

# STATE OF ALASKA

**DEPT. OF ENVIRONMENTAL CONSERVATION**  
**DIVISION OF SPILL PREVENTION AND RESPONSE**  
**INDUSTRY PREPAREDNESS PROGRAM**  
**EXPLORATION PRODUCTION & REFINERIES**

**SARAH PALIN, GOVERNOR**

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

February 23, 2009

File: 305.30 (Oooguruk Development)

## **OIL DISCHARGE PREVENTION AND CONTINGENCY PLAN APPROVAL**

Mr. John Hellén  
Regulatory and Environmental Affairs Coordinator  
Pioneer Natural Resources Alaska, Inc.  
700 G Street, Suite 600  
Anchorage, AK 99501

**Subject: Pioneer Natural Resources Alaska, Inc. Oil Discharge Prevention and Contingency Plan for the Oooguruk Development Project, North Slope, Alaska. Plan Number 06-CP-5122. Major Amendment Approval.**

Dear Mr. Hellén:

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) amendment. 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 amendment 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:** Oooguruk Development Project, Oil Discharge Prevention and Contingency Plan, 06-CP-5122

**Supporting Documents:** Alaska Clean Seas (ACS) Technical Manual, dated May 2008, consisting of three volumes, as revised and updated.

**Plan Holder:** Pioneer Natural Resources, Alaska, Inc  
700 G Street, Suite 600  
Anchorage, AK 99501

**Covered Facilities:** Oooguruk Development Facilities, including the Harrison Bay offshore drill site and Kupuruk River Unit onshore tie-in pad.

**AMENDMENT APPROVAL:** The referenced amendment is hereby approved, **effective February 23, 2009**. This approval does not replace the existing plan approval issued on November 16, 2006

A certificate of approval stating that the contingency plan amendment 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. Actual Flow Rate Response Planning Standard. If the annual average daily oil production volume for the maximum producing well exceeds 5,000 barrels of oil per day (bopd) after the first year of production, Pioneer Resources must amend the plan again.
2. Final Copy of the Plan. Within 30 days of this letter, the plan holder must submit to ADEC updated versions of the approved amendment for inclusion in the current plan, including all revisions instituted during the recent plan review. Pioneer Resources must send three complete plan copies to the Exploration, Production & Refineries Section. In addition, you must send an updated version of the amendment to each reviewer and controlled document holder of your plan.

**EXPIRATION:** Approval of this amendment does not change the current expiration date of **November 16, 2011**.

**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).

**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. 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 Shannon DeWandel at 269-7541 or Dianne Munson at 269-3080.

Sincerely,



Betty Schorr  
Program Manager

Enclosure: Certificate of Approval, 06 CER-036.1  
Oooguruk Findings Document

cc: Dianne Munson, ADEC, Acting Section Manager  
Shannon DeWandel, ADEC  
Laurie Silfven, ADEC

cc: (w/o enclosure):  
Betty Schorr, ADEC  
Ed Meggert, ADEC  
Gordon Brower, NSB  
Todd Nichols, ADF&G  
Nina Brudie, ADNR OPMP  
Carol Fries, ADNR  
Jack Winters/Mac McLean, ADNR  
Carl Lautenberger, USEPA  
Matt Carr, USEPA  
Capt. Mark Hamilton, USCG Sector Anchorage  
Christy Bohl, MMS  
Legal Director, Trustees for Alaska  
Pam Miller, Northern Alaska Environmental Center  
Susan Harvey, Harvey Consulting  
Bernice Kaigelak, Native Village of Nuiqsut  
Carl Brower, Mayor of City of Nuiqsut  
Joe Nukapigak, Kuukpik  
Michiel Holley, USACE  
Louise Smith, USFWS