Changing Dynamics of North Slope Development

House Resources Committee

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Issues Impacting North Slope Development

- Opposition by local residents and national environmental groups, remoteness, harsh conditions, technological issues
- Smaller companies new to Alaska are bidding on leases
 - little experience in permit sequencing and timeframes
 - have not allotted enough time to address public concerns, local government requirements, etc.
 - not familiar with conducting business in Alaska: logistics, not prime clients for services, etc.
- Roadless developments haven't supported adjacent lease exploration/development aska Department of

Permitting

- Permitting Task Force is undertaking a huge effort in improving permitting activities and efficiencies
 - Significant, ongoing public outreach for ideas and input
 - Hiring and efficiency improvements to address backlog
 - Post-ACMP, it is now the responsibility of the applicant to independently coordinate project with local, state, and federal agencies
 - Permitting Task Force recognizes coordination as a critical issue and is working on a coordination effort
 - Alaska Project Questionnaire in development to serve as a "road map"



Oil & Gas Activity Authorizations

Alaska Department of Natural Resources (ADNR)

- DOG- Lease or Unit Plan of Operations Permit
- DMLW Land Use Permit (LUP) for Ice Road
- DMLW Temporary Water Use Permit GCD 8 and GCD 34 (TWUP)
- DMLW Misc. Land Use Permit from for use of state-owned surface lands beyond the lease or unit boundaries
- DMLW Tidelands lease
- DMLW Water Right
- DMLW and/or MHTLO Right-of-way easements
- DMLW Surface lease
- DMLW Material Sales Contract
- DCOM or lead agency ACMP Consistency Determination
- SHPO Section 106 Historic Preservation
- JPO Pipeline Right-of-Way Lease

Alaska Department of Environmental Conservation (ADEC)

- Water Quality Register EPA NPDES North Slope General Permit (ice road)
- Spill Prevention, Control and Countermeasure (SPCC) Plan
- Oil Discharge Prevention and Contingency (C-Plan) Plan
- Temporary drilling waste storage permit (depending on NPDES Status)
- Drilling waste storage and solid waste disposal facility
- Air Quality permit for temporary or mobile drilling unit
- Air Quality Minor General Permit Surveillance Plan
- Air Quality Control (PSD) for Construction
- Title V Air Permit for Operations
- Domestic water supply
- Domestic waste water permit
- 401 wetlands certification

Alaska Department of Administration, Alaska Oil & Gas Conservation Commission (ADA, AOGCC)

- Permit to Drill
- Underground Injection Control (UIC class II)
- Injection Order

Alaska Department of Fish and Game (ADFG)

- Title 16 Fish Habitat Permit
- Polar Bear Interaction Plan Review

Local Governments

- Local Zoning Permit
- Right-of-way easements

National Marine Fisheries Service

- Letter of Authorization (Incidental Harassment Authorization or Incidental Take Authorization)
- Essential Fish Habitat Determination
- Section 7 Endangered Species Act consultation through NEPA

US Environmental Protection Agency

- Stormwater discharge exemption permit (maybe)
- Individual NPDES authorization for muds, cuttings, and produced water discharge (in process of being transferred to ADEC)
- General NPDES authorization (in process of being transferred to ADEC)
- SWPPP Storm Water Pollution Prevention Plan
- Underground Injection Control (UIC class I, III-V)
- National Environmental Policy Act

US Army Corps of Engineers

- Rivers and Harbors Act Section 10 authorization
- Clean Water Act Section 404 placement of fill
- National Environmental Policy Act

US Coast Guard

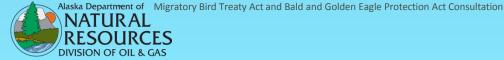
- Vessel Security Plan for Jack-Up and Offshore Supply Vessels
- Vessel Response Plan (>400 tons)

Bureau of Ocean Energy Management, Regulation and Enforcement

C-Plan Oil Spill Financial Responsibility Application (consider along with State C-Plan)

US Fish and Wildlife Service

- Letter of Authorization (Incidental Harassment Authorization or Incidental Take Authorization)
- Section 7 Endangered Species Act consultation through NEPA



Cost of Operations: Opportunities for Improvement

- Time and cost associated with permitting, appeals, and legal challenges at all governmental levels.
 - Coordination function to address all governmental levels
 - Consistency in public notice and appeals provisions and procedures
 - Industry cooperation on costs of common needs
- Explore opportunities for extending the drilling season
- Roads to Resources concept has value beyond the Foothills area
 - Roadless developments haven't been beneficial for adjacent lease exploration

