



THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

**Department of
Environmental Conservation**

DIVISION OF SPILL PREVENTION AND RESPONSE
Prevention, Preparedness and Response Program

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Certified Mail, Return Receipt Requested
Article No. 7016 2070 0000 6898 8275

February 10, 2017

Mr. David Wilkins
Hilcorp Alaska, LLC
3800 Centerpoint Drive, Suite 1400
Anchorage, AK 99503

Subject: **ADEC Spill No. 17239903801, Hilcorp Natural Gas Leak From 8-inch Pipeline.
State Interest Letter**

Dear Mr. Wilkins:

This letter is to advise you that on or about February 7, 2017, a pollution incident occurred for which you may be financially responsible. The pollution incident is the observed bubbling of natural gas to the surface waters of Cook Inlet, presumably as a result of the rupturing of subject pipeline, as reported by Hilcorp to the Alaska Department of Environmental Conservation (department). Since the major component of the natural gas within the pipe is methane, which is known to be detrimental to several aquatic species and lethal to fish at concentrations over 1 mg methane/L of water, it is considered a hazardous substance as defined in Alaska Statutes Section 46.09.900 (4) (A) and AS 46.03.826 (5).

Under Alaska Statute (AS) 46.03.745, the discharge of any amount of hazardous substance into or upon the waters or land of the state is prohibited unless authorized by the department. Under AS 46.09.020, a release requires the prompt containment and cleanup of hazardous substances by the person causing the release. In addition, AS 46.03.822 establishes who is financially responsible or liable for the investigation and cleanup of a release or threatened release of oil or other hazardous substance.

If you undertake response actions, they must be approved in advance by the department under 18 AAC 75.300 – 18 AAC 75.396, and the adequacy of those actions will be evaluated by the State On Scene Coordinator or representative. Response actions are adequate if they are in accord with state and federal law, including 18 AAC 75. If the department considers your response actions adequate, state involvement in the cleanup actions will be limited to approving cleanup plans, monitoring the progress of cleanup activities and providing guidance as necessary. However, if your response actions are not satisfactory, the department may assume the lead role in the investigation and cleanup efforts. Alaska Statute Title 46 authorizes the state to respond to this pollution incident and to take appropriate action to minimize damage to human health, safety, or welfare or to the environment, and you may be financially responsible for the state's response actions. Pursuant to 18 AAC 75.315, the department understands that initial response actions have been initiated, including plans to mobilize divers to characterize and repair the leaking pipe. However, subsequent updates indicate that due to ice conditions in Cook Inlet, diving operations may not be safely conducted until ice conditions abate. As such, since the pipeline release may occur for a period longer than originally anticipated department would like to know the following:

1. What alternatives to the original, initial response plan are available to Hilcorp to mitigate the environmental effects of this release?
2. What are the added risks to public and personnel safety associated with those alternatives?
3. What environmental monitoring activities will be conducted until the release is repaired to quantify the impacts associated with the release of this hazardous substance?
4. What additional monitoring activities will need to be implemented in order to assess the potential impacts to aquatic species either returning to, or relocating within Cook Inlet now and as conditions transition from winter into spring, including: potential impacts to resident or returning salmonid species, reproducing halibut populations, potential impacts to endangered species, and key prey species relied upon by these species.
5. What other options are available?

Alaska Statute 46.08.070 requires that recovery be sought for certain costs, including oversight activities, incurred by the department in responding to pollution incidents. If you are determined to be a responsible party, the department will bill you at a later date for its expenditures associated with this pollution incident. Billable expenditures include the direct costs of staff time and indirect overhead costs, as well as contractual and materials costs. Billable staff time includes all time spent on activities related to the incident, including site visits, response and report reviews, telephone conversations, meetings, legal services, and interest.

Please continue to submit interim status reports on the leak itself as well as response actions being undertaken or planned to the department, and as required under 18 AAC 75.300(d). Additionally, please respond to me with the information requested above not later than February 20, 2017.

If you believe someone else may be responsible for this pollution incident or if you have any questions concerning this matter, please contact me at (907) 269-7682 or Geoff.Merrell@alaska.gov.

Sincerely,



Geoff Merrell
State On-Scene Coordinator
Central Alaska Region

Electronic cc: Sarah Moore, ADEC
Mike Evans, ADEC
Young Ha, ADEC
DEC SPAR Cost Recovery