

GREATER MOOSES TOOTH UNIT 1
SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT
PUBLIC PARTICIPATION/ ANILCA §810 Hearing
Fairbanks, Alaska
March 19, 2014

ATTENDEES

Jewel Bennett, US Fish & Wildlife Service (USFWS)
Ben Cotter, Office of Senator Murkowski
Bud Cribley, Bureau of Land Management (BLM)
Erin Donmoyer, SLR
Stacey Fritz, BLM Subsistence Specialist
John Hopson, Jr., Arctic Slope Regional Corporation (ASRC)
Alan Hoza, Alaska West Express
Anton Johansen
Lon Kelly, BLM Arctic Field Office Manager / Authorized Officer
Charles Korakag (sp), CAPI
Pamela A. Miller, Northern Alaska Environmental Center
Isaac Nukapigak, President Kuukpik Corporation
Joe Nukapigak, Kuukpik Corporation
John O'Brien
Lisa Pekich, ConocoPhillips
Laura Perry, ConocoPhillips
Bridget Psarianos, BLM, GMT1 Planner
Robert Ragar
Louise Smith, USFWS
Althea St. Martin, Office of Senator Murkowski
Miranda Studstill, Accu-Type Depositions
Serena Sweet, BLM
Michelle Turner, SLR
Unidentified Speaker
Unidentified Speaker

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Darcie Warden, Alaska Wilderness League
Valerie Webb, PDC
Frank Williams
Dave Yokel, BLM Wildlife Biologist

CALL TO ORDER

The meeting was called to order at 6:00 p.m.

INVOCATION

No invocation was given.

INTRODUCTIONS/ ROLL CALL

Participants introduced themselves and stated their affiliation, if any.

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Mr. Ragar gave his comment during the open house at 4:25 p.m. because he was not available to stay for the designated comment period after the presentation.

MR. RAGAR: Okay, my name is Robert Ragar and I'd like to weigh in and support ConocoPhillips' business plans to continue to build their drilling program in the Greater Mooses Tooth area on the Slope. This is -- they've already, from what I understand, have already invested great amounts of money and the studies for impacts have already been done and

I think the importance of the oil production is very beneficial to everyone involved, including the residents on the Slope and throughout the state. So I support it and hope that the business conducts positively that allows it to continue. That's it.

UNIDENTIFIED SPEAKER: Thank you.

A presentation on the draft Supplemental Environmental Impact Statement was given. Public comments followed.

MS. MILLER: Hello, my name is Pamela A. Miller and I'm here representing the Northern Alaska Environmental Center today. Our Fairbanks -- Fairbanks-based organization has long advocated for the special areas of the National Petroleum Reserve Alaska from the Colville River, Teshekpuk Lake and Utukok River uplands to Peard Bay and Kasegaluk Lagoon.

About a year ago, BLM completed the first area wide plan for the NPR-A. Teshekpuk Lake wetlands, which are so internationally important to nesting and molting birds and provide vital caribou habitat finally got the protection this area deserves. Teshekpuk and Utukok River Uplands special areas have been allocated with the vast majority of it, no leasing

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and with key parts unavailable for oil and gas infrastructure. We're very pleased about the completion of that plan and believe that it sets us in a good way forward (sic).

Today, we're focused on a project in the eastern-most region of the reserve that is within the 11.8 million acres of the reserve available for oil and gas leasing. This project would be the first oil production site and permanent road within the federal lands of the NPR-A.

The Northern Center wishes to see that the impacts at this new development project be reduced to the greatest extent possible. We are glad to see that this EIS has considered Alternatives B and D -- B, C, and D, and that they have been -- are being evaluated as possible approaches to reduce impacts.

However, my preliminary analysis of the EIS shows that some additional steps to reduce impacts should be considered and incorporated into the alternative that is selected, as well additional analysis in some areas is warranted.

I am concerned that the development plan for this project along Fish Creek as laid out in Alternative A is business as usual for the North Slope.

It is incremental development that does not set a significantly high bar to protect the environment or subsistence resources and we have seen elsewhere, Kuparuk to Prudhoe Bay (sic).

We look forward to additional review as this piecemeal road development moves forward. This project isn't road-less. It's not involving development just in the winter, and the amount of aircraft use is substantial.

We hear quite a bit about ways to reduce oil and gas development and many of those approaches appear to fall flat and maybe they aren't realistic when you consider the reality of what oil and gas development may entail.

We are most concerned that a sensible road-less alternative has not been evaluated and perhaps more importantly, that seasonal production drilling is not addressed by any of the alternatives.

Furthermore, the analysis of aircraft and ground traffic is insufficient to completely compare the impacts of each alternative. I was looking for a specific chart of the amount of ground travel requirements, such as; truck traffic, construction, loads of gravel, exactly when it would take place, and things like that, I could not find that, and the development, drilling waste

hauling, crew travel, all those things of ground traffic should be evaluated for their impacts.

I find it interesting that the proposed Alternative A, the project, involves more than double the number of aircraft flights in the summer than during the winter, even though that alternative has connecting roads. The proposed project, Alternative A, is projected to involved 3,688 flights in 2016, including the baseline, which I presume is the existing Alpine operations.

There are also flight estimates for 2017 and '18, but not for '19, except for Alternative D, and it does not take into account flights in the future years when there will potentially be additional development from the next construction project down the road for further development (sic).

MR. KELLY: You have about 30 seconds.

MS. MILLER: Okay.

MR. KELLY: But we'll give you more...

MS. MILLER: I will note that for Alternative D, it seems like the analysis of the impacts of aircraft is flawed because looking at the charts, it has twice as many helicopter flights for special studies, hydrology and

biological studies, than for all of the other alternatives. I don't understand why more of those special studies would be needed. Perhaps the chart was filled in incorrectly, but it doesn't show substantially greater flights for the operations that would be needed.

I'll just note that I am concerned about the risks of roads versus aircraft and this technical information is extremely important. We heard about the increase in flights in the Reserve as a whole from 410 in 2008 to 3,069 in 200 -- 2013, with an average of 1,800 per year. It's unclear, because of the way that analysis was presented, how many of those flights were involved in the Alpine area.

With my last time, I will note that cumulative impacts for the -- there's no amount of any of the future projects in this EIS that I could find in my preliminary review, whether it be GMT2, which has been on the table since 2002, the potential Fjord West Site that has been talked about for quite a long time, much less the entire Greater Mooses Tooth Unit and the Bear Tooth Unit. A map is really critical for assessing the potential impacts to caribou, birds and other factors.

Furthermore, the scientific studies will they be continuing with the

potential offshore pipeline and that kind of analysis? Some, I guess, as based on the trend from what we saw in the last few years, would be very helpful for evaluating the combined impacts.

Finally, an issue that I'm not seeing in the plan at all is addressing flaring and how this new production may affect flaring levels at the production site. It's -- I think it's my understanding that this is just initial separation at the GMT1 and the actual production will be at Alpine, but I know in the initial Alpine oil field operations, they had more flaring releases than all the other oil fields on the whole North Slope combined in that year and I would expect in the new operations that there will be increased flaring and whether flaring was considered at all in the air emissions modeling, I didn't see the word mentioned or it as a source.

So that is a huge impact, potentially, and a concern that I've heard for over a decade from the community and an interest of mine because it does involve a tremendous number of chemicals and sources of pollution that ultimately may end up in the atmosphere.

So I'll end there for now. We look forward to future contributions to a hard look at how the field will be developed and really expect some -- a

little bit better scientific information about all of the traffic and how it will play through time and take a hard look at those charts. They don't seem to be quite right.

MR. KELLY: Thanks, Pam.

MS. PSARIANOS: Thank you.

MS. MILLER: Thank you for the opportunity to comment.

MR. KELLY: So I think the new normal will be nine minutes.

MS. MILLER: Thank you for the time.

MR. HOPSON: Closer to your mic.

MS. STUDSTILL: Thank you.

MR. HOPSON: For the record, my name is John Hopson, Jr. I am the Land Resource Specialist for Arctic Slope Regional Corporation. ASRC is currently reviewing the GMT1 SEIS, as well as participating in the public process.

We feel the SEIS is flawed because the document does not clearly identify the primary purpose of the development to this developed ASRC material -- minerals. While we acknowledge that the surface location is on federal land and the lease is on -- is in Alaska Native minerals that will be

divvied up, the only real description of this figure is 1.1-1, in the figure. In fact, ASRC owns more than 90% of the surface that will be developed through the GMT1 project.

In Section 4.4-2 Economy, the SEIS does not even mention the royalty revenue to ASRC as a primary economic effect, while it does state that there will be increased revenues to the state, the North Slope Borough, the City of Nuiqsut, resulting from shared royalties, state corporate income taxes, property tax, bed taxes and other fees.

While the SEIS is -- on page 297, does describe ASRC minerals will be developed through the horizontal drilling, there's no description of the economic and revenue impact to ASRC resulting from the project. In the next paragraph, the SEIS does state the estimated royalties from GMT1 would amount to over 2.9 million of (sic) the life of the project. It does not state who those royalties would be paid to. We, ASRC, have to assume that \$2.9 million would be paid to BLM and that does not include the entire royalty system stream.

On page 298, Table 4.4-1, the BLM uses the project production for GMT1 that was in the 2004 Alpine satellite EIS. Using these production

figures with the price information on the SEIS, the total estimated royalty to ASRC from GMT1 would be \$950 million. At this point, ASRC cannot say that these numbers are correct. However, by using the information that is provided in the SEIS, this is the revenue to ASRC, assuming we own 90% of the revenue.

As presented in the SEIS, to receive a total royalty of 2.9 million would mean that BLM owns less than .3% of GMT1 resource by their own calculation. Not identifying ASRC's potential royalty and revenue, it is very misleading and irresponsible of BLM in the economy section of the SEIS. It not only diminishes ASRC's interest in the project, but it also diminishes the ANCSA corporation's interest in the ASRC shares, 70% of our resource revenue to other regional corporation, who then share 50% of their received to the villages within their region.

This project has -- has a big economic impact on all Alaskan Natives. It is through development like GMT1 and the revenue of ASRC - - received through the royalty ownership, that keeps its dividend policy strong. GMT1 is an essential project to maintain North Slope production and the economic benefit that it brings to the North Slope Borough through

its tax base -- tax base and supports the infrastructure of the North Slope communities.

There is (sic) also errors in the document with respect to ASRC's gravel mine site and its potential. There is public information with respect that (sic) the estimated reserves at the mine site that BLM fails to use.

ASRC will not address these flaws in this information at this time, but we will provide more on the written statement before the close of the deadline.

ASRC supports Alternative A as -- as proposed by ConocoPhillips, our partner in development, over other alternatives. We also support the efforts by Kuukpik Corporation work -- to work with ConocoPhillips to design the project that meets the needs and concerns of the community of Nuiqsut.

Alternative A responds to Nuiqsut's concerns over aircraft traffic in and around the village. The excessive amount of aircraft traffic is -- has a negative effect on the community and subsistence through disturbance to the animals. As a result, we feel that development of Alternative D, the road-less air -- air -- airstrip alternate (sic) is irresponsible by -- by BLM.

The -- the complaints -- the complements (sic) of excessive amounts

of air traffic around Nuiqsut have been well-documented and why one of the primary reasons this project had a road to (sic) the 2004 Alpine satellite development plan EIS. We were surprised that BLM would add Alternative D into this SEIS when the road was approved under the 2004 EIS. Again, we have to question why BLM would ignore the request of the community in developing Alternative D.

ASRC agrees with the community that the road is -- access is better because it will allow broader access for subsistence to the west of the village and in the Fish Creek area. Nuiqsut residents' road access in the -- in the area was another reason why the 2004 EIS was -- was a roaded (sic) development.

The operator responded to the request of the community at that time and BLM agreed with the road through their approval of the plan. Local Nuiqsut residents will have the use of the access road to improve access to subsistence areas west of Nuiqsut in the northeastern NPR-A.

Although ASRC supports a road, we do not support just any road. After having reviewed the SEIS and functional assessment of the wetlands of Alternative A versus Alternative B, we feel that Alternative A in the -- is

the least environmentally damaging practical alternative or LEDPA.

This means that the -- the standard (sic) because of Alternative A is located in drier, more upland tundra versus Alternative B, which has more drained lakes, basins and demonstrated on Figure 3.2-1. We have heard in Nuiqsut that the majority of the people would rather see Alternative A routing -- route for this reason, despite that the small area of the Fish Creek setback (sic) -- despite of the setback.

Individuals in the community expressed that having a small portion of Alternative A road in the dry -- drier setback outweighed rerouting the road to the lower moisture Alternative B route.

MS. DONMOYER: John, you have about one minute left.

MR. HOPSON: There are some people that -- there are some people and entities that have requested an extension for the public process. ASRC opposes any extension because the process is already 14 weeks behind schedule and the project is not in jeopardy.

Communities would rather have roads developed over additional airstrips and increased air traffic for access because roads provide a broader range of access to subsistence resources, where air -- aircraft traffic

negatively impacts subsistence through sound disturbance to the animals.

We would also like to see the gravel remain in place after oil and gas activity to allow residents to have continued long-term access for subsistence resources. Gravel is a very valuable commodity on the North Slope. So to have companies pick it up and haul it away after they are done with producing oil would be bad for our villages. Our villages should have the opportunity to use the gravel in ways that benefit them.

ASRC will be providing more detailed written comments to the SEIS prior to the end of the public comment period. Thank you for listening to us.

MR. KELLY: Thanks, John.

UNIDENTIFIED SPEAKER: Thank you.

MR. KELLY: Would anybody else like to comment who didn't sign up?

MS. WARDEN: I'll go. It's going to be a lot shorter than what we've heard. My name's Darcie Warden. I'm with the Alaska Wilderness League. I think where I want to begin is with what I know. I've been working with the Native Village of Nuiqsut and I'm supporting them in

terms of providing technical support and supporting them in becoming a cooperating agency and -- and I really want to commend BLM for doing some great work on reaching out and -- with the government-to-government consultation and being the cooperating agency and -- but I'm working with Rosemary Ahtuanguak, as well, and she's working with Nuiqsut and we're still hearing frustration from Native Village of Nuiqsut and so I just want to continue to encourage BLM to really, seriously consider mitigation measures that they proposed to BLM and -- and just continue the good work that you guys are doing, but to try and just really create that meaningful dialogue so that they feel like they're really, really providing input and -- and making a difference in how this plan is coming together and then, I'll go onto the special areas.

We've got two special areas or, you know, not super close, but near enough by, so there's the Colville River special area, the Teshekpuk Lake special area and just managing the area to maintain those special qualities and -- and also those areas around Fish Creek and the high use subsistence and really, I think, the thing that's most impacted in this plan are the subsistence use resources. So those are the things that need to be

considered most heavily and maybe weigh in, you know, as you take all this into consideration, weigh those things very heavily so that they're not impacted in this plan and a lot of other stuff has been said, so I'm not going to say it again and just thank you for your time.

UNIDENTIFIED SPEAKER: Thanks.

MR. KELLY: Thanks. It seems silly to not give people more time to talk since we're all here, so anyone else would like to talk (sic)? Pam, would you like to say some more or are you happy to submit the rest of your comments in writing?

MS. MILLER: Let me just check here and see what I forgot to include.

MS. PSARIANOS: We got the room.

MR. JOE NUKAPIGAK: Although I have -- my name is Joe Nukapigak from Kuukpik, Nuiqsut. Although I have testified in the villages this past week-and-a-half, I just want to say that after observing in here, that Kuukpik Corporation will always be concerned (sic) some of these issues, that we will have a more technical written statement before the deadline.

At this time, that (sic) we are fully in support of Alternative A because it's the least impactful compared to the other alternatives that have been presented by BLM and -- and what John Hopson from Arctic Slope has stated, we do have -- we do have economic interests, as well, along with that—along with mineral and with that in mind, I just want to make it clear that we support Alternative A. Thank you.

MR. KELLY: Still thinking, Pam?

MS. MILLER: I can say just a short bit more. This is Pam Miller again with Northern Alaska Environmental Center. I'll address in a little more detail concerns about seasonal production drilling not being considered in any of the alternatives and this was done at Alpine's CD3 site, which is not connected by a road and also with the Northstar field and perhaps some others.

One consideration would be risks from blowouts to open waters during the summer. We understand that there's still a problem with blowouts occurring to snow, and that the pollutants can get into the water and ultimately, are very hard to clean up, but it could reduce some risk to Fish Creek if that drilling was done in the wintertime.

Furthermore, the moving of man power, supplies and shipments during the summer season when birds are nesting, caribou are calving and moving around, could potentially be reduced. At the very least, it should be evaluated so we understand what the difference might be, since it is assumed by many people that operations occur only in the winter on the North Slope.

We know that production is year-round, but in this case for a new project, it might be one way to reduce some of the impacts, not only at the GMT1 site itself, but in the Colville River delta where nesting birds are a very big issue and they're similarly -- the issues of aircraft flights may be reduced.

Let's see here. I note that ConocoPhillips' draft GMT1 aircraft transportation plan in Appendix J is three pages. It doesn't include specific numbers of ground vehicle trips or very specific information. So how the information that was created in the various tables that I spoke about earlier that compare the alternatives, there's a big technical gap there and I think it would improve BLM's management to better understand these issues.

Back to -- I think it's important to just take a look back at -- I

understand from information that was presented at the Subsistence Advisory Committee meeting that the oil companies-- that company and others have -- who are permittees or BLM have increased their ability to predict -- predict aircraft flights from the first period where this study was done in 2008 until now, but when Alpine was first built, there was a promise made that roundtrip aircraft flights would be minimized during the summer breeding season, that they estimated roundtrip flights of 13 flights and in reality, there were 1,980 flights during construction during the summertime in 45 days.

So we know that there are intense period of -- periods of activities and I think those are downplayed potentially by this site. Alpine was a brand new development in a brand new region and it may have had substantially more flights, but the combination of the road traffic and the flights is kind of the crux of the issue of us understanding how -- the extent to which impacts may be able to be minimized with the new development as it goes forward.

Finally, I will just note about the flaring issue that flares -- the flare is designed to burn waste gases, as well as a safety relief mechanism during

plant emergencies. There can be between 100 and 150 different chemicals produced during flaring, including soot, nitrogen oxide, sulfur dioxide, hydrogen sulfide, propylene (ph), benzene, toluene, methane, carbon dioxide, and ammonia.

Studies have been done on human health effects from chronic exposure to repeated flaring for living -- people living or working near flaring in Canada and from offshore development near Los Angeles, and according to one Canadian study, adverse impacts may occur at distances from .2 to 35 kilometers from the flaring. So this is a significant area and I urge that greater scrutiny be done by BLM for that aspect of the work.

Finally, I'll speak just a small bit more about the context of this plan and future development. Because of the lack of cumulative impact analysis in any specificity geographically, this is clearly an EIS that will be good for this one project, if the questions that people have are addressed, but as for the further development of these two existing units, I think that's in doubt due to the lack of specificity and the kind of very general analysis that's been done, and it wasn't done in the area-wide EIS because that wasn't the site specific look at oil and gas development.

So I just want to give that perspective on the limitations of this EIS and the timeframe that it's been done in and the geographic scope. Thank you, and I really appreciated hearing the work that BLM has been doing and has done over the last few years, both with the plan and having very real conversations with people in the region of the North Slope. Thank you.

MR. KELLY: John, you want to go?

UNIDENTIFIED SPEAKER: Do we have some more? [side conversation]

UNIDENTIFIED SPEAKER: (Indiscernible - speaking simultaneously). [side conversation]

MR. KELLY: Okay, if no one else would like to speak any further, if not, we'll close the comment period and turn off the recorder and if you know about (indiscernible) and clean up the room.

UNIDENTIFIED SPEAKER: I could turn on the device light.

MR. KELLY: So we're happy to talk to you while we're doing that and like I say, please, kind of -- when you go out the door, stay in sight of the front desk for security. Thanks a lot for coming and we -- although the

-- the comments were limited, they were really substantive and we really appreciate that, you know...

UNIDENTIFIED SPEAKER: (Indiscernible - speaking simultaneously).

MR. KELLY: ...(indiscernible - speaking simultaneously) better (indiscernible - speaking simultaneously) .

MS. STUDSTILL: We're off the record.

MEETING ADJOURNMENT

The meeting was adjourned at 7:18 p.m.