

4-2-87

BRIEFING by
DENNIS KELSO,
DEC

**SENATE SPECIAL COMMITTEE ON
OIL AND GAS
April 2, 1987
3:40 p.m.**

MEMBERS PRESENT

Senator Bettye Fahrenkamp, Chairman
Senator Jack Coghill

MEMBER ABSENT

Senator Paul Fischer

ALSO IN ATTENDANCE

Representative Mike Davis

COMMITTEE CALENDAR

Briefing by the Department of Environmental Conservation on
Oil and Gas Issues

WITNESS REGISTER

Commissioner Dennis Kelso
Department of Environmental Conservation
P.O. Box 0
Juneau, Alaska 99811

Larry Dietrick, Regional Supervisor
Division of Environmental Quality
Northern Region
Dept. of Environmental Conservation
P.O. Box 1601
Fairbanks, Alaska 99707

Jeff Mach
Division of Environmental Quality
Northern Region
Dept. of Environmental Conservation
P.O. Box 1601
Fairbanks, Alaska 99707

ACTION NARRATIVE

TAPE ONE SIDE ONE
April 2, 1987

Number 001

The Senate Special Committee on Oil and Gas meeting was
called to order by Chairman Fahrenkamp at 3:40 p.m. She

invited Commissioner Kelso to address the committee on oil and gas issues that relate to DEC.

Number 010

Commissioner Kelso noted that Larry Dietrick, Regional Supervisor for DEC in Fairbanks, was participating via the teleconference network and that he and Mr. Dietrick would follow the list of topics that the committee suggested and handle them jointly. He added that Jeff Mach of Larry's staff would also be participating.

The first topic Mr. Kelso addressed was the Oil and Hazardous Substance Release Response Fund. Originally the fund was envisioned to deal with things like marine oil spills but was broadened in order to cover other kinds of spills. Today, they find the demand for use of the fund for cleanup to be increasing in areas such as leaking underground storage tanks, leaking tanks above ground, and certain other kinds of spills that involve materials or liquids that are dangerous and which require immediate attention, but for which there may not be a responsible party available to do the cleanup.

Number 061

If there is a responsible party on hand, they expect that party to clean it up. If there is no responsible party, or the party is unable to clean it up or unwilling to, then they can draw on the fund, use the money for the cleanup effort and then they proceed to recover the costs, if possible, from the responsible party. That means the fund itself can be replenished by the money recovered from responsible parties by placing it in the mitigation account. It is not immediately part of the fund because of the constitutional prohibition on dedicated funds, but is specifically earmarked to be available to be appropriated into the fund in order to keep the fund at a strength that allows them to do the cleanup work.

Number 081

Responding to a question from Senator Fahrenkamp, Commissioner Kelso explained that the recovered monies are in a separate account within the general fund. The purpose of the mitigation account was to hold those funds so they could be appropriated into the fund, and that is done through the normal appropriation process.

Number 095

In FY '87 the legislature appropriated more than \$600,000 to the fund, and they anticipate by the end of the fiscal

year the full amount appropriated will have been used in cleanup efforts.

Number 108

For the coming fiscal year, they have estimated that precluding any major cataclysmic event that they don't now project, but just relying on those things that they know are going to require cleanup efforts now, about \$1 million would be needed to do the work on those spills.

Number 116

Senator Fahrenkamp asked what percent of that he thought was recoverable, to which the Commissioner responded that based on past experience it would be well above 50%.

Number 143

Commissioner Kelso confirmed that in the case of a major problem, the Governor would be able to declare a disaster for some kinds of situations.

Number 184

The kinds of things they are projecting for the rest of this year and for FY '88 are continued work on the Peters Creek benzene contamination, exploratory investigative work on Anchor Point, the Irons Subdivision on the Kenai and industrial site cleanup in Kenai. They think the Crown Point work is completed, but in other parts of the state, work has only begun on some major spills. He referred to a fuel oil spill in Kotzebue which began coming to the surface because there was so much oil in the ground. He estimated there could be as much as 40,000 gallons of the fuel remaining and the source is probably leaking underground tanks.

Number 225

Commissioner Kelso said a problem he thinks they will see more and more that is going to require expenditures from the fund periodically will be spills that come from old tanks, some of which may not even be visible at the surface of the ground, or which their presence may not even be known.

Number 253

Representative Davis asked if when the government surpluses oil storage tanks, if anyone takes a look to make sure that they are safe to use and what their life expectancy is.

Number 265

Commissioner Kelso replied that the Federal Underground Storage Tank Program is in the process of developing standards, but the state does not currently have regulations that have been developed for that purpose. He thought that down the line the only way to address that will be to have standards for new tank installation and some standards that would apply also to the configuration of plumbing and materials used in the plumbing.

Number 285

Addressing a question by Representative Davis on whether there are any standards at all on tanks that have been surplused and then picked up, moved to another location and reused in the process, Larry Dietrick said there are no specific regulations. EPA is proposing regulations for old surplus tanks with their proposed LUST regulations, which are supposed to be out in the near future. He explained that LUST is the federal acronym for leaky underground storage tanks. Although they haven't seen a draft of the regulations, they believe they deal directly with tank integrity, dying, construction, operation, installation and testing of both the tanks and the piping. He thought they would not only address new tanks, but old tanks that are going to be surplused.

Number 310

Senator Fahrenkamp said that if they find that is not so, to let the committee know so they can take a look at it, as she felt that it was an important issue.

Number 329

Commissioner Kelso spoke to a new program that is a priority to the department. After doing an inventory of existing underground storage tanks (4,600 identified statewide), they are beginning a training program on proper maintenance, testing, and monitoring of those tanks. Eventually, they hope to have a more comprehensive program. At the present time, unless the owner of a tank wants to have it tested, there is not a mechanism to require that person to have it tested. However, because there is a substantial potential liability if a leaking tank contaminates someone else's well, for example, there is an incentive to have that done and they can help people get the proper testing done.

Number 369

Senator Fahrenkamp said the homeowner could be liable just as well as anyone else and the cost to individuals for pressure testing could be very high. She wondered if there would be any way in the future where people in areas could

sign up to have the testing done and have a pooling of rates. That way whole areas could be tested and it would make it easy for the homeowners.

Number 397

Larry Dietrick responded that they have discussed what they could do for the small operators and possibly including the homeowners. First of all, they would set up a seminar for the small operators to basically give them information to bring them up to speed as to the direction things are going in and encourage them to undertake a program for evaluating their own tanks and piping.

For the larger companies in the Fairbanks area, they are slowly trying to get a handle on their situations and are generally starting with the bigger facilities that have a bigger potential. They are trying to encourage them to take on their own testing programs, conduct tests as are appropriate for piping and/or storage tanks, and when they find problems to initiate corrective actions.

Number 463

Commissioner Kelso gave an overview of what possible expenditures may look like on a project basis for the next year.

Referring to the Kotzebue spill, it's thought that between 100,000 to 200,000 gallons are contaminating perhaps 10 acres. They have completed the Phase I work, which is, basically, determining the scope and assuring that it is not coming from other sources. Phase II involves the recovery and that is much more expensive and estimated to cost \$130,000 a year.

In addition, underground spills at several sites in other parts of the state will require some attention. There are sites near Fairbanks that will require about \$105,000 in cleanup efforts if they are undertaken.

There are also remote sites in the bush that would require about \$210,000.

The Commissioner said these figures do not include the possible additional sites that they do not know about at this time, so the potential for a great deal of demand on the fund is there and they project that it is going to be a very active area for them over the foreseeable future.

Number 498

Representative Davis inquired if the state was going to be able to recover the costs of cleaning up those sites.

Number 502

Commissioner Kelso responded that it depended upon the circumstances of the particular spill. On some of them where the responsible party is readily established, after the recovery of the product, the cost of that work can be recovered directly, assuming that the responsible party is able to cover those cost. There is not a generic answer to the question, he said.

Number 517

Responding to a question from Representative Davis, the Commissioner said that all the projects he outlined are projects they think are candidates for cleanup under the response fund. They do not anticipate coming to the legislature for an appropriation for any of the cleanup projects, but it may well be that the total is much greater than what they can cover in the fund itself.

Number 562

Commissioner Kelso briefed the committee on what they had recovered in costs so far in FY '87 and then requested Mr. Dietrick to give a history of the MAPCO spill.

Number 584

Mr. Dietrick said the initial problem that was brought to light was a history of spills that resulted in significant contamination of the ground water in the immediate vicinity of the refinery. The spill history goes back to about 1977 and it's estimated that there are in excess of 100,000 gallons spilled to date.

The work towards bringing MAPCO under a compliance order that would lock in the recovery efforts and spell out what is needed to correct the situation began last summer. The compliance order was issued in December and the main feature of it requires that an environmental audit be conducted of the entire facility.

Recovery to date is approaching 90,000 gallons. Recent recovery rates remain high which causes them to be concerned about ongoing leakage.

Work on the environmental audit is scheduled to be completed in the fall.

The initial contamination of the drinking water wells on the refinery site was brought to light in November of '86 and that was a consequence of the compliance order which required them to immediately start testing their portable water wells on site. Initial results indicated that there

was benzene in the water. The most serious implications of this was the extent of that contamination and what the potential threat was to the North Pole area. The City of North Pole does have their own wells and tests have revealed that they are basically in good condition.

As a result of concerns for the City of North Pole, they amended the compliance order by letter and required that they immediately retain a consultant to evaluate the ground water movement direction at the refinery, and based on that information, select an initial perimeter number of wells that would be installed and monitored for benzene. A consultant was retained, a preliminary analysis has been completed, an initial round of wells has been completed and they should get their first sampling next week. What this has done is provide the City of North Pole and DEC with an early warning detection system so that they can conclusively say, without doubt, whether or not the contamination is spreading from the facility.

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April 2, 1987

Number 675

Continuing, Mr. Dietrick said that the compliance order requires that all on-site monitoring and recovery wells be checked daily. The threshold is that if there is over a half inch of product upon that inspection, they have to start up pumping and recovery efforts immediately. Yields from some of the recovery wells remains very high. Mr. Dietrick said the problem definitely isn't going away and they remain very concerned.

Number 700

Senator Fahrenkamp asked, if it is determined by the amount that's in these recovery wells that there is a constant leaking and has been, rather than recovering spills that are no longer leaking, to what extent would the liability be determined to be on the present owners, past owners, etc.?

Number 717

Mr. Dietrick responded that determining the responsible party in some of these events is a matter that only an attorney can sort out in the end. The situation is somewhat complicated by virtue of the fact that the refinery is located and leased from the State of Alaska. The Department of Law will generally identify anybody that may have any kind of responsibility whatsoever, and it usually ends up that the judge sorts through who shares the

responsibility and how much they may be subject to in the way of penalties or fines.

Number 748

Senator Fahrenkamp said any expense of the present owners would be passed on to the consumers, and she thought that was an important aspect to be looked at.

Number 825

Senator Fahrenkamp asked Mr. Dietrick to explain the complaint that MAPCO has been injecting hazardous materials into the pipeline.

Number 837

Mr. Dietrick said the most recent allegations were received in March from EPA. They received quite a number of allegations about activities pertaining to handling, storage and disposal of hazardous waste at the refinery. They already had an inspection scheduled for the facility and they requested it be moved up to the next day. They've completed the investigation at this point and the report is now in EPA's hands. EPA has labeled it "Enforcement Confidential" because of potential litigation and requested that the department not discuss or disclose any information until they've completed their investigation and determined what appropriate actions may be necessary.

In response to Senator Fahrenkamp's concern with the committee's inability to get the needed answers on the allegations, Commissioner Kelso directed Mr. Dietrick to relate the information that they have about pipeline integrity.

Number 887

Jeff Mach related that they did conduct an inspection at the facility on March 5 and found that the facility had accumulated over their operating history so far, a number of drums of oil samples and other wastes that were generated by some of their processes. They were taking drums that had been stored and segregating them and then emptying them back into the systems that they have at the refinery. Some of those things that are discarded chemicals that have not been used would be considered hazardous waste. Putting them back into the system for recycling, or neutralization is not illegal, but they did find a number of technical violations.

Number 927

Commissioner Kelso said that in conversations with the operators of the pipeline they've been assured by them that given the volumes that were alleged and the volume carried by the pipeline that there was not a threat to pipeline integrity, and that at the volumes being discussed, it would probably be difficult to detect these materials in the crude oil stream when it reached Valdez.

Number 974

Larry Dietrick next addressed waste water disposal. The refinery expanded production to 90,000 barrels a little over a year ago. Initially they were proposing to have a separate waste water treatment facility, but the plans were abandoned after they got started up. They changed over to a stack injection and had been doing that for sometime prior to expansion of their building. When the expansion occurred, their waste water stream expanded considerably and got ahead of the planning. They now have stock-piled on site approximately 3 million gallons of oily waste waters. They also went to the extent of using secondary containment areas for bulk fuel storage, or containment of this waste water, but these are basically maximized out. They are trying in a very short time frame to get the approvals that are necessary to transfer this material to the North Pole area lagoon system. The City of North Pole is very concerned and upset about the possibility.

The real concerns are that they have to be assured that the waste water doesn't contain anything that could be considered hazardous because of the allegations being made about hazardous wastes on the site.

A meeting was held to bring all the involved parties (City of North Pole, EPA, MAPCO, DEC) together to try to come up with a resolution. There is a game plan at this time and they are initially working under a May 1 deadline for MAPCO to try to have treatment completed, modifications to their EPA permit completed and compatibility tests completed. The testing and discussions between the consultants probably can't realistically be completed in that time frame. He thought MAPCO may have to bring in additional tankage on site to contain the water until they can get the initial batch pretreated and get the tests back to make sure it won't be a problem for North Pole and then initiate a transfer.

Number 052

Senator Fahrenkamp said, as she understood it, DEC is working to try to help relieve the problem so it can be settled with as little damage as possible to both parties.

Number 056

Mr. Dietrick said that was correct, and the real issue here is to make sure that the material that's being transferred is compatible with the North Pole treatment system and permit. The second part of the problem then is to work out the permitting and administrative things that have to be done to make it legal.

Number 078

Dietrick said this effort right now is focused on getting relief for them for their immediate storage problem and that will be followed by an effort on their part to evaluate their waste water stream and then propose a long-term solution.

Number 086

Senator Coghill wondered if it would be possible for MAPCO to put together a lagoon behind the MAPCO property and have an evaporating system there so that they don't have to use the city system.

Number 094

Mr. Dietrick agreed they could, but said that presently the evaporation is not occurring at a rate that is alleviating their problem.

Number 101

Senator Coghill referred to a pulp mill he had toured which had a lagoon with approximately 12 aireators. The water goes in and they reduce most of the water in the chemical waste, bring it back, retort, get the chemicals back out and reuse them. He suggested taking a look at that as a long-term solution for MAPCO.

Number 108

Mr. Dietrick thought it was a good suggestion and would be a option.

He said there were some other allegations dealing with buried materials behind the refinery and they will be pursuing those also. Those areas will have to be excavated and soils tested. EPA may include that aspect as part of their investigation, he said.

Number 138

Senator Fahrenkamp asked if there was any liability on the part of those who make the allegation, if the allegation turns out to be false.

Mr. Dietrick responded, not that he was aware of.

Commissioner Kelso added that what they have been doing in this situation is whenever an allegation has come to the Fairbanks staff that seems to have some basis in fact, they have systematically investigated. Simply because an allegation has been made, does not mean that MAPCO has had to do some particular thing, but the department takes it seriously and has pursued their investigation.

Number 152

There was a brief discussion on how the allegations are handled as to their validity when they come in to the department, and the possible costs to the state.

Number 256

Commissioner Kelso asked Mr. Dietrick to summarize the DEC Oil Industry Workshop which they had conducted that week.

Number 260

Mr. Dietrick said their general approach is preventive in nature. In most cases if they can work with companies up front, identify problems and design out the problems, they can completely avoid environmental problems. It can't be done in all cases, but there is a lot of room to do it.

The DEC workshop they have put together is for the oil and gas industry, primarily targeted on the North Slope operators. They plan to have them on an annual basis.

The intent in having these workshops was to provide a forum whereby they could communicate directly with the companies, let them know where they are going on certain programs, where they thought problems were and how to get them corrected, and what can be done to ease permitting requirements.

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April 2, 1987

Number 327

This year's workshop was a two-day session held in Anchorage. They expanded the agenda so that it wasn't just them doing the talking. They included representatives from the industry, having them give presentations on various practices they were employing. Vendors appeared on issues associated with flaring. They also gave an update on the hazardous waste program. An EPA representative was there to give them information on what direction EPA is going and there was a discussion during that session on underground

injection control. Mr. Dietrick said they do have applications for a class 1 hazardous waste injection wells at Prudhoe, Kuparuk and Endicott. A session was held on liquid waste disposal. This year they provided a summary of the total values of liquid waste being created and disposed of on the North Slope. They also had a session on the oil pollution program. Standard and ARCO gave presentations on their drum processing operations that they have installed on the slope.

Number 508

Senator Fahrenkamp asked about the status of proposed drilling mud regulations.

Commissioner Kelso responded that their position is that drilling muds can be properly managed under state solid waste regulations. They worked closely with industry in developing a set of solid waste regulations specific to drilling muds that they think will do a very good job. They are in the last stages of adopting those regulations. Once those regulations are out, they will have regulations that specifically address drilling muds. It may be that these regulations will provide a model for some other agencies and some other states to look at, he stated.

Essentially what they are trying to do, the Commissioner said, is to keep the drilling muds in a disposal format that prevents water from moving through the material and leaching out material from the pit where the disposal takes place and then migrating into areas where it shouldn't be. They have tried to develop performance standards so that industry can use its ingenuity to come up with the proper design.

Number 580

Senator Fahrenkamp asked for an update on the spill danger from the All Alaska, a processor that went aground on the north shore of St. Paul Island.

Number 590

Commissioner Kelso said the processor carried 141,000 gallons of diesel fuel and 1/2 million pounds of crab. It went aground between 150 to 300 ft. offshore and rapidly silted in so it was not possible for a tug to get it off and there was no possibility of salvage.

By the time the Coast Guard was able to respond, the 141,000 gallons had been reduced by about 20,000 gallons and there was concern that the ship would break up spilling the rest of the fuel. They called in their Pacific strike team which deals with major marine spills. The regional

response team, of which DEC is a participant, also responded. They are presently working on the best approach for removing the fuel.

DEC has been getting regular updates, but as of early this week, Commissioner Kelso still didn't have specific information on whether they were going to unload from the vessel without crossing the beach or whether they had now resolved the difficulties and were proceeding with the beach unloading. As of the weekend, there had been no further leaking and it was stable as of that time; however, he said he would keep Senator Fahrenkamp advised on the situation.

Senator Fahrenkamp inquired if the spill would be eligible for the 470 funds.

Commissioner Kelso said it probably wouldn't be necessary to use 470 because the Coast Guard will take responsibility. The vessel owner is responsible for the damage and cleanup costs, although he has abandoned the vessel. That means that the Coast Guard, through its strike team, will do the work, unload the vessel and salvage the cargo, if possible, however, that does not appear to be possible.

Number 706

Commissioner Kelso advised Senator Fahrenkamp that the rest of the materials that hadn't been covered during the meeting would be provided to the committee in a written summary.

Number 710

Senator Fahrenkamp thanked Commissioner Kelso, as well as Larry Dietrick and Jeff Mach in Fairbanks, for their participation.

There being no further business to come before the committee, the meeting was adjourned at 5:30 p.m.



ALASKA STATE LEGISLATURE

SENATE SPECIAL COMMITTEE ON OIL AND GAS

Senator Bettye Fahrenkamp
Chairman
Senator Jack Coghill
Senator Paul Fischer

P.O. Box V, State Capitol
Juneau, Alaska 99811
(907) 465-3834

MEMORANDUM

TO: Members, Senate Special Committee on Oil and Gas

FROM: Committee Staff

RE: Committee Meeting, April 2, 1987

DATE: April 1, 1987

On Thursday, April 2, at 3:30 pm in the Beltz Room, the Senate Special Committee on Oil and Gas will receive a briefing by Dennis Kelso, Commissioner of the Department of Environmental Conservation. The commissioner will address areas in which the department has oversight over the oil and gas industry. He will be joined via teleconference by Larry Dietrick, Northern Regional Supervisor of the Division of Environmental Quality. Topics expected to be discussed include:

- (1) an update on the situation at the MAPCO refinery in Fairbanks,
- (2) hazardous wastes,
- (3) disposal of drilling muds,
- (4) air quality on the North Slope, and
- (5) the status of the Hazardous Substance Release Response Fund.

The commissioner and Mr. Deitrick will be available to answer any questions committee members may have on oil and gas issues.

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
P.O. BOX 0, JUNEAU, ALASKA 99811-1800

Telephone: (907)
Address:

(907) 465-2600

March 18, 1987

The Honorable Bettye Fahrenkamp
Alaska State Senate
P.O. Box V
Juneau, AK 99811-3100

Dear Senator Fahrenkamp:

Enclosed is a report to the 15th Alaska Legislature on the Oil and Hazardous Substance Release Response Fund, as required by AS 46.08.060. The Fund allows the Department to investigate and clean up oil and hazardous substances spills. This report provides information on the department's spill response activities, fund expenditures, and monies recovered from spillers during the six month period from July 1, 1986 to January 1, 1987.

The department has funded several significant oil and hazardous substance spill investigations from the fund during the first six months of FY 87. These include the Kotzebue underground spill (\$62,638), Peters Creek groundwater contamination (\$208,415), Crown Point chemical release (\$20,000), and Nome underground spill (\$12,745). Total Fund expenditures and encumbrances for FY 87 to date are \$402,751.

We estimate that \$612,000 will be required to respond to and clean up oil and hazardous substance spills associated with continuing projects, identified in this report. Furthermore, the department will likely be called upon to initiate spill cleanup activities during the remainder of FY 87 and FY 88.

To date, the department has recovered monetary settlements from parties associated with three oil spills in FY 87. These funds are deposited to the Oil and Hazardous Substance Release Mitigation Account.

The Honorable Bettye
Fahrenkamp

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March 18, 1987

When final payments are made to the state, revenue to the Mitigation Account will be \$307,299. As provided in AS 46.02.080, these funds are available for appropriation to the response fund.

If you have any questions on this report, please contact me.

Sincerely,



Dennis D. Kelse
Commissioner

Enclosure

A REPORT TO THE 15th ALASKA LEGISLATURE
ON THE OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE FUND
by the

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Dennis Kelso - Commissioner

January 30, 1987

STATE OF ALASKA
STEVE COWPER - GOVERNOR

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Section 1. INTRODUCTION

The 1986 Legislature passed HB 470, a bill relating to the release of oil and hazardous substances. This legislation, in part, established an Oil and Hazardous Substance Release Response Fund. The legislation incorporated the previously existing oil spill reserve account into the Oil and Hazardous Substances Release Response Fund. The department uses money from the Response Fund for the response and cleanup of oil and hazardous substance spills. Section 46.08.060 of the bill requires the department to submit to the Legislature an annual report summarizing information on: spill response activities during the preceding fiscal year; projected costs of cleanup for the next year; expenditures from the fund; and monies recovered from spillers. Since FY 87 is the first year of the fund's existence, this report covers the six month period from July 1, 1986 - January 1, 1987.

Section 2. EXECUTIVE SUMMARY

The Legislature appropriated \$680,666 to the Response Fund for FY 87. However, monies in the Fund were subject to a 35 percent restriction on spending that was placed on all capital budget appropriations in July 1986. As a result, \$451,327 was released to the department to spend for oil and hazardous spill responses in FY 87. On January 1, 1987, OMB released the remaining balance of the Oil Spill Mitigation Account (\$79,338) to the department for additional spill expenditures. As of January 1, 1987, our records show FY 87 expenditures of \$206,670 and encumbrances and other obligations of \$196,081 (Attachment A), leaving \$127,914 remaining in the unrestricted portion of the Fund.

During FY 87, the department reached settlement agreements for damages from three oil spills. These settlements are deposited to the Oil and Hazardous Substance Release Mitigation Account. When final payments are made to the state, total revenue recovered in the Mitigation Account from these three spill settlements will be \$307,299. This total may increase as the department proceeds with enforcement actions on other spills in FY 87. As provided in HB 470, these funds are available for appropriation to the Response Fund.

The department has allocated monies from the Fund for several significant oil and hazardous substance spill investigations during the first six months of FY 87. These include the Kotzebue underground spill (\$62,638), Nome underground spill (\$12,745), West Poppy Lane gravel pit (\$15,464), Iron's Subdivision groundwater contamination (\$9,041), Peters Creek groundwater contamination (\$208,415), Anchor Point groundwater contamination (\$10,407), and Crown Point chemical release (\$20,000).

The department projects that at least \$612,000 will be needed to respond to and clean up existing known oil and hazardous substance spills. These are costs associated with continuing projects. In addition, we estimate that at least \$350,000 will be required for new cleanup activities to be initiated during FY 88.

No funds were provided to municipalities for their involvement in oil and hazardous substance spill response activities during FY 87.

Section 3. FUND EXPENDITURES FOR FY 87

The Legislature established the Response Fund on July 1, 1986, with appropriations from three different sources as follows:

FY 86 Oil Spill Mitigation Account balance	\$158,677
FY 86 Oil Spill Expense Reserve balance	221,989
FY 87 Capital Budget appropriation	300,000
Total	<u>\$680,666</u>

In August, 1986, the Office of Management and Budget (OMB) restricted this appropriation by 35 percent. This reduction was applied to all capital appropriations.

The department responded to a rash of oil and hazardous substances spills during the summer of 1986. By the end of August we had either spent or encumbered a total of \$226,669 for oil and hazardous substances spill response and cleanup activities. As a result, the department asked OMB that an exception to the spending restriction be granted.

On September 15, 1986, we were advised by OMB that they would release monies from the following Fund appropriations as follows:

50% of the Oil Spill Mitigation Account balance	\$ 79,338
100% of FY 86 Oil Spill Expense Reserve balance	221,989
50% of FY 87 Capital budget appropriation	150,000
Total revised appropriation	<u>\$451,327</u>

OMB released the remaining balance of the Oil Spill Mitigation Account (\$79,338) on January 1, 1987 for additional spill expenditures. As of January 1, 1987, our records show total spill expenditures, encumbrances and other obligations of \$402,751. The balance of the Fund on January 1, 1987, was:

	\$530,665 (\$451,327 + \$79,338)
	402,751
Total	<u>\$127,914</u>

Section 4. REVENUES AND SOURCES OF FUNDS RECOVERED in FY 87

To date, the department has recovered monies from three oil spills in FY 87. These spills are described in more detail in Section 5 of this report. All funds recovered from spillers are credited to the oil and hazardous substance release mitigation account.

I. Motor Vessel VASHON

A settlement agreement was reached with the owner of the M/V VASHON on September 8, 1986, whereby the owner agreed to reimburse the state in the amount of \$3,500 for the department's expenses in responding to an oil spill. The vessel owner agreed to pay this amount over a 15-month period; \$1,300 has been received to date.

II. Chevron - Peters Creek Underground Oil Spill

The state's investigation of the contamination of groundwater in the Peters Creek area north of Anchorage led to testing on the site of Peters Creek Chevron gasoline station to determine if an unreported 1984 fuel spill at the station was a source for the groundwater contamination. The Peters Creek Chevron Station was determined not to be a contributor to the groundwater contamination. The state did proceed to recover investigative costs and damages associated with the 1984 spill in the amount of \$15,000. Chevron assumed the costs with the contractor for drilling test holes for soil sampling. The total settlement costs to Chevron are \$28,693 with \$14,999 payable to the mitigation account. Approximately \$653 has been received, and the balance of \$14,346 is due by February 18, 1987.

III. Nome Gasoline Spill

On November 28, 1986, a settlement agreement was announced for state expenses involved in investigating and cleaning up a major spill of gasoline from the Q-Trucking facility in Nome. The settlement is for \$363,800; \$75,000 will go to the federal government and \$288,800 will be paid to the state. The spill of more than 50,000 gallons was first discovered in 1983, and DEC subsequently recovered more than 35,000 gallons from the ground.

Based on these settlements, total revenues to the oil and hazardous substance release mitigation account for FY 87 has amounted to \$307,300 as follows:

M/V Vashon	\$ 3,500
Peters Creek Chevron	14,999
Nome Gasoline Spill	<u>288,800</u>
Total	\$307,299

Other funds may be recovered to the mitigation account as additional settlements are reached with spillers.

Section 5. Major Department Spill Response Activities for FY 87

I. Kotzebue Underground Oil Spill

In 1980, the department became aware of a problem with oil seeping into the elementary school basement in Kotzebue. After our investigation, we determined that 100,000 to 200,000 gallons of #1 fuel oil (diesel) was contaminating an underground area that was estimated at that time to be 10 acres. The fuel has been in the ground for 25 to 30 years. Possible causes of the spill include fuel storage or handling problems from a nearby oil facility in the 1950s.

In more recent years, oil has been observed leaching into Kotzebue Sound from time to time, posing a potential threat to local fisheries. The department has been involved in the recovery of the oil with the objective of mitigating potential environmental and safety problems. Problems experienced in the collection of the fuel included a seasonally frozen groundwater aquifer above the permafrost and inconsistent monitoring of the primary collection sump in the school basement. By the fall of 1984, about 40,000 gallons of fuel had been recovered using a variety of methods. While a large quantity of oil remains underground, recovery has been severely reduced because of recent funding constraints and sporadic collection conditions associated with the cold climate and permafrost.

During August 1986, a comprehensive study was conducted to identify the scope of the underground contamination problem and to determine that fuel loss is no longer continuing. Work included pressure testing existing fuel lines in the area, installing in-line flow meters within the perimeter of the spill site area, consultation with an expert hydrogeologist to identify the areal extent of the spill, installation of monitoring wells, and initiating a sampling program.

A report of this work has been completed. The cost of contracting this investigation was \$49,633. Other costs total \$6,682.

II. Nome Gasoline Spill

A major gasoline spill in Nome occurred on July 12, 1983. Unleaded gasoline surfaced with groundwater along the marshy grasses of Dry Creek near Nome. Results of ditching, drilling, surveying groundwater elevations, and product sampling ultimately led DEC to a suspect spill source. Because some of the gas product entered navigable waterways, the U.S. Coast Guard (USCG) intervened and assisted to keep the gasoline from entering Norton Sound. Once the USCG stopped cleanup, ADEC contracted for cleanup work and was later reimbursed with \$597,896 of federal funds for the major part of this cleanup effort.

DEC continued efforts in 1984 and 1985 to identify the spiller and initiated litigation to recover the amounts of state funds expended that were not part of the federal reimbursement.

Expenditures this year have totalled \$1,908. A contract remains active for an expert witness in the field of hydrogeology. The encumbered balance for the contract is \$10,837, and it is expected to be closed out in the near future.

The Department of Law announced on November 28, 1986, that they had reached a settlement with the spiller over state expenses involved in DEC's investigation and cleanup of the Nome gasoline spill. This settlement is detailed in the revenue section of this report.

III. West Poppy Lane Gravel Pit

The West Poppy Lane gravel pit, located near Soldotna, is approximately 40 acres in size. Department investigation has revealed contaminated soils and groundwater. In FY 87, DEC has spent \$15,464 on travel and per diem, sample analysis, and site excavation work. This is a continuing project for which additional expenses are likely.

IV. Iron's Subdivision

Another apparent underground spill has affected drinking water in Iron's Subdivision in Soldotna. A contract has been written to have test wells drilled for sampling to determine the source of contamination. Work is continuing on this spill. Expenditures this fiscal year have totalled \$9,041.31.

V. Peters Creek

Contamination of drinking water in several private wells in the Peters Creek area in Chugiak was identified by DEC in April 1986. The department believes that the benzene contamination originated from a leak from an underground storage tank(s) and/or underground lines connecting the tanks at the Peters Creek Tesoro gasoline station. The spill created an emergency situation. Several contracts were written during the investigative phase to determine the source and extent of the contamination.

An emergency water supply was provided by the Municipality of Anchorage for 36 homes with contaminated wells. Due to the contamination, all of the wells will be abandoned.

Expenditures are \$77,396 this fiscal year; an additional \$52,019 has been encumbered. This was spent for contractual services for testing of water samples to define the contaminated area, testing of tanks and lines, and other investigatory work. A contract for \$79,000 has been approved for the first phase of the cleanup since the property owner/spiller has declared that he does not have the financial resources for this work. Phase I work will involve the initial recovery and disposal of free product from the affected groundwater in the Peters Creek area. Litigation against the spiller has been initiated. An additional \$75,000 may be needed for further cleanup work which could continue for at least another year. Moreover, additional expenses will likely be incurred in conjunction with the litigation.

VI. Anchor Point

Benzene contamination of several wells in the Anchor Point Area has been identified. Investigative work has included drilling of test wells and sampling of water to determine the scope and source of the contamination. Like the

Peters Creek spill, this spill may involve considerable expenditures by the state before it is resolved. Expenditures and encumbrances for this fiscal year thus far are \$10,407.

VII. Motor Vessel VASHON

The vessel VASHON grounded near Ketchikan in June 1986. The department and the Coast Guard worked with the vessel owner to keep the fuel oil from the vessel contained and recovered. The vessel was sold for salvage. Expenditures for this fiscal year amounted to \$2,067. As noted earlier in this report, DEC and the Department of Law worked out a settlement agreement to recover DEC's expenses from the vessel's owner.

VIII. Moose Pass/Crown Point

In March 1986, toxic fumes were emitted from a tank car on the Alaska Railroad in the vicinity of Crown Point. This spill resulted in declaration of a state emergency. Funds were made available by the Department of Military and Veteran Affairs for assistance to affected people in the spill area. The department is managing \$180,000 in funds provided by the Division of Emergency Services to contract with Dames & Moore to assess whether any environmental effects of the spill remain in the area. DEC has added \$20,000 from the fund to analyze additional environmental samples. A report from the contractor is to be released in March 1987.

IX. Buckingham Well

This spill involved a drinking water well in Soldotna that was allegedly damaged by a fuel delivery truck's hitting the well casing. The contents of the fuel tank spilled on the ground around the well casing with some of the fuel's discharging into the well. The department cleaned the well and eliminated the residual hydrocarbon levels remaining in the drinking water. Expenditures are \$1,881 for FY 87.

Section 6. Projected Response Activities for Balance of FY 87 and FY 88

I. Southeast Region - no known projects at this time.

II. Southcentral Region - Anchorage

A. Peters Creek

The Peters Creek spill is described in the previous section. Cleanup is now scheduled for the spill.

Cleaning groundwater is a difficult undertaking; the feasibility of a cleanup can be better assessed after experience is gained with the initial cleanup. If a second phase proves to be appropriate, it is estimated to cost about \$75,000. The specific details of further actions needed under this second phase of cleanup will not be known until Phase One has been completed and additional information is gathered on the spill. Another \$12,000 may be necessary to properly close out 20 monitoring wells in the area. Costs will also be associated with the litigation underway in this case.

B. Anchor Point

More exploratory and investigative work on this groundwater spill will be needed. Contracts are being prepared for drilling test wells in an attempt to locate the spill source. The estimates of costs for the investigative work is \$14,000. Additional funds will be needed in the future for cleanup and potential litigation costs.

C. Iron's Subdivision

More investigative work requiring sampling and possibly some well drilling will be necessary at this spill site - estimated costs are \$6,000. Additional funds may be needed for litigation and cleanup if the suspected spiller can not or will not clean up the contamination.

D. Industrial Site - Kenai

The estimated amount for the cleanup is expected to be about \$60,000. At this point, it is uncertain whether it will be necessary for the state to initiate the cleanup. If so, cleanup activities as well as litigation costs would likely be needed.

E. Moose Pass/Crown Point

It is unknown at this time what funds may be needed on this project. The current cleanup contractor has not completed his work and reports. Additional funds may be required.

III. Northern Regional Office - Fairbanks

A. Kotzebue Oil Spill

Phase One consisted of determining the scope of the underground contamination and ensuring that other oil was not leaking from other sources. Phase Two cleanup activities in FY 88 would entail recovering free product from the groundwater and disposing of it. Cost estimates are based on an assumption that there is approximately 40,000 gallons of oil remaining in the ground and that 90 per cent of it can be recovered. Permafrost and frozen ground limit recovery work each year. As a result, complete product recovery may take one to three years. Following are provides annual cost estimates on Phase Two work.

Consulting and administrative costs	\$ 10,000
Equipment costs (wells, pumps, etc.)	20,000
Contracted labor (4-6 weeks per yr.)	<u>100,000</u>
Total	\$130,000

B. Potential Underground Oil Spill Cleanups - Fairbanks

Underground spills have occurred at several sites near Fairbanks and have contaminated the groundwater to some degree. These are Lucky Sourdough in Fairbanks, Stage Stop in North Pole, and Air North in Fairbanks. It is estimated that investigative costs will be about \$35,000 per site for a total of \$105,000. Additional spills in the Fairbanks area may also need to be addressed.

C. Potential Underground Oil Spill Cleanups - Remote Locations

There are four potential problem sites that may require cleanup funds. These are Minto School, Harold's Air Service in Galena, Wales City Building, and Manley Hot Springs. The estimated costs for cleanup are \$70,000 per site for a total of \$210,000. Cleanup work at remote sites are at least double the cost of local sites.

Conclusion

Total estimated costs of known required cleanup actions are \$612,000. Based on past records and experience, we estimate that investigations for new spills discovered in FY 88 will require additional funds of at least \$350,000.

Section 7. Municipal Participation in the Fund

No municipalities requested reimbursement for any expenses they incurred in the cleanup of oil and hazardous substance spills during the first half of FY 87.

Section 8. Hazardous Waste Sites

The state and the Environmental Protection Agency are in the process of investigating about fifty potential hazardous waste disposal sites in Alaska. The results of these investigations may reveal sites of past spills. The state will make every attempt to use federal funds for any remedial action that proves necessary at these sites. However, it is likely that some sites will require a response but not be eligible for federal dollars. This could add significantly to the need for response funds in the future.

Attachment B to this report is a list of known hazardous waste sites included on a list generated under the federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA), and a schedule of task accomplishments for each site. Six site investigative reports have been completed. These reports generally describe the scope of the problem and investigative work completed at each site, and rank the relative importance of site. These reports are used by DEC and the Environmental Protection Agency in the evaluation process of determining what future course of action needs to be taken at each site.

Attachment A

Major Fund Expenditures and Encumbrances by Spill Project as of January 1, 1987:

<u>Spill Project</u>	<u>Encumbered Balance</u>	<u>Expenditures</u>	<u>Total</u>
Kotzebue	\$ 6,322.50	\$ 56,315.03	\$ 62,637.53
Nome	10,837.00	1,908.48	12,745.48
Union Oil/Poppy Lane	0.00	15,464.43	15,464.43
Buckingham	0.00	1,880.86	1,880.86
Iron's Subdivision	0.00	9,041.31	9,041.31
Peter's Creek	131,018.90	77,395.79	208,414.69
Anchor Point	4,064.00	6,343.08	10,407.08
M/V Vashon	0.00	2,067.26	2,067.26
Moose Pass	20,000.00	0.00	20,000.00
Misc. spill expenditures	23,838.48	36,254.25	60,092.73
Total	<u>\$196,080.88</u>	<u>\$206,670.49</u>	<u>\$402,751.37</u>

Attachment B

Revised Schedule of Accomplishments

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
CERCLA ACTIVITIES UNDER EPA COOPERATIVE AGREEMENT

Table 1

<u>Site</u>	<u>Submitted to EPA for State Lead</u>	<u>Proposed State Action</u>	<u>Workplan Ordered</u>	<u>Workplan Approved</u>	<u>Fieldwork Complete</u>	<u>Report Draft</u>	<u>Final</u>
AKD980975106 Perseverance Mill-Juneau	3/85	SIF	7/86	10/86	11/86	3/87	5/87
AKD980495568 Juneau Landfill- Juneau	3/85	SI	7/86	2/87	11/86	3/87	4/87
AKD083354209 White Pass Yukon RR-Skagway	3/85	SI	7/86	10/86	11/86	3/87	5/87
AKD980664866 Old Kenai Dump- Kenai	3/85	SI	10/85	12/85	3/86	5/86	1/87
AKD092876390 Union Chemical- Kenai	3/85	SI	10/85	12/85	3/86	3/87	5/87
AK09806642924 Kenai Landfill- Kenai	3/85	SI	10/85	12/85	3/86	9/86	1/87
AKD009276619 Frontier Tanning- Anchorage	3/85	SI	8/85	10/85	11/85	1/86	3/86
AKD061673430 Alaska Pollution Control-Anchorage	3/85	SI	10/85	12/85	3/86	5/86	1/87
AKD018542969 Rogers & Babler- Anchorage	3/85	SI	10/85 ¹				
AKD009246497 Alaska Husky Battery-Anch.	3/85	SIF	10/85	12/85	3/86	5/86	1/87
AKD980495618 Red Devil Mines- Bethel	3/85	SI	7/86	10/86	11/86	3/87	5/87

Table 1 (cont'd)

Site	Submitted to EPA for State Lead	Proposed State Action	Workplan Ordered	Workplan Approved	Fieldwork Complete	Report Draft	Final
AKD038526620 Alaska Gold - Nome	3/85	SI	8/85	10/85	11/86	1/86	3/86
AKD045771235 Fairbanks Borough Landfill - Fairbanks	3/85	SI	7/86	10/86	11/86	3/87	5/87
AKD046879567 University of Alaska - Fairbanks	3/85	SI	7/86	10/86	9/86	3/87	5/87
AKD004904215 Alaska Battery Enterprises SI							
AKD980639751 Fort Yukon City Dump - Fort Yukon	3/85	SI ¹					
AK980978902 Alaska Auto Carriers - Anchorage	4/86	PA ²					
AKD980975932 Bendles Road Oiling Facility - Anchorage	4/86	PA ²					
AKD097246789 Red Samm Const. - Juneau	4/86	PA ²					
AKD009252230 Louisiana Pacific - Ketchikan	4/86	SI ²					
AKD009252487 Alaska Pulp Corporation - Sitka	4/86	SIF ²					
AKD980980701 Union Oil Gravel Pit - Kenai	4/86	RI/FS ² (PA)					
AKD980976203 Soldotna Landfill - Kenai	4/86	SI	7/86	12/86	4/87	6/87	7/87

Table 1 (cont'd)

<u>Site</u>	<u>Submitted to EPA for State Lead</u>	<u>Proposed State Action</u>	<u>Workplan Ordered</u>	<u>Workplan Approved</u>	<u>Fieldwork Complete</u>	<u>Report Draft</u>	<u>Final</u>
AKD037995404 Alaska Electro- plating-Anchorage	4/86	SI	7/86	10/86	11/87	3/87	5/87
AKD083350389 North Pole Refinery-North Pole	4/86	SI	7/86	2/87 ³			
AKD098866498 M&M Enterprises- Anchorage	4/86	SI	7/86	10/86	11/86	3/87	5/87
AKD980981930 Arness Property- Kenai	4/86	PA ²					

1 CERCLA staff will make an on-site inspection to determine if further action is necessary.

2 Work on hold to prevent project cost overrun.

3 Revisions requested in workplan.

5:35

BTF
Coghull

Kelso —
DEE —

Kelso and Larry Detrich
Jeff Mach.

HB 420 Ford —

deal w/ Maine oil spills. —

broader now —

leaking underground tanks

Responsible party is supposed to be
primary —

Recover costs later. —

Repay the funds —

separate account w/in GF

Then normal appropriation process.

600,000 last year but 35%
= 450,000

for FY 88 — 1 million used.

high percentage (above 50) of replacement.

Disaster declarations by Gov. could be available
Arrow Point. —

Targeted to clean up.

Well contamination. —

Kerosene fuel oil 100-200 gals of #1

fuel oil -
leaked up into elementary school

10-20 years
refined product - probably from buried tanks

Old tanks will be problems in the future.

Davis

surplus U.S. tanks? certified?

Dabnick

no specific regs.

Fed regs will apply to new installations
(LUST) Leaky Underground Storage Tanks.

Davis

working w/ service stations?

Kelso

1000 tanks statewide.

Kelso Training program on maintenance
testing, monitoring, of tanks

Destruction

1) Seminar for small operators who have
tanks -

arrange programs for evaluating tanks
+ pipes

60% of stations are owned by oil companies
They have programs
Independents don't.

2) Faults - Then zone -

breaks pipes. creates small leaks -

went to welded joints at Algeche camps.

working w/ MUS, O&E + Military.

130,000 / year in Katschun -

105,000 in Fbky

Lucky Goudouf -

Remade site s.

Mirko School.

210,000

High Tread on Fund.

None - mercury - arsenic spill.

MARCO -

SPILL -

Spill of HAGO

Wastewater

Dertnick

History of spills -
contaminated groundwater.

goes to 1977

100,000 gals spilled to date

compliance order. requires
environmental audit be conducted - completed this fall

90,000 have been recovered. - ongoing leakage

11/86 - drinking water contaminated -
benzene in water.

5 parts / billion is limit

75-500 at site.

Potential Threat to N. Pole water systems

remain constant - wells drilled
sampling next week.

determine whether contamination is spreading.

Recovery wells checked daily.

→ 600 gals/day!

no diminishing of rate!

who's responsible?

Judicial system sorts it out.

Maintaining wells -

deep wells. 30-40 ft.?

groundwater flow is toward school,
city wastewater lagoons.

Allegations from EPA -

move up RCRA 2

DNR has

Arden Cole -

MARCH -

inspection 3/5 -

accumulated drums of wastes.

unused chemicals.

were segregating drums +
emptying -

some could be considered Haz Wastes -
may not be illegal.

technical violations.

Assured by operators that there was no
Threat to pipe integrity.
at volumes. -
unlikely that you could detect.

Wastewater. Disposal -

when expanded -

now have 3 million gallons of
only wastewater in lagoon.

2nd areas - 2 tanks.
used evaporator

want to transfer to N. Pole treatment ph.

wastewater - ensure there's no haz waste

Sample sludge -
meeting last Friday
w/ N.P. EPA, Mapco, DEC -
will be in critical stage in 10 days -
bring in more facts.

some material is compatible w/ N. Pole.

Permits from EPA needed.

have known about for a long time.

need long term solution.

evaporation has not worked - not fast enough

[allegations of buried materials behind refinery
will be checking and.

MAPCO is on Superfund list.

~~Kelso~~

OSG Industry Workshop -

① QVEA - implicated in MAPCO.
adjacent to - also have problems.
ask for in-house audit.
also MUS

2 workshops last year - 1 fairbanks + PIS.

communicate directly w/ industry -
ease permitting.

coordinated schedule w/ AOGA
evaluations afterward.

Azide -

underground injection -

subsurface better than surface -

on Slope - water is salty; so no longer
to water supply.

EPA receiving application

for wastes -

Liquid wastes -

total volume, how managed.

Oil pollution program.

adequate areas for disposal of
solid oily wastes.

a facility now working in N. Slope Basin
use of synthetic liners.

drum processing operation
washing

"micromeritics"

15-20,000 drums/year.

Air -

flame systems.
AOGA

drilling wastes -
Thermal destruction
concrete truck.

drilling muds regulations

followed by another comment by AOC A

Drilling Muds -

can be managed under state solid waste
regs.

last stages of adopting regs.

may provide model for other states.

Keep muds in a format that prevents
water from leaching water out &
migrating to other areas.

- 1) require pits to not leak
- 2) monitoring

Performance standards -

let industry come up w/ techniques

ALL ALASKA -

St. Paul Island

191 000 191 000

Crew walked on low tide —
sailed in — tug couldn't

20,000 gals leaked

Distribute minutes to other committee members
and Resources.

adjourned 5:30

April 2, 1987

Senate Special Committee on Oil and Gas

Briefing by DENNY KELSO, Commissioner of the Department of Environmental Conservation.

LARRY DEITRICK, Northern Regional Supervisor of the Division of Environmental Quality, will be on the TELECONFERENCE from FAIRBANKS.

Topics expected to be discussed include:

- (1) an update on the situation at the MAPCO refinery in Fairbanks,

What are some of the allegations being made?

How will questions about the integrity of the pipeline be settled?

Is there a potential danger to the health and safety of Alaskans?

Is there a history of other environmental violations at the refinery?

- (2) hazardous wastes,

What are "exempt wastes"? Examples?

Can Larry review the topics discussed at the oil and gas workshop held in Anchorage yesterday?

Does deep well injection work well?

Some kinds of disposal may work well in certain areas and not in others (Like North Slope and Kenai Peninsula). Are regulations flexible enough to accommodate this?

- (3) disposal of drilling muds,

What is the status of proposed regulations?

- (4) air quality on the North Slope

- (5) the status of the Hazardous Substance Release Response Fund. (Also called the HB 470 FUND)

The fish processor ALL ALASKA is on the rocks in Western Alaska. Has the oil spill danger been resolved? Would it be eligible for 470 funds?

OTHER QUESTIONS:

- 1) Valdez

a> existing air or water quality problems?

What is the status of Alyeska's ^{ballast} ~~dump~~ water discharge permit?

b> potential problems with proposed refinery?



ALASKA STATE LEGISLATURE

SENATE SPECIAL COMMITTEE ON OIL AND GAS

Senator Bettye Fahrenkamp
Chairman
Senator Jack Coghill
Senator Paul Fischer

P.O. Box V, State Capitol
Juneau, Alaska 99811
(907) 465-3834

MEMORANDUM

TO: Members, Senate Special Committee on Oil and Gas
FROM: Committee Staff
RE: Committee Meeting, April 2, 1987
DATE: April 1, 1987

On Thursday, April 2, at 3:30 pm in the Beltz Room, the Senate Special Committee on Oil and Gas will receive a briefing by Dennis Kelso, Commissioner of the Department of Environmental Conservation. The commissioner will address areas in which the department has oversight over the oil and gas industry. He will be joined via teleconference by Larry Dietrick, Northern Regional Supervisor of the Division of Environmental Quality. Topics expected to be discussed include:

- (1) an update on the situation at the MAPCO refinery in Fairbanks,
- (2) hazardous wastes,
- (3) disposal of drilling muds,
- (4) air quality on the North Slope, and
- (5) the status of the Hazardous Substance Release Response Fund.

The commissioner and Mr. Deitrick will be available to answer any questions committee members may have on oil and gas issues.