower, North Slope Borough

Field SOSC: Wes Ghormley, ADEC

WEATHER: Today: Scattered flurries, areas of fog; high temperature -4°F; northeast wind to 20 mph.

Tonight: Scattered flurries and areas of fog; low -16°F; east wind 15 mph. Monday: Scattered flurries, areas of fog; high -8°F; northeast wind to 15 mph.

TIME/DATE OF THE NEXT REPORT: 3:00 PM on February 21, 2012

FOR ADDITIONAL INFORMATION CONTACT: Ty Keltner, Public Information Officer, ADEC (907) 465-5009

Photographs and other spill information will be available for viewing at: http://www.state.ak.us/dec/spar/perp/index.htm

AGENCY/STAKEHOLDER NOTIFICATION LIST: This situation report was distributed to the agencies listed on the standard distribution list and includes: governor's office, Senator Begich's office, SECC, DOI, NMFS, and USFWS. This situation report was also distributed to the following agencies and stakeholders:

AGENCY /	NAME	SENT VIA	ADDITIONAL	TELEPHONE	FAX
STAKEHOLDER			INFORMATION		
Repsol	Jan Sieving	email			
Nabors Drilling	Denny Smith	email			
AOGCC		Fax			276-7542
ADNR	Melissa Head/	Fax	melissa.head@alaska.gov	451-2719/	451-2751
	Brian Jackson/		brian.jackson@alaska.gov	451-2732/	or
	Sean Willison		sean.willison@alaska.gov	451-2724	659-2965
ADNR Div of Oil & Gas	Bill Barron		bill.barron@alaska.gov		
ADF&G	Jack Winters	Fax	jack.winters@alaska.gov	459-7285 or	459-7303
	Todd Nichols		todd.nichols@alaska.gov	459-7279	
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			whittier.robert@epa.gov	271-3247	
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Lt. Governor's Office (Juneau)	Parnell/Treadwell	Fax	Sean.parnell@alaska.gov Mead.treadwell@alaska.gov		465-5400
Senator Murkowski's Washington DC Office	Chief of Staff	Fax	North Slope only	(202) 224-6665	(202) 224- 5301
Senator Murkowski's Office in Fairbanks		Fax	North Slope only	456-0233	451-7146
North Slope Borough	Charlotte Brower	Fax	Mayor	852-0200	852-0337
North Slope Borough	Rhoda Ahmaogak	Fax	Planning Director	852-0440	852-5991
Senate T/ Nome	Donnie Olson	Fax	Nome 5/16-1/09 Juneau 1/10-5/15	465-3707	465-4821
House 40/ Kotzebue	Reggie Joule	Fax	Kotzebue 5/16-1/09 Juneau 1/10-5/15	465-4833 or (800) 782-4833	465-4586