Overview of Permitting Framework
Alaska North Slope Oil and Gas Activities

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December 11, 2012
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
• Permitting involves multiple layers of government (federal, state, local)
• Jurisdiction often overlaps (C-Plans, UIC, Pipelines)
• Programmatic reviews/approvals vs. specific authorizations
• Not all regulatory requirements require permits, but do require investment and planning for compliance
# Typical Permitting Requirements

<table>
<thead>
<tr>
<th><strong>Onshore Exploration: State Lands</strong></th>
<th><strong>Offshore Exploration: OCS</strong></th>
<th><strong>Onshore Development: State Lands</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal</strong></td>
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<td>same requirements as exploration permits <strong>plus:</strong></td>
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<tr>
<td>- Camp wastewater discharge permit*</td>
<td>- BSEE Exploration Plan</td>
<td><strong>Federal</strong></td>
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<tr>
<td>- Polar bear Letter of Authorization</td>
<td>- Permit to Drill</td>
<td>- Environmental Impact Statement or Assessment</td>
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<tr>
<td><strong>State</strong></td>
<td>- Oil Spill response plan</td>
<td>- Endangered species consultation</td>
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<td>- Land use permit (ice road, off-road travel)</td>
<td>- Wastewater discharge</td>
<td>- Section 404/10 permit for gravel fill</td>
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<td>- Fish habitat permit</td>
<td>- Endangered species consultation</td>
<td>- Injection well authorization</td>
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<td>- Water use permit (ice road, drilling, camp)</td>
<td>- Polar bear Letter of Authorization</td>
<td><strong>State</strong></td>
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<tr>
<td>- Lease/Unit Operations approval</td>
<td>- Seal / whale Incidental Harassment Authorization</td>
<td>- Gravel materials sales contract</td>
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<tr>
<td>- Air Quality Permit – drill rig and camp</td>
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<td>Lease/Unit Operations approval</td>
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<tr>
<td>- Oil Discharge Prevention and Contingency Plan / C-Plan</td>
<td>- Land use permit (ice road, off-road travel)</td>
<td>- Waste management facility / wastewater disposal</td>
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<tr>
<td>- Drilling waste storage</td>
<td>- Water use permit (ice road, drilling, camp)</td>
<td>- Pipeline right-of-way</td>
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<td>- Permit to Drill</td>
<td><strong>NSB</strong></td>
<td>- Wastewater and stormwater discharge permit*</td>
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<td>- Development Permit (or admin approval)</td>
<td>- Development Permit</td>
<td>- Rezoning</td>
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</tbody>
</table>
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*

| Small Projects (2 - 4 weeks) | • New modules/skids  
|                            | • VSMs  
|                            | • Cable trenching  
|                            | • In-field ice road |
| Medium Projects (> 9 months) | • Gravel pad expansion  
|                         | • Small, new pads  
|                         | • Pipelines (non-common carrier)  
|                         | • Exploration well  
|                         | • New water source  
|                         | • New gravel source  
|                         | • Contaminated site rehab  
|                         | • Solid waste storage facility |
| Large Projects (> 20 months) | • Multiple new pads  
|                        | • New developments  
|                        | • Modification or new emissions (air permit)  

**Looking Ahead**
• 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-millions of dollars
  – Litigation prone (procedural grounds, recently substantive)
  – Challenge to coordinate all approvals timing
Practicalities

• Long lead time approvals / permits drive the schedule (6-30 months without EIS)
  – Air permits to construct (new sources), gravel mining, wetlands fill

• Seasonal construction windows create schedule sensitivities
  – Winter ice roads (January – May)
  – Summer sealift (late July – September)

• Agency resourcing can cause significant delays