

Alaska Oil and Gas Association



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Kate Williams, Regulatory Affairs Representative

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Mr. Harry Baij Jr.
Department of the Army
U.S. Army Engineer District, Alaska
Regulatory Division
P.O. Box 6898
JBER, Alaska 99506-0898

**Re: Comments on the Point Thomson Project Draft Environmental
Impact Statement (EIS No. 20110387)**

Dear Mr. Baij:

The Alaska Oil and Gas Association (“AOGA”) appreciates this opportunity to submit comments on the Draft Environmental Impact Statement (“EIS”) for the Point Thomson Project. AOGA is a private, nonprofit trade association whose 16 member companies account for the majority of oil and gas exploration, development, production, transportation, refining, and marketing activities in the state.

AOGA strongly supports alternative B, the proposed project. ExxonMobil Corporation (“ExxonMobil”) submitted its draft application for wetlands permits in October 2009 initiating the EIS process. Since then, Exxon Mobil has provided the U.S. Army Corps of Engineers (“Corps”) extensive support, including responding to 82 requests for information, 22 follow-ups, hosting 23 workshops on the proposed project, and facilitating or funding field studies such as wetlands vegetation mapping, noise studies and eider and yellow-billed loon surveys. The proposed project is the safest, most environmentally sound and economic option of the action alternatives and should be selected as the preferred alternative in the Final EIS.

Action alternatives C, D and E all prohibit or require project components which would have a greater impact on the environment than the proposed project. For example, alternatives C and D prohibit barging which would necessitate a substantial increase in truck traffic. Instead of barging, alternative C proposes a 44-mile gravel road from Point Thomson to the Prudhoe Bay road system that would require an additional 336 acres of gravel and five additional mines, located about every 10 miles along the proposed road corridor, and create a much larger tundra footprint. Importantly, the road would not be built in time to facilitate construction and drilling

resulting in environmental and operational issues associated with more limited air and overland access issues. In fact, during project construction, an estimated 7.5 million gallons of fuel would have to be trucked to Point Thomson via ice road and stored to fuel all activities before the next ice road is functional. As the Corps acknowledges, it would take one fuel truck per hour, 24 hours a day leaving Deadhorse for Point Thomson for the entire ice road season to deliver that amount of fuel.

Conversely, barging has long been established as a safe means of delivering supplies to coastal communities throughout the state. Approximately 188 barge trips have taken place in support of the Point Thomson project since 2008 with no adverse impacts to marine mammals or subsistence use. The barge route is located inside barrier islands away from the main fall migration corridor for bowhead whale, consistent with the Alaska Eskimo Whaling Commission Conflict Avoidance Agreement (“CAA”). Should the proposed project move forward, barging operations would continue to be conducted in accordance with the CAA and in direct consultation with local whaling communities.

Alternative E would eliminate infield gravel roads and shorten the project’s proposed airstrip by almost 2000 feet, instead relying solely on helicopters and seasonally limited off-road vehicles for transportation. This would create unnecessary safety risks as well as emergency response limitations and operational inefficiencies. Compared to the proposed project, the shorter airstrip would triple fixed-wing air traffic during construction and increase air traffic by 40 percent during operations, adding to any noise disturbances.

The infield roads associated with the proposed project have been routed to minimize the gravel footprint and maintain natural drainage patterns; no new streams would be created nor would existing streams be eliminated, and bridges would be constructed to ensure anadromous fish passage. In comparison, moving roads inland as proposed in alternatives C and D would increase the project’s gravel footprint by 30 percent and have greater impacts on drainage patterns and fish passage.

The proposed project has been designed to have minimal impacts on subsistence activities. Residents of Kaktovik, the nearest community to the Point Thomson project area, were consulted and their input incorporated into the design of the proposed project such as pipelines being elevated at least seven feet above the tundra to allow free passage by wildlife and subsistence hunters, textured and coated pipelines to reduce glare and contrast, and thicker pipeline walls to withstand accidental bullet strikes from hunters. Of the action alternatives, the proposed project has the least potential to affect polar bears and polar bear critical habitat. Generally speaking, ExxonMobil has and will continue to have strong marine mammal and wildlife protection plans in place, which the U.S. Fish and Wildlife Service has recognized as a North Slope industry best practice.

As the Corps recognizes, based on historical data and the reservoir conditions at Point Thomson, the most likely spill scenario under any of the action alternatives would be a very small or small

spill with the probability of a large or very large spill being very low and approaching zero as the size of the potential spill increases. Additionally, ExxonMobil has designed and committed to a comprehensive set of processes, procedures, and systems to prevent, detect, and mitigate potential spills that could occur during the life of the project.

AOGA does not believe that it is appropriate for the Corps to analyze impacts from the proposed project as if it were located within the Alaska National Wildlife Refuge (“ANWR”). AOGA is concerned that the Draft EIS places too much emphasis on the project’s proximity to the refuge. The proposed project is located on state land and should be analyzed as such. The refuge contains over eight million acres of designated wilderness; prohibiting access to resources on state lands designated for oil and gas development outside the boundaries of the refuge is beyond the Corps’ authority.

Point Thomson represents approximately 25 percent of known North Slope gas resources, holding an estimated 8 trillion cubic feet of gas and 200 million barrels of gas condensate. The initial project will produce approximately 10,000 barrels per day of condensate and test and delineate other hydrocarbon resources, including oil and gas. To date, 21 exploration wells have been drilled in the Point Thomson area, both onshore and offshore, all without any incident.

Since 2008 alone, ExxonMobil has contracted with 170 Alaska-based firms, investing \$700 million in Alaska businesses and employment opportunities. Should the proposed project move forward, revenues will flow throughout the state. The Point Thomson resources are also a vital component of any effort to commercialize Alaska’s gas. Given the proposed project’s minimal impacts to the tundra, wildlife, aquatic resources, and subsistence activities, and the benefits the project would provide the state and Alaskans, AOGA urges the Corps to select alternative B in the Final EIS.

If you have any questions regarding AOGA’s comments, please do not hesitate to contact me.

Sincerely,



KATE WILLIAMS
Regulatory Affairs Representative