

**ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672**  
**7195 HOUSE RESOURCES**

# It's gold, all right, but it's also poison

## Cyanide mining has made Elko boom, even as it kills all kinds of wildlife

By James Coates  
CHICAGO TRIBUNE

ELKO, Nev. — Even in the bitter cold of winter, the hunt goes on in the high country deserts of northeastern Nevada for what latter-day sourdough miners call "no see 'um gold."

Modern American's latest gold mining technology uses the deadly poison cyanide to leach gold particles from rocks. The gold deposits are so small that earlier generations were unable to mine them.

The resulting boom brings great wealth to Nevada, but it also sparks angry debate. Environmentalists charge that the cyanide leaching process has left an ugly, toxic residue in the soil. The vast jobs created by the operations are blighting the area.

The federal government has passed laws to regulate the use of cyanide in mining. The Mining Act of 1977 requires operators to buy permits to mine on public lands. The cost of a six-pack of permits is \$100.

The heap leach mining process has created a modern-day gold rush all across the American West, but the biggest strikes in this latter-day bonanza are surfacing in the gold fields surrounding Elko.

Elko is the largest producer of gold in America, and the United States has become the world's third-largest gold producer, behind South Africa and the Soviet Union.

The boom here is so intense that one of the biggest new mine operators, Canada-based Echo Bay Mines, has left stacks of its annual stockholders report on the pamphlet racks at Elko's airport, hoping to encourage investors.

This report says that in 1990 Echo Bay extracted 341,500 ounces of gold from its Round Mountain mine at a cost of only \$196 an ounce while the price that year was \$370 an ounce. Similar costs are reported by Echo Bay's competitors.

Many places along the Tuncarens mountains west of Elko have been scraped down to barren hard

rock in the quest that saw U.S. gold production grow tenfold in the last decade.

"We feel pretty good. No, we feel great," said Elko Mayor Jim Polkinhorne. "We figure the mines around here are going to keep running full blast as long as gold prices stay above \$275 an ounce."

While gold prices have fluctuated wildly since the United States removed the \$35-an-ounce ceiling in 1971, they have never dipped below \$325 an ounce. In the early 1980s gold hit highs near \$850 an ounce; the current price is \$356.

Driven by the mining boom, Elko has grown from 8,000 people in 1980 to 23,000 in 1990. The city's Chamber of Commerce estimates that the mines generate 8,000 jobs while agriculture, once the area's predominant industry, provides 600.

"We've only got maybe 100 ranches in the entire county, and we have more than 100 gold mines now," Polkinhorne said. "Mining is changing the face of our cowboy country."

But the boom has a downside. The congressional General Accounting Office released a report last summer praising mine operators' efforts to protect wildlife, but noting that more than 9,000 cyanide-related animal deaths occurred at gold mining operations in Nevada, California and Arizona from 1984 to 1989.

In November, Colorado officials acknowledged that a leak in a holding pond at a cyanide leach mine operated by Summitville Consolidated Mining Co. had killed every fish along a 17-mile stretch of the Alamosa River.

And just as the first of the Elko area's mines opened in 1988, more than 1,000 ducks, geese and other migratory birds died when they mistook a cyanide-laced holding pond at a heap leach mine for one of the marshes they use on their annual flights.

The leach process uses millions of pounds of cyanide each year. For example, in 1990 the Dow Chemical Co., the largest U.S. supplier, estimated it had sold 180 million pounds of cyanide, and about 80 million pounds to Nevada alone.

Mine operators defend the process, saying it is the only way to extract gold from low-grade ore. They say the cyanide is used in a controlled manner and that the waste is treated before being discharged into the environment.

But critics, who say the cyanide leach process is a major source of ground-water contamination, have installed bird deterrents, nets and even loud-speaker systems blaring music to keep wildlife away from the ponds where the poison is at full strength.



# LETTERS TO THE EDITOR

## Shortsighted view

To the Editor:  
Your recent editorial, "Mining deserves support" from Sept. 1991, presented a particularly shortsighted viewpoint regarding the 1872 Mining Act and proposed amendments to it.

Certainly the Bureau of Land Management is misguided in having elimination of patents will make the other faults of the law less vulnerable to an amendment. But your editorial was way off the mark to defend that, or any other part of our anachronistic mining law.

During the 19th century this law very effectively stimulated the development of our mining industry, a crucial part of the process of worldwide industrialization, and also provided means for transfer of public land to private ownership.

In this century, and particularly in the next, with public lands dwindled to a tiny fraction of their former area and with public resources under increasing demand from many diverse and competing interests, privatizing what's left is no longer desirable. Nor is it sensible to provide incentives and the special elevated status to the mining industry which the 1872 law does.



Even the most radical reform supporters are aware of our dependence on minerals and the technologies made possible by them. We are not trying to kill the industry, we're trying to keep the industry from killing us all. Mining has the potential to create large scale and long term degradation of our

land and water, and thus requires careful and detailed oversight and regulation. The goal of reform is to make the industry accountable, responsible, and sustainable.

The fossil fuel industry has operated for years under much more comprehensive guidelines than hardrock mining, without patents or public lands, contributing significantly to the treasury through rents, royalties and taxes, and maintained profitability. The mining industry can and should do the same.

The contention that industrial migration to the Third World will follow the death of our mining industry seems to suggest that since no environmental safeguards exist outside the developed world, we must forego protecting our own home. This is backwards logic.

Common Ground Alaska is a local grass roots group promoting responsible and sustainable develop-

ment of mineral resources. For information write P O Box 43, Ester, AK 99725. Thanks, Andy Reynolds Ester

## Private ownership

To the Editor:  
Andy Reynolds, from the Peoples Republic of Ester, stated in his letter of Oct. 8, 1991, that "Common Ground is a local grass roots group promoting responsible and sustainable development of mineral resources."

These "environmentally responsible persons" continually make statements that belie the facts.

Common ownership of land is not the ideal upon which America was founded. Common ownership of land is socialism, communism, tri-

balism and many other isms that are not profitable in a family newspaper.

Individual private ownership of land is the main ingredient of freedom. All wealth comes from the land or the sea.

The mining law of 1872 is one of the finest documents ever created by a political body. It ensured that hard work was rewarded, allowed an opportunity for anyone to become wealthy and gave land title to people who were willing to show individual initiative. Perhaps it is the individual effort part of the law that so disturbs the collective consciousness of the Ester residents.

It was stated that "mining has the potential to create large scale and long term degradation of our land and water."

This is the same old clap trap the environmentalists have been peddling for years, suppositions: if, could, perhaps, would, maybe. All I can say to you friend is if my grandmother would have been a man she

would have been my grandfather. Sincerely, Joe Ryan Fairbanks

## Not a real choice

To the Editor:  
I found Joe Ryan's letter of 10/19/91 which not so subtly equated environmentalism with communism sadly uninformed, if not willfully ignorant. Recently I have heard similar McCarthyesque name-calling from another deep thinker, Don Young.

Like Mr. Ryan, environmental concerns seldom entered the minds of world communist leaders, the Soviet Union having the worst industrial and nuclear pollution on the planet. It is a fact that the very first organized protests in the Soviet Union, the leading edge of glasnost, were people speaking out against poisons in their water, air, and workplace.

If there is a point where communism and the reactionary politics of Mr. Ryan intersect, it is the credo "Production at any cost and to hell with the rest." If democracy—people having a say in the most important elements of their lives, the air they breathe, the water they drink—makes Joe afraid, it may be because he views these people as a "lam," rather than individuals with valid rights, opinions and experiences beyond his own.

The idea that we must somehow choose between private ownership of property and a concern for purity, what we hand to our children, Mr. Ryan's own brand of claptrap. Indeed, American democracy founded on the concept of private ownership, but equally the framers of our Constitution had the strongest sense of stewardship and the common good. Thankfully that good sense remains.

Sincerely,  
Joseph Stredny Fairbanks

## Drop the labels

To the Editor:  
I read in your paper last week where Joe Ryan twice referred to the Ester community as the "Peoples Republic of Ester,"—the first time as a quote in an article on local election results; the second in a letter to the editor.

As an Ester resident of about 20 years, and in reasonably good standing, I find myself both amused and somewhat irritated by Joe's comments. My amusement comes from understanding Joe's politics. Considering the source, Joe could have said worse, and has in the past—much of it unprintable.

On behalf of Ester residents, we are grateful for both your discretion and restraint, Joe.

Considering the label, as well as the act of labeling, I'm a little less than amused. Joe alludes the people of Ester, in his letter to the editor, as being against ownership of private property, and in general, a rabble of nay sayers intent on destroying the edifice of western civilization.

Maybe it's our misguided sense of community spirit, our July 4th parade, Christmas caroling, News Year's party, box socials, cookie exchange, and homemakers club that Joe finds threatening?

With more small business people per capita than probably most communities, I find Joe's suggestion that we are anti capitalist way off the mark. The Golden Eagle Saloon, Mushing Magazine, Judie Gumm Designs, Water Wagon, and Alaska Raw Fur are all Ester-owned small businesses. And we have more than our fair share of independently employed artists, miners, photographers, journalists, carpenters, and others who don't draw salaries unless they produce.

Neither are we uniform in our political opinions. The people of Ester disagree on a number of issues, but one we unanimously agree on is setting those differences aside when we come together to celebrate our community. As in most strong families, we have learned not to discuss politics or religion at the dinner table, or more succinct-

ly, we can put acrimonious debate aside when there is something greater to observe. In this regard, Ester might have a lesson to offer greater Fairbanks, considering the last two years of destructive political infighting and community bad will.

So in the spirit of healing, Joe, drop the labels. They are more fitting to our not so distant past and less so of the aspiring politician. Sincerely, Dick Gumm Ester

## World views

To the Editor:  
After reading Joe Ryan's letter published Oct. 18 about Andy Reynolds' previous letter I was angry and confused. I wondered why there was such a great discre-

pancy between what is happening in the world and what Mr. Ryan states in his letter. He infers that the name Common Ground refers to communism and I believe that it refers to consensus. He claims the concerns about environmental degradation caused by mining are "clap trap." I am led to conclude that he is such a right wing ideologue that his dogma does not allow him to see to the side or around himself (blindness). Capitalism and free enterprise are the solutions to everything according to such ideologues. We all know even the government could have built the pipeline as efficiently as the oil companies or look what capitalism has done for Brazil. And speaking of Brazil, later on in the same issue of the paper was an article on the massive environmental damage caused by the use of mercury in gold mining in Brazil. In fact, it has been estimated that world wide on an annual basis environmental damage quantified in dollars comes to \$1,700 billion. Demagogy can not keep that damage covered up forever.

Sincerely,  
Dave Lacey College

ject to court approval before timber sales could resume.

In a 17-page opinion that accompanied the order, Frye cited a ruling last year by U.S. District Judge William Dwyer that halted old-growth logging on national forest land for the same reason.

The Forest Service is expected to respond to that ruling in March with its plan for preserving the owl's habitat. Observers expect that Dwyer will approve the plan, which is said to be based on government biologist Jack Ward Thomas' now-famous report that first charted the owl's decline.

For more information: Contact Bill Arthur or Rick Johnson in the Sierra Club's Northwest office at (206) 621-1696.

## Century-Old Mining Law Under New Scrutiny

A couple of Oregon Democrats have launched a drive in Congress to change some outdated and dangerous mining practices.

Rep. Peter DeFazio introduced legislation last month to completely revamp a 120-year-old law that still governs many mining practices on public lands. And Rep. Les AuCoin followed up last week with a proposal to tax cyanide, used in gold mining, and to put the revenues toward cleaning up the environmental damage caused by mining.

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*"The 1872 mining law was written in the days when mining was done with pick and shovel. Congress needs to come up with a complete replacement for this antiquated law."*

— Kathryn Hohmann, Sierra Club Mining Reform Campaign

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DeFazio's Mining Law Reform Act, H.R. 2416, would replace the General Mining Law of 1872, passed during the Grant administration as a means of settling the West. Under the 1872 law, miners can gain title to — or "patent" — public lands for as little as \$2.50 an acre. The law does not provide for reclamation of mined-out areas and allows mining in sensitive natural areas.

DeFazio's bill would also provide for public lands, require mining companies to pay royalties to the federal government on profits from government lands, and give land managers the authority to forbid mining in significant natural resource areas.

"The 1872 mining law was written in the days when mining was done with pick and shovel," said Kathryn Hohmann, lobbyist for the Sierra Club's Mining Reform Campaign. "Mining today is done with explosives, giant earth-movers, and poisonous chemicals. Congress needs to come up with a complete replacement for this antiquated law."

DeFazio's bill would also provide stricter environmental

protections for public lands mining, and would regulate the cleanup of mining wastes and the reclamation of mined land.

AuCoin's Cyanide Mining Impact Relief Act would institute a 50-cent-per-pound tax on cyanide. The deadly poison is often used to separate, or "leach," precious metals from low-grade ores. After leaching, the cyanide can run off into nearby streams and ponds, and may even make its way into groundwater supplies.

Environmentalists say cyanide-laced tailings ponds, found near mining operations throughout the West, are responsible for the deaths of thousands of fish, birds, and other wildlife every year.

"According to mining company records for just three Western states, over 9,000 birds died in toxic ponds in between 1984 and 1990," said David Gardiner, legislative director of the Sierra Club.

For more information: Contact Kathryn Hohmann in the Sierra Club's Washington, D.C. office at (202) 547-1141. To take action: Ask your representative to support Rep. DeFazio's Mining Law Reform Act, H.R. 2416, and Rep. AuCoin's Cyanide Mining Impact Relief Act.

## NNR In Brief

### LCV Ranks Presidential Hopefuls

In contrast to the results of the New Hampshire primary, Arkansas Gov. Bill Clinton came in last among Democratic presidential candidates in the League of Conservation Voters' assessment of the politicians on environmental issues.

Former Massachusetts Sen. Paul Tsongas and Iowa Sen. Tom Harkin were at the top of the Democrats' class. President Bush and commentator Pat Buchanan were last among all candidates.

The LCV has compiled detailed individual profiles of each of the presidential candidates' environmental records. It has also released its annual scorecard for the 102nd Congress. The scorecard contains a complete listing of how individual senators and representatives voted on key environmental legislation.

Contact the LCV for a copy of the comprehensive report or its congressional scorecard: LCV, 1707 L St. NW, Suite 550, Washington, D.C. 20036.

### Georgia Sierran Wins Transit Seat

Charles McGrady, a former president of the Georgia Chapter of the Sierra Club, was elected last month to a seat on the Georgia State Transportation Board.

The Georgia Department of Transportation, with a yearly budget of approximately \$1 billion in state and federal funds, has long been criticized for caring more about highways than about the lands and neighborhoods the highways affect.

McGrady became involved in transportation issues while lobbying to block a proposed four-lane superhighway. He won the support of environmentalists and Republican legislators in ousting a 16-year veteran of the board.

• *Contd. from page 9*

the Sudan, for example. In South Africa, too, ASI and a church leader working undercover with refugees say a slave trade has grown up near the border with Mozambique. Large numbers of Mozambicans fleeing war and poverty in their homeland have been abducted and sold into slavery.

Untold numbers of children have been sold to moneylenders, traders, and others by their impoverished parents. In September 1991, *Asiaweek* magazine reported the arrest of a Saudi businessman who purchased a 10-year-old Hyderbadi girl from her parents for \$240 and then tried to fly her out of India. The arrest itself was unusual in a region where young girls often are forced to marry older men in exchange for money.

Sexual slavery, another form of chattel, is escalating in many countries. The sale of women and children, especially girls, into prostitution or enforced marriage has been documented throughout Asia, Africa, and the Middle East. Such transactions are most common in the Philippines and in Thailand where "sex tourism" has become a lucrative source of international exchange. Cases of sexual slavery among female Mozambican refugees in South Africa, among women in Bangladesh and Turkey, and among poor women shipped as "mail-order brides" from developing countries to the United States and Europe also have been uncovered by ASI and the Washington, D.C.-based Coalition Against Trafficking in Women.

Contemporary slavery exists despite U.N. conventions forbidding trade in human beings and anti-slavery laws on the books in virtually every country. Swami Agnivesh, an Indian anti-slavery activist, claims his country's laws are among the best in the world "but never get out of the library." Such laws go unenforced where those enslaved—women, children, refugees, the landless, lower classes, and lower castes—are politically disenfranchised, and where government officials benefit economically from such commerce. In some countries, the clandestine nature of these activities keeps the slave trade well-

shielded from the public eye. In others, Agnivesh observes, "slavery is part of the normal social fabric even though it is against the law in principle."

The problem is part of a deeper and equally under-recognized phenomenon—increasing poverty resulting from a combination of social inequity and lack of credit and economic opportunity compounded by population growth. Structural adjustment policies imposed on many countries by the World Bank and International Monetary Fund undercut the social services vital to the poor, particularly poor women. The consequent deterioration in the status of children and women is in part responsible for the rising use of these individuals in the slave trade. These same policies have increased pressures to export large volumes of agricultural and manufactured goods as cheaply as possible, encouraging the exploitation of child labor.

Groups in several countries—India, Pakistan, and Thailand—are working to end slavery. The Delhi-based Bonded Liberation Front (BLF), headed by Agnivesh, frees bonded laborers in agriculture and industry by representing them in court. BLF has pushed for a National Commission on Bonded Labor and in 1990 organized the first National Workshop on Eradication of Child Labor in the Carpet Industry. It also acts as an advocate before international bodies such as the International Labor Organization and the U.N. Economic and Social Council.

Clearly, the atrocities of slavery—the callous humiliation and abuse by people of other people for financial gain—is not a thing of the past. The virulent spread of slavery is one more sign that conventional development strategies have failed to address the poverty now epidemic in much of the world.

## FREE-LOADING OFF UNCLE SAM

BY JOHN E. YOUNG

Mining is the quintessential dirty industry. It takes environmental damage on a scale matched by few other human activities to produce the vast amounts of minerals now used by industrial societies. All too often, the legacy of mining is devastated, eroding landscapes, lost homelands and ecosystems, clogged or poisoned rivers, and polluted air. For example, at least 48 of the 1,189 sites on the U.S. Superfund hazardous-waste cleanup list are former mineral operations. One of them is the nation's biggest waste site, a 140-mile ribbon of contamination along Montana's Clark Fork River, for which cleanup costs may top \$1 billion.

Government, in the era of abundant mineral supplies and declining prices, subsidizes the mining industry. Because it offers special federal tax breaks, the industry earned \$4.9 billion in 1981 to 1990 more than it would have if treated like other industries, according to the Office of Management and Budget (OMB). In

addition, miners benefit from virtual giveaways of mineral-rich public lands under the archaic General Mining Act of 1872.

Most of the mining industry's annual tax windfall—which the OMB estimates at \$505 million for 1991—comes in the form of exemptions called depletion allowances. These allow mining companies to deduct between 5 and 22 percent of their gross income (depending on the mineral) from their taxes.

In theory, these exemptions are designed to compensate mining firms for the depletion of their ore reserves. In practice, they more than compensate. Unlike the depreciation deductions given to other industries—to allow for the replacement of equipment and facilities as they wear out—depletion allowances are not limited to the extent of the investments made by the company. Instead, mining firms may continue to deduct a given percentage of their income for as long as the mine operates—even after their investments are fully recovered.

# Beauty of Rocky Mountain rivers: their beauty belies 'heavy metal' contamination

**rising residues pollute  
downstream on both sides of  
the Continental Divide**

By Hal Langfur  
Editor of The Christian Science Monitor

Carbondale, Colo.

The peaks high above this mountain change color this time of year as immense snowfields vanish in the wake of rising temperatures. Brooks, ponds, and waterfalls appear almost overnight, and the valley's two rivers - the Crystal and the Roaring Fork - swell and pick up speed.

The beauty of the spring thaw, however, belies the quality of the water it releases. High concentrations of lead, copper, and cadmium from abandoned mining sites pollute the Roaring Fork almost from its source; the same "heavy metals," along with zinc and mercury, contaminate the Crystal, which empties into the Roaring Fork and then, 10 miles downstream, into the Colorado River.

On the other side of the Continental Divide, the situation is even worse. Where the Roaring Fork heads west, tributaries



of the Arkansas River head east. By the time they descend the few miles to the mining town of Leadville, the streams have picked up enough iron, zinc, manganese, cadmium, sulfate, and lead to harm aquatic life for more than 100 miles downstream.

Despite the popular image of Colorado's Rocky Mountains as a pristine wilderness, the sullyng of high-country water has proceeded virtually unchecked

for more than a century, since miners first flocked to the region in search of gold, silver, and other ores. The more than 10,000 mines they opened and the mill tailings they left behind are washed continually by melting snow and rain. Particles of exposed metals mix with the water and flow into rivers, subterranean ground water, and pasture lands.

Many officials are expressing increasing concern this spring about the extent

and severity of the pollution.

"The question of water quality and quantity has become one of the hottest political issues in the state," says Sen. Tim Wirth (D) of Colorado, who serves on the Energy and Natural Resources Committee of the United States Senate. "It is no longer possible to exploit and use up this resource."

In compliance with provisions added to the the federal Clean Water Act last year,

the Colorado Department of Health last month released a comprehensive study on surface water quality in the state.

The study identifies heavy-metal pollution as a major concern, especially in the mountain regions.

The primary concern resulting from metals concentrations is the chronic or toxic effect on aquatic organisms. The bioaccumulation of these toxic substances in aquatic organisms may also

affect higher organisms in the food chain," the report states.

Fish and other wildlife have disappeared from numerous mountain streams and rivers. Health officials stress that scientists have established no definitive link between this pollution and public health problems, but they suspect that contaminated water may be the source of potentially toxic levels of lead found in the blood of children living in Leadville and Telluride, a mining community-turned-ski resort.

"The types of health problems that we've looked at... entail problems principally from lead, which can cause neurologic system disorders, learning disorders, and, in really excessive levels, other types of disorders including birth defects," says Thomas Looby, assistant director of the Health Department.

Concern has also been galvanized by a new documentary film, "Downwind/Downstream," shown throughout the state last month by its writer and director, Christopher McLeod. The award-winning film, viewed at the health Department, the Colorado legislature, and the regional office of the US Environmental Protection Agency (EPA), discusses

heavy-metal contamination as well as the effects of acid rain and snow.

The film emphasizes the state's unique responsibility to prevent pollution, with more than 10 million people throughout the West depending on water from the Arkansas, Rio Grande, South Platte, and Colorado Rivers, all of which have their headwaters in the Colorado Rockies.

"We've found that there are heavy-metal mines and other sources of pollution at the headwaters of all of the major rivers coming out of the mountains - water that goes as far away as New Orleans and Los Angeles."



contaminated at its source," says Heather Stoddie, executive director of the Rocky Mountain Institute, a nonprofit foundation specializing in resource and security issues.

All major cities in the West have sophisticated water-treatment facilities to remove heavy metals and other toxins from rivers and reservoirs used for drinking water. Hence, health officials are more concerned about subterranean ground water, which can absorb heavy metals and, when tapped by wells, endanger public health. More than three-fourths of the state's public water system and about 150,000 private wells draw on ground water.

Since much of the heavy-metal pollution has existed for decades, the cleanup debate has centered on who should take responsibility for past mistakes. Max Dodson, the EPA's director of water management in the six-state region including Colorado, acknowledges weaknesses in federal legislation on mining wastes.

"We're at the top of the watershed, and whatever we do up here... a lot of impact," he says. "It's now time for EPA, the state, industry, professional groups, and elected officials to really be innovative in solving this problem."



# Cenaliulriit

Coastal  
Management  
District

For the Yukon-Kuskokwim Coastal Resource Service Area  
P.O. Box 1169 • Bethel, Alaska 99559 • 907/543-2243

February 27, 1992

Representative Cliff Davidson  
Chairman  
House Resources Committee  
Box V  
Juneau, Alaska 99811

Re: House Joint Resolution No. 35

Chairman Davidson:

Cenaliulriit Coastal Management District has reviewed the House Joint Resolution No. 35 requesting to support existing federal mining law of 1872.

Based on experiences and observations in our region on mining, namely the Tuluksak headwaters and Salmon River near Goodnews Bay, we must express to our respected House Resources Committee we have serious concerns with this bill.

Despite the existence of state and federal laws on land, air and water quality standards, there are tons upon tons, miles upon miles of tailings stacked against the mining industry's poor performance, and still occurs to date.

Heavy metals and other trace metals one conceives irrelevant should not be disregarded. The water column and sediment chemistry, food chain and bioaccumulation, and the habitat are permanently altered by years of mining. It is known fact, cumulative impacts continue long after operations have ceased and many years after under this existing law.

It is a well documented issue that despite mitigative measures that are produced on paper to protect the environment, however well intentioned, their implementation critically fails under this ancient dinosaur of a system of 1872 mining law.

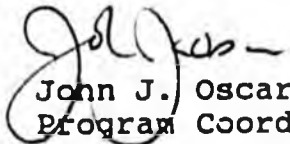
The results of ill-conceived and poorly managed mining development and unreported violations of past and present mining operations, must certainly call for improvements throughout the entire system of planning and operations.

Chairman Representative Cliff Davidson  
House Joint Resolution No. 35

Page Two

This bill seems to present this dinosaur in a tux. We strongly urge that you do not take it at face value and ask your opposition to the obvious attempt by the industry to avoid proper environmental responsibilities. Thank you for the opportunity to share our thoughts.

Sincerely,  
CENALIULRIIT COASTAL MANAGEMENT DISTRICT  
Phillip Guy / Moses Paukan, Sr., Co-chairs

  
John J. Oscar  
Program Coordinator



# Alaska State Legislature

Please enter into the record my testimony to the Resources  
 committee name  
 committee on HJR No. 35, dated 2-27-92  
 bill/subject

We wish to voice our strong support of HJR #35 to retain the current federal mining law. The existing law is not "out of date"- having been amended numerous times. Future needs can be met under this existing law by additional modification as necessary. Bills such as HR918 would be very detrimental to the mining industry and subsequently to the entire country.

Signed: Bruce H. Tweet Bruce H. Tweet  
 Testifier  
N. B. Tweet & Sons  
 Representing (Optional)  
Box 1107  
 Address  
Nome, AK 99762 (907)443-5168  
 Phone No.



TELECOPY COVER SHEET  
New Jersey Legislative Information Office  
Office - (907) 443-5555 Fax - (907) 443-2162

TO: Bureau LIO - House Resources Committee

ATTN: \_\_\_\_\_ FAX: \_\_\_\_\_ PHONE: \_\_\_\_\_

FROM: Becker - NOME PHONE: \_\_\_\_\_

INSTRUCTIONS: written for (H) Resources +IC 92-02-112.

SENT: Date 2-28 Time 10:20a

NUMBER OF PAGES: 1 (NOT counting cover sheet.)

TRANSMITTED BY: Becker

*(original in the mail.)*



# Alaska State Legislature

Please enter into the record my testimony to the House Resource Committee  
committee name

committee on HJR 35 Federal Mining Law, dated held February 27, 1992, 3:00 p.m.  
bill/subject

On behalf of the Alaska Minerals Commission I endorse approval of HJR 35, Federal Mining Law in accordance with Findings and Recommendation #26, Mining Law of 1872 on page 8 of the 1992 Report of the Commission. The Report was distributed to all members of the Legislature. Please let me know if you have any questions about the Commission's Recommendation.

Signed: Earl H. Beutler Chairman

Testifier

Alaska Minerals Commission

Representing (Optional)

P.O. Box 80148

Address

Fairbanks, AK 99708

Phone No.

# TELECOPY COVER SHEET

## Fairbanks Legislative Information Office

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TO: Gene FID House Resources Center FAX: \_\_\_\_\_ PHONE: \_\_\_\_\_

FROM: Carl Beithler PHONE: \_\_\_\_\_

INSTRUCTIONS: Written testimony for TC 82-02-112-

2/27/92 @ 3:00 p.m. Please forward to Rep.

Davidson's Office - Thanks!

RECEIVED: Date \_\_\_\_\_ Time \_\_\_\_\_

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Signed:

Bruce H. Tweet

Testifier

N. B. Tweet & Sons

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TO: Bureau LIO - House Resources Committee

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 committee name  
 committee on HJR 35 Federal Mining Law, dated held February 27, 1992, 3:00 p.m.  
 bill/subject

On behalf of the Alaska Minerals Commission I endorse approval of HJR 35, Federal Mining Law in accordance with Findings and Recommendation #26, Mining Law of 1872 on page 8 of the 1992 Report of the Commission. The Report was distributed to all members of the Legislature. Please let me know if you have any questions about the Commission's Recommendation.

Signed: Earl Beith Chairman  
 Testifier  
 Alaska Minerals Commission  
 Representing (Optional)  
 P.O. Box 80148  
 Address  
 Fairbanks, AK 99708  
 Phone No.

# TELECOPY COVER SHEET

## Fairbanks Legislative Information Office

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TO: Gene HIO House Research Center FAX: \_\_\_\_\_ PHONE: \_\_\_\_\_

FROM: Carl Beistler PHONE: \_\_\_\_\_

INSTRUCTIONS: Written testimony for TC 82-02-112-

2/27/92 @ 2:00 p.m. Please forward to Rep.

Davidson's Office - Thanks!

RECEIVED: Date \_\_\_\_\_ Time \_\_\_\_\_

SENT: Date 2/28/92 Time \_\_\_\_\_

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HJR

36

VISUAL AIDS OF TESTIMONY  
GIVEN BY  
PERCY A. PAYNE  
BEFORE  
THE HOUSE SPECIAL COMMITTEE  
ON OIL & GAS  
ALASKA STATE LEGISLATURE  
ON  
HOUSE JOINT RESOLUTION #36

APRIL 26, 1991

**ARCTIC OPERATIONS**

**PREVENTION/CONTROL**

**CLEAN-UP CAPABILITIES**

## **ADDITIONAL**

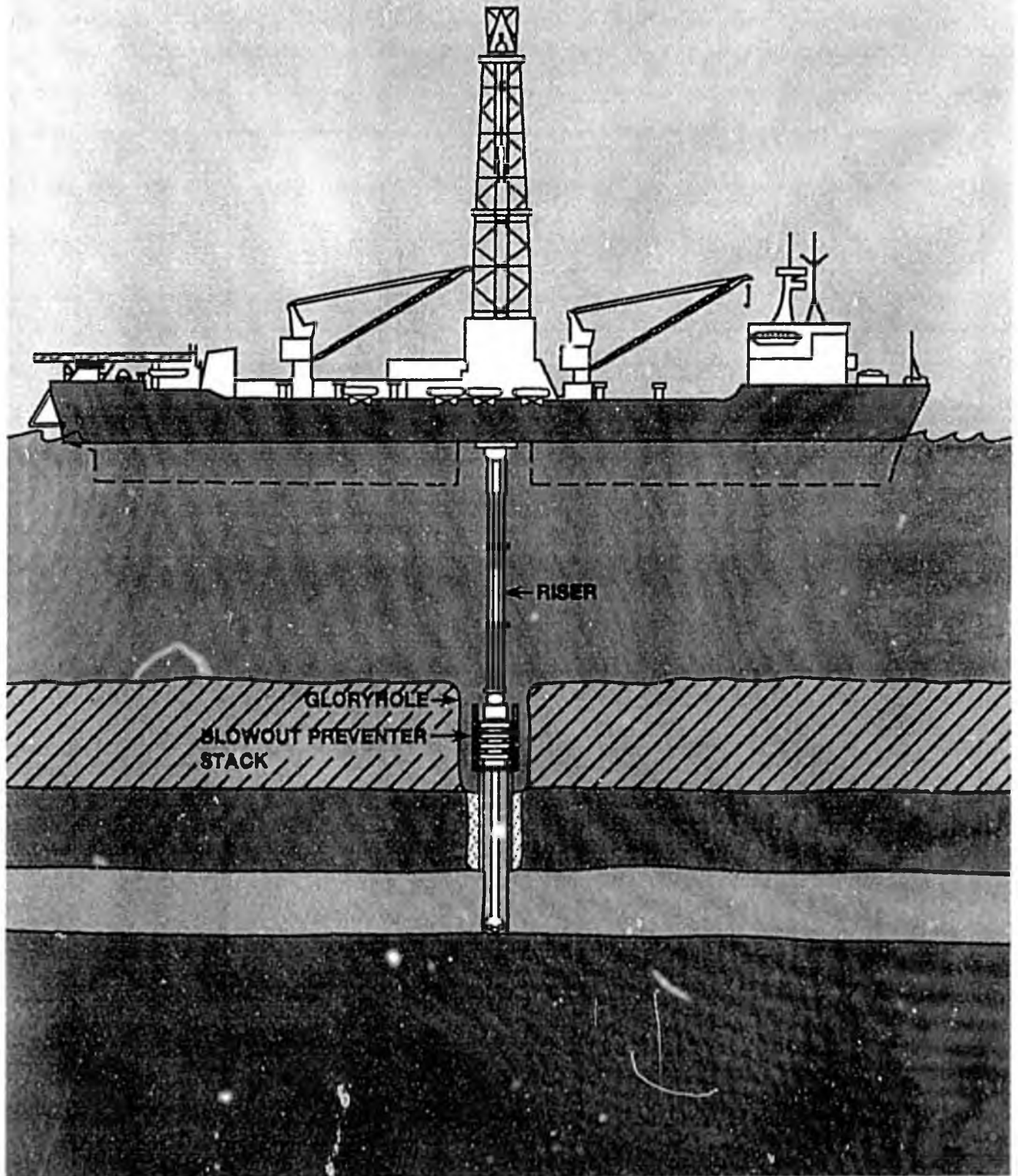
### **ARCTIC DRILLING PRECAUTIONS**

- TWO SHELL DRILLING FOREMEN ARE ON THE RIG AT ALL TIMES**
- TWO ADDITIONAL LEVELS OF EXPERIENCED CONTRACTOR SUPERVISION**
- ALL DRILLING CREW SUPERVISORS AND MARINE CREWS ARE EXPERIENCED IN ARCTIC DRILLING OPERATIONS**
- DRILLING, PETROPHYSICAL AND GEOLOGICAL TECHNICAL SUPPORT ON RIG AT ALL TIMES**
- CONTINUOUS, ONSITE MMS SUPERVISION**
- COMPLETE REDUNDANT SET OF SUBSEA WELL CONTROL EQUIPMENT**
- ONSITE OIL SPILL CONTROL BARGE**

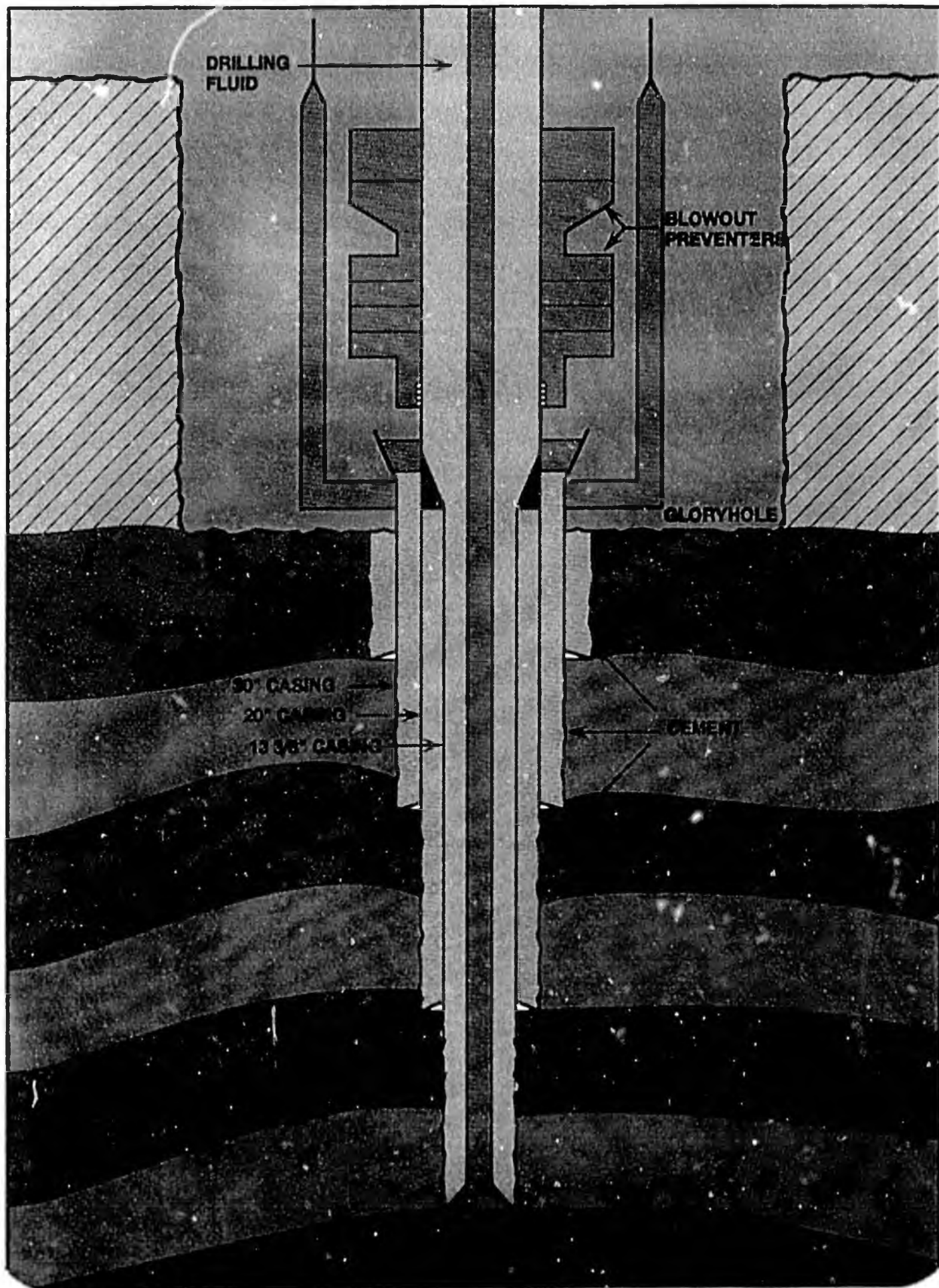
## **TRAINING**

- SHELL DRILLING FOREMEN, CANMAR RIG MANAGERS, RIG SUPERVISORS AND DRILLERS CERTIFIED BY MMS-APPROVED WELL CONTROL FACILITY
  
- ALL DRILL CREWS SUBJECTED TO
  - FREQUENT, UNANNOUNCED, MMS-MONITORED WELL CONTROL DRILLS
  - WEEKLY FIRE, FIRST AID DRILLS
  
- ALL MARINE CREWS ATTEND OIL SPILL TRAINING
  
- ALL PERSONNEL ON THE RIG ATTEND
  - AN ENVIRONMENTAL AND CULTURAL TRAINING PROGRAM
  - H2S TRAINING AND WEEKLY H2S DRILLS
  - ABANDON RIG DRILLS

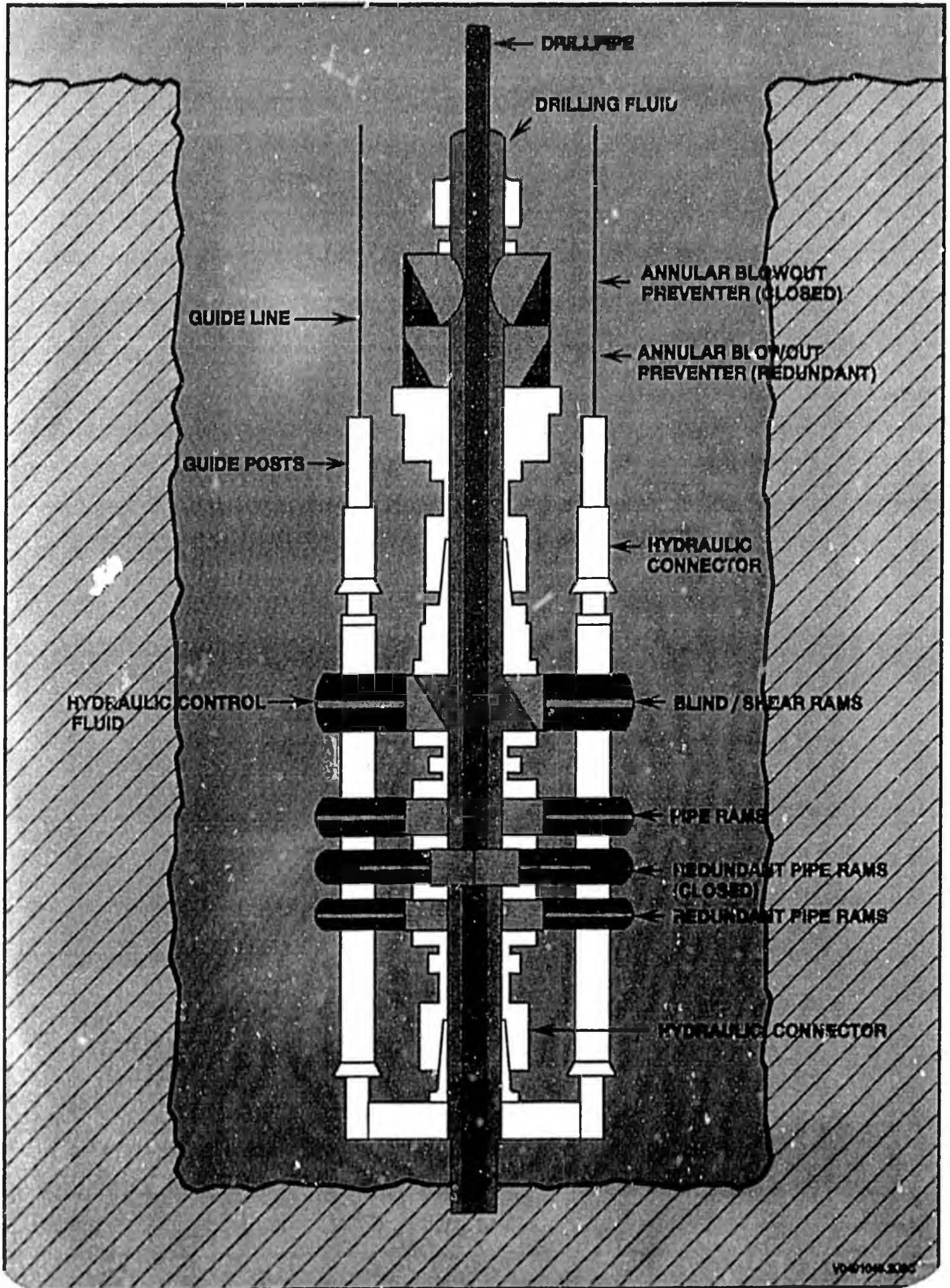
# MAJOR ARCTIC OFFSHORE DRILLING COMPONENTS



# GENERALIZED ARCTIC WELL SKETCH



# ARCTIC SUBSEA BLOWOUT PREVENTER STACK

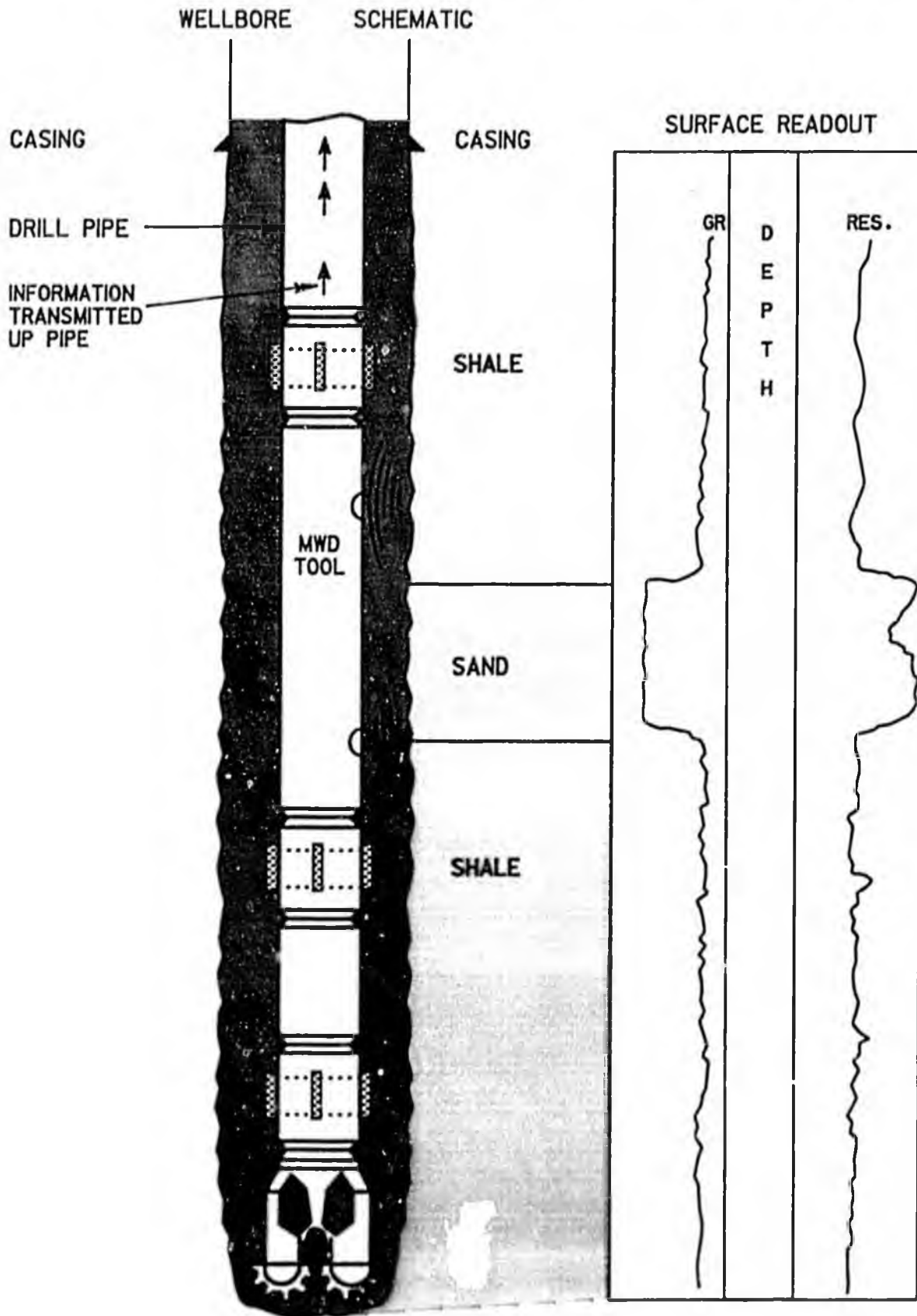




## **WELL FLOW INDICATORS**

- DRILL CUTTINGS EXAMINATION**
- DETECTORS MONITOR**
  - THE TYPE AND QUANTITY OF FORMATION GAS IN THE RETURNING DRILLING FLUID**
  - THE TEMPERATURE OF THE MUD RETURNS**
  - THE DRILLING RATE OF PENETRATION**
  - COMPARISON OF THE DRILLING FLUID FLOW RATE INTO AND OUT OF THE HOLE**
  - EVIDENCE OF FLOW FROM THE WELL BORE WITH THE PUMPS SHUT OFF**
  - VOLUME OF FLUID REQUIRED TO FILL THE HOLE WHILE PULLING THE DRILLSTRING OUT OF THE HOLE**
- MEASUREMENT-WHILE-DRILLING SYSTEMS**

# MEASUREMENT WHILE DRILLING TOOL



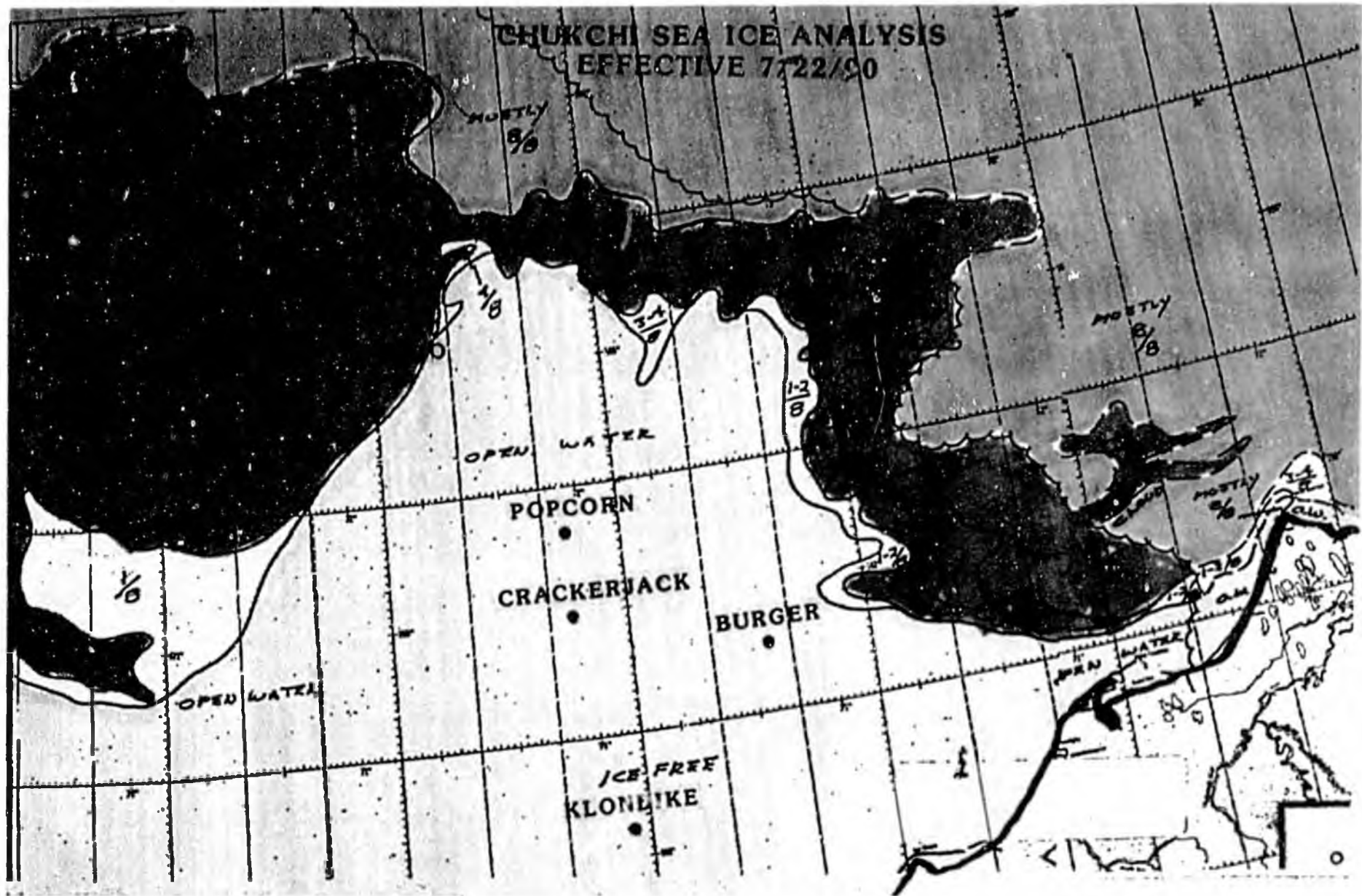
# **OPERATIONS CURTAILMENT PLAN**

- PLAN DETAILS ENVIRONMENTAL CONDITIONS UNDER WHICH SWEPI WILL CEASE OR NOT INITIATE OPERATIONS**
- POTENTIAL WEATHER CONDITIONS AND THE ICE CONDITIONS NECESSARY TO ACHIEVE A GIVEN "ALERT LEVEL" ARE DEFINED**
- THE PLAN DEFINES THE RESPONSIBILITIES AND PROCEDURES FOR THE DRILL CREWS, DRILLSHIP AND SUPPORT VESSEL MARINE CREWS AT EACH "ALERT LEVEL"**

## ***ICE MONITORING***

- **ICE MOVEMENT MONITORED AND PREDICTED TO DETERMINE ICE ALERT LEVELS USING:**
  - **SATELLITE ICE IMAGERY**
  - **SLAR (SIDE LOOKING AIRBORNE RADAR) FLIGHTS**
  - **HELICOPTER ICE OVERFLIES**
  - **SUPPORT FLEET RECONNAISSANCE**
  - **TRANSMITTING BUOYS PLACED ON ICE**
  - **VISUAL TRACKING OF NEARBY ICE FLOES**
  
- **TWO ICE OBSERVERS ON THE RIG AT ALL TIMES ANALYZE AND PREDICT ICE MOVEMENT**

CHUKCHI SEA ICE ANALYSIS  
EFFECTIVE 7/22/90



## CHUKCHI SEA OIL SPILL RESPONSE OBJECTIVES

- TO GENERATE & MAINTAIN AN AWARENESS FOR "SPILL PREVENTION".
- TO PROVIDE AN IMMEDIATE OIL SPILL RESPONSE CAPABILITY "ONSITE".
- TO PROVIDE MAJOR OIL SPILL RESPONSE CAPABILITY INVOLVING A DEDICATED TUG & BARGE IN THE VICINITY OF THE DRILLSITE.
- TO PROVIDE CLASSROOM AND HANDS-ON TRAINING FOR SHELL'S ONSITE SPILL RESPONSE TEAM, TUG & BARGE PERSONNEL AND MAJOR SPILL RESPONSE TEAM.

### PARTICIPANTS:

SHELL, ACS, CROWLEY, CANMAR, SPILTEC, AND  
ALASKA NATIVES (BARROW, WAINWRIGHT, PT. LAY  
& PT. HOPE)

# **OIL SPILL CONTROL**

## **OPTIONS**

**Physical Removal**

**Burning**

**Chemical Treatment**

**Natural Dispersion**

**Shoreline Protection & Cleanup**

# CHUKCHI SEA DRILLING PROJECT

## ONSITE OIL SPILL RESPONSE

PURPOSE: To clean up fuel transfer type spills and provide initial containment for major spill (blowout)

DEPLOYMENT TIME: Immediate

### CONTAINMENT:

- 2000' containment boom
- 1000' fire resistant boom

### RECOVERY:

- Vessels - Explorer III, Robert Lemeur, Supplier III & IV, 2 - 26' boats
- Sorbents
- 2 Skimmers
- 4 Transfer Pumps

STORAGE: 250 barrels

# CHUKCHI SEA DRILLING PROJECT OIL SPILL RESPONSE BARGE

PURPOSE: TO SERVE AS PRIMARY RESPONSE TO MAJOR SPILL

DEPLOYMENT TIME: ONSITE - APPROXIMATELY 4-8 HOURS

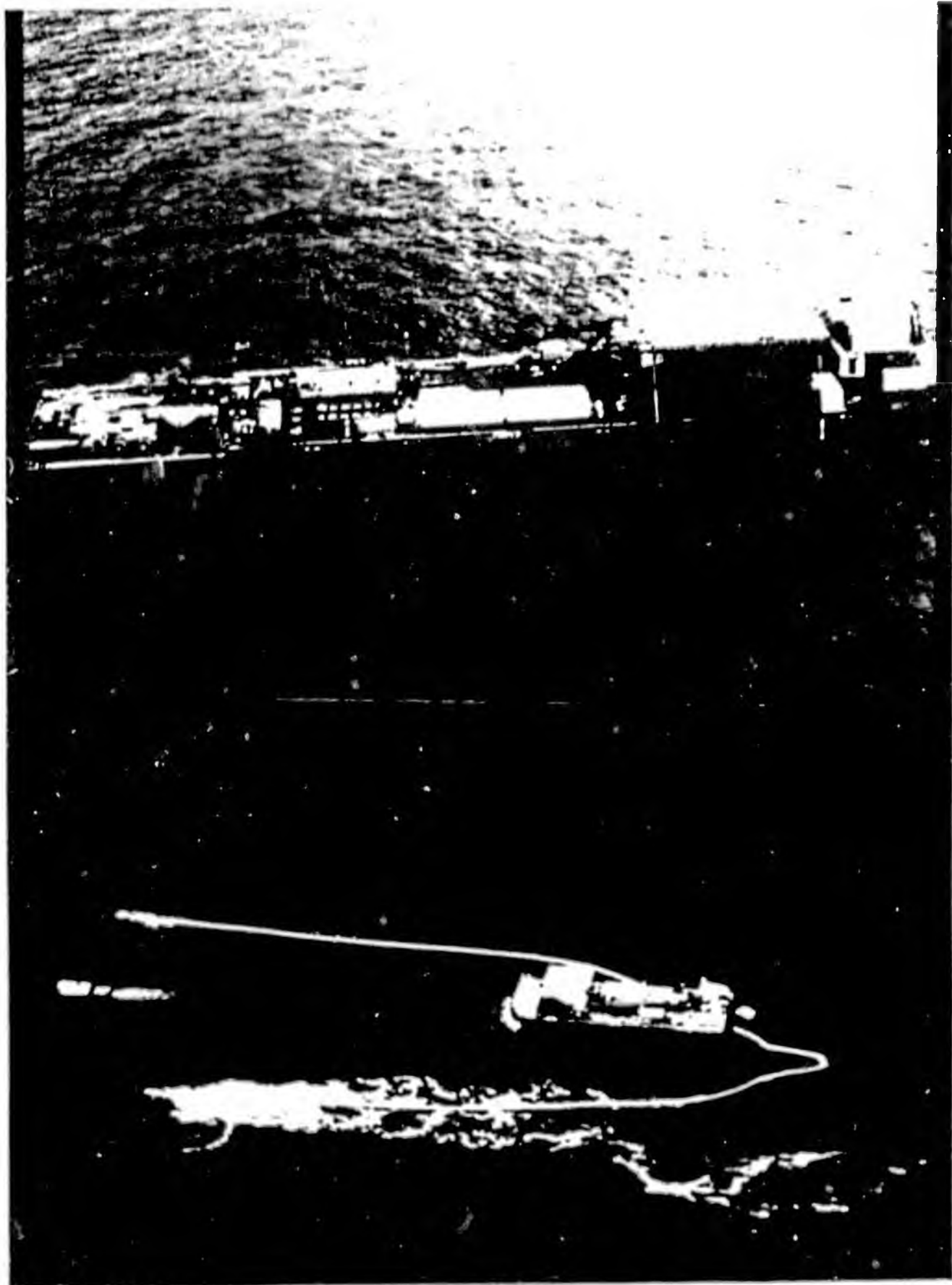
CONTAINMENT:

- 3,500' CONTAINMENT BOOM
- 2,600' FIRE RESISTANT BOOM
- 1,000' NOFI HIGH SEAS BOOM
- 1,000' NOFI HIGH SEAS BOOM W/OIL TRAWL

RECOVERY:

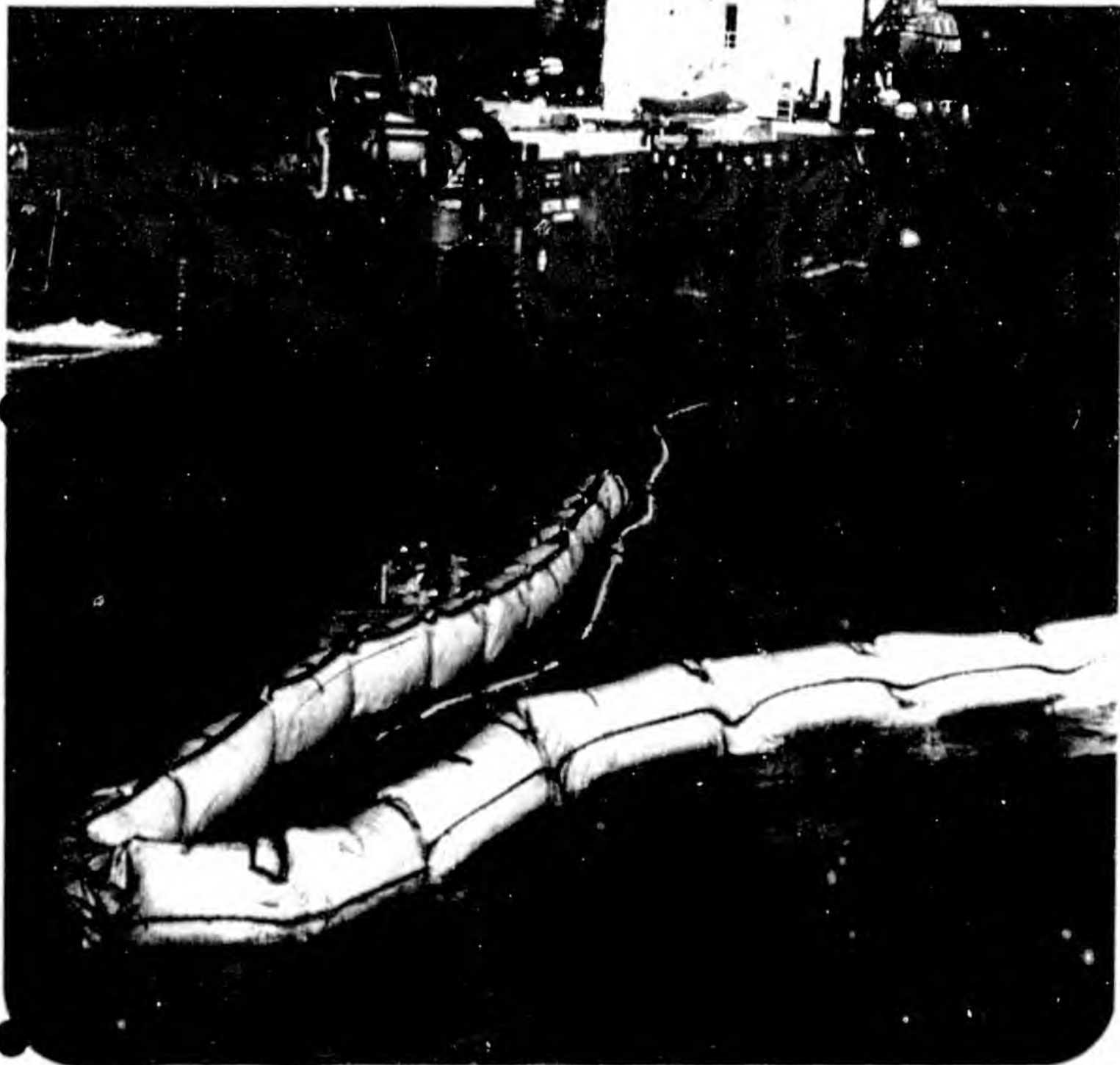
- VESSELS - 105' X 400' BARGE W/TUG, 4 - 26-36' BOATS,  
2 - 18' AVONS
- 1 TRANSREC 250 SKIMMER SYSTEM RATED AT 37,000 BBLs/DAY
- 1 DESMI OCEAN SKIMMER RATED AT 10,000 BBLs/DAY
- 11 OTHER SKIMMER SYSTEMS
- SEPARATORS - 600 BBLs ON DECK
- 2 HELITORCHES
- 1 DISPERSANT BUCKET + 30 BBLs DISPERSANT
- SORBENTS

STORAGE: 2,100 BBLs ABOVE DECK  
MINIMUM 35,000 BBLs BELOW DECK  
END OF SEASON 67,000 BBLs + BELOW DECK



## FRAMO OIL RECOVERY SYSTEM

- Highest recovery rate obtained
- Combined oil recovery and transfer system
- Two vessel operation
- Increased towing speed
- Newly designed clogging free pump
- Instrumentation of boom and skimmers
- Cassette recovery units
- Automated emulsion breaker system

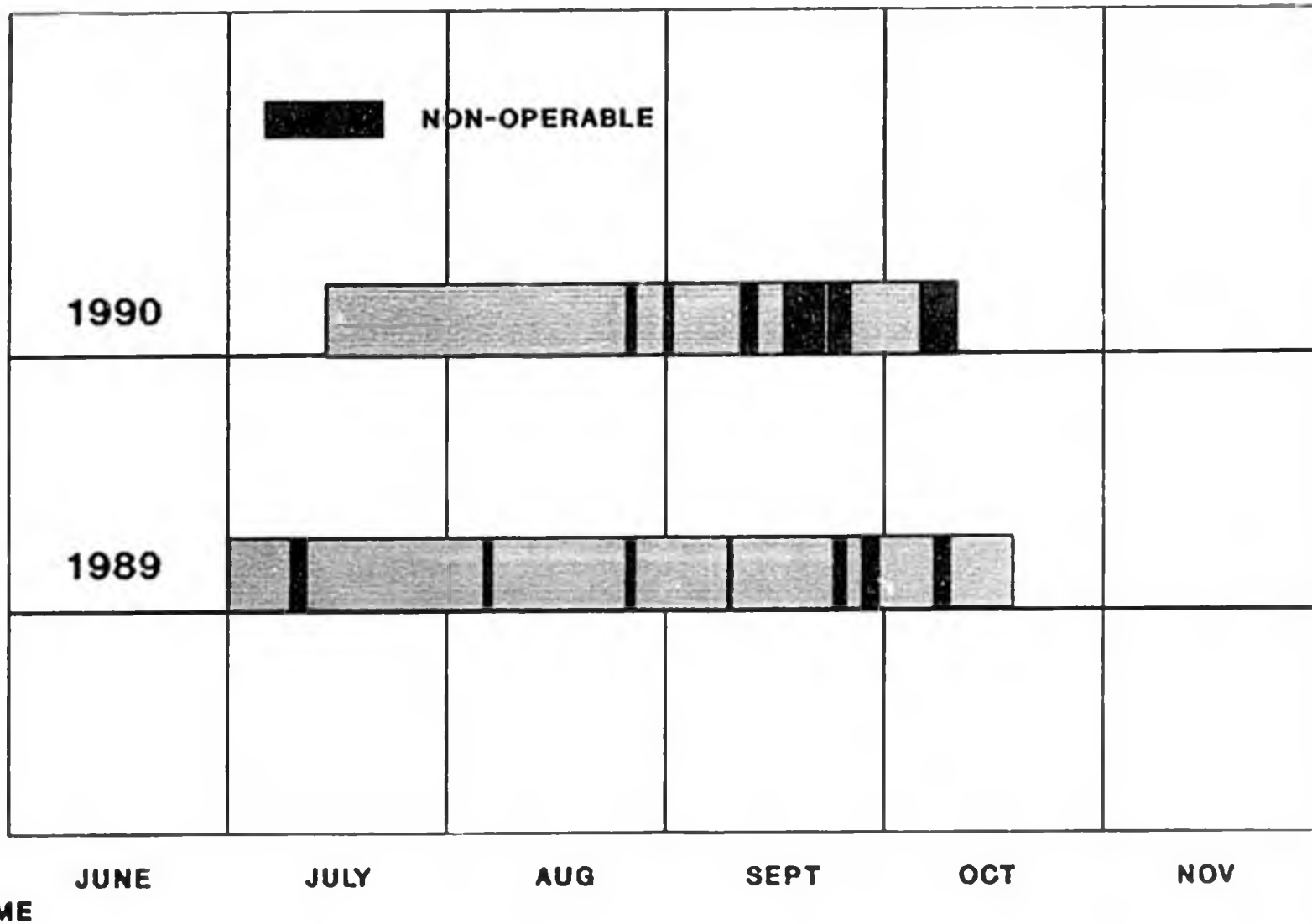


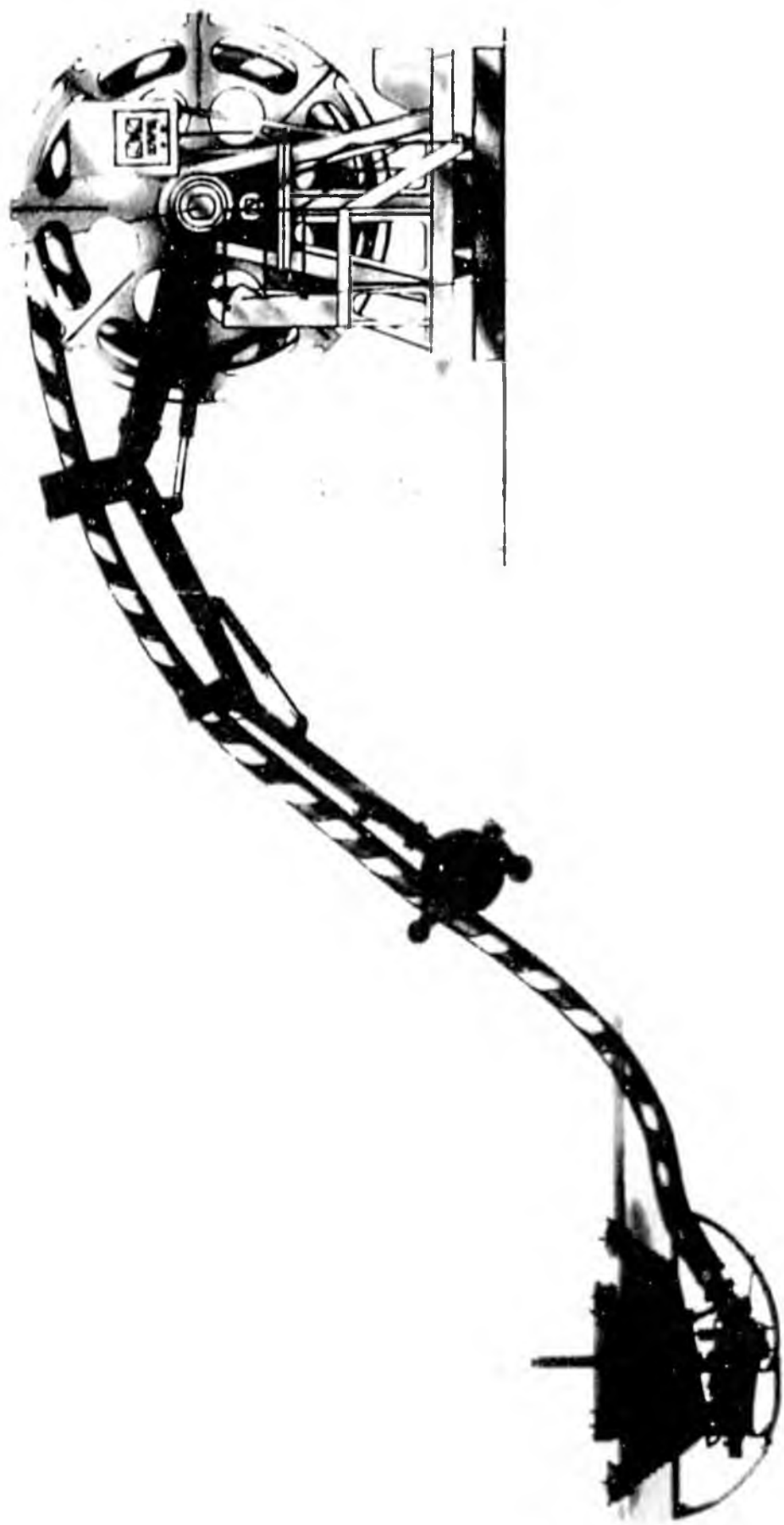
FRAMONED TRANSFER SYSTEM 350

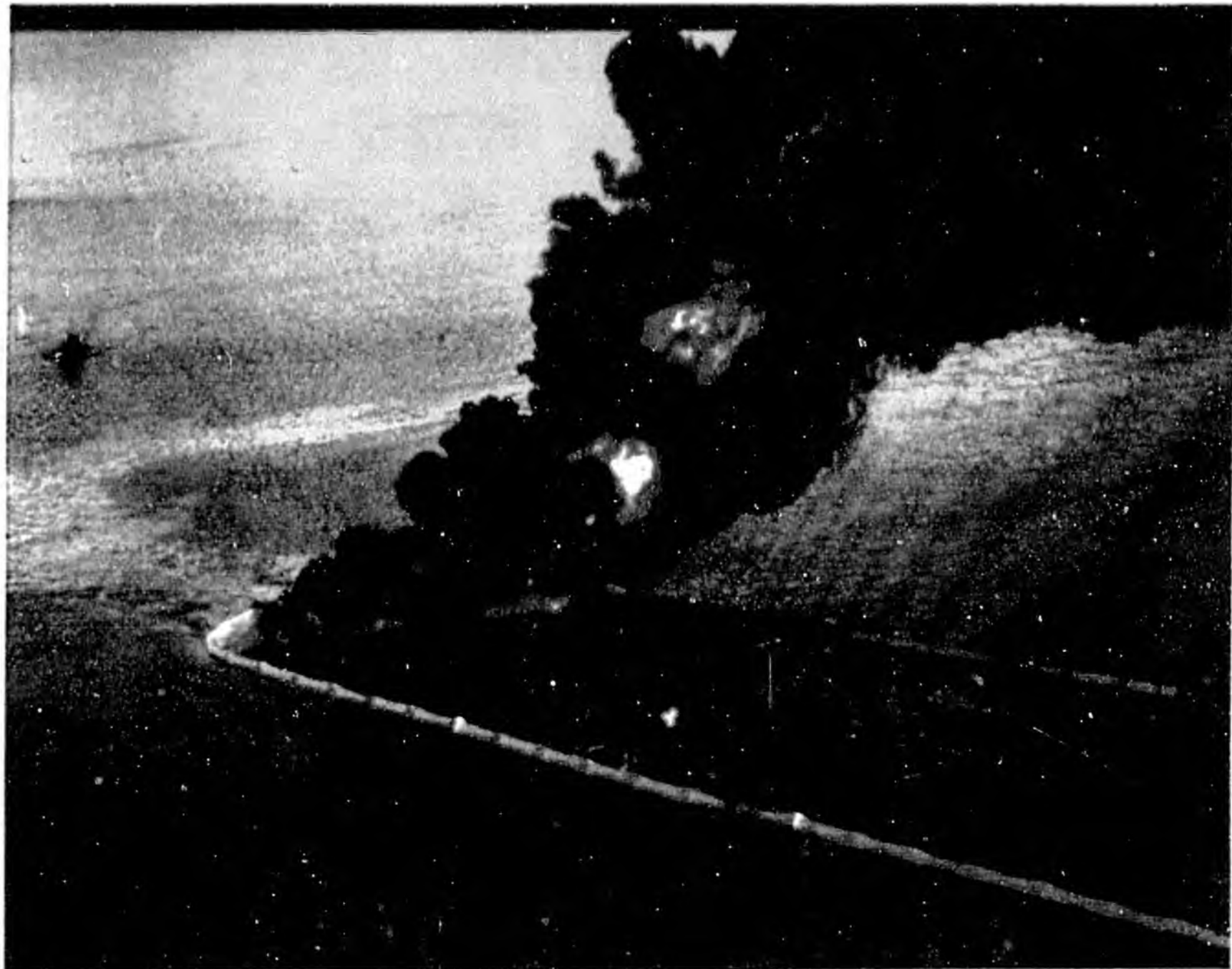
# CHUKCHI SEA DRILLING PROJECT

## OPERATING TIME - NOFI BOOM

### HS ≤ 8 FEET







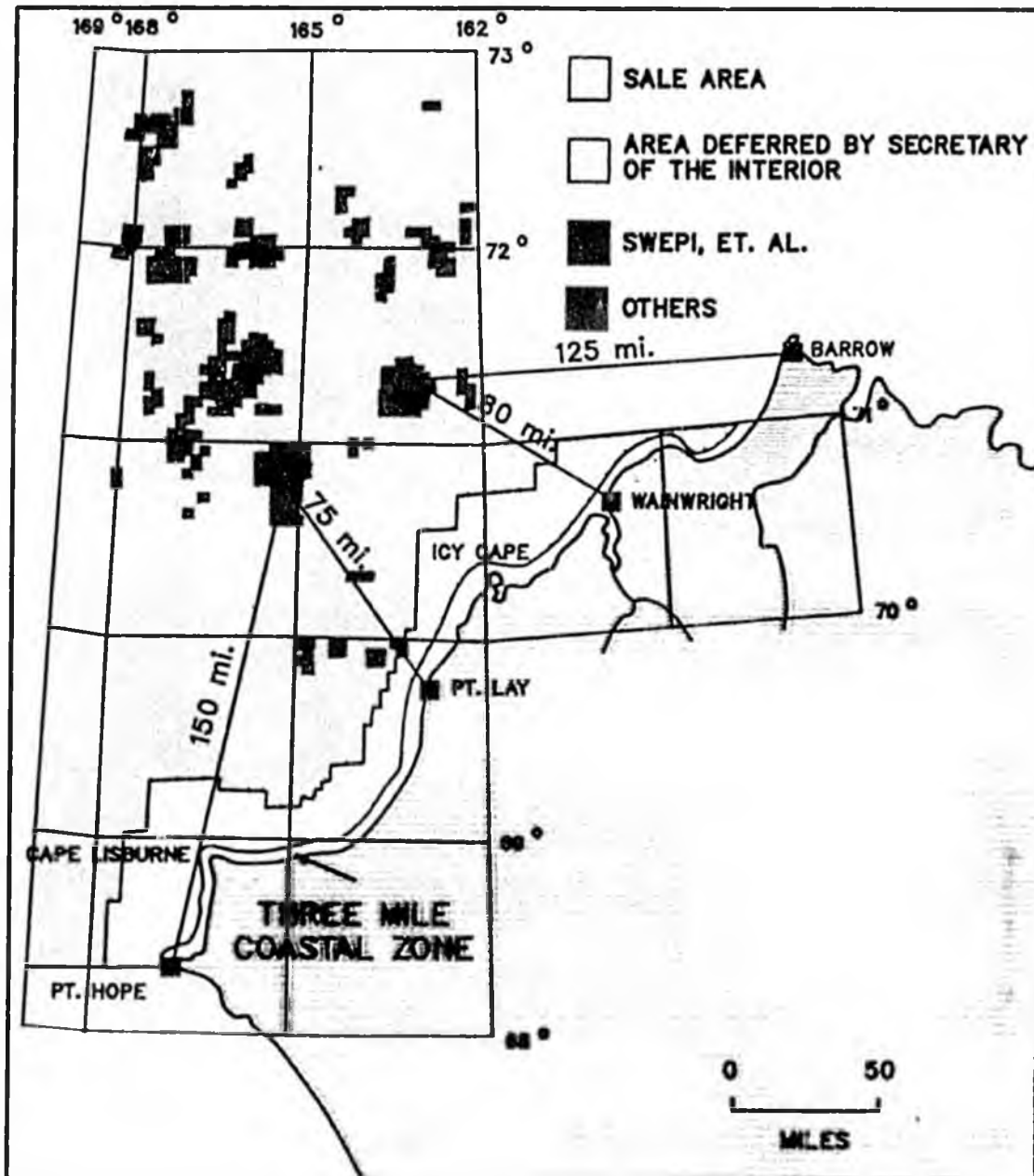




**CHUKCHI SEA**  
**1989/1990 OPERATING UPDATE**  
**1991 PLANS**

**JANUARY, 1991**

# CHUKCHI SEA LEASE SALE #109

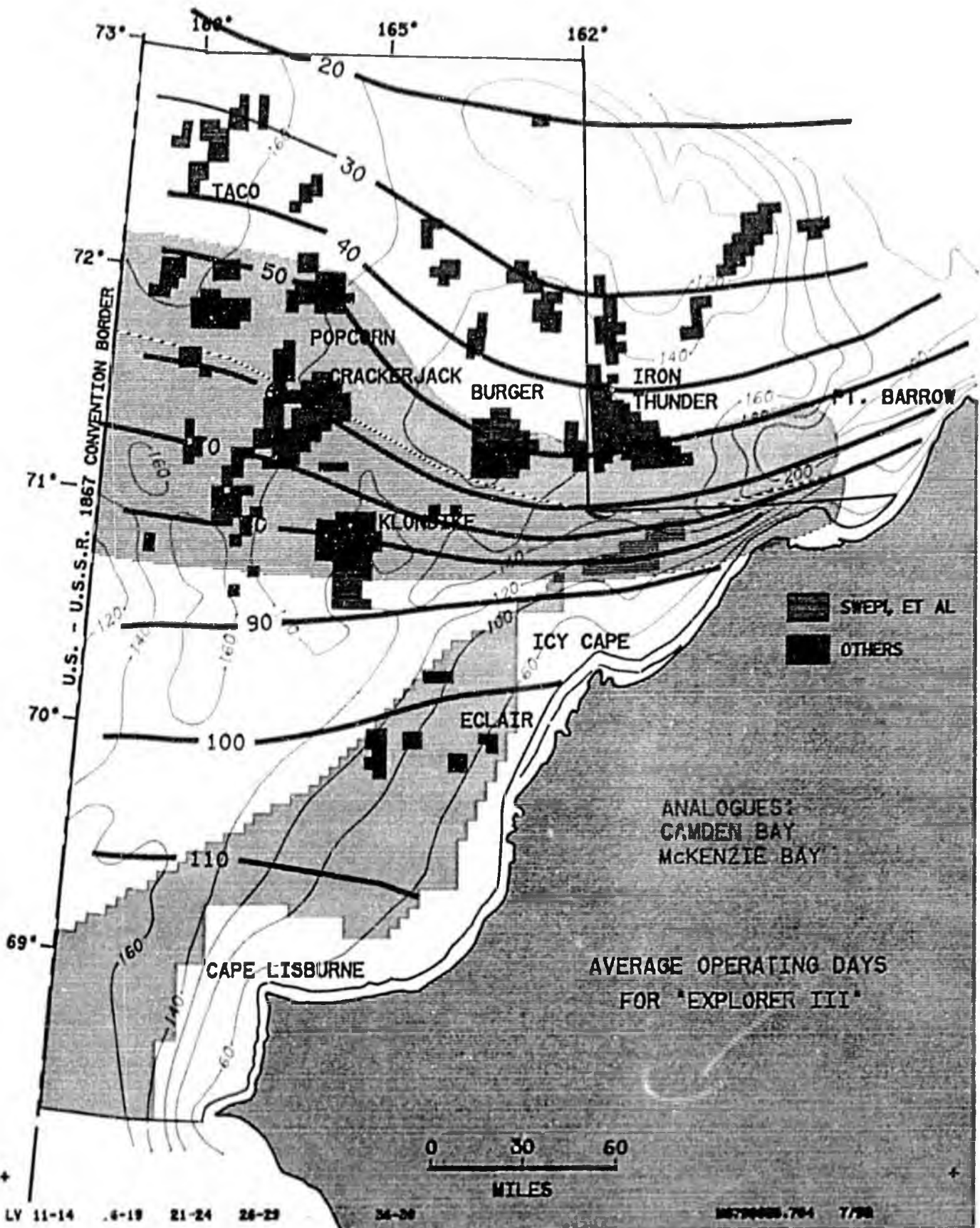


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## LEASE SALE 109 RESULTS

- DEPICTS THE SALE RESULTS FROM OCS SALE 109.
- THE TRACTS AWARDED TO SHELL AND ITS PARTNERS ARE DEPICTED IN RED.
- BIDS WERE SUBMITTED BY SIXTEEN COMPANIES AS SOLE BIDS OR IN BID GROUPS. 651 BIDS (AN ALL TIME RECORD FOR AN OCS LEASE SALE IN ALASKA) WERE SUBMITTED. IN TOTAL, 351 TRACTS RECEIVED BIDS. HIGH BIDS AMOUNTED TO ALMOST \$.5 BILLION.
- SWEPI, BIDDING ALONE OR WITH PARTNERS, WAS THE HIGH BIDDER ON 165 OF 187 ON WHICH WE BID; ALMOST A 90% SUCCESS RATE. OUR TOTAL HIGH BIDS AMOUNTED TO ALMOST \$391 MILLION (\$271 MM SWEPI SHARE). OF THE 165 TRACTS AWARDED, 43 ARE SWEPI ONLY TRACTS.
- AS SHOWN, THE PRINCIPAL INTEREST PROSPECTS ARE AT LEAST 75-80 MILES OFFSHORE, AND THEREFORE, EXPLORATION ACTIVITY WILL HAVE MINIMAL LOCAL COMMUNITY IMPACT.

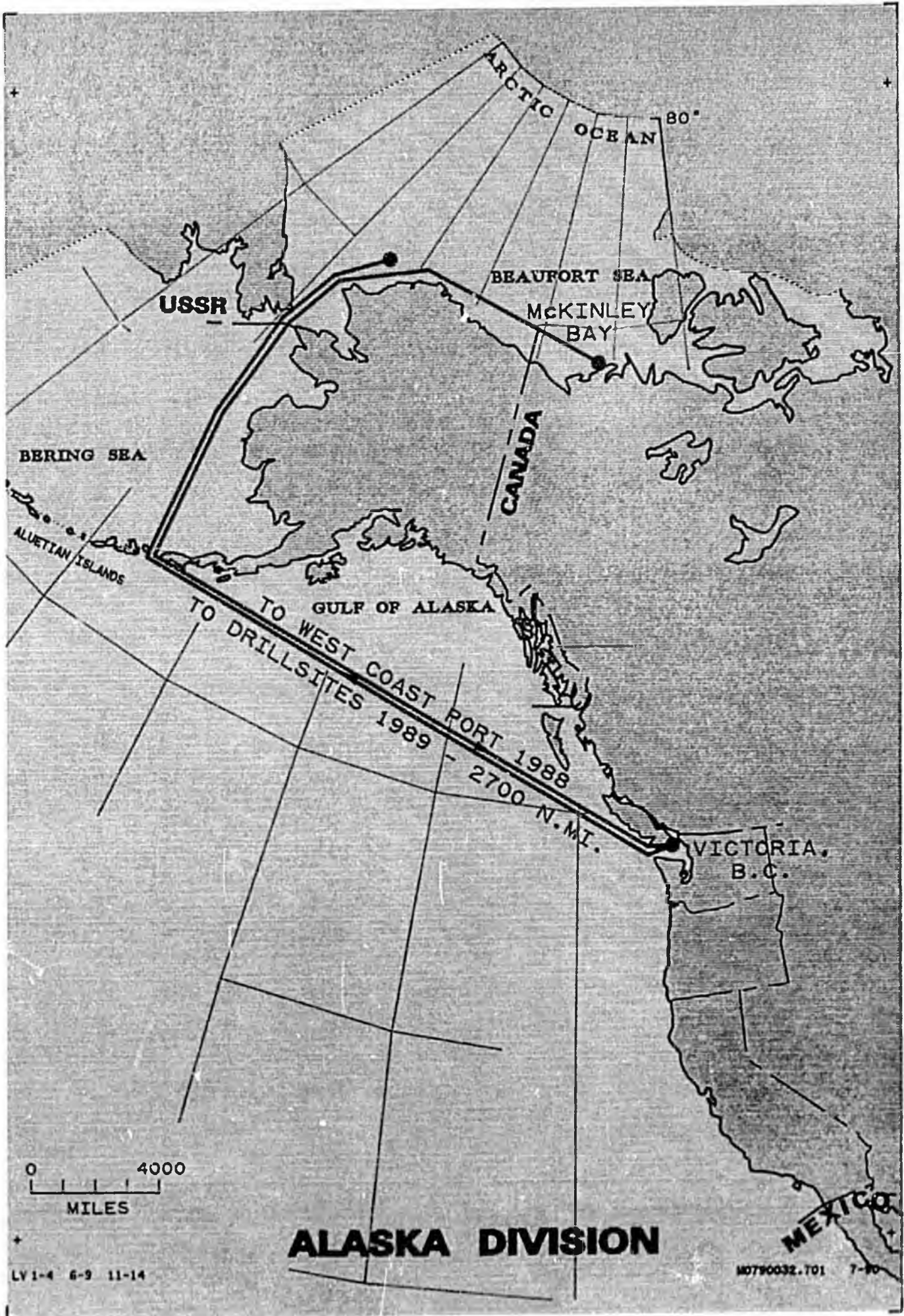
# NORTH ALASKA, CHUKCHI SEA AREA



## PROSPECTS AND ENVIRONMENT

- THIS FIGURE OF THE CHUKCHI SEA PORTRAYS THE POSITION OF KLONDIKE, CRACKERJACK, POPCORN, AND BURGER RELATIVE TO WHAT WE FORECAST AS THE AVERAGE OPERATING DAYS/YEAR FOR OUR CANMAR FLEET.
- MOST OF OUR MAJOR PROSPECTS ARE RELATIVELY FAR OFFSHORE, FAR FROM THE AREA OF THE SPRING BOWHEAD WHALE MIGRATION. WE SUBMITTED TWO EXPLORATION PLANS FOR THE CHUKCHI (NEAR OFFSHORE AND REMOTE OFFSHORE PLANS). BOTH ARE APPROVED. THE LOWERMOST GREEN AREA DEPICTS THE AREA COVERED BY THE NEAR OFFSHORE PLAN. WHALE MONITORING WOULD BE REQUIRED IF DRILLING OCCURRED IN THIS AREA DURING WHALE MIGRATION, HOWEVER, WE HAVE NO PLANS TO DRILL DURING THIS TIME.
- WATER DEPTHS ARE PORTRAYED IN BLUE CONTOURS. OUR PRIMARY PROSPECTS LIE IN 120-150 FEET OF WATER.
- VIRTUALLY ALL OF THE MAJOR PROSPECTS ARE IN AREAS THAT SHOULD HAVE OPERATING CONDITIONS EQUAL TO OR BETTER THAN AREAS IN THE ARCTIC IN WHICH THE INDUSTRY HAS DEMONSTRATED THEIR CAPABILITY ALREADY.
- THE UPPER, GREEN COLOR BAND IS IN AN AREA IN THE CHUKCHI THAT SHOULD HAVE ICE CONDITIONS SIMILAR TO THOSE IN THE U.S. BEAUFORT WHERE INDUSTRY HAS DRILLED WITH FLOATING EQUIPMENT.
- THE LOWER, PURPLE COLOR BAND IS SIMILAR TO THE MACKENZIE BAY AREA OF CANADA.

- THUS, INDUSTRY HAS DEMONSTRATED THEY CAN OPERATE IN THE ENVIRONMENT WHERE MOST OF OUR MAJOR PROSPECTS ARE LOCATED. THIS AREA INCLUDES 2/3 OR MORE OF THE SALE AREA.
- CONTOURS DEPICTED ON THE LAST OVERLAY PORTRAY THE "AVERAGE" PREDICTED PRODUCTIVE DAYS AVAILABLE DURING THE YEAR FOR THE EXPLORER III FLEET DUE TO ICE AND WAVES. THIS PREDICTION WAS FORMULATED USING OVER 20 YEARS OF ICE HISTORY DATA.
- IN TWO YEARS OF DRILLING OPERATIONS, ICE CONDITIONS HAVE BEEN MUCH BETTER THAN PREDICTED BY THIS HISTORICAL MODEL. IN GENERAL, WE HAVE DRILLED IN OPEN WATER CONDITIONS. SEASON LENGTHS HAVE AVERAGED APPROXIMATELY 50% LONGER THAN ANTICIPATED.



0 4000  
MILES

**ALASKA DIVISION**

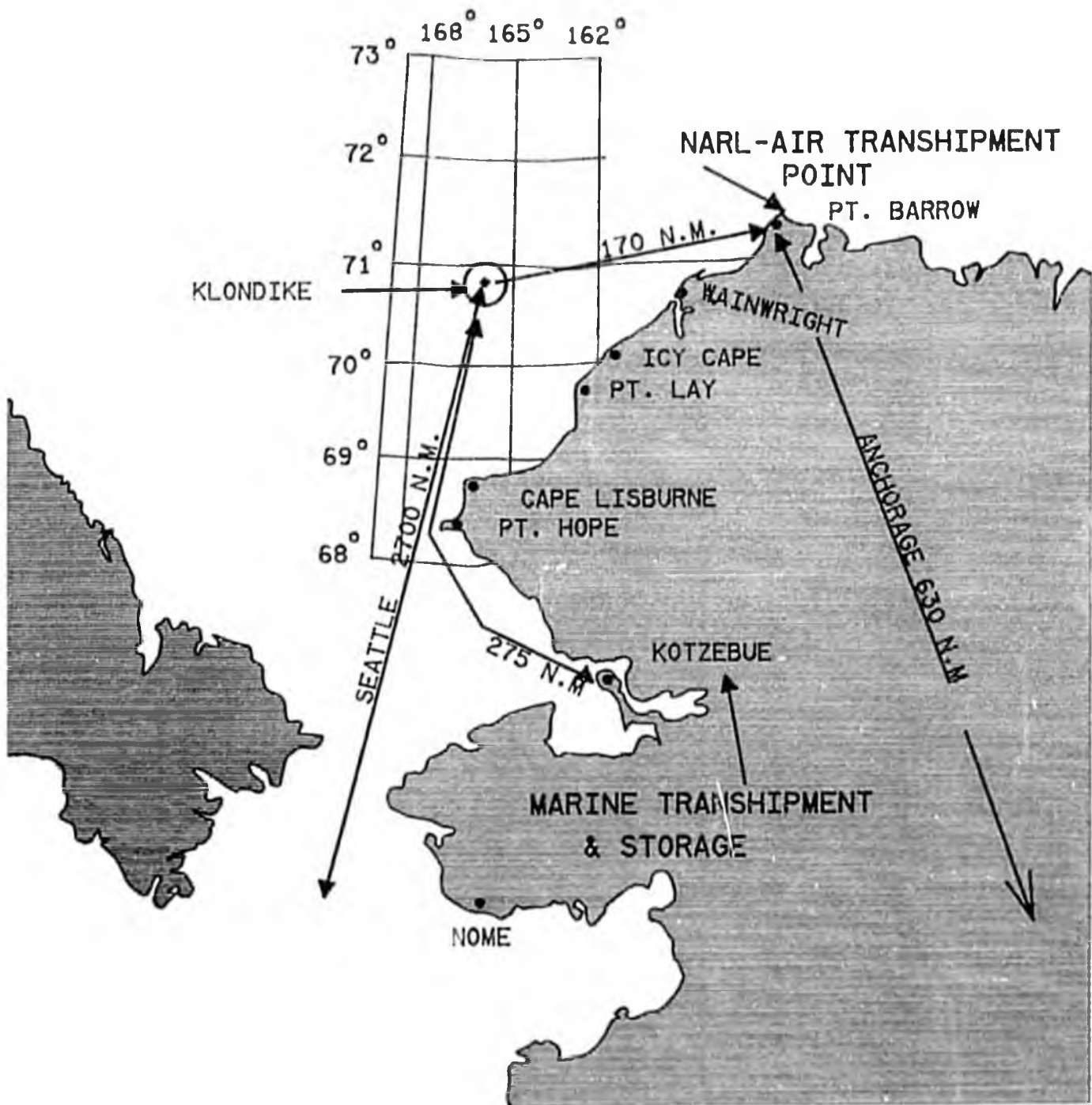
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## DRILLSHIP MOVEMENT TO SITE

- ° PT. BARROW IS ONE OF THE LAST PLACES TO OPEN TO NAVIGATION EACH YEAR. THIS WAS ONE REASON, ALONG WITH THE DESIRE TO MAKE SOME MODIFICATIONS TO THE DRILLING SYSTEM, THAT CAUSED SWEPI TO ELECT TO MOBILIZE TO THE WEST COAST IN 1988.
- ° EXPLORER III AND 3 SUPPORT VESSELS LEFT MCKINLEY BAY IN EARLY SEPTEMBER 1988 BOUND FOR THE NEAREST WARMWATER PORT WITH DRYDOCKING FACILITIES, THAT IS, VICTORIA, IN CANADA. THIS INITIAL MOBILIZATION REQUIRED 16 DAYS AND COVERED 3400 N.M.
- ° IN VICTORIA, ALL VESSELS WERE DRYDOCKED AND INSPECTED AND ALL REQUIRED CERTIFICATIONS OBTAINED. SOME ADDITIONS WERE MADE TO THE DRILLING SYSTEM TO ENHANCE CAPABILITY; SPECIFICALLY A TOP DRIVE UNIT WAS ADDED.
- ° THE 2700 N.M. MOBILIZATION ROUTE TO THE DRILLSITES REQUIRES ABOUT 11 DAYS. THE DRILLING FLEET DEPARTED VICTORIA IN LATE JUNE IN 1989 AND 1990.

NORTH ALASKA  
**CHUKCHI SEA DRILLING PROGRAM  
LOGISTICAL SYSTEM**

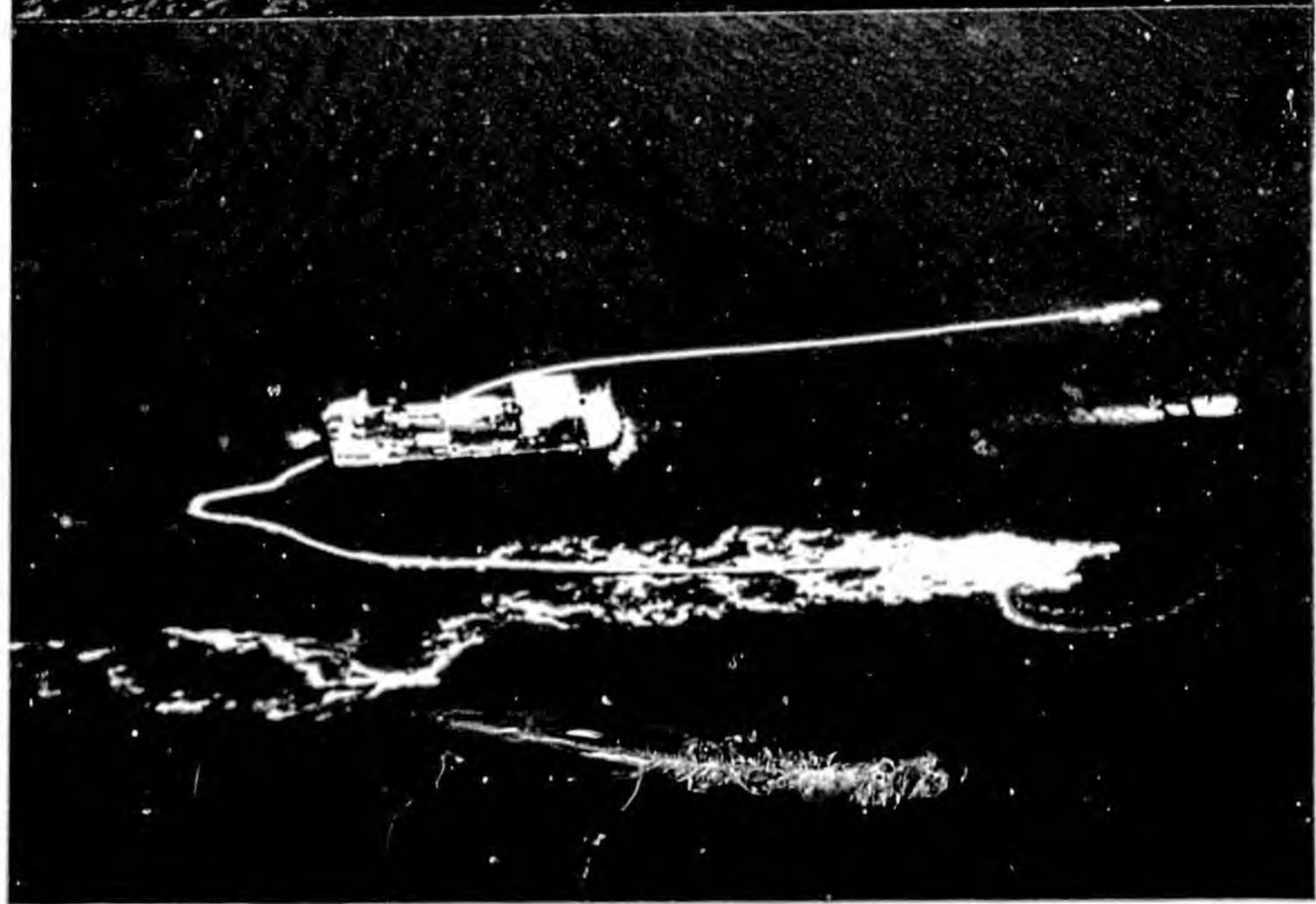
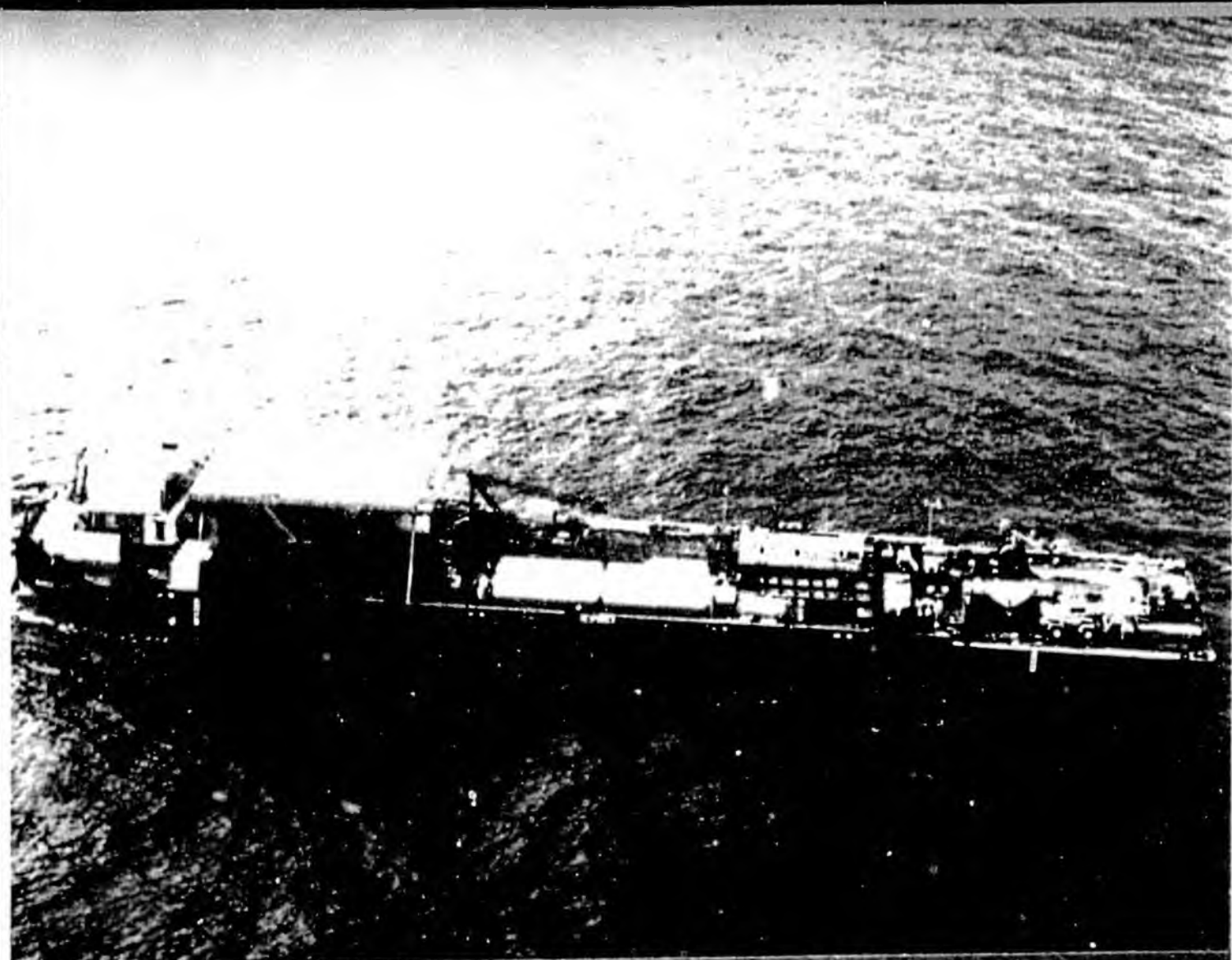


## LOGISTICS

- PORTRAYED ARE THE LOGISTICS OF OUR EXPLORATION PLANS AFTER THE EXPLORER III AND ITS SUPPORT VESSELS ARRIVE IN THE CHUKCHI FROM VICTORIA.
- THE ONSHORE SUPPORT FOR THIS PROJECT CONSISTED OF LOGISTICAL SUPPORT FOR TRANSFER OF MANPOWER, RESUPPLY OF PERISHABLE GOODS, AND VERY LIMITED RESUPPLY OF EXPENDABLE MATERIALS USED IN THE EXPLORATION DRILLING ACTIVITIES. BARROW WAS THE BASE FROM WHICH THE DRILLING CREWS, SERVICE COMPANY PERSONNEL AND OTHER SUPPORT SERVICES WERE TRANSPORTED VIA HELICOPTER TO AND FROM THE DRILLING UNIT. LIMITED MARINE OPERATIONS WERE CONDUCTED FROM KOTZEBUE. (WE USED EXISTING FACILITIES. THERE WAS NO NEED FOR ANY NEW CONSTRUCTION.)
- WE SIGNED CONTRACTS WITH ERA (BASED IN ALASKA) TO PROVIDE TWO SUPER PUMA HELICOPTERS TO PROVIDE AIR TRANSPORTATION TO THE RIG. WE OPERATED THE HELICOPTERS FROM THE UKPEAGVIK INUPIAT CORPORATION - NAVAL ARCTIC RESEARCH LAB (UIC-NARL) CAMP NEAR BARROW UTILIZING THE EXISTING COMPLEX. DRILLING CREWS WERE PRIMARILY CANADIAN AND WERE TRANSPORTED TO BARROW FROM CANADA VIA CHARTERED AIRCRAFT. NORMALLY PERSONNEL WERE TRANSPORTED DIRECTLY TO AND FROM WILEY POST-WILL ROGERS AIRPORT FROM THE HELIPORT AT NARL CAMP. OCCASIONALLY, PERSONNEL WERE HOUSED OVERNIGHT AT THE UIC CAMP WHEN WEATHER OR COMMERCIAL AIR TRANSPORTATION SCHEDULING DICTATED. ERA AVIATION MAINTAINED A STAFF OF SOME TWELVE (12) EMPLOYEES AT NARL TO MAINTAIN AND OPERATE THE HELICOPTERS. A SHELL STAFF

PERSON WAS ASSIGNED FULL TIME TO THE NARL FACILITY FOR THE DURATION OF THESE ACTIVITIES TO FACILITATE TRANSFER OF PERSONNEL AND EQUIPMENT TO AND FROM THE AIRPORT, THE CAMP, AND THE OFFSHORE LOCATION.

KOTZEBUE WAS CHOSEN AS THE MOST LIKELY LOCATION FOR ANY OF OUR MARINE SUPPLY REQUIREMENTS. ALTHOUGH, AS SHOWN, IT IS SOME 275 MILES FROM OUR TYPICAL DRILLING LOCATIONS, IT IS THE CLOSEST FACILITY THAT CAN SUPPLY THE NECESSARY INFRA-STRUCTURE AS WELL AS A SOMEWHAT PROTECTED HARBOR AREA FOR OUR OIL SPILL RESPONSE EQUIPMENT. THE INITIAL OIL SPILL EXERCISE/DEMONSTRATION TOOK PLACE IN KOTZEBUE HARBOR, HOWEVER, TRAINING WITH THE CREWS OCCURRED WITH THE BARGE AT THE DRILL SITE AS WELL AS IN KOTZEBUE. DURING A SUBSTANTIAL PORTION OF THE DRILLING SEASON, THE BARGE REMAINED AT OR NEAR THE DRILL SITE, RETURNING TO KOTZEBUE AS NEEDED FOR DRILLING SUPPLIES OR PROTECTION DURING SEVERE STORMS. THE BARGE AND TUG IS OWNED AND OPERATED BY CROWLEY MARITIME CORPORATION WHO OPERATE OTHER BARGE AND TUG OPERATIONS FROM KOTZEBUE. IN ADDITION TO OIL SPILL RESPONSE, THIS U.S. REGISTERED BARGE AND TUG PROVIDED A MARINE RESUPPLY CAPABILITY IN SUPPORT OF THE EXPLORATION DRILLING ACTIVITY. THE MARINE RESUPPLY REQUIREMENTS WERE VERY LIMITED. THE DRILLING VESSELS, DUE TO THEIR SIZE, CARRY ESSENTIALLY ALL OF THE EQUIPMENT AND MATERIALS REQUIRED FOR ONE DRILLING SEASON.



## RESUPPLY/OIL SPILL RESPONSE BARGE

• DEPICTED IS OUR OIL SPILL RESPONSE/RESUPPLY BARGE. THE LOWER PHOTOGRAPH WAS TAKEN DURING A SPILL EXERCISE WITH TWO BOOMS DEPLOYED. FOR SIZE COMPARISON, THE BARGE IS 100' LONGER THAN A FOOTBALL FIELD. THE BARGE WAS NEAR THE DRILLING FLEET THROUGHOUT THE DRILLING SEASON EXCEPT FOR TWO SUPPLY RUNS DURING NONCRITICAL WELL OPERATIONS. THE BARGE WAS MADE AVAILABLE FOR IMMEDIATE RESPONSE TO ANY MAJOR SPILL.

• FOR A MAJOR SPILL, SWEPI HAS THE DIVERSITY OF NUMEROUS HEAVY-DUTY OPEN-OCEAN RECOVERY SYSTEMS SUITABLE FOR WORKING IN THE CHUKCHI SEA. SWEPI PURCHASED SIGNIFICANT NEW (\$1.4 MILLION) OIL SPILL RECOVERY EQUIPMENT FOR THE 1989 SEASON. OTHER OIL SPILL EQUIPMENT AND RESPONSE SYSTEMS TO BE USED ON THE BARGE BELONGED TO VARIOUS EQUIPMENT COOPS OF WHICH SHELL IS A MEMBER. SWEPI ALSO SPENT AN ADDITIONAL \$1.5MM ON NEW EQUIPMENT AND BARGE MODIFICATIONS IN PREPARATION FOR THE 1990 DRILLING SEASON.

• OIL SPILL RESPONSE TUG & BARGE SUPPORT FUNCTIONS DURING OFFSHORE DRILLING OPERATIONS:

- BASE OF OPERATIONS DURING MAJOR OIL SPILL
- COMMAND & CONTROL CENTER
- PRIMARY DOWNSTREAM OIL RECOVERY UNIT
- PRIMARY OIL/WATER SEPARATION & STORAGE UNIT
- SPILL EQUIPMENT STORAGE & MAINTENANCE CENTER
- HELIPORT FOR AERIAL SURVEILLANCE & DISPERSANT APPLICATION
- BACKUP (EMERGENCY) HELIPORT FOR DRILLSHIP
- TRAINING CENTER FOR OIL SPILL EXERCISES

- STORAGE & TRANSPORT OF DRILLING EQUIPMENT/SUPPLIES FOR DRILLSHIP
- STORAGE & TRANSPORT OF FUEL FOR DRILLSHIP, HELICOPTERS, & SUPPLY BOATS
- BACKUP FOR EMERGENCY EVACUATION, MEDICAL SUPPORT, & FIREFIGHTING

• THE BARGE WAS FULLY STAFFED AT ALL TIMES. PERSONNEL UNDERWENT CONTINUAL TRAINING SINCE SPILL RESPONSE READINESS WAS THEIR NO. 1 RESPONSIBILITY.

• THE BARGE AND ITS EQUIPMENT ARE DESIGNED TO MANAGE A MAJOR SPILL (BLOWOUT MODEL 5,000 B/D).

• THE BARGE CONTAINS A TOTAL OF 8,100' OF BOOM:

- 2,000' OF 18" PLUS 1,500' OF 8" KEPNER BOOM
- 2,600' OF 3M FIRE BOOM
- 1,000' OF NOFI OCEAN BOOM WITH NORWEGIAN OIL COLLECTION TRAWL DESIGNED FOR HIGH SEA CONDITIONS
- 1,000' OF NOFI OCEAN BOOM WITHOUT COLLECTION TRAWL

• NUMEROUS RECOVERY SYSTEMS ARE DEPICTED WHICH PROVIDE RECOVERY WELL IN EXCESS OF OUR MODEL BLOWOUT RATE. THE CENTERPIECE OF OUR RECOVERY SYSTEM, THE TRANSREC SKIMMER SYSTEM, ALONE HAS RECOVERY CAPACITY IN EXCESS OF OUR DESIGNED SPILL RATE OF 5,000 BPD. THE ACTUAL DESIGN CAPACITY OF THE TRANSREC IS OVER 37 THOUSAND BB/D. THE NEW DESMI SYSTEM HAS A DESIGN CAPACITY OF OVER 10 THOUSAND B/D.

• 4 SHELL OWNED AND BUILT MUNSON BOATS ARE AVAILABLE ON THE BARGE FOR BOOM DEPLOYMENT. 2 - 18' AVON RIGID HULL INFLATABLES ARE ALSO ON BOARD. THIS BRINGS THE TOTAL COUNT TO 8 EXCLUSIVE OF THE CANMAR FLEET WHEN THE ONSITE EQUIPMENT IS INCLUDED.

• SUFFICIENT DISPERSANT IS ONBOARD TO TEST THE FEASIBILITY OF WIDESCALE APPLICATION. ALTHOUGH PRIOR APPROVAL FOR DISPERSANT USAGE HAS NOT BEEN GRANTED AS YET FOR THE CHUKCHI SEA AREA, EFFORTS WILL CONTINUE, ON OUR PART, TO SEEK THIS APPROVAL IN ORDER TO EXPEDITE USAGE WHERE APPLICABLE. (PRIOR APPROVAL HAS BEEN OBTAINED TO ALLOW THE FOSC TO AUTHORIZE BURNING).

• DUE TO THE SIZE OF THE BARGE, SIGNIFICANT STORAGE IN CLASS "A" QUALIFIED TANKS IS AVAILABLE FOR RECOVERED CRUDE. INITIALLY, ALMOST 37,000 BARRELS OF TANK STORAGE IS AVAILABLE. THIS VOLUME INCREASES BY WELL OVER 50% AS THE ONBOARD DIESEL FUEL IS DEPLETED BY THE DRILLING FLEET.

## 1989/90 BARGE OPERATIONS

- DURING THE 1989 AND 1990 DRILLING SEASONS, THE BARGE WAS WITHIN 4 HOURS OF THE DRILL SITE ALMOST 100% OF THE TIME WHILE DRILLING BELOW 20" CASING.\*

- EXTENSIVE OIL SPILL TRAINING WAS CONDUCTED BY THE BARGE AND CANMAR CREWS DURING THE JUNE/SEPTEMBER PERIOD. CUMULATIVE TRAINING WITH THE BARGE DURING THIS 3 MONTH PERIOD OF BARGE OPERATION IS ABOUT 5 MAN YEARS.

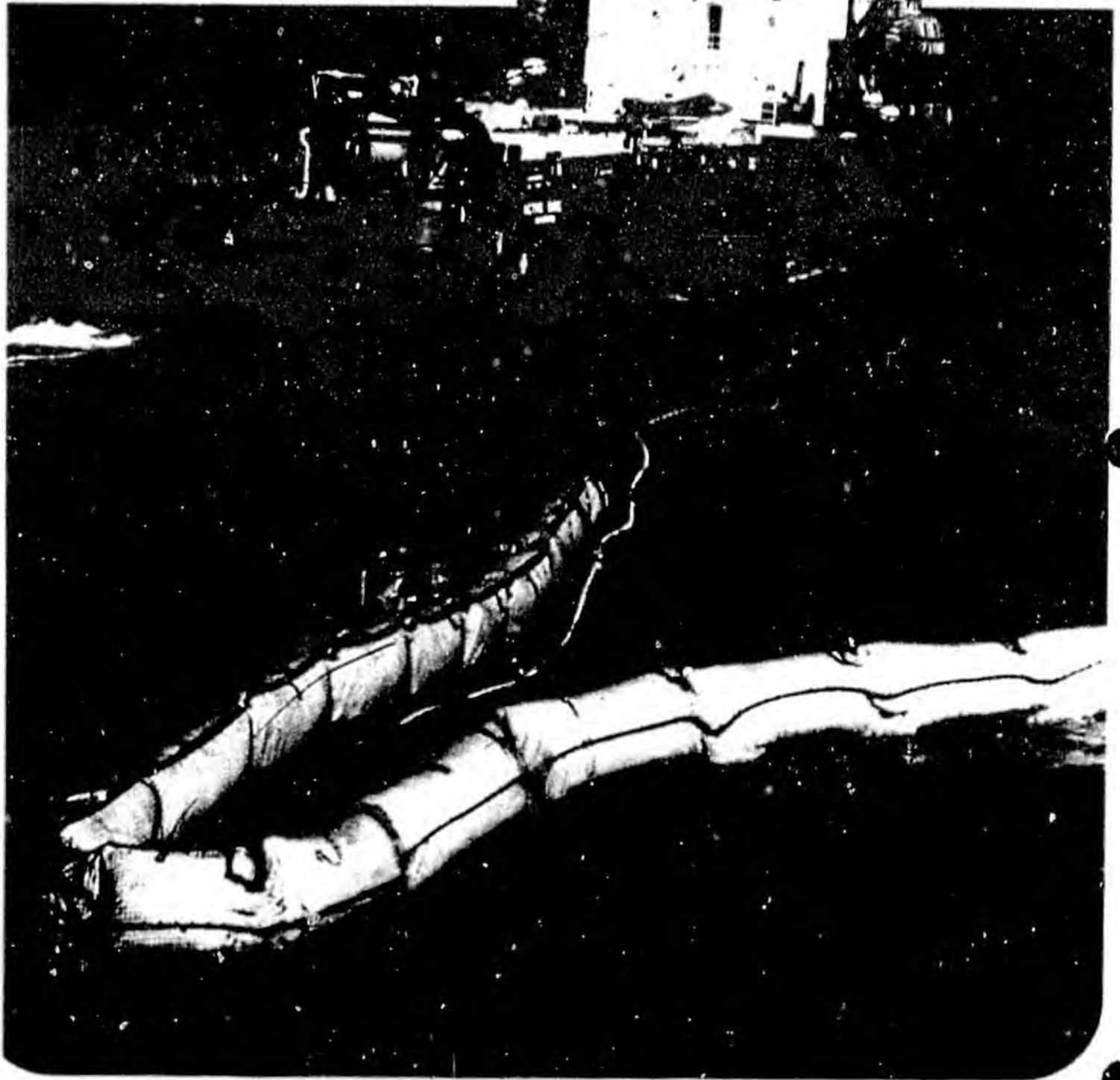
- IN ADDITION TO THE EXTENSIVE OIL SPILL TRAINING, DAILY SAFETY TRAINING IS PART OF THE ROUTINE. ALMOST 1,000 MAN HOURS OF SAFETY TRAINING IS CONDUCTED FOR THE BARGE CREWS DURING THE SAME 3 MONTH PERIOD.

- IN TWO YEARS OF OPERATION, SWEPI AND ITS PARTNERS HAVE SPENT \$13MM EQUIPPING AND OPERATING THE BARGE IN THE CHUKCHI.

- DURING 1989, A RESUPPLY WAS MADE TO KOTZEBUE AFTER 9-5/8" WAS CEMENTED AT KLONDIKE BUT RETURNED PRIOR TO COMMENCEMENT OF DRILLING OPERATIONS.

## FRAMO OIL RECOVERY SYSTEM

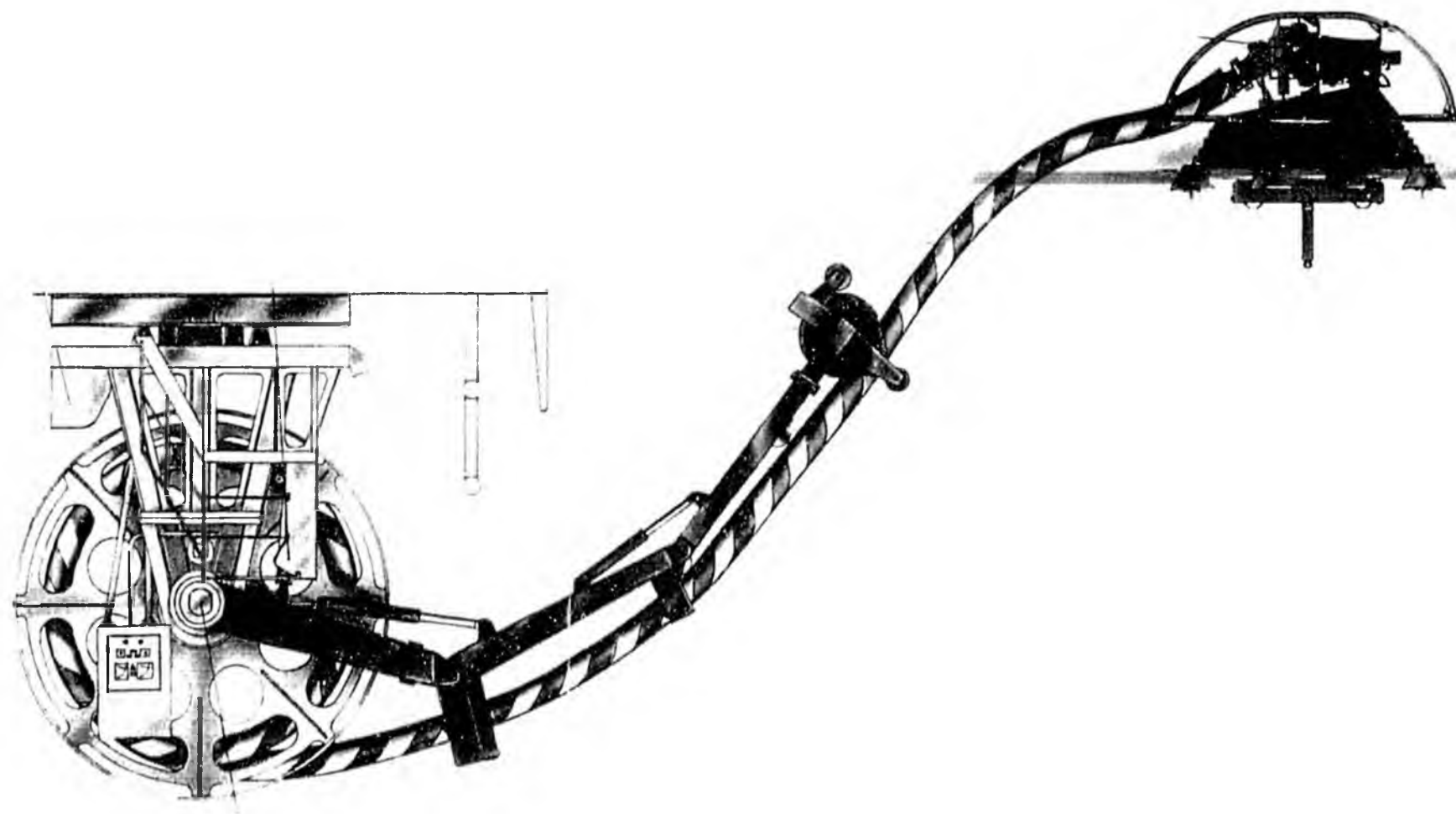
- Highest recovery rate obtained
- Combined oil recovery and transfer system
- Two vessel operation
- Increased towing speed
- Newly designed clogging free pump
- Instrumentation of boom and skimmers
- Cassette recovery units
- Automated emulsion breaker system



FRAMON/OFFO TRANSREC SYSTEM 350

## NORWEGIAN OIL TRAWL AND BOOM

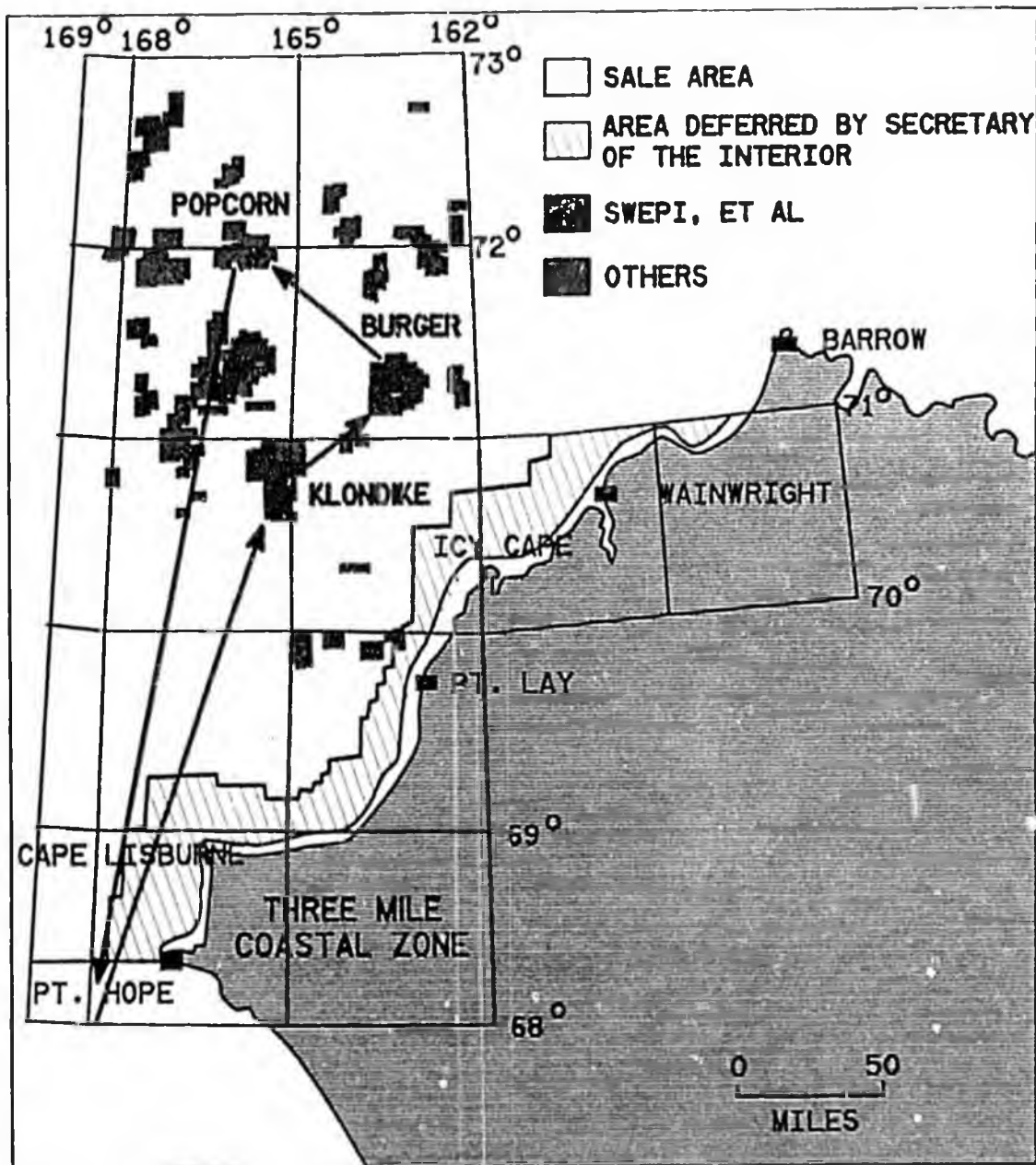
- ° THIS PICTURE ILLUSTRATES SOME OF THE NEW EQUIPMENT THAT SWEPI PROVIDED TO ENHANCE OUR OIL SPILL RESPONSE CAPABILITY.
- ° ONE OF THE MOST ADVANCED OFFSHORE RECOVERY SYSTEMS THAT CAN BE OBTAINED IS THE NORWEGIAN OIL TRAWL - OIL BOOM - TRANSREC (TRANSFER/RECOVERY) SKIMMER SYSTEM. THIS SYSTEM IS CURRENTLY IN USE THROUGHOUT THE NORWEGIAN SECTOR OF THE NORTH SEA.
- ° THESE SYSTEMS WERE PROTOTYPE TESTED BEGINNING IN 1983 TO MEET THE CHALLENGING CONDITIONS OF THE NORTH SEA. TODAY THE NORWEGIAN OPERATOR ALLIANCE (NOFO) HAVE SOME 8,750 METERS OF THE OIL BOOM AVAILABLE AND 14 TRAWL/TRANSREC SKIMMER SYSTEMS LOCATED IN CENTRAL LOCATIONS ALONG THE NORWEGIAN COAST. IN ADDITION, EXXON NORWAY JUST RECEIVED 2 TRANSREC'S.
- ° THE NORWEGIAN OIL TRAWL AND BOOM HAVE BEEN DEVELOPED TO OPERATE IN UP TO 6 METER WAVES AND CONTINUE TO PROVIDE HIGH RECOVERY RESULTS.



### FRAMO/NOFO TRANSREC SYSTEM

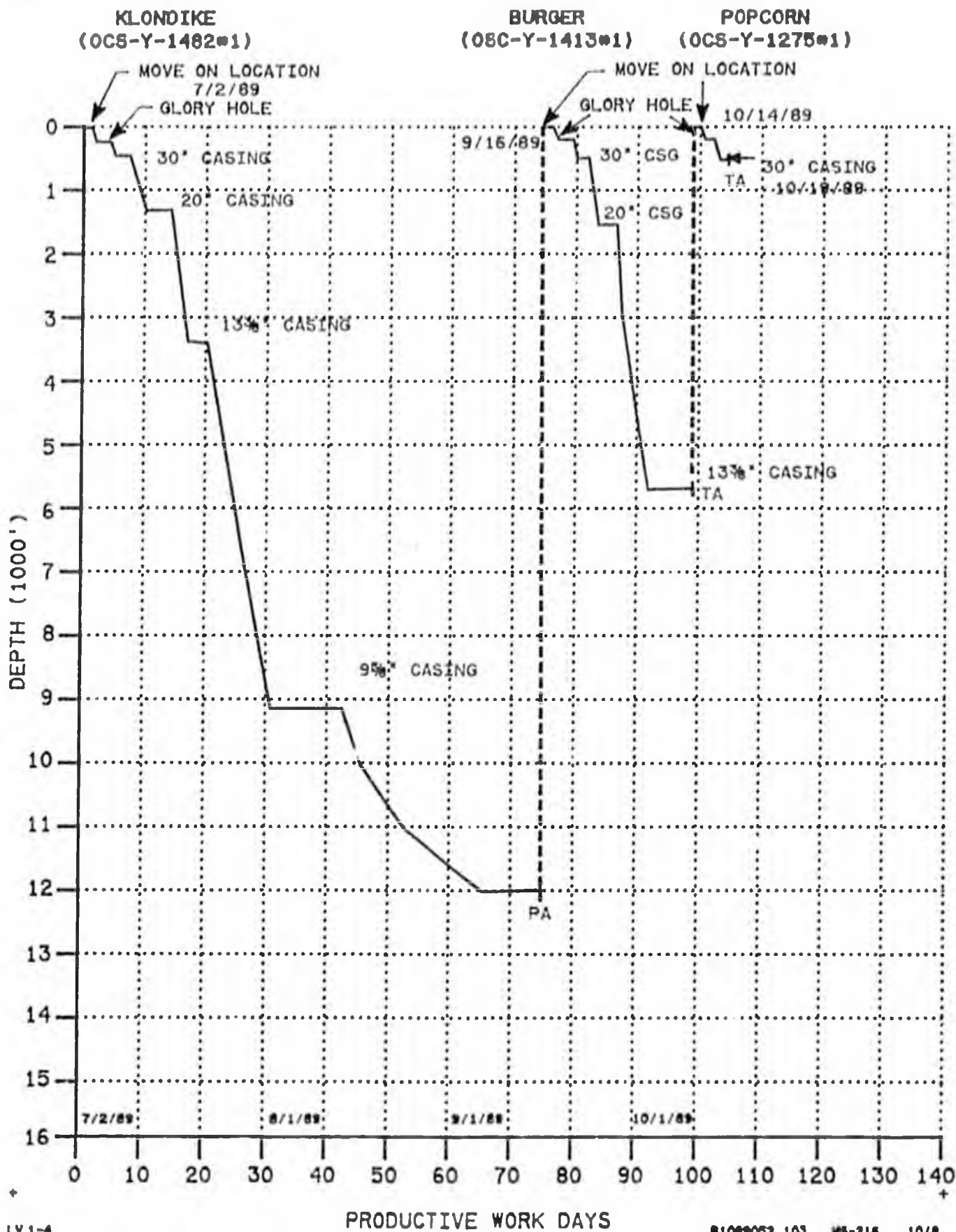
- THIS SKIMMER IS THE STATE OF THE ART EQUIPMENT DESIGNED TO RECOVER OIL AND TRANSFER OIL/WATER EMULSION OF HIGH VISCOSITY. THIS SYSTEM IS USED IN CONJUNCTION WITH THE NORWEGIAN OIL TRAWL AND BOOM.
- THE SKIMMER IS MANUFACTURED BY FRANK MOHN A/S (FRAMO) OF NORWAY.
- IT WAS DEVELOPED IN CLOSE COOPERATION WITH NORWAY'S NORTH SEA OPERATORS CLEAN SEAS ASSOCIATION (NOFO) AND IS THE MAIN OIL SPILL RECOVERY SYSTEM FOR THE NORWEGIAN SECTOR (NOFO HAS 14 SYSTEMS EMPLOYED).
- SWEPI WAS THE FIRST U.S. ORGANIZATION TO OBTAIN THIS EQUIPMENT, A TRANSREC 250 SYSTEM. ALYESKA HAS PURCHASED 2 TRANSREC 350 SYSTEMS SINCE THE VALDEZ SPILL AND HAS 2 MORE ON ORDER. ALASKA CLEAN SEAS AND THE BEAUFORT COOP (CANADA) HAVE PURCHASED 2-250 TRANSRECS. THE USSR HAS RECENTLY ACQUIRED 9 OF THESE SYSTEMS AND HAS PLACED ORDERS FOR AN ADDITIONAL 6. DUE TO NEW REGULATIONS, IT IS ANTICIPATED THAT 25 ADDITIONAL SYSTEMS WILL BE PLACED IN THE BRITISH SECTOR OF THE NORTH SEA.
- A SPECIALLY DESIGNED PUMP HAS MADE THIS RECOVERY SYSTEM CAPABLE OF WORKING WITH DIFFERENT EMULSIONS INCLUDING VISCOUS CRUDES, DEBRIS AND SOLIDS. THE SYSTEM IS REMOTELY OPERATED, AND HAS YIELDED THE BEST RECOVERY RESULTS WITH THE HIGHEST EFFICIENCY OF ANY DESIGN SO FAR TESTED OFFSHORE IN THE NORTH SEA.

# CHUKCHI SEA 1989 DRILLING PROGRAM



# CHUKCHI SEA DRILLING

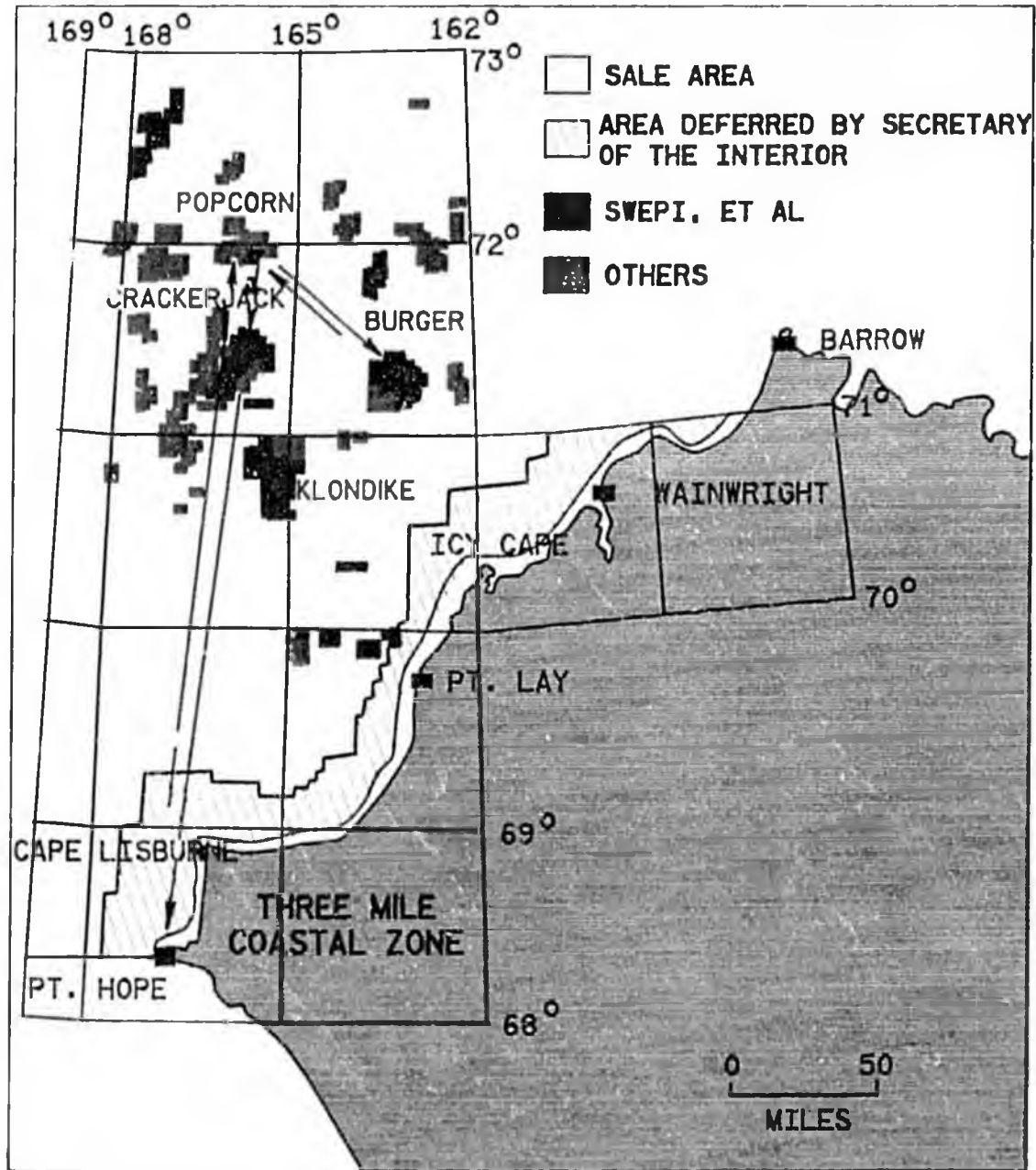
1989 SEASON



OPERATING RESULTS - 1989

- THE TWO FIGURES SUMMARIZE OUR 1989 DRILLING ACTIVITY.
- WE MOBILIZED THE FLEET IN MID-JUNE. AFTER TRAVELING APPROXIMATELY 2,700 MILES, WE MOVED ON PROSPECT KLONDIKE IN EARLY JULY.
- AFTER DRILLING AND EVALUATING THE PROSPECT KLONDIKE WELL TO A TOTAL DEPTH OF SLIGHTLY BELOW 12,000', THE WELL WAS ABANDONED.
- THE FLEET WAS MOVED TO PROSPECT BURGER ON SEPTEMBER 16TH.
- AFTER SETTING 13-3/8" CASING TO A DEPTH SLIGHTLY IN EXCESS OF 5,500' AT BURGER, THE FLEET WAS MOVED TO PROSPECT POPCORN ON OCTOBER 14TH.
- AT POPCORN, A GLORYHOLE WAS DRILLED AND 30" WAS SET TO 550' PRIOR TO BEING DRIVEN OFF BY ICE. THIS WAS ACTUALLY THE ONLY DOWNTIME DUE TO ICE DURING THE ENTIRE '89 SEASON.
- 1989 OPERATIONS ON LOCATION IN THE CHUKCHI WERE SHUT DOWN ON OCTOBER 19TH.
- THE FLEET ARRIVED BACK IN VICTORIA ON NOVEMBER 1ST.

# CHUKCHI SEA 1990 DRILLING PROGRAM



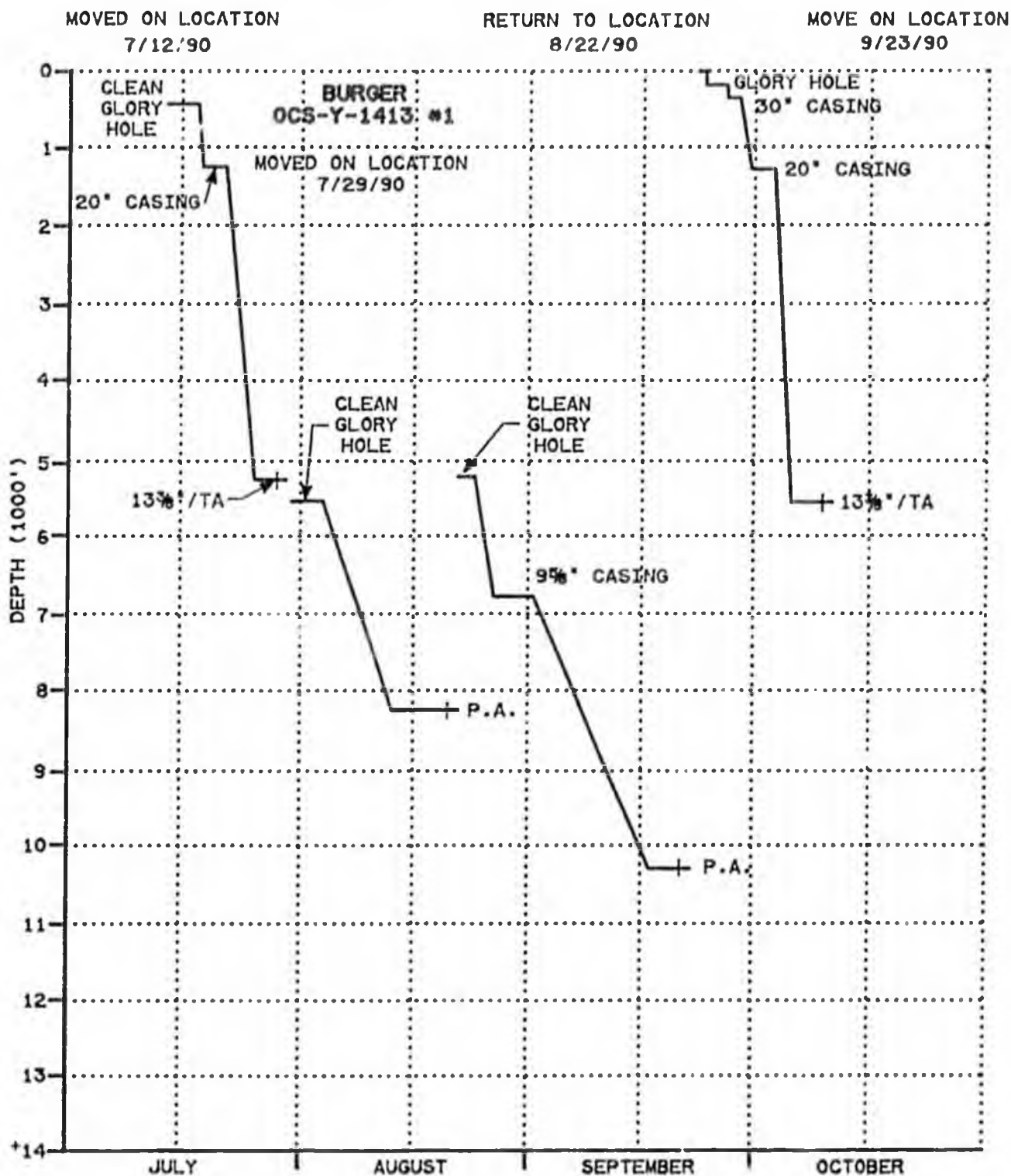
# CHUKCHI SEA DRILLING

## 1990 SEASON

POPCORN  
OCS-Y-1275 #1

POPCORN  
OCS-Y-1275 #1

CRACKERJACK  
OCS-Y-1312 #1



## OPERATING RESULTS - 1990

- THESE TWO FIGURES SUMMARIZE THE 1990 DRILLING ACTIVITY.
- THE FLEET WAS MOBILIZED FROM VICTORIA LATE IN JUNE AND ARRIVED AT THE POPCORN PROSPECT ON JULY 12. ALTHOUGH OUR FIRST TARGET WAS BURGER, ICE CONDITIONS PREVENTED MOVING ONTO THAT SITE.
- BY JULY 29, THE ICE HAD CLEARED BURGER AND THE 13-3/8 CASING HAD BEEN SET AT 5200 FEET AT POPCORN SO THE EXPLORER III WAS MOVED TO BURGER. THE DRILLSHIP COMPLETED DRILLING BURGER FROM 5500 FEET TO 8200 FEET ON AUGUST 22.
- EXPLORER III WAS MOVED BACK TO POPCORN AND COMPLETED THAT WELL AT 10,200 FEET ON SEPTEMBER 22.
- EXPLORER III THEN ANCHORED UP ON CRACKERJACK AND STARTED DRILLING ON SEPTEMBER 23. DRILLING PROCEEDED QUITE RAPIDLY ON CRACKERJACK AND THE 13-3/8 CASING WAS SET AT 5500 FEET ON OCTOBER 11.
- CHUKCHI SEA OPERATIONS WERE TERMINATED ON OCTOBER 11 AND THE DRILLING FLEET BEGAN THE TRANSIT TO VICTORIA, ARRIVING VICTORIA ON OCTOBER 22.

# CHUKCHI SEA DRILLING PROJECT WORK PROGRESS BY YEAR

KLONDIKE

BURGER

POPCORN

CRACKERJACK



1989

1990

UNDRILLED

WELL-WORK

DRILLING PROGRESS 1989/90  
CASING ILLUSTRATION

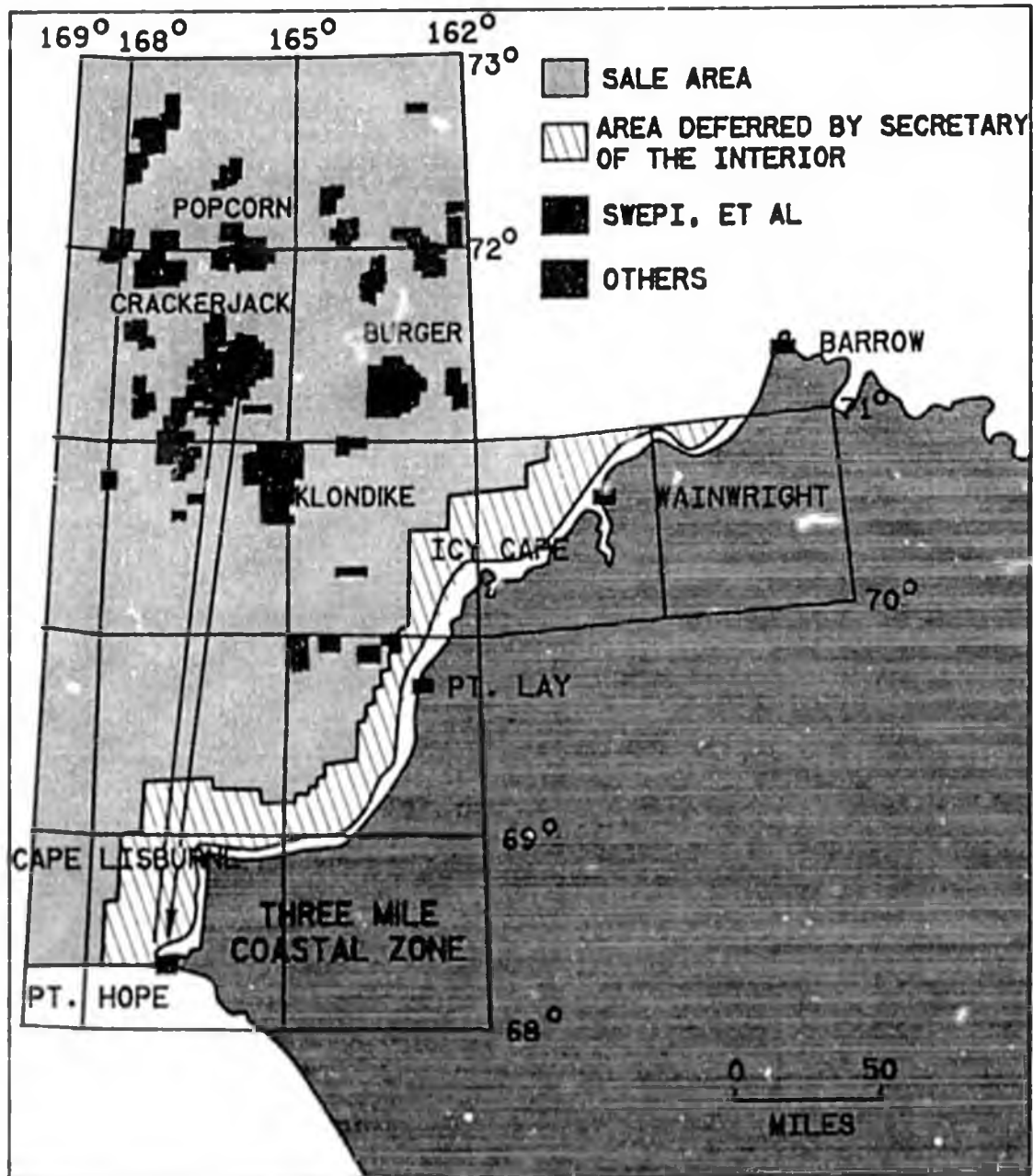
THIS VUGRAPH ILLUSTRATES THE DRILLING PROGRESS MADE EACH YEAR WITH COLOR CODED CASING DIAGRAMS.

A LITTLE OVER 3-1/2 WELLS HAVE BEEN COMPLETED IN TWO YEARS. THIS FAR EXCEEDED OUR EXPECTATIONS AT THE ONSET OF THE PROJECT WHICH WAS TO DRILL ONE WELL PER YEAR.

TWO REASONS ARE PRIMARILY RESPONSIBLE FOR THIS:

- 1) IN GENERAL, THE ICE CONDITIONS HAVE BEEN MUCH BETTER THAN ANTICIPATED.
- 2) DRILLING EFFICIENCY WITH MINIMAL TROUBLE TIME HAS EXCEEDED EXPECTATIONS.

# CHUKCHI SEA 1991 PROPOSED ACTIVITY



1991 PROPOSED ACTIVITY

- THIS FIGURE SUMMARIZES THE PLAN FOR 1991.
- THE MOBILIZATION WILL BE TIMED TO ARRIVE AT THE CRACKERJACK SITE AROUND THE MIDDLE OF JULY WITH THE INITIAL SOLE OBJECTIVE OF FINISHING THE CRACKERJACK WELL TO 11,000 FEET.
- ADDITIONAL USAGE OF THE FLEET AFTER COMPLETION OF CRACKERJACK WILL DEPEND ON GEOLOGIC REVIEW OF DATA OBTAINED FROM PREVIOUSLY DRILLED PROSPECTS.

# MARINE MAMMAL ISSUES

## WHALES / SEALS

- INCIDENTAL TAKE RULING
- LETTER OF AUTHORIZATION

## POLAR BEAR / WALRUS

- TRUSTEES OF ALASKA VS. DOI AND SWEPI
- INCIDENTAL TAKE RULING
- SCIENTIFIC PERMIT

## MARINE MAMMAL ISSUES

### WHALES/SEALS

- ADMINISTERED BY THE NATIONAL MARINE FISHERIES SERVICE (NMFS).
- REGULATIONS FOR THE NON-LETHAL TAKING OF WHALES AND SEALS BECAME EFFECTIVE IN AUGUST 1990 FOR A PERIOD OF 5 YEARS. SWEPI APPLIED FOR AND RECEIVED A LETTER OF AUTHORIZATION TO OPERATE UNDER THESE REGULATIONS IN 1990.
- INDUSTRY AND THE ALASKA ESKIMO WHALING COMMISSION (AEWC) HAVE AGREED ON SOME AMENDMENTS TO THE REGULATIONS AND HAVE JOINTLY FILED A PETITION WITH NMFS TO AMEND (11/26/90). THESE AMENDMENTS MERELY CLARIFY THE ANTICIPATED AMOUNT OF OPERATIONAL ACTIVITY. IN RETURN THE AEWC HAS AGREED NOT TO CHALLENGE THE AMENDED RULES NOR TO PRESS FOR A DRILLING MORATORIUM.
- SWEPI WILL APPLY FOR A RENEWAL OF ITS LETTER OF AUTHORIZATION AT LEAST 90 DAYS PRIOR TO ITS 1991 OPERATIONS.

### POLAR BEAR/WALRUS

- ADMINISTERED BY THE FISH AND WILDLIFE SERVICE (FWS).

## POLAR BEAR/WALRUS

- TRUSTEES OF ALASKA VS. DOI AND SWEPI - IN 1990, THE TRUSTEES OF ALASKA REQUESTED THE DOI TO REVISE OR SUSPEND SWEPI'S CHUKCHI EXPLORATION PLAN BECAUSE OF THEIR CLAIM OF SWEPI'S UNLAWFUL TAKES OF WALRUSES DURING 1989 OPERATIONS IN THE CHUKCHI SEA. THE REQUEST WAS DENIED. THE TRUSTEES FILED SUIT APPEALING THE DECISION OF THE DIRECTOR OF THE MMS DENYING TRUSTEES' REQUEST. THIS SUIT HAS BEEN REMANDED TO THE U. S. DISTRICT COURT IN ANCHORAGE BY THE NINTH CIRCUIT COURT OF APPEALS.
- RULE MAKING -- SWEPI FILED A PETITION FOR RULE MAKING WITH FWS ON MARCH 30, 1990 TO PERMIT THE INCIDENTAL TAKE OF WALRUSES AND POLAR BEARS ASSOCIATED WITH ITS EXPLORATORY OPERATIONS IN THE CHUKCHI SEA.
- SWEPI ANTICIPATES THAT A PROPOSED RULE WILL BE PUBLISHED BY FWS IN EARLY 1991.
- A FINAL RULE IS EXPECTED FROM FWS PRIOR TO SWEPI'S 1991 OPERATIONS. A LETTER OF AUTHORIZATION WILL ALSO BE REQUIRED, BUT CANNOT BE OBTAINED PRIOR TO THE ISSUANCE OF A FINAL RULE.
- SCIENTIFIC PERMIT FOR INCIDENTAL TAKES - EBASCO OBTAINED A SCIENTIFIC PERMIT FOR INCIDENTAL TAKES RELATIVE TO THEIR MONITORING PROGRAM STUDIES CONDUCTED IN 1989-90. THIS PERMIT EXPIRED IN 1990. THIS PERMIT WILL BE RENEWED BY EBASCO TO COVER A CONTINUATION OF OUR MONITORING PROGRAM ACTIVITIES IN 1991.

5/2/91

AMENDMENT 1

by MacLean

IN THE HOUSE  
TO: CS HJR 36 (O&G)

page 3, line 4: after "conducted"

insert

"before further oil and gas exploration and development activities take place in the Beaufort and Chukchi seas"

Discussion

Industry has promised for more than a decade that it would adequately respond to an Arctic oil spill. It is obvious that without development of new technologies this is impossible. Only by encouraging the industry to move forward with an aggressive research and development program and providing a meaningful incentive to undertake such an effort by withholding these sales (ie., the Beaufort and Chukchi seas) will the situation ever improve.

## AMENDMENT 2

by MacLean

IN THE HOUSE  
TO: CS HJR 36 (O&G)

page 1, line 8: after "that"

delete

"the coastal plain of the Arctic National Wildlife  
Refuge contains"

page 1, line 9: after "reserves"

Insert

"exist onshore"

# ALASKA STATE LEGISLATURE



Representative Eileen Panigeo MacLean  
Co-Chair House Finance Committee  
P.O. Box 830  
Barrow, Alaska 99723

WHILE IN JUNEAU  
Box V  
Juneau, Alaska 99811  
465-4525  
465-4833

## HOUSE OF REPRESENTATIVES

District 22

North Slope  
Borough

Anaktuvuk Pass  
Atkasuk  
Barrow  
Kaktovik  
Nuiqsut  
Point Hope  
Point Lay  
Wainwright

Northwest Arctic  
Borough

Ambler  
Buckland  
Deering  
Kiana  
Kivalina  
Kobuk  
Kotzebue  
Noatak  
Noorvik  
Selawik  
Shungnak

### MEMORANDUM

DATE: 5/2/91

TO: Members of the House Resources Committee

FROM: Representative Eileen P. MacLean *Eileen Panigeo MacLean*

SUBJ: HJR 36

The purpose of HJR 36 is to send a message to the U.S. Congress that the Alaska State Legislature is concerned about offshore oil exploration, development, and tanker transportation activities in the Arctic waters of the Beaufort and Chukchi seas. The resolution encourages onshore oil development before such activity offshore is considered.

The Department of Interior expects to lease forty million acres of the Beaufort and Chukchi waters as early as the summer of 1991. The Interior's interest in these waters may be at least partly the result of having little new offshore land to lease for oil development. Last year, President Bush put vast tracks off the coasts of California, Florida, New England, and the Northwest off-limits to further leasing for up to 10 years.

The Cook Inlet and Prince William Sound spills evidence the oil industry's lack of capability to effectively respond to and clean-up an oil spill in warmer, ice-free waters. In the Arctic such industrial activity becomes even more precarious because of the extreme environmental conditions. Harsh storms occur without warning and the waters are frozen over for a good part of the year.

The findings of the Alaska Oil Spill Commission, the Arctic Research Commission, and the Mineral Management Service itself have determined that there exists no effective oil spill response options for remote arctic waters. There are few methods except burning to recover oil from the sea.

As part of the 1990 Oil Pollution Act, Congress acknowledged that there is not sufficient data available on offshore industrial activity and directed the Secretary of the Interior to develop an extensive report on a variety of issues relating to the impact of potential oil spills and seismic activity in the Arctic ocean, with particular attention to Native concerns. This report is expected to be released in May of 1991. Nevertheless, the lease sales are proceeding without review of the report's findings.

In addition, the resolution states support for further oil and gas development onshore given that the oil industry is more capable of responding to, containing, or cleaning up a significant spill on land than in the ocean. Onshore development at Prudhoe Bay has demonstrated no significant impact on wildlife. In the event of a spill, material is concentrated on a section of the tundra, more easily manageable than in the ocean, where rapid wave action serves to spread the oil uncontrollably over a wider area.

Included in member's packets, there are several letters/resolutions of support from various organizations in my district, along with comments made by Minerals Management Service and the state administration on lease sale 124, scheduled for June 1991. Additionally, a copy of the outline for the report mandated by Congress is included for review.

I thank the committee members for their support.

RES

CS FOR HOUSE JOINT RESOLUTION NO. 36 (O&G)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Offered: 4/29/91

Referred: Resources

Sponsor(s): REPRESENTATIVES MACLEAN, Hudson, Jacko, Koponen, Donley, Finkelstein, Brown, Ivan, Kubina, Ulmer

A RESOLUTION

1 Relating to off-shore oil exploration, development, and tanker transportation activities in  
2 the Beaufort and Chukchi seas.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 WHEREAS the state supports the prudent and orderly development of the state's oil and gas  
5 reserves in an environmentally sound manner; and

6 WHEREAS the state has been responsive to the nation's need to decrease its dependence on  
7 foreign oil; and

8 WHEREAS there is a high probability that <sup>the</sup> coastal plain of the Arctic National Wildlife  
9 Refuge contains <sup>economically recoverable oil reserves, and</sup> <sup>exist onshore</sup>

10 WHEREAS the oil industry has demonstrated that properly regulated onshore oil and gas  
11 exploration, development, and transportation can occur in an environmentally sound manner; and

12 WHEREAS, following an expedited environmental assessment by the Outer Continental Shelf  
13 Task Force, the President announced in June 1990 the closure until the year 2000 of large outer  
14 continental shelf tracts off the coasts of California, Florida, New England, and the Northwest to oil and  
15 gas leasing and activities; and

16 WHEREAS the Outer Continental Shelf Task Force has not yet been asked by the President to

1 complete a similar environmental assessment for off-shore areas totalling some 40,000,000 acres in the  
2 Beaufort and Chukchi seas, which are scheduled for leasing by the federal government in 1991; and

3       WHEREAS Alaskan water, particularly arctic water, deserves the same, if not higher, scrutiny  
4 regarding the wisdom and environmental safety of oil and gas activities as was given to water offshore  
5 of the contiguous states; and

6       WHEREAS the Beaufort and Chukchi seas are among the world's most dynamic and relatively  
7 unspoiled wildlife habitats, containing critical feeding and breeding grounds, rest and brooding areas,  
8 and migratory corridors where a wide variety of marine mammal, bird, and fish species concentrate; and

9       WHEREAS the Inupiat people largely derive their nutritional needs and cultural identity through  
10 the traditional harvest of marine species, particularly the endangered bowhead whale and other marine  
11 mammals; and

12       WHEREAS the Chukchi and Beaufort seas are characterized by extreme weather conditions,  
13 including prolonged ice cover and darkness, frigid temperatures, high winds and waves, and low  
14 visibility; and

15       WHEREAS the Alaska Oil Spill Commission, the Arctic Research Commission, and the Minerals  
16 Management Service have each acknowledged that effective oil spill response options under certain arctic  
17 conditions for remote arctic waters remains undemonstrated; and

18       WHEREAS the Oil Pollution Act of 1990, P.L. 101-380, 104 Stat. 484, directed the Secretary  
19 of the Interior, in consultation with the Governor of Alaska, to prepare an extensive report on a variety  
20 of issues relating to offshore oil spill contingency planning in the Arctic, including compilations of  
21 known data relating to potentially affected wildlife resources; existing drilling and spill response  
22 technology; past, present, and proposed exploratory operations; and, specifically, Native Alaskan  
23 concerns; and

24       WHEREAS initial scientific data indicates that marine mammals and birds in the Arctic react  
25 to industrial noises, including noise from drilling, icebreaker, seismic activities, aircraft overflights and  
26 other vessel disturbances;

27       BE IT RESOLVED that the Alaska State Legislature believes that the oil industry has yet to  
28 conclusively demonstrate the ability to adequately respond to, contain, or clean up a significant oil spill  
29 in arctic water under commonly occurring environmental conditions; and be it

30       FURTHER RESOLVED that the Alaska State Legislature believes that lease sales in the  
31 Beaufort and Chukchi seas must be approached in an extremely cautious way with complete participation  
32 by the people residing in the affected areas who are the most knowledgeable about arctic conditions; and

1 be it

2           **FURTHER RESOLVED** that the Alaska Legislature believes that the report mandated by the  
3 Congress in the Oil Pollution Act of 1990 should be reviewed and an environmental assessment of off-  
4 shore industrial operations in the Arctic be conducted; and be it **Insert Am # 1**

5           **FURTHER RESOLVED** that the Alaska State Legislature believes that more research is needed,  
6 and urges industry to continue to undertake that research, focusing on the unique and unpredictable  
7 conditions found in the Arctic, in terms of oil spill contingency plans and the effect of exploration and  
8 development in general as well as specific research to determine the effect of industrial noise on marine  
9 mammals and especially on the bowhead whale.

10           **COPIES** of this resolution shall be sent to the Honorable George Bush, President of the United  
11 States; to the Honorable Dan Quayle, Vice-President of the United States and President of the U.S.  
12 Senate; to the Honorable Robert C. Byrd, President Pro Tempore of the U. S. Senate; to the Honorable  
13 George J. Mitchell, Majority Leader of the U. S. Senate; to the Honorable Thomas S. Foley, Speaker  
14 of the U.S. House of Representatives; to the Honorable Manuel Lujan, Jr., Secretary of the Interior; to  
15 Barry Williamson, Director of the Minerals Management Service; and to the Honorable Ted Stevens and  
16 the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,  
17 members of the Alaska delegation in Congress.

NORTH SLOPE BOROUGH TESTIMONY ON HRJ 36  
HOUSE SPECIAL COMMITTEE ON OIL AND GAS  
APRIL 15, 1991

The issues dealt with in HJR 36 can quickly become very complicated if you let them. Inconsistencies in the administration and interpretation of local, state and federal laws by state and local agencies has made the reviews of offshore lease sales, exploration and oil spill contingency plans, and related matters far more complex than they need have been. In the process, the views and concerns of Alaska's northern coastal residents have been obscured by scientific, legalistic, and economic debates which have failed to produce more than paper assurances that industrial operations can be conducted offshore in the Arctic without risking significant harm to the marine environment and the Inupiat Eskimo culture. Simple, critical questions have remained unanswered as the interest in offshore exploration in arctic waters has intensified in recent years. This resolution sponsored by Representative MacLean and others does nothing more than demand that the State of Alaska better investigate and understand the risks of these activities before continuing to support them. Every statement in the resolution is true, and to the extent that negative statements can be proven, each can be substantiated by the scientific and anecdotal records.

If you objectively examine the available data on arctic wildlife resources, the dependence on them among our Native residents, the lack of definitive data regarding the impacts of noise and oil on subsistence resources, the harsh realities of the arctic environment, and the limitations of oil spill response options in the Arctic, we believe that you will find our concerns and recommendations reasonable.

**Testimony on HJR 36**

Robert R. Griffeth

Senior Consultant, Environmental Affairs-Offshore

ARCO Alaska, Inc.

April 26, 1991

My name is Bob Griffeth. I am a member of the Environmental Sciences Department staff at ARCO Alaska, Inc. Thank you for this opportunity to offer some commentary on HJR 36.

Among the duties I perform in my assignment with ARCO are organizing and presenting the environmental orientation programs associated with exploratory drilling projects; overseeing the marine mammals scientific and monitoring programs for offshore exploratory operations; coordinating and maintaining cooperative programs with North Slope Inupiat villages; and serving as principal liaison with North Slope villages oil spill response teams.

Much of the testimony and discussion focusing on House Joint Resolution 36, which this committee is considering, directly touches areas of my professional activities. Therefore, I would like to take this opportunity to comment on three particularly relevant areas: (1) The recent history of cooperative programs between offshore oil and gas industry operators and North Slope Native communities. (2) The design and results of marine mammals science and monitoring programs. And (3) the village oil spill response teams which serve as observers, advisers, and participants for industry's offshore oil spill contingency planning and response preparedness.

Since the earliest days of petroleum exploration and development on the North Slope, industry has recognized both the advisability and desirability of fostering programs of mutual benefit to itself and to the resident Inupiat communities. In the early years, these efforts were primarily directed to training and employment opportunities. Such programs remain strong and active today. In other instances the basis for cooperation keys off of joint business ventures between industry and the Native regional and village corporations. Here again, joint venture programs continue to be an essential and vital feature of industry-local resident relations.

In more recent times, the overriding concerns of the area have come to be offshore oil exploration activities that are viewed by some as potentially harmful to marine mammal subsistence resources or in conflict with Native subsistence pursuits. The bowhead whale hunt has been the focal point of this concern for North Slope residents and industry operators alike since both parties are, at times, environmentally constrained to simultaneously operate during the open water conditions when the annual fall whale migration through the Beaufort Sea occurs.

For the past five years, a Cooperative Program for the Beaufort Sea (commonly referred to as the Oil/Whalers Agreement) has been in effect between the Alaska Eskimo Whaling Commission, the whaling captains' associations of Nuiqsut and Kaktovik (which, along with Barrow, constitute the only Beaufort whaling villages) and industry. Prior to the open water season, whaling captains and industry representatives meet to work out a communications system between the parties that prevents use conflicts

between active whaling crews and industry operations. This cooperative effort has succeeded. It has also produced additional benefits to both parties. Industry has been allowed to proceed with exploratory activity and in the process has become very familiar with, and keenly sensitive to, both the practical and cultural dimensions of the Inupiat subsistence hunt. Safety assistance has also been provided to whaling crews in distress on certain occasions. Most of all, the focus on whaling and the fall bowhead migration has created a situation in which industry has proved itself both willing and able to work cooperatively with the Native subsistence communities on what is chief among their concerns about offshore exploration.

While this example touches on the experience gained from cooperative efforts between industry and Inupiat whalers from the Beaufort Sea communities; other efforts have involved environmental projects, archaeological and cultural matters, and local community activities. Without question, however, our highest mutual priority continues to be gaining a better understanding of the dynamics of the offshore arctic environment and scientific and monitoring studies of marine mammals there.

ARCO, and other industry offshore operators, have recognized that the local expertise and deep knowledge possessed by subsistence hunters absolutely must be incorporated in any study or monitoring programs. Effectively, this is done in two ways. First, by consulting with both whaling captains' associations and the North Slope Borough's Department of Wildlife Management in the design and scientific assessment of results of studies. Second, by including experienced Inupiat monitors in the actual field work associated with the studies. This approach has vastly enriched the quality