

Alaska Oil and Gas Association



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Kate Williams, Regulatory and Legal Affairs Manager

August 27, 2012

Mr. Harry Baij Jr.
U.S. Army Corps of Engineers, Alaska District
Regulatory Division (1145)
CEPOA-RD
P.O. Box 6898
JBER, Alaska 99506-0898

Re: Point Thomson Project Clean Water Act Section 404 Permit

Dear Mr. Baij:

The Alaska Oil and Gas Association (AOGA) appreciates the opportunity to provide comments on the Point Thomson Project, pursuant to the July 27, 2012 Public Notice from U.S. Army Corps of Engineers (USACE). AOGA is a business trade association whose mission is to foster the long-term viability of the oil and gas industry for the benefit of all Alaskans. AOGA's 16 members represent the breadth and scope of the oil and gas industry in Alaska, both onshore and offshore.

AOGA strongly supports the Point Thomson Project as proposed in the Final Environmental Impact Statement (EIS), including the applicant's changes outlined in the July 27, 2012 Public Notice, and urges the USACE to issue the Clean Water Act Section 404 permit so construction may begin this winter. The 404 permit must be issued by mid-October in order for first production to occur as planned, by the winter of 2015-16, and in accordance with the Settlement Agreement reached between the State of Alaska and the Point Thomson Unit working interest owners.

The project as detailed in the above referenced documents is the most environmentally sound option available for developing Alaska's North Slope natural gas resources and bringing these resources to market. The project ensures a minimal environmental footprint through the use of

summer coastal barging, winter ice roads, aviation, and infield roads essential for safe and effective operations. Comprehensive mitigation measures will be utilized to minimize impact on tundra, wildlife, aquatic resources and subsistence activities. The most affected local residents were directly consulted for project design and their input incorporated, such as pipelines elevated at least 7 feet above ground for caribou migration and textured and coated to reduce glare and contrast for safe travel and subsistence activities. In addition, the applicant hosted more than 20 workshops on the proposed project and public hearings were held across Alaska to gather additional input.

Section 7 consultation under the Endangered Species Act has been completed for the Point Thomson Project. The supporting Biological Assessment determined the proposed project was “not likely to adversely affect” listed species in the project area, including the polar bear, or “cause destruction or adverse modification” to polar bear critical habitat. The summer barge route is located inside barrier islands away from the primary migration corridor for bowhead whales consistent with the Alaska Eskimo Whaling Commission Conflict Avoidance Agreement. Consultation in accordance with the Magnuson-Stevens Fishery Conservation and Management Act has concluded with a determination of no adverse affect on Essential Fish Habitat. In general, the project will be completed with robust marine mammal and wildlife protection plans, recognized by the U.S. Fish and Wildlife Service as North Slope industry best practice, in place.

Point Thomson is a vital component to any future gas pipeline effort, holding an estimated 8 trillion cubic feet of natural gas and 200 million barrels of condensate. This represents approximately 25 percent of known North Slope gas resources and will increase throughput through the Trans Alaska Pipeline, currently operating at one-third capacity, and help meet U.S. energy needs, reducing our reliance on foreign sources and increasing U.S. energy security. Beginning as early as this winter, over 1,000 jobs in Alaska will be created; important for both the Alaskan and U.S. economies. In addition, the Point Thomson Project will provide significant and wide-ranging benefits to Alaska businesses in the form of new business opportunities and revenues and additional tax revenues to local, state and federal governments further contributing to economic development efforts for years to come.

The EIS and CWA Section 404 permitting processes have been ongoing for almost three years. Comprehensive environmental analyses and public process has been completed. The time is ripe for these documents to be finalized and issued so construction on the Point Thomson Project may begin.

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The oil and gas industry in Alaska has a long history of partnership with federal agencies to help ensure that oil and gas operations do not adversely impact the environment, and we look forward to continuing this productive relationship into the future. If you have any questions regarding AOGA's comments, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Kate Williams". The signature is written in a cursive, flowing style.

KATE WILLIAMS
Regulatory and Legal Affairs Manager