STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF SPILL PREVENTION AND RESPONSE CONTAMINATED SITES PROGRAM

SEAN PARNELL, GOVERNOR

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File: 300.38.282

Return Receipt Requested Article No: 7009 2820 0001 7169 7108

May 10, 2012

Mike McAnulty BP Exploration (Alaska) Inc 900 East Benson Blvd, 223B Anchorage, AK 99519

Re: Decision Document; BPX Term Well C

Cleanup Complete Determination

Dear Mr. McAnulty:

The Alaska Department of Environmental Conservation, Contaminated Sites Program (ADEC) has completed a review of the environmental records associated with BPX Term Well C located in Prudhoe Bay, Alaska. Based on the information provided to date, it has been determined that the contaminant concentrations remaining on site do not pose an unacceptable risk to human health or the environment and this site will be closed.

This decision is based on the administrative record 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 Cleanup Complete determination.

Introduction

Site Name and Location BPX Term Well C Prudhoe Bay, Alaska

Name and Mailing Address of Contact Party:

Mike McAnulty BP Exploration (Alaska) Inc 900 East Benson Blvd, 223B Anchorage, AK 99519

ADEC Site Identifiers:

Hazard ID #25388 CS file # 300.38.282

Regulatory authority under which the site is being cleaned up: 18 AAC 75

Background

One well was drilled at this exploration site in March 1979 and suspended in April 1979. It was then plugged and abandoned in March 2011. The site is located approximately two miles west of M Pad off Spine Road. Site features included a gravel pad, reserve pit, and a suspected flare pit. Contamination at the site is the result of releases and disposal practices associated with oil exploration activities. Regulatory oversight for closure of the reserve pit is provided by the ADEC Solid Waste Program under 18 AAC 60.

Contaminants of Concern

During the various investigations at this site, soil samples were analyzed for one or more of the following: diesel range organics (DRO), residual range organics (RRO), gasoline range organics (GRO), and benzene, toluene, ethylbenzene, and xylenes (BTEX), and polynuclear aromatic hydrocarbons (PAHs). Based on the results of these investigations, the following contaminant of concern was identified:

DRO

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);
- groundwater and surface water 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 because the migration to groundwater pathway is not considered applicable due to the presence of continuous permafrost. Impacted surface water can adversely affect both human and ecological receptors, depending on the location of the contaminant source, its proximity to surface waters, and water usage in the impacted area. Therefore 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).

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. Potential future use of the property must also be taken into account when determining closure status. Differentiating between a "Cleanup Complete" and a "Cleanup Complete with Institutional Controls" determination will be based on site specific conditions and exposure pathways as determined by ADEC.

Site Characterization and Cleanup

Site assessment activities were conducted at this site in 1991, 2001, and 2009 to investigate and delineate the nature and extent of contamination at the Term Well C former gravel pad. DRO was detected up to 10,800 mg/kg at 7 feet below pad grade on the gravel pad; however, the contaminants were not detected in the majority of samples.

Corrective action at the site was conducted in 2011 and included removal of drilling waste and backfilling of the reserve pit, as well as removal of the entire gravel pad, flare pit, and access road. Gravel was segregated during removal for treatment or reuse based on the results of previous investigations. Approximately 18,198 cubic yards (cy) of clean gravel were excavated and used to backfill the reserve pit, and approximately 19,050 cy of clean gravel were excavated and hauled offsite for reuse. Approximately 875 cy of hydrocarbon impacted gravel and tundra was transported to the East Dock Landfarm for treatment.

Following removal of the gravel pad, confirmation samples were collected from the bottom and sidewalls of the gravel pad excavation. DRO was detected at a maximum concentration of 570 mg/kg. Contamination was not found in the flare pit, so confirmation samples were not collected. The excavated areas were backfilled and topped with clean overburden and will be re-vegetated in accordance with a site specific rehabilitation plan

Pathway Evaluation

Following investigation and cleanup at the site, exposure to the remaining contaminants was evaluated using ADEC's Exposure Tracking Model (ETM). Exposure pathways are the conduits by which contamination may reach

human or ecological receptors. ETM results show all pathways to be one of the following: De Minimis Exposure, Exposure Controlled, or Pathway Incomplete. A summary of this pathway evaluation is included in Table 1.

Table 1 – Exposure Pathway Evaluation

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Pathway	Result	Explanation
Direct Contact with Surface Soil	Pathway Incomplete	Hydrocarbon contaminated soil has been excavated from the site and backfilled with clean fill.
Direct Contact with Sub-Surface Soil	De Minimis Exposure	Remaining hydrocarbon contamination in the subsurface is well-below direct contact cleanup levels, and the area will be re-vegetated.
Inhalation-Outdoor Air	De Minimis Exposure	The remaining hydrocarbon contamination in the subsurface is below inhalation cleanup levels, and the site is not frequented by receptors.
Inhalation-Indoor Air	Pathway Incomplete	Buildings are not located at the site, and there are no plans for future development in this area.
Groundwater Ingestion	Pathway Incomplete	Groundwater is not utilized as a drinking water source in the Arctic Zone.
Surface Water Ingestion	Pathway Incomplete	Surface water is not utilized as a drinking water source in this area
Wild Foods Ingestion	Pathway Incomplete	Wild foods are not collected in this area.
Exposure to Ecological Receptors	De Minimis Exposure	The remaining hydrocarbon contamination is in the subsurface, and covered with clean fill which will mitigate exposure to ecological receptors

Notes to Table 1: "De minimis exposure" means that in ADEC's judgment receptors are unlikely to be affected by the minimal volume of remaining contamination. "Pathway incomplete" means that in ADEC's judgment contamination has no potential to contact receptors. "Exposure controlled" means there is an administrative mechanism in place limiting land or groundwater use, or a physical barrier in place that deters contact with residual contamination.

ADEC Decision

The cleanup actions to date have served to excavate and adequately remove contaminated soil from the site. Based on the information available, ADEC has determined no further assessment or cleanup action is required. There is no longer a risk to human health or the environment, and this site will be designated as closed on the Department's database.

Although a Cleanup Complete determination has been granted, ADEC approval is required for off-site soil disposal in accordance with 18 AAC 75.325(i). It should be noted that movement or use of potentially contaminated soil in a manner that results in a violation of 18 AAC 70 water quality standards is unlawful.

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.

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.

Approved By,

Linda Nuechterlein Environmental Manager Recommended By,

William O'Connell Environmental Program Specialist

cc: Melissa Head, ADNR DMLW Fairbanks