

Overview of Permitting Framework

Alaska North Slope Oil and Gas Activities

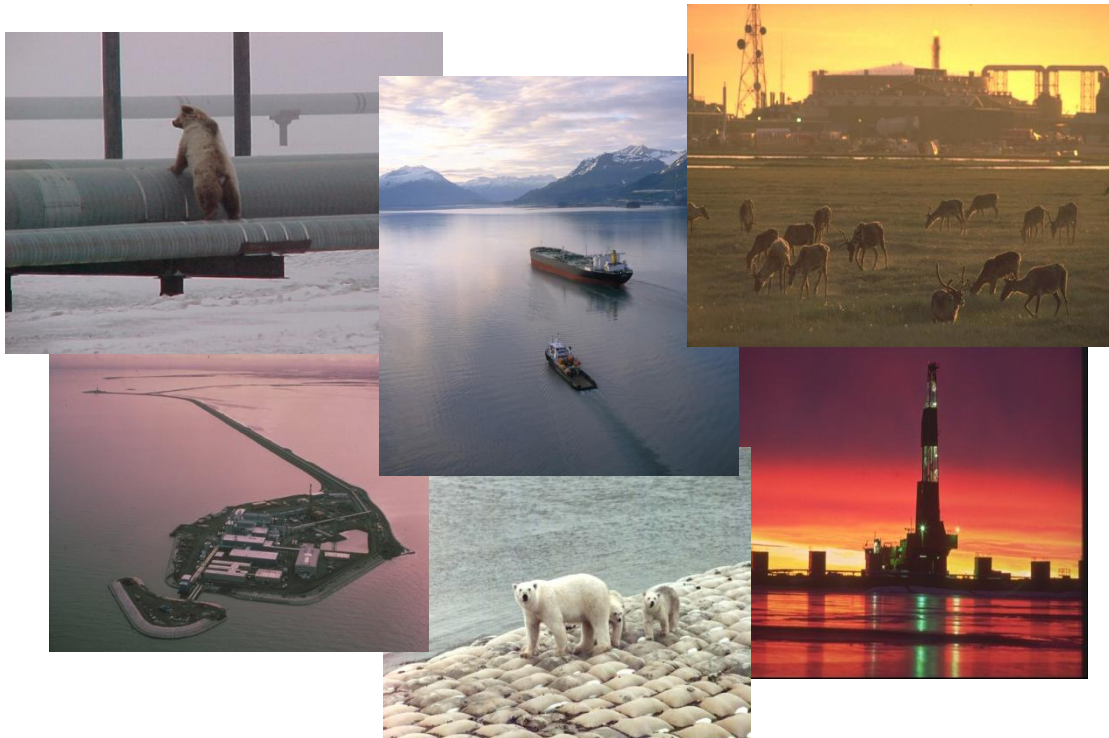
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Objectives and Scope

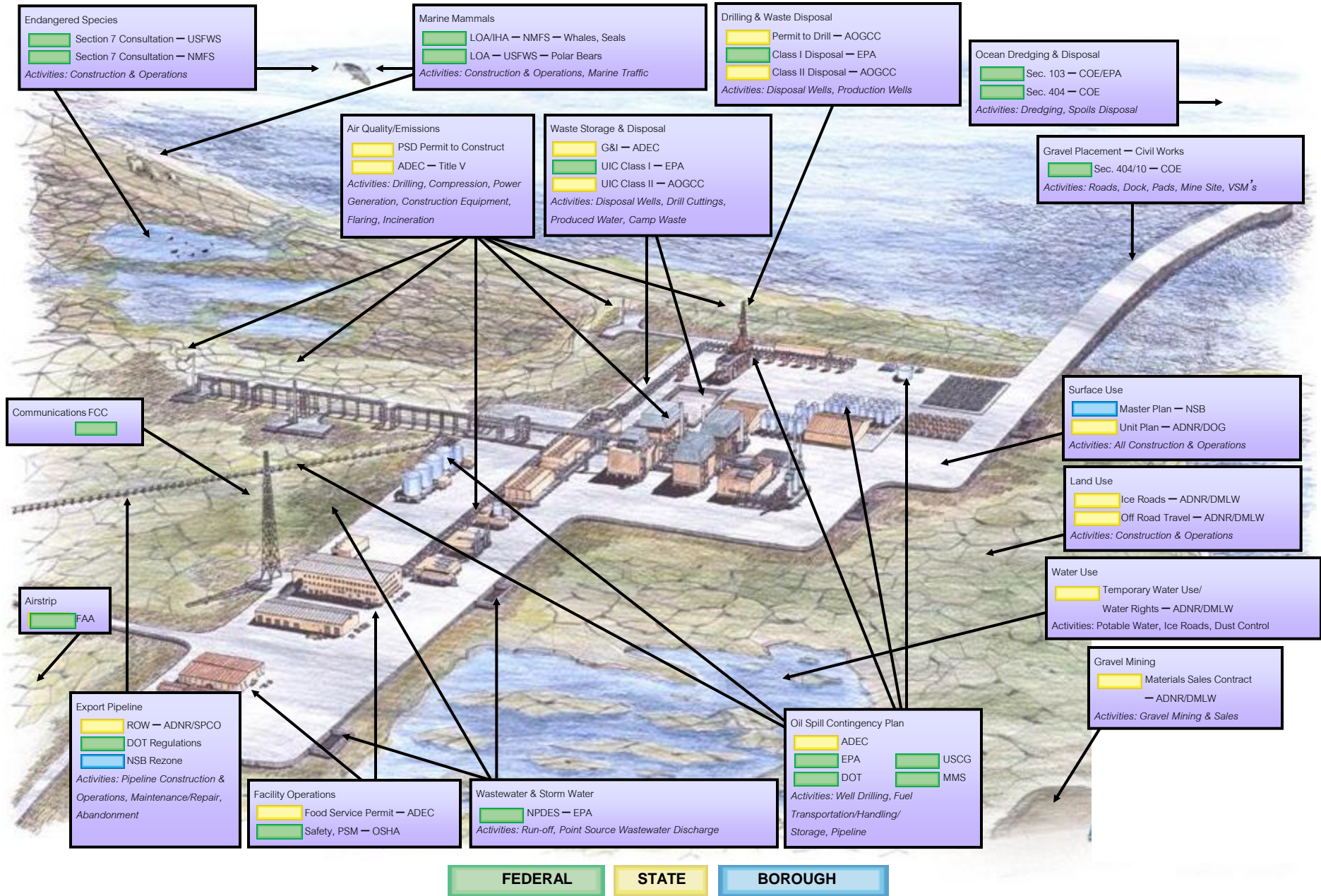
- Provide a high level overview of federal, state, and local framework for permitting exploration and development projects
- Scope includes projects in State lands and water as well as on OCS
- We will not cover any permitting requirements in detail....



Key Concepts

- Permitting involves multiple layers of government
- Jurisdiction can overlap
- Programmatic reviews / approvals vs. specific authorizations
- Not all regulatory requirements require permits, but do require investment and planning for compliance

Representative Development Project: Typical Approvals



Typical Permitting Requirements

Onshore Exploration: State Lands

Federal

- Camp wastewater discharge permit*
- Polar bear Letter of Authorization

State

- ACMP consistency
- Land use permit (ice road, offroad travel)
- Fish habitat permit
- Water use permit (ice road, drilling, camp)
- Lease/Unit Operations approval
- Air Quality Permit – drill rig and camp
- Oil Discharge Prevention and Contingency Plan / C-Plan
- Drilling waste storage
- Permit to Drill

NSB

- Development Permit (or admin approval)

Offshore Exploration: OCS

Federal

- BOEMR Exploration Plan
- Permit to Drill
- Oil Spill response plan
- Wastewater discharge
- Endangered species consultation
- Polar bear Letter of Authorization
- Seal / whale Incidental Harassment Authorization
- Air Quality Permit – drill rig and camp

State

- ACMP consistency
- Land use permit (ice road, offroad travel)
- Water use permit (ice road, drilling, camp)

NSB

- Development Permit

Onshore Development: State Lands

same requirements as exploration

permits plus:

Federal

- Environmental Impact Statement or Assessment
- Endangered species consultation
- Section 404/10 permit for gravel fill
- Injection well authorization
- Wastewater and stormwater discharge permit*

State

- Gravel materials sales contract
- Lease/Unit Operations approval
- Waste management facility / wastewater disposal
- Pipeline right-of-way

NSB

- Rezoning

*will transition to State jurisdiction

Generalized Permitting Timeframes

Timeframes are from the submittal of complete application, and do not include baseline data collection or preconstruction monitoring – these could add additional 1-3 years

<p>Small Projects (2 - 4 weeks)</p>	<ul style="list-style-type: none"> • New modules/skids • VSMs • Cable trenching • In-field ice road 	
<p>Medium Projects (3 - 9 months)</p>	<ul style="list-style-type: none"> • Gravel pad expansion • Small, new pads • Pipelines (non-common carrier) • Exploration well 	<ul style="list-style-type: none"> • New water source • New gravel source • Contaminated site rehab • Solid waste storage facility
<p>Large Projects (6 – 30+ months)</p>	<ul style="list-style-type: none"> • Multiple new pads • New developments • Modification or new emissions (air permit) 	

Programmatic Reviews

- National Environmental Policy Act (NEPA)
 - Required for federal actions that could significantly affect the environment – includes permit issuance
 - EIS or EA
 - Conducted by the federal agency, sometimes with cooperating agencies; applicant role varies
 - EIS = multi year, multi \$million
 - Litigation prone (procedural grounds, recently substantive)
 - Challenge to coordinate all approvals timing

Programmatic Reviews (cont)

- Alaska Coastal Management Program
 - Determines consistency of activity against coastal policies and standards, State plus local District (NSB)
 - Is NOT a permit, but consistency is required before permit issuance

Kevin will cover in more detail

Practicalities

- Long lead time approvals / permits drive the schedule (6-30 months)
 - Air permits to construct (new sources), gravel mining, wetlands fill (even without EIS)
- Seasonal construction windows create schedule sensitivities
 - Winter ice roads
 - Summer sealift
- Agency Resourcing can be a constraint