

C. John  
Jim

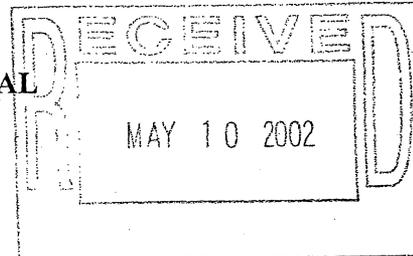
555 Cordova Street  
Anchorage, AK 99501  
Phone: (907) 269-3094  
Fax: (907) 269-7687  
<http://www.state.ak.us/dec>

**DIVISION OF SPILL PREVENTION AND RESPONSE  
INDUSTRY PREPAREDNESS AND PIPELINE PROGRAM**

May 6, 2002

File No.: 305.30(2016)

**OIL DISCHARGE PREVENTION  
AND CONTINGENCY PLAN APPROVAL**



Gary E. Carlson  
Forest Oil Corporation  
310 K Street, Suite 700  
Anchorage, AK 99501

Dear Mr. Carlson:

Subject: Forest Oil Redoubt Shoals and West MacArthur River Unit  
ADEC Plan Number 014-CP-2016.

The Alaska Department of Environmental Conservation (Department) has completed review of the application for approval of the referenced plan received on April 3, 2001, and subsequent revisions submitted through March 19, 2002. This plan combines the operation of the existing facilities under one plan to address the proposed new facility and operations. This approval is for the following oil discharge prevention and contingency plan (plan):

- Plan Title: **Forest Oil Corporation, Oil Discharge Prevention and Contingency Plan, Cook Inlet Production Operations, Alaska; dated May 2002, consisting of one volume.**

---

- Supporting Documents: **Cook Inlet Spill Prevention and Response Inc. Technical Manuals, Volumes 1 – 4, dated August 2000, as revised and updated upon approval.**
- Plan Holder: **Forest Oil Corporation, Anchorage, Alaska**
- Covered Facilities: **West McArthur River Unit (WMRU) and the associated crude oil transmission pipeline (COTP), the Mosquito Tank Farm, Osprey Platform facility piping between the Osprey Platform and the new Kustatan Production Facility, and the new COTP from Kustatan to the Mosquito Tank Farm.**

**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 referenced plan is hereby approved, effective May 3, 2002.

This approval supersedes the plan Approvals and Certificates of Approval, dated August 15, 1999, for the WMRU; and the approval for the Osprey Platform approval dated September 21, 1999. A new certificate of approval stating that the plan has been approved by the Department is enclosed. This approval is subject to the following terms and conditions:

**TERMS AND CONDITIONS:**

**1. Construction Progress and Inspections**

Forest Oil must notify DEC, at least 7 days in advance, of the beginning of construction of the tank foundations, tank completion, secondary containment liners, and pipeline leak detection (hydrotesting), to meet Best Available Technology requirements. DEC may waive the inspection, if staff is unable to inspect the construction of the element, so construction is not delayed. Inspections will be performed by DEC personnel to confirm that the specific required prevention and response features in the approved plan are in place and operating prior to filling the facilities with oil.

*This condition is necessary to determine compliance with AS 46.04.060 and 18 AAC 75, Article 1, to provide the DEC with the opportunity to inspect the construction of the new facility to determine if necessary prevention equipment is being installed in accordance with the approved plan. Inspection of these components must be done at crucial times during construction so that any identifiable compliance issues can be addressed during construction, rather than waiting until a later date that may instead result in an inspection that identifies potential compliance issues and/or expensive retrofits. Correcting the issue during construction is easier and less expensive.*

**2. Facility As-Builts**

Once construction of the facility is completed, "as-built" drawings of the completed facility must be submitted to DEC. ~~The as-builts must be of a sufficient scale (at least 1" = 100')~~ to show the direction of oil flow from spills that may occur. These diagrams are needed to support the potential discharge analysis and show the location of the environmentally sensitive areas adjacent to the facilities that may need priority protection during a spill. Reduced versions of these diagrams need to be completed and included in the plan.

*This condition is necessary since accurate piping and facility diagrams are necessary to demonstrate that the required pollution prevention and response requirements are met. In addition, should this facility be sold or otherwise change-hands, accurate information regarding the facility is needed for its continued operation and maintenance. Adequate facility as-builts for the portions of the existing facilities are needed for a spill response or to maintain the facility. 18 AAC 75.425(e)(1)(H), 18 AAC 75.425(3)(2), 18 AAC 75.425(e)(3)(A)(vi), 18 AAC 75.425(e)(3)(B).*

**3. Cook Inlet Spill Prevention and Response, Inc.**

Forest Oil 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 DEC for review and approval, prior to implementation.

*This condition is 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.*

**4. Notice of Changed Relationship with Response Contractor.**

Because the plan relies upon the use of response contractor(s) for its implementation, the plan holder must immediately notify DEC 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 necessary because of 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, DEC 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. DEC 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, clean up, and mitigate potential oil spills [18 AAC 75.445(i)].*

**5. Well Control (capping) Plan**

Forest Oil must submit a copy of the Cudd Well Control "custom" well-control plan that Cudd Well Control, Inc. develops for Forest Oil's operations to DEC by June 5, 2002, after it has been finalized. This plan needs to include details of the logistical, contract, sub-contract and equipment requirements needed to implement a course of action for a well control incident for Forest Oil's operations.

*This stipulation is necessary to provide for source control at the well-head in accordance with the Best Available Technology (BAT) justification provided in the Forest Oil plan for compliance with 18 AAC 75.425(e)(4)(A)(i) and 18 AAC 75.445(k).*

## **6. Call-Out Notification Numbers**

Forest Oil must provide the DEC with the telephone numbers necessary to initiate a discharge exercise ("spill drill") within 7 days of the issuance of the Final Consistency Finding. Forest Oil has indicated that these private numbers need to be kept confidential. DEC has the ability to protect the confidentiality of this information.

*This condition is necessary to demonstrate compliance with the notification requirements of 18 AAC 75.425(e)(1)(B), and to provide DEC with the information needed to perform their statutory and regulatory duty to exercise the plan, as required by AS 46.04.030(e)(2) and as detailed in 18 AAC 75.485.*

**EXPIRATION:** This approval expires **May 5, 2005**. After the approval expires, Alaska law prohibits operation of the facility until an approved plan is once again in effect.

**AMENDMENT:** Before any change to this plan may take effect, 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).

**RENEWAL:** To renew this approval, the plan holder must submit a completed renewal application and plan to the Department no later than 180 days prior to the expiration of this approval. This is to ensure the submitted plan is approved before the current plan in effect expires. (18 AAC 75.420).

---

**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 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 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 105, 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.

Mr. Gary Carlson  
Forest Oil Corporation

6

May 6, 2002

If you have any questions, please contact Kirsten Ballard at (907) 269-7541 or me at (907) 465-5290.

Sincerely,

A handwritten signature in black ink, appearing to read "JEFF MACH". The signature is stylized with a large initial "J" and a long horizontal stroke at the end.

Jeff Mach  
Oil and Gas Coordinator

Enclosure: Certificate of Approval, Number: 02-CER-4454

Electronic cc:

Glenn Gray, DGC, Juneau  
Sam Shepard, DGC, Anchorage JPO  
Sam Means, ADNR  
John Admunsen, Forest Oil  
Kirsten Ballard, ADEC, Anchorage  
Mike Munger, CIRCAC  
Dan Bevington, Kenai Peninsula Borough  
Gary Folley, ADEC, PERP, Kenai  
Bob Britch, Northern Consulting Group  
Mark Fink, ADFG, Anchorage