

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

Qugruk #2 Pad

SITUATION REPORT

Repsol Q2 Pad Gas and Mud Release

SITREP # 17

SPILL NUMBER: 12399904601

TIME/DATE OF SPILL: Repsol reported the incident to ADEC at 10:29 AM on February 15, 2012.

TIME/DATE OF SITUATION REPORT: 3:30 PM on March 1, 2012

TYPE/AMOUNT OF PRODUCT SPILLED: Repsol estimates that approximately 42,000 gallons (1,000 barrels) of fresh-water-based drilling mud have been released to the ice drilling pad and adjacent snow-covered tundra. An unknown amount of gas has been released. The mud that was released is a mixture of minerals (primarily barium sulfate) and water. Drilling mud is used to lubricate the drill, control formation pressure, and remove cuttings from the bore. No oil was spilled during the release event.

INCIDENT LOCATION: Qugruk #2 pad (Q2 pad), on the Colville River Delta, approximately 18 miles northeast of Nuiqsut and approximately 150 miles southeast of Barrow (70° 27' 19" N, 150° 44' 52" W).

CAUSE OF SPILL: Repsol contractor Nabors Drilling was drilling an exploratory well when the drill penetrated a shallow gas pocket at a depth of 2,523 feet, resulting in a gas kick. The gas kick drove drilling mud out of the well and through the gas diverter onto the ice pad and adjacent snow-covered tundra. The gas diverter is a pipe that extends approximately 75 feet from the drilling rig toward the south edge of the pad. Additional mud was pumped into the well in an attempt to control it, but that mud was also forced out by the gas.

POTENTIAL RESPONSIBLE PARTY (PRP): Repsol E&P USA

RESPONSE ACTION: Response crews continue 24-hour operations to steam thaw and remove drilling mud from the drilling rig in order to access the essential drilling rig components needed for the well-kill operation.

Temperatures remain extremely cold with a -58°F wind chill, so outside equipment continues to be limited. However, work inside the rig continues.

Crews are continuing the cleaning and drying of the rig's power components; critical steps in the eventual restart of the rig.

The re-start of the rig is one in a series of steps in the progression needed for completion of the well-kill operation. However, due to the need for a very methodical and careful cleaning and drying of the rig's power components, the time of the re-start cannot be determined at this time.

Work on setting up the wireline equipment for well inspection has begun. The wireline is used to lower instruments down the borehole of the well to gather information on the current condition of the well. The information gathered will be used for finalization of the well-kill plan.

Repsol reports that 58 barrels (2,436 gallons) of liquids (thawed drilling mud and water) were shipped offsite for disposal in the past day, bringing the total to 1,724 barrels (72,408 gallons) of liquids that have been manifested and shipped offsite. Much of the liquid being collected is condensed water from the steam used to thaw the frozen drilling mud. Another 75 cubic yards of solid waste (frozen drilling mud) were also manifested and shipped offsite yesterday bringing the total to 550 cubic yards of solid waste that have been manifested and shipped offsite.

SOURCE CONTROL: The well ceased flowing at about 9:00 PM on February 16. Preparations for a well-control operation are ongoing.

RESOURCES AFFECTED: Snow-covered tundra and ice pad. Drilling mud can affect tundra plants by changing soil pH and salinity. Brackish water produced by the well may also increase soil salinity.

FUTURE PLANS AND RECOMMENDATIONS: Cleanup cannot safely begin until the well is under control. The well-control team will provide cleanup personnel approximately 24-hours notice in advance of completion of the well-control operation. Plans are in place for delineating and cleaning up the spill and necessary personnel crews and equipment are on standby. A reduced incident management team will continue to monitor the operation from Anchorage and two ADEC responders will remain at Palm Pad until cleanup operations are imminent, at which time additional staff will be recalled.

UNIFIED COMMAND AND PERSONNEL:

Incident Commander: Jeremy Michels, O'Brien's Response Management

S.O.S.C.: Tom DeRuyter, ADEC F.O.S.C.: Matt Carr, EPA L.O.S.C.: Gordon Brower, North Slope Borough Field SOSC: John Engles, ADEC

WEATHER: Today: Mostly sunny. Patchy ice fog. Highs 30 to 35 below. East winds around 10 mph. Tonight: Mostly clear. Patchy ice fog. Lows 35 to 45 below. Northeast winds around 10 mph.

TIME/DATE OF THE NEXT SITUATION REPORT: 3:30 PM on March 02, 2012

FOR ADDITIONAL INFORMATION CONTACT: Ty Keltner, Public Information Officer, ADEC (907) 465-5009

Photographs and other spill information will be available for viewing at: http://www.state.ak.us/dec/spar/perp/index.htm

AGENCY/STAKEHOLDER NOTIFICATION LIST: This situation report was distributed to the agencies listed on the standard distribution list, which includes the governor's office, Senator Begich's office, the State Emergency Operations Center, and the federal agencies DOI, NMFS, and USFWS. This situation report was also distributed to the following agencies and stakeholders:

AGENCY /	NAME	SENT VIA	ADDITIONAL	TELEPHONE	FAX
STAKEHOLDER			INFORMATION		
Repsol	Jan Sieving	email	jan.sieving@repsol.com		
Nabors Drilling	Denny Smith	email	denny.smith@nabors.com		
AOGCC		Fax			276-7542
ADNR	Melissa Head/	Fax	melissa.head@alaska.gov	451-2719/	451-2751
	Brian Jackson/		brian.jackson@alaska.gov	451-2732/	or
	Sean Willison		sean.willison@alaska.gov	451-2724	659-2965

AGENCY /	NAME	SENT VIA	ADDITIONAL	TELEPHONE	FAX
STAKEHOLDER			INFORMATION		
ADNR Div of Oil & Gas	Bill Barron		bill.barron@alaska.gov		
ADF&G	Jack Winters Todd Nichols	Fax	jack.winters@alaska.gov todd.nichols@alaska.gov	459-7285 or 459-7279	459-7303
EPA	Matt Carr/Robert Whittier	Fax	<u>Carr.matthew@epa.gov</u> or whittier.robert@epa.gov	271-5083 or 271-3247	271-6340
Attorney General Office	Cam Leonard/ Steve Mulder	Fax	Cam.leonard@alaska.gov Steve.mulder@alaska.gov	451-2811 or 269-5100	451-2985/ 278-7022
Governor's Office (Fairbanks)	Parnell/Treadwell	Fax	Sean.parnell@alaska.gov Mead.treadwell@alaska.gov	451-2920	451-2858
Lt. Governor's Office (Juneau)	Parnell/Treadwell	Fax	Sean.parnell@alaska.gov Mead.treadwell@alaska.gov		465-5400
Senator Murkowski's Washington DC Office	Chief of Staff	Fax	North Slope only	(202) 224-6665	(202) 224- 5301
Senator Murkowski's Office in Fairbanks		Fax	North Slope only	456-0233	451-7146
North Slope Borough	Charlotte Brower	Fax	Mayor	852-0200	852-0337
North Slope Borough	Rhoda Ahmaogak	Fax	Planning Director	852-0440	852-5991
Senate T/ Nome	Donnie Olson	Fax	Nome 5/16-1/09 Juneau 1/10-5/15	465-3707	465-4821
House 40/ Kotzebue	Reggie Joule	Fax	Kotzebue 5/16-1/09 Juneau 1/10-5/15	465-4833 or (800) 782-4833	465-4586



Crews cleaning the inside of the drill rig. ADEC Photo.