

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION Division of Spill Prevention and Response Prevention and Emergency Response Program

Milne Point

SITUATION REPORT

Milne Point Tract 14 Production Line Release

SITREP #: 2

SPILL #: 15399905901

TIME/DATE OF DISTRIBUTION: March 1, 2015 2:00 p.m.

POTENTIAL RESPONSIBLE PARTY (PRP): Hilcorp Alaska, LLC (HCA)

INCIDENT LOCATION: Milne Point Tract 14 Production Line (approximately 25 miles northwest of Deadhorse

and 40 miles northeast of Nuiqsut).

TIME/DATE OF SPILL: 7:50 a.m. on February 28, 2015

HOW/WHEN SPILL WAS DISCOVERED AND REPORTED: A release from a 10" production line was observed at 7:50 a.m. on February 28, 2015. Alaska Department of Environmental Conservation's (ADEC's) After Hours Call service was notified at approximately 9:00 a.m. on the same day. ADEC responders were then contacted within 15 minutes.

TYPE/AMOUNT OF PRODUCT SPILLED: An unknown amount of produced fluids including crude oil and produced water were released to the pad and tundra.

CAUSE OF SPILL: The cause of the production line rupture is under investigation, but crude escaped from an estimated 1/4" diameter hole in the 10" production line.

SOURCE CONTROL: Tract 14 wells were shut in. Production flow was stopped, and the 15-foot segment of pipe in which the hole is located was isolated by shutting valves on either side of the hole. Pressure inside the segment is zero. A wooden plug was inserted in the hole and that portion of the production line was wrapped to prevent further release. Containment supplies were placed under the release point to reduce further environmental impact. Remaining product in affected pipe segment has been removed.

RESPONSE ACTION: HCA mobilized 13 on site responders, engaged the Alaska Clean Seas response team, and requested mutual aid from the Kuparuk Spill Response Team. A preliminary delineation of the impacted area has been completed. Test pits indicate some pooling of fluids under the snow in areas with heavy misting present on the surface. The site has been isolated from non-response road traffic. Responders have sprayed water onto the affected area to form an ice cap over the contamination keeping it in place; thereby preventing further migration during an upcoming weather event. The ice cap will not interfere with responder's ability to recover product from the site. An estimated 3,906 gallons (93 bbls) of liquids have been recovered by vacuum truck to date. A Unified Command has been established with HCA, ADEC, Environmental Protection Agency (EPA) and the North Slope Borough (NSB). Response operations ceased overnight due to severe blizzard conditions. Responders are mobilizing to the site today, weather permitting, to assess the condition of the site and continue response activities.

RECOURSES AT RISK OR AFFECTED: Preliminary delineation activities have reported that approximately 38,800 square feet of gravel pad and tundra have been heavily to lightly misted by fluids. There has been no reports of impacted wildlife. A survey is being conducted to determine if any historic or cultural sites have been affected by this event.

FUTURE PLANS AND RECOMMENDATIONS: The primary focus is developing tactics to recover the spilled product from the pad and tundra. Upon arrival today, responders will assess the condition of the site and identify any impacts of the weather event from last night. Responders will then refine the affected area delineation and continue recovery operations. Crews completed fabrication of the bypass pipe segment and will install the segment as weather allows in order to safely resume normal operations including production line flow to prevent freeze-up of facilities and piping. The affected 15-foot pipe segment has been deinventoried and will be removed for further inspection and analysis. ADEC will mobilize to the on-site field command post on Monday, March 2, 2015 as weather conditions permit. ADEC will work with HCA to review cleanup plans.

WEATHER: Mostly cloudy with areas of blowing snow. Highs will be between 5 to 15 below. Southwest winds of 15 to 30 mph. Tonight will continue to be mostly cloudy with areas of blowing snow with lows from 15 to 36 below. Winds are expected to change to southeast 10 mph after midnight.

UNIFIED COMMAND AND PERSONNEL:

Incident Commander: Gregg Alexander, HCA

State On-Scene Coordinator: Tom DeRuyter, ADEC Federal On-Scene Coordinator: Matt Carr, EPA

Local On-Scene Coordinator: Gordon Brower, North Slope Borough

TIME/DATE OF THE NEXT REPORT DISTRIBUTION: As situation warrants.

FOR ADDITIONAL INFORMATION CONTACT: Tom DeRuyter, State On-Scene Coordinator, ADEC (907) 451-2145

[dec.alaska.gov/spar/perp/response/sr_active.htm]

AGENCY/STAKEHOLDER NOTIFICATION LIST: Please see the first situation report for a list of agency and stakeholder notifications.