

Statement of
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Status Update: Legacy Wells in the NPR-A

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Introduction

Thank you for the opportunity to provide a status update on legacy wells in the National Petroleum Reserve in Alaska. As you know, the BLM is responsible for the management of the NPR-A. Prior to BLM's management responsibilities, the United States Government drilled 136 test wells for exploration purposes from 1943 to 1982. These wells were drilled by the US Navy and the United States Geological Survey. BLM's priority is to protect human health and the environment through the cleanup of the legacy wells. We actively monitor site conditions and direct available funding to address sites that pose a potential risk. The BLM has an ongoing commitment to monitor well and site conditions to evaluate risks and strategically develop and complete appropriate actions for these sites.

Background

Since 1952, 19 wells have been plugged. The U.S. Navy plugged 1 well in 1952. The BLM began its plugging efforts in 2002 and has plugged 18 wells and remediated contaminated soils where necessary. An additional 18 wells are partially plugged and are used and managed by the USGS as climate change monitoring wells. Twenty-four wells are on land that has been

transferred out of Federal ownership. Nineteen of those were transferred in the Barrow Gas Transfer Act. The remaining five were conveyed to the Arctic Slope Regional Corporation. Thirty-four are uncased shallow boreholes drilled to assess the geologic characteristics of the permafrost and shallow geologic strata. On the remaining 41 legacy well sites, the BLM continues to monitor site conditions.

Inventory, Assessment & Cleanup

In 2004, the BLM completed an inventory of legacy wells that reviewed conditions and analyzed the risk posed to humans and the environment. The inventory identified a number of legacy wells that posed near-term potential risk to public health, safety and the environment. The inventory determined that many other sites presented no significant threat. The information from the assessments allowed the BLM to direct funding and attention to plug wells and clean up surface soils at sites that posed the greatest risk, while continuing to monitor conditions at the other sites. Since 2002, the Federal government has spent almost \$86 million in legacy well plugging activities and surface cleanup of priority legacy wells. Only one well identified as high priority in the 2004 status report remains to be plugged, Iko Bay.

Over the last three years, the BLM has conducted a comprehensive site inventory, which included participation by AOGCC inspectors when available, to verify current site conditions and determine if sites posed additional risks. Last week we provided the State with an updated draft Legacy Wells Summary Report. The draft summary report contains the current status, site descriptions with photos, and condition assessments for each well under the BLM's management. We look forward to any input the Alaska Oil and Gas Conservation Commission and other stakeholders may have on the draft report before it is finalized.

Current Status

The BLM has been working with the AOGCC to define the scope of the legacy well issue and reach an agreement regarding current conditions. We have also worked together to identify wells of concern and determine how best to address those sites where existing information is limited.

We expect to release a final summary report and present a draft five-year strategic plan to address the remaining wells of highest concern in the future. The draft strategic plan will identify the actions that the BLM will focus on over the next five years. The plan will include all legacy wells except those transferred through the Barrow Gas Transfer Act. It will include those that are located on lands transferred to ASRC under the Alaska Native Claims Settlement Act.

We have been working with the State and local communities, including the North Slope Borough and the Arctic Slope Regional Corporation, to develop the summary report.

Conclusion

The BLM recognizes the importance of cleaning up the legacy wells in the NPR-A. We will continue to work collaboratively with the State of Alaska, Native Corporations, Tribal governments, and other partners including the Alaska Oil and Gas Conservation Commission as we prioritize well clean-up projects in the strategic plan and during the clean-up efforts.

We remain committed to seek funding to properly address those sites that pose a threat to public health and safety and the environment and to conduct our work in a fiscally responsible manner.

I will be glad to answer any questions.