

July 8, 2010

Supplement to the 2001 North Slope Foothills Areawide Final Finding of the Director

The following new information is added:

Deepwater Horizon Incident in the Gulf of Mexico

The Deepwater Horizon was a semi-submersible drilling unit (Transocean 2010a) operating on Mississippi Canyon Block 252 (MC252) (British Petroleum 2010a) in federal Outer Continental Shelf (OCS) waters located in the United States Gulf of Mexico, about 41 miles offshore of Louisiana (Transocean 2010c; Transocean 2010b; Transocean 2010e). British Petroleum Exploration & Production, Inc., was the lease operator (Transocean 2010e).

According to official reports, on April 20, 2010, approximately 10:00 p.m. central time, a fire and explosion were reported on the Deepwater Horizon (Transocean 2010b; Transocean 2010e). The rig sank on April 22, 2010 (Transocean 2010e), coming to rest on the sea floor in about 5,000 feet of water, about 1,500 feet from the well center and away from subsea pipelines (Transocean 2010d). At the time of the incident, 126 crew members were onboard; 115 were evacuated and 11 died (Transocean 2010b; Transocean 2010e).

Before the rig sank, the response team was not able to stop the flow of oil and gas (Transocean 2010e), the blowout preventer failed (British Petroleum 2010b), and a large release of hydrocarbons into the water occurred. As of this time, various well control efforts have been attempted, including ongoing drilling of two relief wells begun on May 2, 2010 and May 16, 2010 (British Petroleum 2010b). As of this time, oil continues to escape from the well into the ocean and a large cleanup operation is underway.

The Minerals Management Service (MMS) and the U.S. Coast Guard (USCG) have jurisdiction over the incident, and have a joint, ongoing investigation into the incident (USCG and MMS 2010a). The investigation is tasked with identifying the factors leading to the incident, and developing conclusions and recommendations regarding the incident (USCG and MMS 2010a). As of now, two hearings have been held by the joint USCG and MMS investigation: one on May 11-12, 2010, and a second on May 26-29, 2010. A third hearing is tentatively scheduled for July 19-23, 2010 (USCG and MMS 2010b). Analysis and conclusions are not being presented during the hearings (USCG and MMS 2010b). Evidence, facts, conclusions, and recommendations of the investigation team must be approved by both the USCG and MMS, after which a final investigative report will be made available to the public (USCG and MMS 2010a). A final report is scheduled to be released in January 2011 (USCG and MMS 2010c).

The State of Alaska is closely following the activities in the Gulf of Mexico. When the causes of the incident are established and made available, we will determine any applicability to Alaska, and we will modify or issue new mitigation measures or lessee advisories, as needed.

References Cited

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Changes to Mitigation Measures and Lessee Advisories:

Lessee Advisory B(8)(a) is deleted.

B. Lessee Advisories

7. Oil and Hazardous Substance Pollution Control:
Pursuant to regulations 18 AAC 75 administered by ADEC, lessees are required to have an approved oil discharge prevention and contingency plan (c-Plan) prior to commencing operations. The plan must include a response action plan to describe how a spill response would occur, a prevention plan to describe the spill prevention measures taken at the facility, and supplemental information to provide background and verification information.
8. a. ~~To conform with ADEC requirements, impermeable lining and diking, or equivalent measures such as double walled tanks, will be required for onshore oil storage facilities (with a total above ground storage capacity greater than 1,320 gallons, provided no single tank capacity exceeds 660 gal) and for sewage ponds. Additional site specific measures may be required as determined by ADNR, with the concurrence of ADEC and will be addressed in the existing review of project permits or c-Plans.~~
- b. Buffer zones of not less than 500 feet will be required to separate onshore oil storage facilities (with a capacity greater than 660 gallons) and sewage ponds from freshwater supplies, streams, and lakes and key wetlands unless the Director after consultation with ADEC, determines that such a requirement is not feasible or prudent. Reserve pits, if used must be impermeable and otherwise fully contained through diking or other means.

A new Subsection 11, Mitigation Measure 23 is added to Section A of Chapter Seven:

A. Mitigation Measures

11. Fuel and Hazardous Substances

23. Fuel and Hazardous Substances:

Secondary containment shall be provided for the storage of fuel or hazardous substances. Secondary containment means an impermeable diked area or portable impermeable containment structure capable of containing 110 percent of the volume of the largest independent container. Double walled tanks do not qualify as Secondary Containment unless an exception is granted for a particular tank.