

STATE OF ALASKA

SARAH PALIN, GOVERNOR

**DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF SPILL PREVENTION AND RESPONSE
INDUSTRY PREPAREDNESS PROGRAM
Exploration Production & Refineries**

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April 29, 2008

File: 305.30 (CPAI-Alpine)

**OIL DISCHARGE PREVENTION
AND CONTINGENCY PLAN APPROVAL**

Ms. Leigh McDaniel
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, Alaska 99510-0360

Subject: **ConocoPhillips Alaska, Inc. (CPAI) Oil Discharge Prevention and Contingency Plan for the Alpine Development Participating Area, Plan Number 07-CP-4140. Plan Approval**

Dear Ms. McDaniel:

The Alaska Department of Environmental Conservation (ADEC) has completed our review of your application for the above referenced Oil Discharge Prevention and Contingency Plan (plan). ADEC coordinated the State of Alaska's public review for compliance with 18 AAC 75, using the review procedures outlined in 18 AAC 75.455. Based on our review, ADEC has determined that your plan is consistent with the applicable requirements of the referenced statute/regulation and is hereby approved.

This approval applies to the following Oil Discharge Prevention and Contingency Plan (plan):

Plan Title: **Oil Discharge Prevention and Contingency Plan, Alpine Development Participating Area as amended in accordance with 18 AAC 75.415, consisting of one volume.**

Supporting Documents: **Alaska Clean Seas (ACS) Technical Manuals as revised and updated.**

Plan Holder: **ConocoPhillips Alaska, Inc.**

Covered Facilities: **Operation of the production facilities at CD1, CD2, CD3, CD4 and proposed CD5; associated flow lines; a 34-mile, 14-inch crude oil transmission pipeline; a 35-mile, 2-inch diesel line from the Alpine CD1 Pad to Kuparuk River Unit's CPF-2; and the regulated oil storage tanks and facilities at the Alpine facility.**

PLAN APPROVAL: The referenced plan is hereby approved, **effective April 29, 2008**. This approval supersedes the previous plan Approval and Certificate of Approval, dated February 21, 2008.

A certificate of approval stating that the contingency plan has been approved by ADEC is enclosed.

TERMS AND CONDITIONS

The following items must be completed and/or received as specified to complete the plan in accordance with AS 46.04.030(e).

1. Notice of Changed Relationship with Response Action Contractor. Because the plan relies on the use of response contractors for its implementation, CPAI must immediately notify us in writing of any change in the contractual relationship with the plan holder's response action contractor, 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 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 the contractor and the plan holder. Given this risk, ADEC 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. ADEC 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, cleanup, and mitigate potential oil spills. 18 AAC 75.425(e)(3)(H) and 18 AAC 75.445(i)

2. Blowout Contingency Plan. A copy of the Blowout Contingency Plan (BCP) must be maintained at Alpine and made available to ADEC upon request.

This condition is necessary to ensure that the plan holder is prepared to control a potential well blowout. ADEC will review the blowout contingency plan when performing site inspections and/or in Anchorage CPAI offices. 18 AAC 75.425(e)(1)(I), 18 AAC.445(d)(2), and 18 AAC 75.480.

3. Final Copy of the Plan. Within 30 days of this letter, the plan holder must submit to ADEC updated versions of the approved plan, including all revisions instituted during the recent plan review. CPAI must send three complete plan copies to the Exploration, Production & Refineries Section. In addition, you must send an updated version of the plan to each reviewer and controlled document holder of your plan.

EXPIRATION: This approval **expires April 29, 2013**. After the approval expires, facility operations are prohibited by Alaska law until an approved plan is once again in effect.

AMENDMENT: Before any change to this plan may take affect, the plan holder 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 plan holder'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 ADEC no later than 180 days prior to the expiration of this approval. This is to ensure that the submitted plan is approved before the current plan in effect expires (18 AAC 75.420).

REVOCAION, 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. ADEC 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). ADEC 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 ADEC 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 ADEC.

INSPECTIONS, DRILLS, RIGHTS TO ACCESS, AND VERIFICATION OF EQUIPMENT, SUPPLIES AND PERSONNEL: ADEC 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. ADEC 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, ADEC has determined that the plan, as represented to ADEC 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. ADEC 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 cleanup 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 ADEC 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 the plan holder is still required to comply with all other applicable laws.

INFORMAL REVIEW OR 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 Director of the Division of Spill Prevention and Response, 410 Willoughby Avenue, Suite 303, PO Box 111800, Juneau, Alaska 99811-1800 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, PO Box 111800, Juneau, Alaska 99811-1800, within 30 days of the permit decision. If a hearing is not requested within 30 days, the right to appeal is waived. Anyone who submits a request for an informal review or an adjudicatory hearing should also send a copy of the request to the undersigned.

If you have any questions, please contact Bob Tisserand at 269-3060 or Greg Gould at 269-7680.

Sincerely,



Betty Schorn
Program Manager

Enclosure: Certificate of Approval, 08CER-015

cc: Greg Gould, ADEC, Section Manager
Bob Tisserand, ADEC
Laurie Silfven, ADEC
Ed Meggert, ADEC, PERP, Fairbanks
Todd Nichols, ADFG, Fairbanks
Carol Fries, ADNR, Anchorage
Mike Thompson, JPO, Anchorage
Pam Miller, NAEC, Fairbanks
Mac McLean/Jack Winters, ADNR Fairbanks
Carl Lautenberger, EPA Anchorage
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Gordon Brower, North Slope Borough
Keith Gordon, USACE, Anchorage
Christy Bohl, MMS, Anchorage
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Ben Greene, ADNR OPMP
Susan Harvey, Harvey Consulting
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