

Right- of-Way Leasing Act
AS 38.35.050
APPLICATION FOR PIPELINE RIGHT-OF-WAY LEASE
FOR THE EASTERN NORTH SLOPE OIL PIPELINE

The following attachments have been provided as supporting documentation for this application and are referenced accordingly within this document:

- Attachment A – Map
- Attachment B – Legal Description
- Attachment C – Design Basis
- Environmental Report for the Eastern North Slope Oil and Gas Pipelines

1. Date of Application:

February 2, 2006

2. Name and Address of Applicant(s):

State of Alaska
Department of Natural Resources
Office of Project Management and Permitting
302 Gold Street, Suite 202
Juneau, AK 99801

PART I PROPOSED ROUTE

3. Point of Origin:

Point Thomson. See Attachments A and B for more information.

4. Point of Termination:

Pump Station 1 area, Prudhoe Bay. See Attachments A and B for more information.

5. Total proposed length:

The Approximate length is 45 miles 72.36 kilometers. See Attachments A and B for more information.

6. Total length proposed to cross state lands:

The Approximate length is 45 miles 72.36 kilometers. See Attachments A and B for more information.

7. Attach a map or plat showing the proposed alignment of the centerline of the

pipeline right-of-way, and indicate the areas of state upland ownership throughout the length of the proposed right-of-way.

A map showing the route is included as Attachment A and is also located in Attachment C, the Design Basis.

8. Proposed crossings of streams and other bodies of water. (For each crossing indicate the width and depth of the stream or water body.)

The Eastern North Slope Oil Pipeline crosses the streams listed below. The information is broken down into two pipeline segments: 1) Prudhoe Bay to Badami and 2) Badami to Point Thomson. A hydrological report for the entire pipeline route will be completed prior to final route and pipeline design. The final crossing locations will be selected based upon the results of the hydrological report.

Prudhoe Bay to Badami: Stream names, locations and widths are taken from the Badami Pipeline Right-of-Way Application, ADL 415472

<u>Stream Name</u>	<u>Location</u>	<u>Width (feet)</u>
Unnamed Stream	T 10N, R 16E, Sec. 2	50
East Channel Sagavanirktok River	T 10N, R 16E, Sec. 12	3,100
Unnamed Stream	T 10N, R 17E, Sec. 17	70
Unnamed Stream	T 10N, R 17E, Sec. 17	30
Unnamed Stream	T 10N, R 17E, Sec. 22	15
Unnamed Stream	T 10N, R 17E, Sec. 36	20
Kadleroshilik River	T 10N, R 18E, Sec. 32	1,500
Unnamed Stream	T 10N, R 17E, Sec. 33	10
Unnamed Stream	T 9N, R 18E, Sec. 2	20
Unnamed Stream	T 9N, R 19E, Sec. 7	20
Beaded tributary to Shaviovik River	T 9N, R 19E, Sec. 9	60
Overflow channel of Shaviovik River	T 9N, R 19E, Sec. 10	80
Shaviovik River	T 9N, R 19E, Sec. 10 and 11	3,000
Unnamed Stream	T 9N, R 19E, Sec. 11	50
No Name River	T 9N, R 19E, Sec. 12	700
Unnamed Stream	T 9N, R 20E, Sec. 17	30
West Badami Creek	T 9N, R 20E, Sec. 16	200

Badami to Point Thomson: Stream names, locations and widths are taken from the Point Thomson Pipeline Right-of-Way Application, ADL 416904

<u>Stream Name</u>	<u>Location</u>	<u>Width (feet)</u>
Middle Badami	T 9N, R 20E, Sec. 15	40-60
East Badami	T 9N, R 20E, Sec. 14	120-200
Nameless	T 9N, R 20E, Sec. 13	<30
Nameless	T 9N, R 20E, Sec. 13	<30
Nameless	T 9N, R 20E, Sec. 13	40-60
Nameless	T 9N, R 20E, Sec. 13	<30
Nameless	T 9N, R 21E, Sec. 8	50-70
Nameless	T 9N, R 21E, Sec. 9	90-110
Nameless	T 9N, R 21E, Sec. 10	<30
Nameless	T 9N, R 21E, Sec. 10	80-150
Nameless	T 9N, R 21E, Sec. 1	50-90
Nameless	T 9N, R 22E, Sec. 6	30-60
Nameless	T 9N, R 22E, Sec. 5	60-70
Nameless	T 9N, R 22E, Sec. 4	<100
Nameless	T 10N, R 22E, Sec. 35	50-60
Nameless	T 10N, R 22E, Sec. 36	90-120
Nameless	T 10N, R 23E, Sec. 36	<30
Nameless	T 10N, R 23E, Sec. 36	<100
Nameless	T 10N, R 23E, Sec. 31	<30
Nameless	T 10N, R 23E, Sec. 31	<30
Nameless	T 10N, R 23E, Sec. 31	<90
Nameless	T 10N, R 23E, Sec. 31	<30
Nameless	T 10N, R 23E, Sec. 31	<100
Nameless	T 10N, R 23E, Sec. 31	<75
Nameless	T 9N, R 23E, Sec. 5	<30
Nameless	T 9N, R 23E, Sec. 5	<30
Nameless	T 9N, R 23E, Sec. 4	<100
Nameless	T 9N, R 23E, Sec. 3	40-110

9. Attach a map or plat showing the proposed alignment of the centerline of the pipeline right-of-way where it crosses the beds of streams or other bodies of water.

A map showing where the pipeline right-of-way crosses streams, rivers and lakes is included as Attachment A.

10. Width of the proposed temporary right-of-way required for construction for each segment of the pipeline route on state lands.

The pipeline right-of-way, for construction, operation, maintenance and termination, is seven hundred (700) feet wide. The width is necessary, to allow for expansion loops and minor re-alignment. The right-of-way is also wide enough to accommodate construction and winter maintenance access using ice roads and tundra-rated vehicles, such as Rolligons. Use of heavy equipment will necessitate use of ice roads in the winter and temporary construction mats in the summer, because of their heavier tire and track loadings. Tundra-rated vehicles may access the right-of-way all-year. However, they can support only reconnaissance, inspection and light maintenance activities. The only permanent access roads may be for valves located at the point of tie-ins of production or oil fields and at each side of streams or rivers that require remotely operated valves (ROVs) for shut-offs. The exact location of permanent roads, if any, has not been determined at this time. Should any permanent roads be deemed necessary for the project, they will be applied for under the appropriate DNR application process (i.e. AS 38.35 amendment to this application or A.S. 38.05 if not located entirely within the right-of-way).

11. Size and location of any sites, in addition to the proposed pipeline right-of-way, requested on a temporary basis during construction.

The pipeline will be constructed in winter and built using temporary ice roads. Temporary construction access that utilizes ice roads and the location of water withdrawal sites is difficult to determine without knowing the final design of the pipeline. This information will be provided prior to any field activities taking place.

12. Width of the proposed right-of-way required for operating the completed pipeline for each segment of the pipeline route on state lands.

The pipeline right-of-way is one segment, seven hundred (700) feet wide. Refer to the Attachments A and C for more information.

13. Size and location of any sites, in addition to the proposed pipeline right-of-way, requested for the operation of the completed pipeline.

No foreseeable sites anticipated at this time.

14. Legal description of state lands within the proposed pipeline right-of-way that are reserved or committed to any purpose. (For each tract of such state lands, state the purpose to which it is reserved or committed.)

See the legal description in Attachment B. The entire pipeline right-of-way is on state land.

PART II PROJECT DESCRIPTION

15. Substance(s) to be transported:

Sales-Quality Crude Oil. API gravity and chemical composition will vary by production unit. However, all crude oil will conform to the TAPS specifications, which provide for control of vapor pressure and a maximum BS&W of 0.35%, which limits internal corrosion.

16. Size, engineering and design characteristics and amounts of each type of pipe to be used:

The pipe size and engineering characteristic of the pipeline cannot be determined at this time. The Design Basis requires that the pipe shall conform to a universally accepted standard for hydrocarbon pipelines, API-5L, and requires cold temperature metallurgy typical of North Slope pipelines. This should ensure its quality and fitness. Additionally, the integrity of the pipe and pipelines will be further ensured through use of the Design Basis attached to the Lease application. See No. 18 for more information.

17. Size, number and location of pumping, compressing, heating or refrigeration stations:

Compressor, refrigeration and pumping stations are not anticipated to be necessary. At present, none of the North Slope pipelines have these facilities and it is usually more economic to design a pipeline to obviate the need for intermediate facilities. However, should any pipeline require such facilities, either for original design or (more likely) to increase capacity after original design, the facilities will be permitted using the normal right-of-way lease amendment procedures.

18. Transportation capacity of the proposed pipeline: per day

The capacity of the pipeline cannot be determined at this time. However, the integrity of the pipe and pipeline will be ensured through use of the Design Basis attached to the Lease. The aggregate capacity of the pipeline is projected to be no more than one million production barrels/day (1,000,000 bbl/day) of crude oil.

The Design Basis will use the ultimate capacity, to allow operation at any level below these values, with no additional DNR reviews necessary.

19. Estimated life of the pipeline:

The proposed pipeline will be constructed for a lifetime of a minimum thirty (30) years. This is typical of production pipelines on the North Slope. However, this differs from the design lifetime of any necessary roads and bridges, which are fifty (50) years. Pipelines can be operated indefinitely under most circumstances, with the appropriate level of maintenance (see the TAPS useful life determination for more information on pipeline maintenance vs. lifetime determinations).

20. Planned temperature at which each substance will be transported and whether it will be heated or refrigerated to maintain that temperature.

The sales-quality crude oil will be transported within 40-120 F.

The proposed pipeline shall be designed so that it can safely cycle through temperature ranges that encompass cold shutdowns, from a minimum of -50 F to the top of its design temperature, with no problems either from fatigue or expansion.

Oil pipelines are buried for three reasons on the North Slope: (1) River crossings, (2) wildlife access, and (3) economics. The use of buried river crossings will be minimized to decrease potential environmental risks. Below-ground river crossings may be installed using either horizontal directional drilling (HDD) or trenching. In either case, the design standards will follow that of the Colville crossing of the Alpine pipeline, with a secondary pipe, an inert atmosphere, an active CP system, and a leak detection system in proximity to the pipeline. See the Design Basis for more details.

No buried wildlife crossings are anticipated, because the pipeline will be kept at least seven (7) feet off the tundra and the roads and pipelines separated. Therefore, the pipeline is not expected to contain provisions for refrigerated piping sections in permafrost, nor for the refrigeration facilities.

In the unlikely event that line heaters are required along the pipeline, the pipeline would be insulated to avoid heat loss significant enough to require reheat of the gas or fluid. (However, heaters may be located outside of the pipeline right-of-way near Pump Station 1 or at the future production facilities.) Should throughput or heat loss result in problems and a heater added after original construction, the unit will be added as a right-of-way lease amendment once its location and capacity can be determined.

21. The pipeline will be (check as appropriate):

- Supported over the surface along its entire length.
- On the surface along its entire length.
- Partially buried along its entire length.
- Completely buried along its entire length.
- None of the above (If this is checked, attach a map showing which portions of the pipeline are planned to be over the surface, on the surface, partially buried and wholly buried.)

22. Describe the methods to be employed for partially or completely burying any portion.

Refer to Attachment C, the Design Basis, for methods of burying pipelines.

Although above-ground crossings of rivers and streams are preferred, the right-of-way may contain buried sections in the following circumstances:

1. Rivers and streams crossed by either trenching or HDD. The design basis contains special provisions to ensure the integrity of these crossings and to provide early warning of leaks.
 2. Wildlife Crossings.
23. Describe any bridges, trestles, other structures or berms for the support of the proposed pipeline.

The pipeline will likely be supported above ground on structures along the entire route. Likely, minor water crossings will be accomplished using above-surface supports, essentially vertical and horizontal support members (piles and crossbeams). This is similar to many other North Slope pipelines. This method has been used for crossing major rivers, as well as small streams, notably the Kuparuk and Sagavirnirktok Rivers. However, some pipeline crossings may need to be placed below the channel of streams and rivers instead of on trestles and bridges. Refer to Attachment C, the Design Basis, for more information.

24. Describe the proposed method for all stream crossings and crossings of other bodies of water.

All above-ground crossings likely will be on separate structures supported above the water on bridges, trestles, or VSMs (as described above in No. 23). The Design Basis provides more detail on crossings. In all crossings, a 200-year flood will be used as a design standard.

Some crossings, as described in No. 23, may be installed below the beds of rivers and streams. In these cases, the design example established in the Colville River Crossings will be used: (1) install the pipeline within a secondary containment pipe capable of either containing full pressure or diverting a discharge to the surface; (2) install a site-specific leak detection system capable of detecting extremely small discharges; and (3) provide an inert atmosphere between the pipeline and the casing.

25. Describe the proposed methods for grades, cuts or fills.

No grading, cutting, or filling is anticipated, as the pipeline will be supported above the surface on VSMs. Any permanent gravel pads required will be placed over the top of the vegetation, leaving the organic layer intact. In North Slope design, the organic layer is left intact where practicable, which provides a large amount of insulation to the underlying permafrost. Damage to the organic layer can result in subsidence and consequent thermal erosion and can cause changes to the surface runoff, causing additional subsidence.

In the unusual circumstance where cuts are required, all practicable steps will be taken to thermally stabilize the affected area. Where required, fill will be accomplished by laying down lifts onto the surface with no preparation or grading, thus minimizing damage to the tundra.

26. Discuss planned facilities for spill or leak prevention and containment.

Per 49 CFR 195, all crude-oil pipelines must be constructed with shut-off valves or DOT approved leak prevention loops at navigable waterways. The pipeline will have isolation valves at its inlets and outlets, and at all branch connections. The pipeline will be piggable, to allow better assessment of through In-Line Inspection and to allow better maintenance, cleaning and corrosion control.

The pipeline will be built with leak detection systems meeting state requirements for detecting loss of 1% of the volume per day. Spill containment personnel and equipment will be staged as necessary and prescribed by state law. The larger production units along this pipeline will have their own resources for spill containment and the smaller ones will depend upon the regional spill response centers. Oil-spill response support is available from Prudhoe, Badami and the Alyeska Northern section. Additionally, all response plans must and will be approved by the state.

27. Proposed access roads, airstrips, heliports, float plane facilities, communications facilities, storage sites for equipment and materials, material sites, and material disposal sites, whether planned for construction, operation or maintenance support:

Logistical facilities for construction and operation of this pipeline cannot be determined at this time.

28. Size, number, approximate location and planned duration of field camps:

The size, location and types of field camps cannot be estimated at this time.

29. Size, number and approximate location of housing for personnel operating or maintaining the pipeline.

The size, number and location of housing for personnel cannot be estimated at this time.

30. Size, number and approximate location of health care facilities:

The health care facilities in the future oil fields cannot be determined at this time. At present, the Main Construction Camp at Prudhoe has a medical facility and the BP BOC at Prudhoe has its own facility. Another facility is located in Kuparuk. All have ambulances and medivac and helicopter access. In addition, some personnel are cross-trained as Emergency Medical Technicians in Prudhoe, Pump Station 1

and in Endicott. Medivac to hospitals is available through the Deadhorse airport, a facility regulated by the FAA and maintained by the State of Alaska.

31. Approximate number of persons to be employed during construction:

Construction employment cannot be estimated at this time.

32. Approximate number of persons to be employed to operate and maintain the pipeline:

Manning and personnel requirements cannot be estimated at this time. It is expected that support for operations and maintenance will be located at the nearest oilfield, where practical. Pipeline operations and maintenance will be supported by personnel and equipment from existing and future production fields.

33. Planned commencement date for construction:

No construction commencement date can be estimated at this.

34. Estimated construction time:

No construction timing can be estimated at this time.

35. Planned commencement date for operations:

No exact commencement dates for operations can be made at this time.

36. Estimated cost of materials:

No cost can be estimated at this time.

37. Estimated cost of construction and installation: \$

No cost can be estimated at this time.

38. Estimated annual cost for operations and maintenance:

No cost can be estimated at this time.

PART III AVAILABILITY OF INTERCONNECTIONS, TERMINAL FACILITIES AND STORAGE FACILITIES

39. Describe how the proposed pipeline will connect with planned field gathering systems, if any.

Previous developments provide a description of probable designs for future oil

facilities. They consist of one or more drill sites, with flow from wells manifolded to a central pipeline. Well testing and/or metering facilities are at the drill sites. One or more gathering lines transport oil from the drill site to a processing facility.

Development of the right-of-way will follow prudent land management practices.

40. Discuss the technical and economic feasibility of providing connections with other field gathering systems at intermediate points along the proposed pipeline.

Tie-ins will be provided where practicable, to include tie-ins commingling oils from different fields. Alternatively, oil may be withdrawn from the pipeline to refine in topping plants to produce heating and diesel oils for industrial purposes. The exact design will be tailored to meet the needs of future development in this area.

41. Discuss the technical and economic feasibility of providing connections or interchanges with other pipelines at intermediate points along the proposed pipeline.

Planning for future tie-ins will be part of the engineering process. See the Design Basis, Attachment C, for more details.

42. Describe the location, area and capacity of proposed tank farms or other storage facilities.

No tank farms are anticipated because of the length of the right-of-way. However, tank farms or storage may be incorporated into the production facilities that feed the branch pipelines from production units that flow into this pipeline. Any tank farms required will require an amendment to the Right-of-Way Lease.

43. Provide locations of and describe any terminal delivery facility of the proposed pipeline.

The pipeline will likely terminate within the battery limits of Pump Station 1, which is on private property. The termination may have automatic and/or manual valves and metering facilities. The metering facilities may have either permanent proving loops or accommodations for portable ones. End of line heaters may be required for proper mixing of the production crude with the other crude oil in TAPS. The pipeline will have instrumentation to monitor such variables as fluid temperatures, vapor pressure and water content.

44. Discuss the technical and economic feasibility of providing delivery facilities at intermediate points along the proposed pipeline.

The only delivery facilities anticipated for this pipeline are take-offs for the previously mentioned topping plants, which refine crude for heating oil and diesel, to be used in support of oil and gas and other industrial activities. This obviates the need for hauling these fluids long distances, with the attendant risks.

PART IV SAFEGUARDS FOR PERSONS, PROPERTY, THE PUBLIC, AND THE ENVIRONMENT

The Eastern North Slope Oil Pipeline is subject to strict state and federal laws enacted to protect the public health and safety, fish and wildlife resources and habitats, subsistence, individuals, property and other environmental concerns. Please see the Environmental Report for a list of permits and authorizations that may be required for this project. Other permits and authorizations may be identified during the state and federal review processes.

45. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance, or termination of all or any part of the proposed pipeline that may cause or threaten to cause a hazard to the safety of workers on the pipeline project.

The OPMP will submit a Safety Program Plan for the DNR Commissioner's review and approval. The Safety Program Plan will detail the process for pipeline construction, operation, maintenance and termination activities, as well as steps that will be taken to detect and abate any conditions that may cause or threaten to cause a hazard to the safety of the workers. The Plan will comply with applicable Occupational Safety and Health Act (OSHA) and other federal, state, and local safety codes. The Plan will include: safety briefings, the roles, responsibilities and training of safety officers, identification and correction of potential work hazards, wildlife interaction plans, general environmental awareness training, spill response training, and first-aid training. All employees, including contractors and contractor employees, will be aware of the Safety Program Plan and any employee violation of Plan provisions will be cause for dismissal.

Additionally, all employees will be required to wear personal protection equipment (PPE) and clothing appropriate for work assignments and conditions and a Fire Protection Program will be a sub-set of the Safety Program Plan. Another sub-set will be the Security Plans and policies, which will monitor safety compliance, violations and incidents.

Emergency Support Services facilities and communication equipment will be provided in multiple locations during construction and will remain in the general vicinity during operational and maintenance phases. Termination activities will be submitted to the appropriate state and federal agencies for review and approval.

46. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause a hazard to the public health and safety.

A Public Information Program will be prepared to communicate and coordinate

with local communities during construction, operation, maintenance and termination activities. Included in this program will be law enforcement provision and a Public Safety Plan, which will be submitted for the DNR Commissioner's review and approval. Public notices will be given prior to any major activity and the OPMP will host public meetings in the vicinity when requested to do so.

The OPMP will comply with all applicable federal, state and local laws and regulations related to public health and safety, including federal pipeline safety standards. Adherence to pipeline safety codes, industry standards and implementation of best practicable technologies available are key safeguards for protecting public health and safety. The OPMP will also submit a Discharge Prevention and Contingency Plan in accordance with 18 AAC 75. This Plan will detail the prevention of and response to spills of oil, fuel or other substances.

The remote location of the right-of-way minimizes the potential for public use and access. During construction, public access may be restricted when necessary to protect the public health and safety or the environment. Additionally, access may be controlled for security concerns. Local communities will be informed of all construction and maintenance activities, and the OPMP coordinate with local communities and other land users regarding access.

Risks relating to spills or leaks will be minimized as discussed in No. 26 and No. 52.

47. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause serious and irreparable harm or damages to public or private property.

The entire Eastern North Slope Oil Pipeline Right-of-Way will be located on state lands.

The general area surrounding the right-of-way contains two Native Allotments, which will be avoided to the maximum extent practicable. Additionally, the TAPS Pump Station 1 is privately owned by Alyeska; therefore the pipeline will need to coordinate with Alyeska Pipeline Service Company.

Preventing serious and irreparable harm or damage to public and private property is the purpose behind federal, state and local regulations. The OPMP will follow any and all conditions and stipulations contained in the Right-of-Way Lease, as well as all other restrictions placed upon construction, operation, maintenance and termination activities. Additionally, the OPMP will submit numerous project plans for the DNR Commissioner's review and approval prior to undertaking any field activity along the pipeline route.

A primary objective of the project will be to assure pipeline integrity and address

spill prevention design measures. Additionally, the proposed construction techniques are specifically designed to minimize impacts to state lands and waters and the resources supported thereon. All planned repairs will follow the same techniques as construction.

48. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause serious and irreparable harm or damages to vegetation or timber.

Project-specific plans for design, construction, operation, maintenance and termination will be developed and implemented to prevent serious and irreparable harm or damage to vegetation. Additionally, a management system will be developed to address requirements for inspection and audit of pipeline construction, operation, maintenance and termination activities. Best practices for winter construction will be utilized at all times.

Construction activities will be confined to the winter months and will take place on ice pads and roads and frozen lake surfaces along the route. All construction activities will be closely supervised. Any leaks of oil or other substances onto iced working surfaces will be cleaned up and reported immediately, pursuant to applicable state and federal law. All materials will be disposed of in accordance with state and local regulations.

During operations, the pipeline will be monitored regularly, as discussed in No. 52. All planned maintenance will be undertaken using the same precautions as construction-related activities. Any emergency maintenance will use best practices to avoid disturbance to the tundra. At all times, tundra-approved vehicles will be used to access the right-of-way.

Only native vegetation will be used to re-colonize the disturbed areas.

49. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause serious and irreparable harm or damages to fish or other wildlife or to their habitats.

The pipeline will be designed, constructed, operated, maintained and terminated consistent with all applicable state and federal law. Very little human activity associated with operation of the pipeline is anticipated. Permanent work pads and access roads are not necessary.

Additionally, crossings of streams, rivers and wetlands will avoid, to the maximum extent practicable, adverse impacts to fish and wildlife and their habitat. Winter construction will also reduce impacts to fish and wildlife.

The OPMP will develop Environmental Protection Programs to address fish and wildlife protection during planning, design, construction and operational phases of the project. These programs, which will include rehabilitation practices, human-wildlife interaction and human waste management, will be submitted for the DNR Commissioner's review and approval.

The OPMP will coordinate closely with the State of Alaska Department of Fish and Game and the U.S. Fish and Wildlife service to identify the locations of known grizzly and polar bear dens. All employees and contractors will avoid disturbing denning bears. Local communities will be informed about construction and maintenance operations to avoid conflicts with subsistence users.

50. Describe your plans for restoring areas of vegetation or timber damaged or harmed directly or indirectly by the construction, operation, maintenance or termination of all or any part of the proposed pipeline.

The pipelines will be constructed during the winter using ice roads and pads. Highly localized tundra disturbance will occur at the VSM locations. Construction techniques used to drill the holes for the VSM's will limit the disturbance to the hole itself and will not affect the surrounding tundra.

Areas disturbed by construction, operation and maintenance activities will be rehabilitated to the maximum extent practicable.

Native vegetation will re-colonize and will be used to control erosion and sedimentation. Reseeding and planting will be in accordance with written recommendations from the local soil conservation authority and the state.

51. Describe your plans for abating erosion and restoring areas eroded as a direct or indirect result of the construction, operation, maintenance or termination of all or any part of the proposed pipeline.

Winter construction will limit erosion. Erosion and sedimentation will be controlled and eroded areas will be rehabilitated in accordance with local, state and federal regulations.

52. Describe your plans for quality control and your procedures for inspection and testing the pipeline, both during and after construction.

A management system will be developed to address inspection and audit requirements for construction, operation, maintenance and termination activities. Some design and plan issues may need to be adjusted during construction activities due to conditions encountered in the field.

Construction inspections will occur on a regular basis and will include unannounced inspections, as well as announced inspections. All records will be maintained

throughout the life of the pipeline. Additionally, strict quality control will be required of all suppliers.

Once the pipeline is in operation, it will be periodically inspected using intelligent inspection pigs.

53. Describe your plans to ensure compliance by your contractors and subcontractors with the safeguards and stipulations of the Right-of-Way Lease, if issued.

All applicable local, state and federal law, including stipulations, will be incorporated into all designs, plans, procedures and schedules. Provisions incorporating safeguards and stipulations and requiring compliance with those safeguards will be incorporated into all contracts and subcontracts for construction, operation and maintenance activities.

PART V. SPECIAL SAFEGUARDS FOR NATIVES AND OTHERS SUBSIDING ON THE BIOTIC RESOURCES OF THE GENERAL AREA OF THE PROPOSED RIGHT-OF-WAY

54. Describe your plans and procedures to protect the interests of individuals living in the general area of the proposed right-of-way who rely on the fish, wildlife and biotic resources of the area for subsistence purposes.

There are no communities along the pipeline right-of-way – the closest communities are Deadhorse, Kaktovik and Nuiqsut. Hunting parties from Kaktovik and Nuiqsut, as well as the Gwich'in villages and Barrow use the area of the pipeline right-of-way for subsistence activities.

The OPMP will mitigate any impacts on wildlife with a separation between linear structures and by raising the pipeline high above the tundra surface. This will also serve as a safety measure for the hunters using snowmachines. Additionally, during project planning and development, the OPMP will consult with local residents to assure local concerns are addressed during project design, construction and operation. The OPMP will also submit a Subsistence Plan for the DNR Commissioner's review and approval. Access by subsistence users will be allowed for hunting, fishing and gathering, except when such access would present a hazard, such as during a critical construction activity.

PART VI FINANCIAL INFORMATION

55. Describe the probable financing requirements for the proposed pipeline.

The OPMP will provide financial information after it has completed further financing studies and determined the proposed operator of the pipeline.

56. Attach an annual financial statement and balance sheet for each applicant, prepared

in accordance with generally accepted accounting principles for each of the applicant's three fiscal years immediately preceding the date of this application. The financial statement must be certified by a firm of reputable and independent Certified Public Accountants.

The OPMP will provide financial information after it has completed further financing studies and determined the proposed operator of the pipeline.

PART VII OTHER INFORMATION

57. Name and address of the proposed general contractor(s) for constructing the pipeline:

No general contractor is selected at this time.

58. Name and address of the proposed operator of the pipeline:

The proposed operator of the pipeline will be determined prior to the OPMP submitting further financing information.

59. Other information you believe may aid in the consideration of this application.

None.