

COOK INLET REGIONAL CITIZENS ADVISORY COUNCIL

Representing the citizens of Cook Inlet in promoting environmentally safe marine transportation and oil facility operations in Cook Inlet.

October 2016 Board of Directors Update

CIRCAC's Board of Directors held its September 9th meeting in the beautiful coastal community of Seldovia. We are grateful to Seldovia Village Tribe President and CEO Crystal Collier and Seldovia City Manager Tod Larson for their hospitality, warm welcome and attendance. Among the agenda items were updates from industry and regulators and an informational briefing on fracking regulations from the Alaska Oil and Gas Conservation Commission (AOGCC). In 2013, CIRCAC went on record and submitted [comments](#) on the AOGCC's proposed changes to fracking regulations.

Fracking--AOGCC Commissioners Cathy Foerster and Hollis French briefed the board on fracking, or fracturing, which is a method used for increasing oil and gas production by injecting liquid under high pressure into the oil and gas formations. Hydraulic fracking was first done at the North Slope in 1963 and in Cook Inlet in 1965. In Alaska, almost 1900 wells, or 25%, have been fracked; 166 in Cook Inlet. AOGCC, EPA ADEC and the Alaska Department of Natural Resources (DNR) provide regulatory oversight. Problems can occur during fracking, both during normal activities and when fracking is not done properly. Fracking operations use a significant amount of fresh water that has the potential to place strains on water supplies. Seismic activity is associated with fracking operations, typically with the disposal of the produced fluids, an issue which was evaluated by University of Alaska researchers who concluded that Alaska's geology doesn't lend itself to the seismic vulnerability of other states. The North Slope, where the greatest volumes of fluid have been injected, is Alaska's least active seismically. In 50 years, Alaska has not had a single documented incidence of damage to an underground subsurface water source.

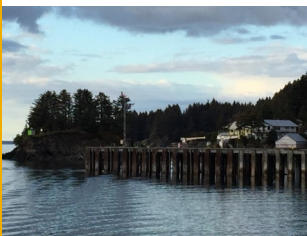
The Board also asked BlueCrest Energy for an update on the Cosmopolitan site—which will involve fracking—and Hilcorp Alaska, LLC on the Drift River Oil Terminal spills and their response.

Cosmopolitan--Randy Frazier reported that BlueCrest Energy is currently assembling the drilling rig and hopes to initiate drilling in October/November of this year. Fracking will most likely begin during the second quarter of 2017. Once the facilities are built, they anticipate initial production of 100-200 barrels of oil a day. BlueCrest will eventually drill 16 to 20 wells using

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Scenes from Seldovia
(CIRCAC)

directional drilling from an onshore site, which is north of Anchor Point. Concerns were raised and acknowledged about increased traffic due to the high number of trucks on the road. CIRCAC has requested a tour of the facility.

Drift River Oil Terminal--CIRCAC has been advocating increased scrutiny at the Drift River Oil Terminal facility and has been critical both of Hilcorp's and ADEC's response to the recent spills. Graham Wood and Kristin Ryan from the Alaska Department of Environmental Conservation (ADEC) said the crude oil spill was caused by over pressurization of the 20-inch fill line while emptying two tanks in preparation for internal inspection. ADEC is in the process of remediating the site. The spill is currently under investigation. CIRCAC has requested ADEC to initiate more unannounced drills and communicate more frequently with the citizens' organization. CIRCAC is also concerned about the significant reduction in manpower and remote monitoring operations at Drift River and has requested an audit to ensure that major functions are being adequately supervised and that there be an increase in regulatory oversight to ensure safe operations.

Lori Nelson and Glenn Faulkner with Hilcorp Alaska LLC shared schematics of Drift River Oil Terminal and explained the sequence of events that led up to the spills. Hilcorp is attributing the spills to human error, but noted that they had not yet gotten to the end of the discovery phase. The Board discussed future plans and alternatives, including restating their support of a subsea pipeline to eliminate oil storage at Drift River. Hilcorp acknowledged they are considering that option.

Fieldwork—In April and May, CIRCAC's Director of Science and Research, Susan Saupe, conducted scientific field research at the Barren Islands, Alaska Peninsula, Chirikof and Semidi Islands. Ms. Saupe flew as biologist onboard the ShoreZone surveys for the Barren Islands and was Chief Scientist for shore surveys for two tide series in May. ShoreZone aerial surveys were conducted by Coastal and Oceans Resources, Inc. along the Barren Islands (April), and the Alaska Peninsula, Chirikof and Semidi Islands (May) and funded by BOEM in light of the proposed lease sale in the Upper Inlet. CIRCAC funded the beach surveys because these shorelines lie within our areas of concern as shown by drifter buoys work which tracked the potential downstream paths of oil from the Upper Inlet through Shelikof Strait. The aerial survey habitat data and imagery will make these very remote regions more accessible for responders.

The vessel-based beach survey teams sampled stations along the Alaska Peninsula and the Semidi and Sutwik Islands. They collected detailed algae and invertebrate species lists, as well as quantitative data and voucher specimens. The team also conducted Geographic Response Strategies (GRS) surveys along an area of the Alaska Peninsula where none of the GRS had previously been evaluated on-site. This was done by Mark Janes of Nuka Research and Dr. Tahzay Jones of the NPS, and their recommendations include dropping one that could not be realistically accessed, and adding several others, such as in Amber Bay in Aniakchak National Park. The team also collected sediment samples to archive and hopefully analyze for hydrocarbons when funding becomes available. The EMC is supporting a project to redesign and reserve the ShoreZone shore station database over the winter.

The Board also heard from Angie Doroff, Kachemak Bay National Estuarine Research Reserve, about ongoing and new projects, including an oceanographic study, which is monitoring temperature, salinity, and other oceanographic measurements throughout the water column at various transects at major Cook Inlet boundaries. Tim Robertson, Nuka Research, updated the board on the Cook Inlet Harbor Safety Committee. The Committee next meets on October 28, at the BP Energy Center in Anchorage. Mark Janes briefed the board about the Seldovia Oil Spill Response Team, a unique organization which has, over the past 26 years, conducted more than 35 responses including the most recent *Thors Hammer* spill and Jakalof Bay float fire in 2015.

Staff reports and presentations are available online.