

MASTER

DOE/RA/35012-1
Volume 2 (of 2 Volumes)

**Analysis of the Permitting Processes
Associated with Exploration of
Federal OCS Leases**

Final Report -- Appendices Volume II

November 1980

Prepared for:
U.S. Department of Energy
Assistant Secretary for Resource Applications
Office Leasing Policy Development
Washington, D.C. 20585

DOE/RA/35012-1
Volume 2 (of 2 Volumes)

Analysis of the Permitting Processes Associated
with Exploration of Federal OCS Leases

November 1980

DISCLAIMER

This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency Thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

DISCLAIMER

Portions of this document may be illegible in electronic image products. Images are produced from the best available original document.

The following pages are an exact representation of what is in the original document folder.

NOTICE

This report was prepared as an account of work sponsored by the United States Government. Neither the United States nor the United States Department of Energy, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, mark, manufacturer, or otherwise, does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

LEGIBILITY NOTICE

A major purpose of the Technical Information Center is to provide the broadest possible dissemination of information contained in DOE's Research and Development Reports to business, industry, the academic community, and federal, state, and local governments. Non-DOE originated information is also disseminated by the Technical Information Center to support ongoing DOE programs.

Although large portions of this report are not reproducible, it is being made available only in paper copy form to facilitate the availability of those parts of the document which are legible. Copies may be obtained from the National Technical Information Service. Authorized recipients may obtain a copy directly from the Department of Energy's Technical Information Center.



DOE/RA/35012-1
Volume 2 (of 2 Volumes)

Analysis of the Permitting Processes Associated with Exploration of Federal OCS Leases

Final Report -- Appendices Volume II

November 1980

DISCLAIMER

This book was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise, does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

Prepared for:
U.S. Department of Energy
Assistant Secretary for Resource Applications
Office Leasing Policy Development
Washington, D.C. 20585

DOE/RA/35012-1
Volume 2 (of 2 Volumes)

Analysis of the Permitting Processes Associated
with Exploration of Federal OCS Leases

November 1980


DISTRIBUTION OF THIS DOCUMENT IS UNLIMITED

TABLE OF CONTENTS

VOLUME I

PAGE

PART I: STUDY RESULTS

CHAPTER I-1 INTRODUCTION	I-1-1
1.1 Exploration in Perspective	I-1-2
1.2 Scope of Analysis	I-1-7
CHAPTER I-2 STUDY RESULTS	I-2-1
2.1 Major Areas of Significant Delays in OCS Exploration Activities.	I-2-1
2.2 Regulatory Activities Not Resulting in Significant Delays.	I-2-7
2.1 Overview	II-2-1
2.2.2 Coast Guard Regulatory Activities	I-2-8
2.2.3 EPA's Ocean Dumping Permit.	I-2-8
2.3 Conclusions and Potential Solutions	I-2-9

PART II: FEDERAL REGULATORY ACTIVITIES DURING
EXPLORATION OF FEDERAL OCS LEASES

CHAPTER II-1 FEDERAL OVERVIEW	II-1-1
CHAPTER II-2 U.S. GEOLOGICAL SURVEY	II-2-1
2.2 Conservation Division Structure.	II-2-7
2.3 Authority	II-2-8
2.3.1 OCS Orders and Standards	II-2-8
2.3.2 Notices to Lessees and Letters to Lessees	II-2-9
2.3.3 Instructional Memoranda, Guidelines and Other Memoranda	II-2-9
2.4 USGS and Other Federal Agencies	II-2-9
2.5 Lease Stipulations.	II-2-10
2.6 Exploratory Permits: Site Surveys, Exploration Plan, Environmental Report, and Application for Permit to Drill.	II-2-10
2.7 Site Surveys	II-2-11
2.8 Exploration Plan	II-2-13
2.8.1 Contingency Plans	II-2-14
2.8.2 Preparation of Exploration Plan.	II-2-16
2.9 Environmental Report	II-2-17
2.10 Agency Review of Exploration Plans and Environmental Reports	II-2-18
2.11 Application for Permit to Drill (APD)	II-2-21

TABLE OF CONTENTS - (Continued)

	<u>PAGE</u>
CHAPTER II-3 ENVIRONMENTAL PROTECTION AGENCY	II-3-1
3.1 Overview	II-3-1
3.2 EPA's Organization	II-3-8
3.3 Authorization to Discharge Under the NPDES	II-3-9
3.4 Types of NPDES Permits	II-3-10
3.5 The NPDES Permitting Process	II-3-12
3.5.1 Application	II-3-13
3.5.2 Tentative Decision on Permit Issuance	II-3-15
3.5.3 Public Comments and Hearings	II-3-16
3.5.4 Final Permit Issuance	II-3-17
3.5.5 Final Permit Appeals	II-3-17
3.5.6 Non-Adversary Procedures	II-3-21
3.6 Additional Information on the Permitting Process	II-3-24
3.6.1 Variances	II-3-24
3.6.2 Monitoring, Reporting, Notification, Records	II-3-25
3.6.3 Modification, Revocation and Reissuance, and Termination	II-3-26
3.6.4 General Permit	II-3-27
3.6.5 Other Federal Laws	II-3-28
3.7 Regional Application of the NPDES Permitting Process	II-3-29
3.7.1 NPDES Permit Activity by Region	II-3-29
3.7.2 Regional Variation	II-3-30
3.7.3 Time Requirements	II-3-31
3.8 Ocean Dumping Permit	II-3-36
3.9 The Ocean Dumping Permitting Process	II-3-37
3.9.1 Application	II-3-37
3.9.2 Site Designation	II-3-37
3.9.3 Tentative Decision to Issue or Deny, Notice and Review	II-3-38
3.9.4 Public Hearing	II-3-39
3.9.5 Administrator or Regional Administrator's Determination	II-3-39
3.9.6 Adjudicatory Hearing	II-3-40
3.9.7 Appeal to the Administrator	II-3-41
3.9.8 Judicial Review	II-3-41
CHAPTER II-4 U.S. COAST GUARD	II-4-1
4.1 Overview	II-4-1
4.2 Organization	II-4-1
4.3 Private Aids to Navigation	II-4-3
4.4 Certificate of Financial Responsibility for OCS Pollution Liability	II-4-4

TABLE OF CONTENTS - (Continued)

	<u>PAGE</u>
CHAPTER II-4 - (Continued)	
4.5 Offshore Oil Spill Pollution Fund	II-4-6
4.6 Mobile Offshore Drilling Units	II-4-7
4.6.1 Inspections and Certificates	II-4-7
4.6.2 Operating Manual, Records, Reports	II-4-9
4.7 Protection of Life, Property and the Environment	II-4-10
4.7.1 Proposed Regulations	II-4-10
4.7.2 Inspections and Crew Requirements	II-4-11
4.7.3 Records and Reports	II-4-13
4.8 Oil Pollution Reporting	II-4-13
4.9 Memoranda of Understanding	II-4-16
CHAPTER II-5 CORPS OF ENGINEERS	
5.1 Overview	II-5-1
5.2 Legal Mandate	II-5-3
5.3 Permits for OCS Oil and Gas Operations	II-5-5
5.4 Nationwide and General Permits	II-5-5
5.5 Locally Issued Permits	II-5-6
5.6 Permit Processing	II-5-8
5.6.1 Application	II-5-9
5.6.2 Certifications	II-5-9
5.6.3 Environmental Assessment	II-5-10
5.6.4 Public Notice	II-5-10
5.6.5 Comment Period	II-5-11
5.6.6 Public Hearing	II-5-11
5.6.7 Determination to Deny or Issue Permit	II-5-12
5.6.8 Draft Permit Signed	II-5-13
5.6.9 Decision Referral	II-5-14
5.7 Shipping Safety Fairways and Anchorage Area	II-5-14
5.8 Modification, Suspension or Revocation of Authorization	II-5-15
5.9 Memoranda of Agreement	II-5-16
CHAPTER II-6 NATIONAL OCEAN AND ATMOSPHERIC ADMINISTRATION: COASTAL ZONE PROGRAM	
6.1 Laws and Regulations	II-6-1
6.2 Coastal Management Programs	II-6-2
6.3 Federal Activities Subject to State Consistency Determination	II-6-5

TABLE OF CONTENTS - (Continued)

<u>PART III: STATE REGULATORY ACTIVITIES DURING</u> <u>EXPLORATION OF FEDERAL OCS LEASES</u>		<u>PAGE</u>
CHAPTER III-1 STATE PARTICIPATION IN REGULATION OF FEDERAL OCS EXPLORATION.		III-1-1
1.1 Introduction		III-1-1
1.2 States Examined		III-1-2
1.3 Organization of State Discussions		III-1-3
1.4 State Regulatory Perspective.		III-1-3
CHAPTER III-2 ALASKA		III-2-1
2.1 Introduction		III-2-1
2.2 Coastal Zone Management Program		III-2-2
2.2.1 Status of District Plans and Relationships to OCS Activities.		III-2-4
2.2.2 OCS Delays Due to District Programs		III-2-9
2.3 Consistency Review Certification		III-2-11
2.4 State-Federal Coordination of OCS Related Activities		III-2-12
2.5 Key Stipulations in OCS Lease Sales in Alaska		III-2-13
2.5.1 Role of Stipulations.		III-2-13
2.6 State Permits		III-2-14
CHAPTER III-3 CALIFORNIA		III-3-1
3.1 Coastal Zone Management Program		III-3-1
3.1.1 Introduction		III-3-1
3.1.2 Consistency Certification Review		III-3-1
3.2 Future OCS Exploration and State Permitting.		III-3-3
CHAPTER III-4 LOUISIANA		III-4-1
CHAPTER III-5 MASSACHUSETTS		III-5-1
CHAPTER III-6 NEW JERSEY		III-6-1
CHAPTER III-7 NORTH CAROLINA		III-7-1
CHAPTER III-8 TEXAS		III-8-1

TABLE OF CONTENTS - (Continued)

<u>VOLUME II</u>	<u>PAGE</u>
APPENDIX A U.S. GEOLOGICAL SURVEY	A-1
APPENDIX B ENVIRONMENTAL PROTECTION AGENCY	B-1
APPENDIX C COAST GUARD	C-1
APPENDIX D CORPS OF ENGINEERS	D-1
APPENDIX E THE COASTAL ZONE MANAGEMENT ACT	E-1
APPENDIX F ALASKA	F-1

U.S. GEOLOGICAL SURVEY

APPENDIX A

CONTENTS OF APPENDIX A

<u>Exhibit</u>		<u>Page</u>
1	U.S. Geological Survey Offices with Key OCS Responsibilities	A-1
2	Regulations Governing USGS Oversight of Operations on the OCS	A-2
3	Laws Affecting USGS Regulation of OCS Activity	A-3
4	Contents of Revised OCS Orders	A-5
5	Contents of OCS Orders Under Development	A-7
6	U.S. Department of the Interior: Secretarial Order No. 2974 (Revised)	A-8
7	Lease Stipulations From Selected OCS Sales	A-13
8	Exploratory Drilling Plan Requirements	A-17
9	Application for Permit to Drill (APD) Instructions	A-19
10	Frontier Area Review of APD's	A-20
11	Conditions for Granting Approval to Drill	A-21

CONTENTS OF APPENDIX B

<u>Exhibit</u>		<u>Page</u>
1	General Information - EPA Form 3510-1	B-1
2	Application For Permit To Discharge Wastewater, Existing Manufacturing, Commercial, Mining and Silvicultural Operations - EPA Form 3510-2C	B-3
3	National Pollutant Discharge Elimination System Application For Permit To Discharge - Short Form C (EPA Form 7550-8)	B-16
4	National Pollutant Discharge Elimination System Application For Permit To Discharge Wastewater, Standard Form C - Manufacturing and Commercial (EPA Form 7550-23)	B-18
5	Completed NPDES Application For Permit To Discharge Wastewater, Standard Form C	B-32
6	Fact Sheet For A Proposed NPDES Permit	B-44
7	Public Notice of Tentative Decision To Issue An NPDES Permit	B-50
8	Draft NPDES Permit	B-53
9	Final NPDES Permit	B-73
10	Request For An Evidentiary Hearing	B-93
11	EPA Administrator's Directive Concerning Coordination of Regulatory Activities For Offshore Oil and Gas Facilities (July 14, 1980)	B-103

CONTENTS OF APPENDIX C

<u>Exhibit</u>		<u>Page</u>
1	Private Aids to Navigation Application, Form CG-2554	C-1
2	Application For Class I Private Aids To Navigation On Artificial Islands and Fixed Structures, Form CG-4143	C-2
3	Completed Private Aids To Navigation Application Form CG-4143	C-3
4	Facility Application For Certificate Of Financial Responsibility	C-7
5	Offshore Oil Pollution Compensation Fund Certificate Of Financial Responsibility (For Offshore Facilities)	C-9
6	Administrative Information Concerning The Offshore Oil Pollution Liability Fund (Draft Dated March 18, 1980)	C-11
7	Application For Inspection Of U.S. Vessel, Form CT-3752	C-17
8	Permit To Proceed To Another Port For Repairs, Form CG-948	C-18
9	Certificate Of Inspection Amendment, Form CG-858	C-19
10	A.B.S. Load Line Certificate	C-20
11	Official Logbook, Form CG-706B, Sample Sheets	C-23
12	Report Of Personal Injury Or Loss Of Life, Form CG-924E	C-32
13	Report Of Vessel Casualty Or Accident, Form CG-2692	C-34
14	Memorandum of Understanding Between The Coast Guard And OSHA Concerning Occupational Safety And Health On Artificial Islands, Installations And Other Devices On The U.S. OCS	C-36
15	Memorandum Of Understanding Between The Coast Guard And USGS Concerning Regulation Of U.S. Mobile Offshore Drilling Units On The U.S. OCS	C-41
16	Memorandum Of Understanding Between The USGS And The Coast Guard Concerning Regulation Of Artificial Islands, Installations And Other Devices On The U.S. OCS (Proposed April 30, 1980)	C-48

CONTENTS OF APPENDIX D

<u>Exhibit</u>		<u>Page</u>
1	Application For A Department of Army Permit, ENG Form 4345	D -1
2	Completed Application For A DOA Permit, ENG Form 4345	D-3
3	Department of the Army Permit, ENG Form 1721	D-8

CONTENTS OF APPENDIX F

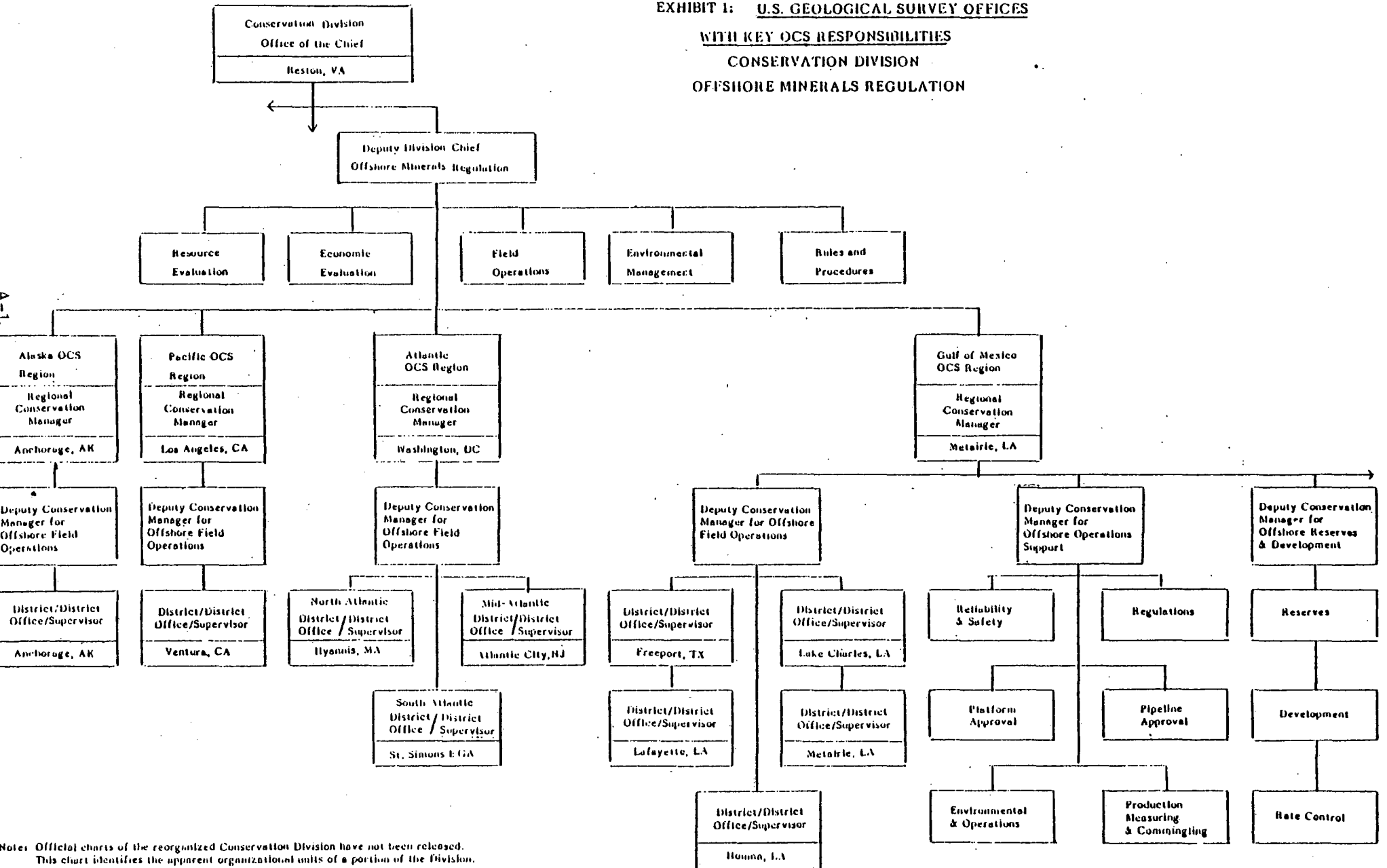
<u>Section</u>		<u>Page</u>
F.1	Significant Issues in Alaskan OCS Development	F-1
F.2	Lease Stipulations	F-15
F.3	Description of Autonomous State Permits That May Be Re- quired During OCS Exploration in Alaska	F-23
F.4	Discussion of the Three Alaska OCS Lease Sales	F-37

APPENDIX A

CONTENTS OF APPENDIX A

1. U.S. Geological Survey Offices with Key OCS Responsibilities.
2. Regulations Governing USGS Oversight of Operations on the OCS.
3. Laws Affecting USGS Regulation of OCS Activity.
4. Contents of Revised OCS Orders.
5. Contents of OCS Orders Under Development.
6. U.S. Department of the Interior: Secretarial Order No. 2974 (Revised).
7. Lease Stipulations From Selected OCS Sales.
8. Exploratory Drilling Plan Requirements.
9. Application for Permit to Drill (APD) Instructions.
10. Frontier Area Review of APD's.
11. Conditions for Granting Approval to Drill.

**EXHIBIT 1: U.S. GEOLOGICAL SURVEY OFFICES
WITH KEY OCS RESPONSIBILITIES
CONSERVATION DIVISION
OFFSHORE MINERALS REGULATION**



Notes: Official charts of the reorganized Conservation Division have not been released. This chart identifies the apparent organizational units of a portion of the Division.

EXHIBIT 2

REGULATIONS GOVERNING USGS OVERSIGHT OF OPERATIONS ON THE OUTER CONTINENTAL SHELF

PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

GENERAL PROVISIONS

Sec.

- 250.1 Purpose and authority.
- 250.2 Definitions.

JURISDICTION AND FUNCTIONS OF SUPERVISOR

- 250.10 Jurisdiction.
- 250.11 General functions.
- 250.12 Regulation of operations.
- 250.13 Temporary approvals.
- 250.14 Samples, tests, and surveys.
- 250.15 Drilling and abandonment of wells.
- 250.16 Well potentials and permissible flow.
- 250.17 Well locations and spacing.
- 250.18 Rights of use and easement.
- 250.19 Platforms and pipelines.
- 250.20 Rentals, royalties, and other payments.

REQUIREMENT FOR LESSEES

- 250.30 Lease terms, regulations, waste, damage and safety.
- 250.31 Designation of operator.
- 250.32 Local agent.
- 250.33 Drilling and producing obligations.
- 250.34 Exploration, development, and production plans.
 - 250.34-1 Exploration plan.
 - 250.34-2 Development and production plan.
 - 250.34-3 Environmental reports; information to be provided to affected States.
 - 250.34-4 Compliance with the National Environmental Policy Act.
- 250.35 Extension of leases by drilling or well reworking.
- 250.36 Subsequent well operations.
- 250.37 Well designations.
- 250.38 Well records.
- 250.39 Samples, tests, and surveys.
- 250.40 Directional survey.
- 250.41 Control of wells.
- 250.42 Emulsion and dehydration.
- 250.43 Pollution and waste disposal.
- 250.44 Well abandonment.
- 250.45 Accidents, fires, and malfunctions.
- 250.46 Workmanlike operations.
- 250.47 Sales contracts.
- 250.48 Division orders.
- 250.49 Royalty and rental payments.
- 250.50 Unit plans, pooling, and drilling agreements.
- 250.51 Application for approval of unit plan.
- 250.52 Pooling or drilling agreements.
- 250.53 Subsurface storage of oil or gas.

MEASUREMENT OF PRODUCTION AND COMPUTATION OF ROYALTIES

- 250.60 Measurement of oil.
- 250.61 Measurement of gas.
- 250.62 Determination of content of gas.
- 250.63 Quantity basis for substances extracted from gas.
- 250.64 Value basis for computing royalties.
- 250.65 Royalty on oil.
- 250.66 Royalty on unprocessed gas.
- 250.67 Royalty on processed gas and constituent products.
- 250.68 Commingling production.
- 250.69 Measurement of sulphur.

PROCEDURE IN CASE OF DEFAULT BY LESSEE

- 250.80 Default.
- 250.81 Appeals.
- 250.82 Judicial review.

REPORTS TO BE MADE BY ALL LESSEES (INCLUDING OPERATORS)

Sec.

- 250.90 General requirements.
- 250.91 Application for permit to drill deepen, or plug back.
- 250.92 Sundry notices and reports on wells.
- 250.93 Monthly report of operations.
- 250.94 Statement of oil and gas runs and royalties.
- 250.95 Well completion or recompletion report and log.
- 250.96 Special forms or reports.
- 250.97 Public inspection of records.

MINERAL LEASES AFFECTED BY SECTION 6 OF OUTER CONTINENTAL SHELF LANDS ACT

- 250.100 Effect of regulations on provisions of lease.

AUTHORITY: Secs. 5, 6, 67 Stat. 464, 465; 43 U.S.C. 1334, 1335.

CROSS REFERENCE For further regulations pertaining to the issuance and recognition of mineral leases covering submerged lands in the outer Continental Shelf, see 43 CFR Part 3300.

PART 252—OUTER CONTINENTAL SHELF (OCS) OIL AND GAS INFORMATION PROGRAM

Sec.

- 252.1 Purpose.
- 252.2 Definitions.
- 252.3 Oil and gas data and information to be provided.
- 252.4 Summary Report to affected States.
- 252.5 Lease sale information to be made available to affected States.
- 252.6 Freedom of Information Act Requirements.

AUTHORITY: Outer Continental Shelf Lands Act of 1953, as amended, (43 U.S.C. 1331); Freedom of Information Act (5 U.S.C. 552).

SOURCE 43 FR 3889, Jan. 27, 1978, unless otherwise noted.

Note: Part 251 -- Geological and Geophysical Explorations of the OCS -- is not relevant to this report.

SOURCE: CFR Title 30 — Mineral Resources; Chapter II — Geological Survey

EXHIBIT 3

LAWS AFFECTING USGS REGULATION OF OCS ACTIVITY

Outer Continental Shelf Lands Act of 1953, as amended (43 U.S.C. 1331 et seq); as amended by the Outer Continental Shelf Lands Act Amendments of 1978 (Public Law 95-372) OCSLA Amendments.¹

Submerged Lands Act of 1953 (43 U.S.C. 1301-1315)

National Environmental Policy Act of 1969, as amended (42 U.S.C. 4332) (NEPA)

Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1456) (CZMA)

Fish and Wildlife Coordination Act of 1958 (16 U.S.C. 661-66c)

Endangered Species Act of 1973 (Sec. 7), 16 U.S.C. 1531 et seq.

Marine Mammal Protection Act of 1972 (16 U.S.C. 1361)

National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.)

Archeological and Historic Preservation Act of 1974, 16 U.S.C. 469 a-1

Marine Protection, Research and Sanctuaries Act of 1972 (33 U.S.C. 1420)

Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801 et seq.)

Clean Air Act and its amendments (42 U.S.C. 7401 et seq.)

Clean Water Act (208,303,401,402,404,405,511), 33 U.S.C. 1288,1314,1341,1342,1344.

¹Documents are referred to in text by the identifiers underlined.

NOTE TO EXHIBITS 4 AND 5

In December, 1979¹ the USGS published revised area orders for Nos. 1, 2, 3, 4, 5, 7, 8, and 12. OCS areas covered include Gulf of Mexico, Pacific, Gulf of Alaska, and Atlantic. Arctic Orders will be issued in the near future. As printed in the Federal Register, each order contains text common to all areas, followed by paragraphs and subparagraphs identified by area and covering differences in area orders due to environmental, geological, geophysical, or geographical variables. The revised orders also incorporate changes required by the OCSLA Amendments of 1978. Exhibit 4 in Appendix A presents the contents of revised OCS orders. Orders other than those indicated above are under revision and will be issued over the next year. Until the revised orders are issued, the most recent version of each order remains in effect. Exhibit 5 in Appendix A provides an example using the Gulf of Mexico Area OCS orders to show the format and contents of orders in effect but currently under revision.

OCS Orders will be referred to in the text as OCS Order No. 1-14:

¹44 FR 76212 (December 21, 1979).

EXHIBIT 4

CONTENTS OF REVISED OCS ORDERS

Order No. 1 Identification of Wells, Platforms, Structures, Mobile Drilling Units, and Subsea Objects

1. Identification of Fixed Platforms or Structures
 - 1.1 Large Platforms and Structures
 - 1.2 Small Structures
2. Identification of Mobile Drilling Units
3. Identification of Wells
4. Identification of Subsea Objects
5. Marking of Equipment
6. Departments

Order No. 2 Drilling Operations

1. Plans and Applications
 - 1.1 Exploration Plan and Development and Production Plan
 - 1.2 Application for Permit to Drill
2. Drilling From Fixed Platforms and Mobile Drilling Units
 - Gulf of Mexico:*
 - 2.1 Fitness of Drilling Unit
 - 2.2 Pre-drilling Inspection
 - 2.3 Well-Site Surveys
 - 2.4 Oceanographic, Meteorological, Performance Data
 - Pacific, Gulf of Alaska, and Atlantic:*
 - 2.1 General Requirements
 - 2.1.1 Fitness of Drilling Unit
 - 2.1.2 Pre-Drilling Inspection
 - 2.1.3 Well-Site Surveys
 - 2.1.4 Oceanographic, Meteorological, Performance Data
 - 2.1.5 Subfreezing Operations
 - 2.2 Mobile Drilling Units
 - 2.3 Fixed Drilling Platforms
 3. Well Casing and Cementing
 - 3.1 General Requirements
 - 3.2 Drive or Structural Casing
 - 3.3 Conductor and Surface Casing Setting and Cementing Requirements
 - 3.3.1 Conductor and Surface Casing Setting Depths
 - 3.3.2 Conductor Casing Cementing Requirements
 - 3.3.3 Surface Casing Cementing Requirements
 - 3.4 Intermediate Casing Setting and Cementing Requirements
 - 3.5 Production Casing
 - 3.6 Pressure-Testing of Casing
 4. Directional Surveys
 5. Blowout-Preventer (BOP) Equipment Requirements
 - 5.1 General Requirements
 - 5.1.1 BOP Equipment
 - 5.1.2 Auxiliary Equipment
 - 5.1.3 Subfreezing Operations
 - 5.2 Subsea BOP Requirements
 - 5.3 Surface BOP Requirements
 - 5.4 Drive Pipe or Structural Casing BOP Requirements
 - 5.4.1 Drilling Operations from Bottom-Supported Rigs
 - 5.4.2 Floating Drilling Operations
 - 5.5 Conductor Casing
 - 5.6 Surface and Intermediate Casing
 - 5.7 Testing of BOP Systems
 - 5.7.1 BOP Testing Frequency
 - 5.7.2 Pressure Testing Surface BOP Systems
 - 5.7.3 Pressure Testing Subsea BOP Systems
 - 5.7.4 Actuation of Surface BOP Systems
 - 5.7.5 Actuation of Subsea BOP Systems
 - 5.8 Inspection and Maintenance
 - 5.9 Blowout-Preventer Drills

8. Mud Program
 - 8.1 Mud Control
 - 8.2 Mud Testing and Monitoring Equipment
 - 8.3 Mud Quantities
7. Supervision, Surveillance, and Training
 - 7.1 Supervision
 - 7.2 Surveillance
 - 7.3 Training
6. Hydrogen Sulfide
9. Critical Operations and Curtailment Plans
10. Field Drilling Rules
11. Departures

Order No. 3 Plugging and Abandonment of Wells

1. Application for Approval To Abandon a Well
 - 1.1 Notice of Intention to Abandon a Well
 - 1.2 Subsequent Report of Abandonment
2. Permanent Abandonment
 - 2.1 Isolation of Zones in Open Hole
 - 2.2 Isolation of Open Hole
 - 2.3 Plugging or Isolating Perforated Intervals
 - 2.4 Plugging of Casing Stubs
 - 2.4.1 Stub Termination Inside Casing String
 - 2.4.2 Stub Termination Below Casing String
 - 2.5 Plugging of Annular Space
 - 2.6 Surface Plug
 - 2.7 Testing of Plugs
 - 2.8 Mud
 - 2.9 Clearance of Location
3. Temporary Abandonment
4. Departures

Order No. 4 Determination of Well Productivity

1. Application for Determination of Well Productivity
2. Criteria for the Determination of Well Productivity
 - 2.1 Production Tests
 - 2.2 Production Capability Determination
3. Departures

Order No. 5 Production Safety System

1. Use of Best Available and Safest Technology
2. Quality Assurance and Performance of Safety and Pollution Prevention Equipment
 3. Subsurface-Safety Devices
 - 3.1 Installation
 - 3.1.1 Subsurface-Safety Valves
 - 3.2 Specification for Subsurface-Safety Valves
 - 3.3 Design, Installation, and Operation
 - 3.4 Surface-Controlled Subsurface-Safety Valves
 - 3.4.1 Testing of Surface-Controlled Subsurface-Safety Valves
 - 3.5 Subsurface-Controlled Subsurface-Safety Valves
 - 3.5.1 Inspection and Maintenance of Subsurface-Controlled Subsurface-Safety Valves
 - 3.6 Tubing Plugs in Shut-in Wells
 - 3.7 Injection Wells
 - 3.8 Temporary Removal for Routine Operations
 - 3.9 Additional Safety Equipment
 - 3.10 Emergency Action
 - 3.11 Records
 - 3.12 Reports

4. Design, Installation and Operation of Surface Production Safety Systems
 - 4.1 New Platforms
 - 4.2 Existing Platforms
 - 4.3 Specification for Wellhead Surface-Safety Valves
 - 4.4 Submittal of Safety-System Design and Installation Features
5. Additional Safety and Pollution-Control Requirements
 - 5.1 Design, Installation, and Operation
 - 5.1.1 Pressure Vessels
 - 5.1.2 Flowlines
 - 5.1.3 Pressure Sensors
 - 5.1.4 Emergency Shutdown System
 - 5.1.5 Engine Exhausts
 - 5.1.6 Glycol-Dehydration Units
 - 5.1.7 Gas Compressors
 - 5.1.8 Firefighting Systems
 - 5.1.9 Fire and Gas Detection System
 - 5.1.10 Electrical Equipment
 - 5.1.11 Erosion
 - 5.2 General Platform Operations
 - 5.3 Simultaneous Platform Operations
 - 5.3.1 General Plan
 - 5.3.2 Supplemental Plan
 - 5.4 Welding and Burning Practices and Procedures
 - 5.4.1 General Welding, Burning, and Hot Tapping Plan
 - 5.4.2 Designated Safe-Welding and Burning Areas
 - 5.4.3 Undesignated Welding and Burning Areas
 - 5.5 Safety Device Testing
 - 5.6 Records
 - 5.6.1 Surface-Safety Valve and Associated Actuator Records
 - 5.7 Safety Device Training
 6. Failure and Inventory Reporting System (FIRS)
 - 6.1 Data and Reporting Requirements
 - 6.1.1 Format
 - 6.1.2 Device Coverage
 - 6.1.3 Device Inventory Reporting
 - 6.1.3.1 Initial Inventory
 - 6.1.3.2 Inventory Updates
 - 6.1.3.3 Inventory-Reporting Methods
 - 6.1.3.4 Inventory Verification
 - 6.1.3.5 Inventory-Reporting Deviation
 - 6.1.4 Device Failure Reporting
 - 6.1.4.1 Failure-Data Submittal
 - 6.1.4.2 Failure-Data Verification
 - 6.1.4.3 Failure Definition
 - 6.2 Records
 7. Crane Operations
 8. Employee Orientation and Motivation Programs for Personnel Working Offshore
 9. Requirements for Drilling Rigs
 - 9.1 Fixed Structures
 - 9.2 Mobile Drilling Units
 10. Departures

EXHIBIT 4

CONTENTS OF REVISED OCS ORDERS (Continued)

Order No. 6 Well Completions and Workover Operations (Under Development)

Order No. 7 Pollution Prevention and Control

1. Pollution Prevention
 - 1.1 Liquid Disposal
 - 1.1.1 Drilling-Mud Components
 - 1.1.2 Hydrocarbon-Handling Equipment
 - 1.1.3 Curbs, Cutters, and Drains for Fixed Platforms or Structures and Mobile Drilling Units
 - 1.1.4 Discharges from Fixed Platforms or Structures and Mobile Drilling Units
 - 1.2 Solid Material Disposal
 - 1.2.1 Well Solids
 - 1.2.2 Containers
 - 1.2.3 Equipment
 2. Personnel, Inspections, and Reports
 - 2.1 Personnel
 - 2.2 Pollution Inspections
 - 2.2.1 Manned Facilities
 - 2.2.2 Unattended Facilities
 - 2.3 Pollution Reports
 - 2.3.1 Spills
 - 2.3.2 Observed Malfunctions
 3. Pollution-Control Equipment and Materials and Oil Spill Contingency Plans
 - 3.1 Equipment and Materials
 - 3.2 Oil Spill Contingency Plans
 4. Drills and Training
 - 4.1 Drills
 - 4.2 Training
 5. Spill Control and Removal
 6. Departures

Order No. 8 Platforms and Structures

1. Applicability
 - 1.1 New Platforms
 - 1.2 Major Modifications and Repairs
 - 1.3 Platform Verification
 - 1.4 References
 - 1.4.1 Operating Procedures for the Platform Verification Program
 - 1.4.2 Requirements for Verifying the Structural Integrity of OCS Platforms
 - 1.4.3 Appendices to Requirements for Verifying the Structural Integrity of OCS Platforms
 - 1.4.4 Commentary on Requirements for Verifying the Structural Integrity of OCS Platforms
 2. Responsibility
 - 2.1 Submission
 - 2.2 Certification
 - 2.3 Verification
 - 2.4 Approval
 - 2.5 Notification
 3. Submissions
 - 3.1 General
 - 3.2 Design
 - 3.2.1 Design Documentation
 - 3.2.1.1 General Platform Information
 - 3.2.1.2 Environmental and Loading Information
 - 3.2.1.3 Foundation Information
 - 3.2.1.4 Structural Information
 - 3.3 Fabrication Installation
 - 3.4 Installation
 4. Records
 5. Departures
- Operating Procedures for the OCS Platform Verification Program

Order No. 9 Oil and Gas Pipelines (Under Development)

Order No. 10 (This Title and Content Reserved)

Order No. 11 Oil and Gas Production Rates, Prevention of Waste, and Protection of Correlative Rights (Under Development)

Order No. 12 Public Inspection of Records

1. Filing of Records
2. Availability of Records
 - 2.1 Form 9-152—Monthly Report of Operations
 - 2.2 Form 9-330—Well-Completion or Recompletion Report and Log
 - 2.2.1 Prior to Commencement
 - 2.2.2 After Commencement of Production
 - 2.2.3 5 Years' Elapsed Time
 - 2.3 Form 9-331—Sundry Notices and Reports on Wells
 - 2.3.1 "Request for Approval to"
 - 2.3.2 "Subsequent Report of"
 - 2.4 Form 9-331 C—Application for Permit to Drill, Deepen, or Plug Back
 - 2.5 Form 9-1869—Quarterly Oil-Well-Test Report
 - 2.6 Form 9-1870—Semi-Annual Gas-Well-Test Report
 - 2.7 Multipoint Back Pressure Test Report
 - 2.8 Sales of Lease Production
 - 2.9 Availability of Inspection Records
 - 2.10 Availability of Data and Information Submitted by Lessees
 - 2.11 Expired Leases
3. Information Exempt From Public Inspection
 - 3.1 Leases Issued Prior to June 11, 1976
 - 3.2 Leases Issued After June 11, 1976
 4. Departures

Order No. 13 Production Measurement and Commingling (Under Development)

Order No. 14 Approval of Suspensions of Production (Under Development)

EXHIBIT 5

CONTENTS OF OCS ORDERS UNDER DEVELOPMENT

ORDER NO. 6 COMPLETION OF OIL AND GAS WELLS

1. Wellhead Equipment and Testing Procedures.....	6-1
2. Storm Choke.....	6-1
3. Procedures for Multiple or Tubingless Completions.....	6-2

ORDER NO. 9 OIL AND GAS PIPELINES

1. General Design.....	9-1
2. Application.....	9-3
3. <u>Completion Report</u>	9-4

ORDER NO. 11 OIL AND GAS PRODUCTION RATES, PREVENTION OF WASTE,
AND PROTECTION OF CORRELATIVE RIGHTS

1. Definition of Terms.....	11-1
2. Classification of Reservoirs.....	11-3
3. Oil and Gas Production Rates.....	11-3
4. Balancing of Production.....	11-6
5. Oil Well Testing Procedures.....	11-7
6. Gas Well Testing Procedures.....	11-8
7. Witnessing Well Tests.....	11-8
8. Sale or Transfer of Production.....	11-8
9. Bottom-Hole Pressure Tests..	11-9
10. Flaring and Venting of Gas.....	11-9
11. Disposition of Gas.....	11-10
12. Multiple and Selective Completions.....	11-10
13. Gas Cap Well Completions.....	11-11
14. Location of Wells.....	11-11
15. Enhanced Oil and Gas Recovery Operations.....	11-12
16. Competitive Reservoir Operations.....	11-12
17. Conferences, Decisions and Appeals.....	11-13
Appendix A.....	11-15

ORDER NO. 13 PRODUCTION MEASUREMENT AND COMMINGLING

1. Definition of Terms.....	13-2
2. Liquid Sales Meters.....	13-2
3. Sale Tanks.....	13-8
4. Allocation Meter Facilities.....	13-9
5. Gas Measurement.....	13-9
6. Commingling of Production.....	13-12
7. Automatic Custody Transfer.....	13-13
8. Accidents.....	13-14

ORDER NO. 14 APPROVAL OF SUSPENSIONS OF PRODUCTION

1. Suspension of Production to Facilitate Proper Development.....	14-1
2. Suspension of Production Because of Lack of Transportation Facilities.....	14-2

SOURCE: Gulf of Mexico Area Orders



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

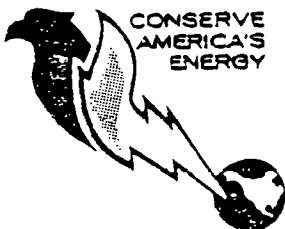
ORDER NO. 2974 (Revised)

Subject: Inter-Bureau Coordination in the Outer Continental Shelf
(OCS) Minerals Program

Sec. 1 Purpose. The purpose of this order is to improve and make more formal the planning and operating functions of the OCS minerals program by enabling the Bureau of Land Management (BLM) and the Geological Survey (GS) to obtain expert advice from each other and from the Fish and Wildlife Service (FWS), the Heritage Conservation and Recreation Service (HCRS), and the National Park Service (NPS). This improvement will result from the mutual exchange of relevant information and expert advice on environmental research, monitoring activities, and operational activities associated with the OCS minerals program. Bureaus other than those explicitly mentioned may become involved in areas of their respective expertise.

Sec. 2 Environmental Research and Monitoring. These activities are carried out in the context of the Departmental OCS Environmental Studies Program for the administration, management, funding and constructing of studies in specific geographic areas as a part of the OCS mineral leasing program as administered by BLM. The OCS Environmental Studies Program includes data collection, subsequent monitoring, and special investigations. For the purpose of this order, bureau responsibilities are as follows:

- a. BLM shall consult with FWS and GS in designing the overall study programs and on the design for studies oriented to each separately identified geographic area. In this connection, BLM shall inform FWS and GS of its study plan schedule and request their recommendations concerning:
 - (1) Specific elements to be incorporated in studies (including but not limited to, scope, intensity, timing and required funding), and
 - (2) Allocation of funds and level of effort among various study elements.
- b. BLM may provide for FWS and GS involvement in the performance or management of studies under any of the following arrangements.



Save Energy and You Serve America!

EXHIBIT 6 (CONTINUED)

- (1) FWS and GS may perform or manage specific study elements as may be determined by the bureaus involved. BLM may reimburse FWS and GS, pursuant to memorandum of understanding, for costs incurred in the studies or other pertinent activities under this arrangement.
 - (2) FWS and GS may perform or manage elements of studies which another Federal agency is managing for BLM. In such instances FWS and GS would arrange for their participation directly with the other Federal agency.
- c. FWS and GS, and other Bureaus as appropriate, shall participate with BLM in evaluating OCS technical proposals received in the contracting process.
 - d. FWS and GS may participate with BLM in monitoring study elements of special interest to the participating bureaus.
 - e. BLM shall consult with NPS on activities that concern units of the National Park System.
 - f. If for good and sufficient reasons, and after consultations among the bureaus, participating bureaus do not agree with BLM's overall study program designs, the issues will be resolved through the procedures specified in Section 6, Resolution of Disagreements.

Sec. 3 Cultural Resources Assessment Studies. Cultural resource activities are those archeological and historical data collection and assimilation activities conducted in specific geographic areas as a part of the OCS mineral leasing program. These activities are carried out in the context of a BLM program for administration, management, funding, and constructing of regional studies, which include data collection, synthesis, and special investigations. BLM shall consult with HCRS on cultural resource activities using the procedures outlined in Section 2, Environmental Research and Monitoring, with the substitution of "HCRS" for "FWS and GS."

Sec. 4 OCS Pre-Lease and Operational Activities OCS activities refer to the implementation of OCS regulations administered by BLM under 43 CFR Parts 2880 and 3300, and GS under 30 CFR Parts 250, 251 and 252.

- a. When an OCS area is being considered for leasing, the Manager of the designated BLM OCS Office shall request, pursuant to 43 CFR 3301.2, resource reports from FWS, GS, HCRS and NPS. Such reports may include but are not limited to:
 - (1) Information concerning results of periodic studies on problems relating to the impact of mineral exploration and exploitation on estuarine and coastal resources.

EXHIBIT 6 (CONTINUED)

- (2) Information which relates directly or indirectly to the assessment of potential environmental impacts of mineral exploration and production on OCS lands.
 - (3) Information useful in the identification and designation of restricted use areas including, but not limited to, Marine Preserves, Marine or Estuarine Sanctuaries and National Wildlife Refuges, and coastal units of the National Park System.
- b. During the pre-leasing process the Manager of the designated BLM OCS Office shall obtain the views of the appropriate Regional or Area (Alaska) Director, FWS, concerning the potential effects of oil and gas development on biological resources.
 - c. In preparation of lease stipulations, BLM shall obtain the advice and participation of FWS and GS at the field and headquarters level. HCRS and NPS shall be consulted on matters pertinent to their responsibilities.
 - d. BLM shall give FWS and GS, and HCRS and NPS as appropriate, an opportunity, within specified time limits, to review and comment on the Proposed Notices and final Notices of Lease Sale prior to publication of the Notices in the Federal Register.
 - e. BLM, with the participation of FWS and GS and other Bureaus as appropriate, and in accordance with memoranda of understanding or other agreements entered into, will plan the location of pipeline rights-of-way. FWS shall prepare and submit reports to BLM concerning potential effects on biological resources from laying pipelines in proposed rights-of-way corridors.
 - f. The Area Oil and Gas Supervisors, GS, will consult with, and when appropriate receive recommendations from, the responsible field representatives of:
 - (1) BLM and FWS:
 - (a) Prior to issuance of draft OCS Orders;
 - (b) Prior to approval of exploratory drilling plans and plans of development; and
 - (c) Prior to approval of other major activities on the OCS.
 - (2) NPS on anticipated area-wide operations adjacent to coastal parks under NPS jurisdiction. At the request of NPS, additional consultations will be held on specific proposed plans.

EXHIBIT 6 (CONTINUED)

(3) HCRS as may be necessary to supplement consultation required by sections 3 and 4c, j, and k.

- g. BLM, FWS, HCRS and NPS shall act as advisors to the Area Oil and Gas Supervisors, GS, on matters within their respective responsibilities and recognized expertise in the areas of activity and in those instances outlined in Section 4f. In implementing consultations, GS will transmit the appropriate documents and information to representatives of BLM, FWS, HCRS and NPS. BLM, FWS, HCRS and NPS will submit comments to GS as soon as practical but not later than 30 days after the plan or document has been received, except in the case of exploration plans the period will be 20 days. GS will defer approval of requests, plans or permits until the Bureaus have submitted comments or 30 days have passed from receipt of the documents by the Bureaus, whichever occurs first, except in the case of exploration plans the period will be 20 days.
- h. In addition to other requirements for coordination and consultation, all Departmental Bureaus are required to keep other bureaus with OCS responsibilities informed of activities for which they have primary responsibility and which may affect the OCS minerals program. This duty to inform includes timely distribution of documents with adequate explanations of pertinence to the OCS minerals program, and an adequate opportunity for all interested bureaus to comment prior to the time final action is taken on a proposed activity.
- i. BLM, FWS and GS shall specify and design any biological sampling or monitoring requirements and plans in connection with special lease stipulations for the protection of biological resources. The plans will contain survey and data collection requirements as may be necessary to comply with special lease stipulations. Any changes to the plans will be made only after consultation with the agencies and offices affected. All biological survey reports submitted to Supervisors by lessees shall be expeditiously provided to FWS and BLM for review and comment prior to acceptance of final reports.
- j. HCRS shall make recommendations to implement special lease stipulations on cultural resources.
- k. BLM and GS shall provide HCRS with information on cultural resources discoveries and shall notify HCRS if operational activities indicate the presence of cultural resources.

Sec. 5 Committees

- a. A committee shall be formed at the headquarters level consisting of representatives from AS/PBA, BLM, FWS, GS, HCRS, NPS and the Solicitor's Office to serve as the formal mechanism for coordination and planning, and for providing a forum for the exchange of views among the participants. The chairperson of the committee will be a representative of AS/PBA. Meetings will be scheduled as needed and convene at the call of the

EXHIBIT 6 (CONTINUED)

chairperson. Provisions will be made for convening meetings at the call of any participating bureau of office.

- b. Field level committees shall be formed for Mid and North Atlantic, South Atlantic, Gulf of Mexico, Pacific, Alaska and will consist of representatives from the bureaus listed in Section 5a. The field-level committees will serve as the formal field-level mechanism for coordination and planning, implementing the provisions in Sections 1 through 4, and providing a forum for the exchange of views among the participants. The chairpersons of field committee meetings shall be the top ranking field level official of the bureau requesting the meeting, or the Special Assistant to the Secretary when the Special Assistant requests a meeting. Provisions will be made for convening meetings at the call of any participating bureau. The members of the committee may, by mutual agreement, decide to confer by telephone rather than meet as a group.
- c. This Order does not diminish the authorities or responsibilities of the Special Assistants to the Secretary in the field. The Special Assistants may, at their discretion, convene and chair meetings under the authorities of this Order.
- d. The committees described in this Section shall be established and operated in accordance with the provisions of 308 DM 4.

Sec. 6 Resolution of Disagreements. If the bureaus disagree for good and sufficient reasons, on issues relating to the OCS minerals program, as dealt with in this Order, the dispute will be resolved as follows:

- a. If the issue first arises at the field level, it will be considered by the appropriate representatives of BLM, FWS, GS, HCRS and NPS. If the issue cannot be resolved satisfactorily in this manner, it will be referred for resolution to the concerned Bureau Directors at the Washington level.
- b. If it is a policy issue or one which is otherwise handled at headquarters level, and remains unresolved after referral to Bureau Directors, the issue will be referred for resolution through the appropriate Assistant Secretaries to AS/PBA.

Sec. 7 Effective Date. This Order is effective immediately. Its provisions shall remain in effect until the Order is amended, superseded or revoked, whichever occurs first. However, in the absence of the foregoing actions, the provisions of this Order shall terminate on September 30, 1980.

Cecil D. Andrus

Secretary of the Interior

Aug. 9, 1978
Date

EXHIBIT 7

LEASE STIPULATIONS FROM SELECTED OCS SALES

Sale No.	Area	Stipulation Number	Subject	Requirement	Other Sales	
					Sale No.	Stip No.
43 ¹	South Atlantic	1	Possible presence of live bottom areas.	Interpret survey data for presence of live bottom areas; photo-document if necessary; protect live bottom areas by: 1) relocation of operations; shunting fluids and cuttings; transportation of fluids and cuttings; monitoring for impact.		
43	South Atlantic	2	Possible presence of cultural resources.	Selectively invoked by written notice. Remote sensing surveys with data evaluated by qualified marine survey archaeologist. If presence indicated, operator to report, preserve and protect.	49 48 A62 42	1 3 1 1
43	South Atlantic	3	Possible presence of unexploded ordnance (munitions, mines and bombs).	Remote sensing surveys as specified by DCM		
43	South Atlantic	4	Pipelines; other means of transport.	Pipeline preferred; lessor may designate route; pipelines to be buried; any vessel transport must conform to Ports and Waterways Safety Act of 1972 standards.	49 48 BF 42	3 6 5 3
43	South Atlantic	5	Naval Base (Charleston) and Naval Air Station (Jacksonville) agreements.	"Hold harmless" the U.S. government; negotiate agreements regarding control of electromagnetic emissions; negotiate agreement regarding boat or aircraft traffic.		
43	South Atlantic	6	Unitization	Reservoirs underlying this lease must be developed as a unit if they extend into one or more other leases.		
43	South Atlantic	7	(a) Possible mass movement (slumping) of sediments; (b) "Bright spot" anomaly.	Each applies only to certain tracts. Proof of safe operations must be demonstrated.	42(a)	5
43	South Atlantic	8	Possible reduction of fixed sliding scale royalty rates	Only to occur when necessary to increase ultimate recovery; royalty to come from the lease area.	49 48 BF A62 42	10 8 10 7 7
43	South Atlantic	9	Other regulatory bodies	Lessees shall comply with DOE, DOT, EPA, and Corps of Engineers regulations, and with appropriate state laws.		

¹ Sale date March 28, 1978

Note: This exhibit shows the lease stipulations attached to one sale from each OCS area (South, Mid, and North Atlantic Sales 43, 49, and 42 respectively; California Sale 48; Alaska Sale BF, Gulf of Mexico Sale A62. Lease stipulations appearing in more than one sale are identified and cross-referenced.

EXHIBIT 7

LEASE STIPULATIONS FROM SELECTED OCS SALES (continued)

Sale No.	Area	Stipulation Number	Subject	Requirement	Other Sales	
					Sale No.	Stip No.
49 ²	Mid Atlantic	2	Biological populations or habitats.	DCM may require environmental surveys to determine extent and composition of, and impacts from operations on, populations and habitats. DCM may require 1) site relocation or 2) operational modification. Populations and habitats to be protected. Biological committee to be appointed.	42	2
49	Mid Atlantic	4	Disposal of muds and cuttings	To be 1) shunted 20-50' below ocean surface or 2) transported to approved disposal sites. Reinjection of produced formation waters may be required.	42	4
49	Mid Atlantic	5	Shallow gas	Applies only to portions of specified tracts. Proof of safe operations required.		
49	Mid Atlantic	6	Possible mass movement (slumping) of sediments	Similar to (a) in Sale 43, stip 7. Applies to portions of designated tracts. In addition to proof of safe operations, special mapping and special location of control devices are required, and operations may be necessary from outside the unstable area, either within or outside the block.	48	9
49	Mid Atlantic	7	Same as 49-6	Same as 49-6, except applies to whole tracts.		
49	Mid Atlantic	8	Naval Air Station (Oceana, VA.) agreement	"Hold harmless" the U.S. government and others for Air Station activities; negotiate agreement regarding boat and aircraft traffic.		
49	Mid Atlantic	9	NASA Wallops Flight Center agreement	Same as 49-8 plus agreement to evacuate and agreement to control electromagnetic emissions.		
42 ³	North Atlantic	8	Fisheries Training	Train personnel; familiarize with offshore fishing operations, hazards, conflicts, and impacts.		
42	North Atlantic	8	Naval Submarine Base (New London, Connecticut) agreements.	Tract 42-3 only. Same as 43-5.		
48 ⁴	California	1	Military installation coordination	Selected tracts. Coordination necessary with Space and Missile Test Center (SAMTEC), Pacific Missile Test Center (PMTC), and where appropriate Fleet Area Control and Surveillance Facility (FACSFAC) for boat and aircraft traffic, possible evacuation, and control of electromagnetic emissions.		
48	California	2	SAMTEC & PMTC	Selected tracts. "Hold harmless" from activities of said military installations.		

² Sale date February 28, 1979.

³ Sale date December 19, 1979.

⁴ Sale date June 29, 1979.

EXHIBIT 7

LEASE STIPULATIONS FROM SELECTED OCS SALES (continued)

Sale No.	Area	Stipulation Number	Subject	Requirement	Other Sales	
					Sale No.	Stip No.
48	California	4	Protection for commercial trawl grounds.	Selected tracts. (a) Subsea well heads or other protrusions to be shrouded; DCM to be notified of structures. (b) Unburied pipelines to be smooth surface or shrouded.		
48	California	5	Protection of any special biological resource discovered after lease issuance	Site specific biological surveys may be required; operator may be required to relocate operations, prove no adverse impact, or show a special resource does not exist.	BF	7
48	California	7	Tanner - Cortez Bank; protection of coral	Comply with 43CFR6224 (Protection and Management of Viable Coral Communities on the OCS). Special discharge procedures; possible relocation or modification of operations; monitoring of significant biological communities.		
48	California	10	Shallow geologic fault	Tract 48-174. Proof of safe operations, or operations to be from outside the area of potential fault movement.		
48	California	11	Possible unitization	Tract 48-063. Lease within Pitas Point Unit Area; review necessary prior to committing mineral rights to that unit.		
48	California	12	Competing use	Portion of tract 48-075. Protection required for existing LNG operation on the lease.		
48	California	13	State-Federal drilling boundary.	Selected tracts. Producing well must be 500 feet from State-Federal boundary unless production unit negotiated or reciprocal drilling agreements are established.		
48	California	14	Water depths > 750 meters	Best Available & Safest Technology (BAST) for operations; Sec.21(b) of OCSLA Amendments of 1978.		
48	California	15	State-Federal boundary	Tract 48-116; surface activities must be 3 miles from seaward boundary.		
BF ⁵	Beaufort Sea, Alaska	1	Archeological or historic resource.	To be reported and protected.		
BF	Beaufort Sea, Alaska	2	Environmental training program for all personnel.	To increase sensitivity to environmental, social, and cultural concerns. Briefing program required for management personnel, including agents and contractors.		
BF	Beaufort Sea, Alaska	3	Site restoration	Where water depth < 10 meters, structures to be removed unless DCM approves otherwise.		
BF	Beaufort Sea, Alaska	4	Solid waste disposal	Prohibited		
BF	Beaufort Sea, Alaska	6	Mud, cuttings, and water discharges	Prohibited, except case-by-case approval possible where water depth > 10 meters.		
BF	Beaufort Sea, Alaska	3	Calendar limitation	Downhole exploratory activities limited to 11/1 through 3/31, unless otherwise approved.		
BF	Beaufort Sea, Alaska	9	Disputed lease portion	Operations must be from outside the disputed portion.		
BF	Beaufort Sea, Alaska	11	Disputed lands	Lessees consent to terms of "Interim Agreement" between Alaska and U.S., and may be liable for state taxes when issue of disputed lands is resolved.		
BF	Beaufort Sea, Alaska	12	Unitization	Lessee bound by terms of "Agreement Regarding Unitization for Proposed Joint Federal/State Beaufort Sea Lease Sale."		
BF	Beaufort Sea, Alaska	15	State stipulations also included.			

⁵ Bids opened December 11, 1979.

EXHIBIT 7

LEASE STIPULATIONS FROM SELECTED OCS SALES (continued)

<u>Sale No.</u>	<u>Area</u>	<u>Stipulation Number</u>	<u>Subject</u>	<u>Requirement</u>	<u>Other Sales</u>	
					<u>Sale No.</u>	<u>Stip. No.</u>
A62 ⁶	Gulf of Mexico	2	Protection for Sonnier Banks	Selected tracts. Activities restricted within 55 meter isobath; mud and cuttings to be shunted if within "1 mile zone"; if within 3 mile zone, either shunting, or monitoring program by independent personnel.		
A62	Gulf of Mexico	3	Protection for Rezak Bank	Selected tracts. Within 3 mile zone, as above.		
A62	Gulf of Mexico	4	Protection for Diaphus Bank	Selected tracts. Within 3 mile zone, as above.		
A62	Gulf of Mexico	5	Protection for Sackett Bank	Selected tracts. Duplicates A62 stip 2, except primary protection for 35 meter isobath.		
A62	Gulf of Mexico	6	Shallow geologic hazards	Selected tracts. Lease portions may be subject to mass movement of sediment, unstable slopes, shallow faults or gaseous sediments. Soil testing, site specific surveys, and special mapping may be required; operations may be necessary from outside the unstable areas.		

⁶ Proposed for September 30, 1980

EXHIBIT 8

EXPLORATORY DRILLING PLAN REQUIREMENTS

- A. The proposed type and sequence of exploration activities to be undertaken together with a tentative time table for performance.
- B. A description of the drilling vessels, platforms, or other offshore structures showing the design and major features thereof. The description shall include features pertaining to pollution prevention and control, hydrocarbon detection including mud logging program, safety, fire control, and a description of the integrated blowout prevention system. It shall also include maximum environmental design criteria and operational criteria.
- C. Types of geophysical equipment to be used in seismic surveys, including energy source.
- D. The proposed approximate location of each well, including surface and projected bottom hole location *for directionally drilled wells. Water depth, proposed true vertical depth, and proposed measure depth shall also be included.
- *E. Structural interpretations based on available geological and geophysical data including a minimum of a structural contour map on prospective horizon(s). A complete description of the anticipated stratigraphic section with supporting documentation. This shall be updated as additional wells are drilled. Several seismic RMS velocity scans from locations within 2 miles of the proposed site.
- F. Emergency operating procedures and requirements for safety meetings, training procedures, and drills in conformance with the appropriate Atlantic OCS Orders.
- G. A program of proposed procedures for drilling and setting upper casing strings where a riser system is to be used, including a schematic diagram and operational procedure for the diverter system and the BOP.
- H. Proposed mud program including the mud type, amounts of mud in active pits and reserve pits, and/or storage tanks. The minimum quantities of mud material to be maintained at the drill site for emergency use, and characteristics, and mud testing program.

* Items normally determined proprietary and therefore excluded from copies of plan which receive outside agency review.

SOURCE: U.S. Geological Survey, Conservation Division, Eastern Region, Atlantic Area, Notice to Lessees 78-1, pgs. 2-4.

EXPLORATORY DRILLING PLAN REQUIREMENTS (Continued)

A detailed list of mud components and additives, including the common chemical or chemical trade name of each, and a toxicity data sheet for each. The mud program shall include a statement as to its anticipated effect on marine life and information as to the method of disposal of mud and drill cuttings. Conformance with Atlantic OCS Orders No. 2 shall be required. This section should not include the proprietary data to be submitted under V. H. of this Notice.

- I. Proposed sampling program (drill cuttings, side wall sampling and coring). This section should not include proprietary data submitted under section V. K. of this Notice.
- J. Abandonment procedures and methods of ocean floor cleanup.
- K. Evidence of the fitness of the mobile drilling vessel to perform the planned drilling operations at the proposed drilling location. Such evidence shall be provided by an American Bureau of Shipping Certificate of Classification or U.S. Coast Guard Certification of Inspection with operational limitations. An American Bureau of Shipping Certificate of Freeboard should be included where available.
- L. A contingency plan shall be submitted when drilling operations are to be conducted to penetrate formations that are not known to be free of hydrogen sulfide (H_2S). Compliance with the provisions of GSS-OCS-1, current edition, "Safety Requirements for Drilling Operations in a Hydrogen Sulfide Environment," shall be required.
- M. A Critical Operations and Curtailment Plan containing a list or description of the critical drilling operations that will be or are likely to be conducted on the lease. Such a list or description shall specify the operations to be ceased, limited, or not to be commenced under given circumstances or conditions in conformance with Atlantic OCS Orders No. 2. The plan shall include a list or general description of circumstances under which such critical operations shall be curtailed. The list or description shall describe parameters such as riser angle, which will not be exceeded during these operations. It should include the manner in which those parameters will be monitored during the conduct of critical operations, indicating any automated alarms or response systems.
- N. Any other pertinent data the Area Oil and Gas Supervisor for Operations or the District Supervisor may prescribe.

EXHIBIT 9

APPLICATION FOR PERMIT TO DRILL (APD) INSTRUCTIONS FORM 9-331-C

Prior to commencing drilling under an approved exploration plan, the lessee/operator shall file an Application for Permit to Drill, with all attachments, with the District Supervisor for approval. These applications may be filled concurrently with the plan of exploration, but under separate cover, to speed the process of approval to Drill.

In each case only four copies of the Application for Permit to Drill should be accompanied by proprietary data, consistent with Section VII, B. Items which will normally be determined proprietary are marked in this notice with an asterisk.

The following and other pertinent information shall be submitted with the Application for Permit to Drill.

- A. Proposed surface location and projected bottom hole location* measured from the nearest block boundaries and the appropriate UTM Grid Zone X and Y coordinates and latitude-longitude reference points.
- B. Plat (scale 2,000'/inch) showing the proposed surface and bottom hole location* of the well and of surrounding wells.
- C. K. B. elevation.
- D. Water depth.
- E. Proposed true vertical and measured depth of the well.
- *F. Estimated depths to top of significant geologic markers.
- *G. Anticipated Depth at which oil or gas formations are likely to be encountered.
- *H. The maximum anticipated surface pressure, the criteria used to determine this pressure, and mud weights for the mud program.
- *I. The proposed casing program design including sizes, weights, grades, and setting depths of each string, including the safety factors for collapse, tension, and burst; also a summary of fracture pressure and anticipated formation pressures.
- *J. The proposed cementing programs to be used in cementing casing including quantities and types of cement.
- *K. Proposed logging program and intervals to be logged.
- L. Proposed directional survey program.
- *M. Vertical cross sections, a structure dip and strike section, showing proposed well bore and depths of transected geologic features. Two fully interpreted CDP seismic profiles at right angles to each other, intersecting at, or near, the proposed site.

Source: NTL 78-1, pgs. 8-10.

EXHIBIT 10
FRONTIER AREA REVIEW OF APD'S

In the Atlantic area the exploration plan and environmental report and APD are both approved in the district offices, and in Alaska the two offices work very closely together. Thus the APD approval can be integrated with the exploration plan review in a way that does not occur in the Gulf of Mexico or the Pacific regions. Operators planning to drill to a definite schedule will submit APD's with the exploration plan. If this is done, the approval time will be the 10-day completeness review plus 30 days, or longer if consistency concurrence from all appropriate states is not received. Sometimes, however, Atlantic plans have been submitted with an indefinite drilling schedule. In these cases the APD is reviewed but not approved until the drilling date is established. This same procedure - - approving APD's just prior to drilling - is also followed in Alaska. The Atlantic districts submit APD's for 30-day review to the four key DOI agencies (BLM, FWL, NPS, HCR), and these agencies have an opportunity to submit any new environmental information that may have developed since the exploration plan was submitted.

The Atlantic districts frequently require modification to the APD's (for example, a mud additive may have been banned since the exploration plan was submitted), but these are usually minor changes.

EXHIBIT 11

CONDITIONS FOR GRANTING APPROVAL TO DRILL

The following are general conditions of approval which may be applied to Applications for Permit to Drill. Such other conditions as deemed necessary by the District Supervisor may be included for any given approval. All submittals are to the appropriate District Office with the exception of items K, M & N.

- A. An emergency standby vessel shall be maintained in the immediate vicinity of the drilling vessel at all times during drilling operations.
- B. All operations shall be subjected to inspection by Federal inspectors designated by the District Supervisor. The Federal inspectors, with the approval of the District Supervisor, shall have authority to order immediate cessation of operations for noncompliance with the terms of the permit or any applicable regulations, orders, Notices to Lessees, lease stipulations, or conditions of approval.
- C. The date actual drilling is started shall be reported on that date to the District Supervisor.
- D. Any unusual occurrence such as a fire, serious injury to personnel, loss of equipment overboard, damage caused by drifting of drilling vessel off location, well blowout, major equipment failure, etc., shall be reported without delay to the District Supervisor by telephone, and a full written report shall be filed within 10 days. This shall include those occurrences in conjunction with operations performed by any lessee, contractor, subcontractor, service vessel, etc.
- *E. The District Supervisor shall be immediately notified by telephone of any hydrocarbon discoveries. This shall include any shows.
- F. When appropriate, the operator shall notify the appropriate Department of Defense Agency in accordance with Special Lease Stipulations.
- *G. A drilling and progress report (one copy, no prescribed form) will be submitted weekly to the District Office showing the spud date, drilling depth, mud weight, and principal items of work done (casing, testing, coring, sidewall sampling, logging, etc.). The report will also show zones of lost circulation, kicks which resulted in cessation of drilling operations, and any hole difficulties encountered.
- H. A drilling progress report shall be called in each morning giving the total depth, mud weight, current operations and any recent unusual occurrences. (Current operations may be proprietary dependent on nature of operations).

* Items marked by asterisk are normally considered proprietary.

Source: NTL 78-1, pgs. 10-13.

SOURCE: U.S. Geological Survey, Conservation Division, Eastern Region, Atlantic Area. Notice to Lessees 78-1, pgs. 10-13.

EXHIBIT 11

CONDITIONS FOR GRANTING APPROVAL TO DRILL (Continued)

- *L. The applicable reports and logs required under 30 CFR 250.38 and 250.90 through 250.95 of the OCS Operating Regulations will be properly and timely submitted. Field prints of individual runs of all electrical, radioactive, or other well-logging operations (2" and 5" scales), the mud log to date, directional and other surveys shall be submitted in duplicate upon request. Final prints of electric and all other logs (2" and 3" scales), directional and other surveys, core description and conventional analysis, and stratigraphic determination, must be submitted in duplicate to the District Office as soon as available, but not later than 30 days after completion of the well.

- *J. All occurrences of oil, gas, and other minerals or zones of potential geological interest will be noted on the completion report or on a marked electric log to include all important zones of porosity and contents thereof, cored intervals, and complete details on all drill stem or formation tests. Exact copies of any analysis of cores must be submitted.

- *K. All drill core(s) and formation fluid sample(s) taken from the productive interval(s) will be submitted in sufficient quantities to determine reservoir character. The District Supervisor will determine what number is sufficient and if a good faith effort has been made to obtain the cores. The District Supervisor will be empowered to waive this requirement in the interest of safety. Sidewall core(s) should be taken from adjacent shale intervals in sufficient quantities for paleontological studies during each coring with the same supervisory discretionary conditions as above. Samples shall be submitted to the Area Office not later than 30 days after they have been taken.

- *L. The identity of rock units in time-stratigraphic terms will be established by showing, as accurately as the present state of knowledge allows, the depths to the top of the upper Pliocene, middle Pliocene, lower Pliocene, upper Miocene, middle Miocene, etc., as appropriate, on the completion report or on a marked electric log.

- *M. A paleontological identification, by depth, of all fossil foraminifers, nanoplankton and other microfossils identified shall be submitted to the Area Office.

- *N. One set of washed ditch samples and one set of unwashed ditch samples, both taken at 30-foot intervals, unless otherwise specified by the District Supervisor, shall be submitted to the Area Office. These sets are defined as follows:

Washed — rinsed with water to remove all drilling mud; dried, labelled and placed in envelopes.

Unwashed — unrinsed total sample placed in cans, plastic bags, or other watertight containers labeled on the exterior of the container.

EXHIBIT 11

CONDITIONS FOR GRANTING APPROVAL TO DRILL (Continued)

- O. Form 9-331 "Sundry Notices and Reports on Wells" shall be submitted in triplicate to the District Supervisor when changes are made in the Application for Permit to Drill, notwithstanding any verbal approval that may have been given by the District Supervisor. This shall include abandonment, formation/production testing, and changes in the proposed location. The subsequent report, Form 9-331, shall be submitted not later than 30 days after completion of the approved work or after the final surveyed location and K.B. elevations have been determined.
- *P. The District Supervisor shall be notified by telephone as to the exact starting date of cementing operations, formation/production tests, electric logging, well plugging or abandonment, completion operations, and special surveys sufficiently in advance so that an observer may be present if desired. (These data may be proprietary dependent on the nature of the operations).
- Q. A schematic diagram, showing the water depth, the height of the top of the casing stub or wellhead above the ocean floor, and all equipment attached to the casing, including the Coast Guard approved buoy, shall be submitted with the subsequent report or the completion report if the well is completed with underwater completion equipment or if the well is temporarily abandoned in such a manner that the casing extends above the surface of the ocean floor.
- R. All discharges of drilling mud and cuttings shall be downshunted at a depth of 12 - 15 meters below the ocean surface or transported to disposal sites approved by the Supervisor and the Environmental Protection Agency. Based upon the composition of produced formation waters, the Supervisor may require reinjection.

APPENDIX B

Exhibit

- 1 General Information - EPA Form 3510-1
- 2 Application For Permit To Discharge Wastewater, Existing Manufacturing, Commercial, Mining and Silvicultural Operations - EPA Form 3510-2C
- 3 National Pollutant Discharge Elimination System Application For Permit To Discharge - Short Form C (EPA Form 7550-8)
- 4 National Pollutant Discharge Elimination System Application For Permit To Discharge Wastewater, Standard Form C - Manufacturing and Commercial (EPA Form 7550-23)
- 5 Completed NPDES Application For Permit To Discharge Wastewater, Standard Form C
- 6 Fact Sheet For A Proposed NPDES Permit
- 7 Public Notice of Tentative Decision To Issue An NPDES Permit
- 8 Draft NPDES Permit
- 9 Final NPDES Permit
- 10 Request For An Evidentiary Hearing
- 11 EPA Administrator's Directive Concerning Coordination of Regulatory Activities For Offshore Oil and Gas Facilities (July 14, 1980)

EXHIBIT 1

Please print or type in the unshaded areas only
(fill-in areas are spaced for elite type, i.e., 12 characters/inch).

Form Approved OMB No. 158-R0175


FORM 1 GENERAL				U.S. ENVIRONMENTAL PROTECTION AGENCY GENERAL INFORMATION Consolidated Permits Program (Read the "General Instructions" before starting.)		I. EPA I.D. NUMBER F 1 2 3 4 5 6 7 8 9 10 11 12	
LABEL ITEMS I. EPA I.D. NUMBER III. FACILITY NAME V. FACILITY MAILING ADDRESS VI. FACILITY LOCATION		PLEASE PLACE LABEL IN THIS SPACE				GENERAL INSTRUCTIONS If a preprinted label has been provided, affix it in the designated space. Review the information carefully; if any of it is incorrect, cross through it and enter the correct data in the appropriate fill-in area below. Also, if any of the preprinted data is absent (the area to the left of the label space lists the information that should appear), please provide it in the proper fill-in area(s) below. If the label is complete and correct, you need not complete Items I, III, V, and VI (except VI-E which must be completed regardless). Complete all items if no label has been provided. Refer to the instructions for detailed item descriptions and for the legal authorizations under which this data is collected.	
II. POLLUTANT CHARACTERISTICS INSTRUCTIONS: Complete A through J to determine whether you need to submit any permit application forms to the EPA. If you answer "yes" to any questions, you must submit this form and the supplemental form listed in the parenthesis following the question. Mark "X" in the box in the third column if the supplemental form is attached. If you answer "no" to each question, you need not submit any of these forms. You may answer "no" if your activity is excluded from permit requirements; see Section C of the instructions. See also, Section D of the instructions for definitions of bold-faced terms.							
SPECIFIC QUESTIONS		YES NO ATTACHED		SPECIFIC QUESTIONS		YES NO ATTACHED	
A. Is this facility a publicly owned treatment works which results in a discharge to waters of the U.S. (FORM 2A)		YES NO ATTACHED		8. Does or will this facility (either existing or proposed) include a concentrated animal feeding operation or aquatic animal production facility which results in a discharge to waters of the U.S.? (FORM 2B)		YES NO ATTACHED	
C. Is this a facility which currently results in discharges to waters of the U.S. other than those described in A or 8 above? (FORM 2C)		YES NO ATTACHED		9. Is this a proposed facility (other than those described in A or 8 above) which will result in a discharge to waters of the U.S.? (FORM 2D)		YES NO ATTACHED	
E. Does or will this facility treat, store, or dispose of hazardous wastes? (FORM 3)		YES NO ATTACHED		10. Do you or will you inject at this facility industrial or municipal effluent below the lowermost stratum containing, within one quarter mile of the well bore, any of the following: (a) drinking water? (FORM 4)		YES NO ATTACHED	
G. Do you or will you inject at this facility any produced water or other fluids which are brought to the surface in connection with conventional oil or natural gas production, inject fluids used for enhanced recovery of oil or natural gas, or inject fluids for storage of liquid hydrocarbons? (FORM 4)		YES NO ATTACHED		11. Do you or will you inject at this facility fluids for special purposes, such as: (a) sulfur by the Frasch process; (b) sulfur dioxide; (c) sulfuric acid; (d) sulfuric acid for in situ combustion of oil; (e) thermal energy? (FORM 4)		YES NO ATTACHED	
I. Is this facility a proposed stationary source which is one of the 28 industrial categories listed in the instructions and which will potentially emit 100 tons per year of any air pollutant regulated under the Clean Air Act and may affect or be located in an attainment area? (FORM 5)		YES NO ATTACHED		J. Is this facility a proposed stationary source which is NOT one of the 28 industrial categories listed in the instructions and which will potentially emit 250 tons per year of any air pollutant regulated under the Clean Air Act and may affect or be located in an attainment area? (FORM 5)		YES NO ATTACHED	
III. NAME OF FACILITY							
1 SKIP							
IV. FACILITY CONTACT							
A. NAME & TITLE (last, first, & title)				B. PHONE (area code & no.)			
2							
V. FACILITY MAILING ADDRESS							
A. STREET OR P.O. BOX							
3							
B. CITY OR TOWN				C. STATE		D. ZIP CODE	
4							
VI. FACILITY LOCATION							
A. STREET, ROUTE NO. OR OTHER SPECIFIC IDENTIFIER							
5							
B. COUNTY NAME							
6							
C. CITY OR TOWN				D. STATE		E. ZIP CODE	
6							

EXHIBIT 1 - (Continued)

CONTINUED FROM THE FRONT

VII. SIC CODES (4-digit, in order of priority)															
A. FIRST						B. SECOND									
7 (specify)						7 (specify)									
C. THIRD						D. FOURTH									
7 (specify)						7 (specify)									
VIII. OPERATOR INFORMATION															
A. NAME											B.				
8											Is the name listed in Item VIII-A also the owner?				
											<input type="checkbox"/> YES <input type="checkbox"/> NO				
C. STATUS OF OPERATOR (Enter the appropriate letter into the answer box; if "Other", specify.)															
F = FEDERAL				M = PUBLIC (other than federal or state)								D. PHONE (area code & no.)			
S = STATE				O = OTHER (specify)											
P = PRIVATE															
E. STREET OR P.O. BOX															
F. CITY OR TOWN															
G. STATE				H. ZIP CODE				IX. INDIAN LAND							
9								Is the facility located on Indian lands?							
								<input type="checkbox"/> YES <input type="checkbox"/> NO							
X. EXISTING ENVIRONMENTAL PERMITS															
A. NPDES (Discharges to Surface Water)						D. PSD (414) (Mississippi from Proposed Sources)									
9 N						9 P									
B. UIC (Underground Injection of Fluids)						E. OTHER (specify)									
9 IU						9 (specify)									
C. RCRA (Hazardous Wastes)						E. OTHER (specify)									
9 R						9 (specify)									
XI. MAP															
<p>Attach to this application a topographic map of the area extending to at least one mile beyond property boundaries. The map must show the outline of the facility, the location of each of its existing and proposed intake and discharge structures, each of its hazardous waste treatment, storage, or disposal facilities, and each well where it injects fluids underground. Include all springs, rivers and other surface water bodies in the map area. See instructions for precise requirements.</p>															
XII. NATURE OF BUSINESS (provide a brief description)															
XIII. CERTIFICATION (see instructions)															
<p>I certify under penalty of law that I have personally examined and am familiar with the information submitted in this application and all attachments and that, based on my inquiry of those persons immediately responsible for obtaining the information contained in the application, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.</p>															
A. NAME & OFFICIAL TITLE (type or print)						B. SIGNATURE				C. DATE SIGNED					
COMMENTS FOR OFFICIAL USE ONLY															

EXHIBIT 2

EPA I.D. NUMBER (copy from Item 1 of Form 1)

Please print or type in the unshaded areas only.

Form Approved OMB No. 158-R0173

FORM 2C NPDES		U.S. ENVIRONMENTAL PROTECTION AGENCY APPLICATION FOR PERMIT TO DISCHARGE WASTEWATER EXISTING MANUFACTURING, COMMERCIAL, MINING AND SILVICULTURAL OPERATIONS <i>Consolidated Permits Program</i>
-----------------------------------	--	--

I. OUTFALL LOCATION

For each outfall, list the latitude and longitude of its location to the nearest 15 seconds and the name of the receiving water.

A. OUTFALL NUMBER (list)	B. LATITUDE			C. LONGITUDE			D. RECEIVING WATER (name)
	1. DEG.	2. MIN.	3. SEC.	1. DEG.	2. MIN.	3. SEC.	

II. FLOWS, SOURCES OF POLLUTION, AND TREATMENT TECHNOLOGIES

A. Attach a line drawing showing the water flow through the facility. Indicate sources of intake water, operations contributing wastewater to the effluent, and treatment units labeled to correspond to the more detailed descriptions in Item B. Construct a water balance on the line drawing by showing average flows between intakes, operations, treatment units, and outfalls. If a water balance cannot be determined (e.g., for certain mining activities), provide a pictorial description of the nature and amount of any ~~control~~ of water and any collection or treatment measures.

B. For each outfall, provide a description of: (1) All operations contributing wastewater to the effluent, including process wastewater, sanitary wastewater, cooling water, and storm water runoff; (2) The average flow contributed by each operation; and (3) The treatment received by the wastewater. Continue on additional sheets if necessary.

1. OUTFALL NO. (list)	2. OPERATION(S) CONTRIBUTING POUND(S) OF EACH POLLUTANT		3. TREATMENT	4. LIST CODES FROM TABLE 2C-1
	A. OPERATION (list)	B. AVERAGE FLOW (gallons per day)		

OFFICIAL USE ONLY (effluent guidelines sub-categories)

EXHIBIT 2 - (Continued)

CONTINUED FROM THE FRONT

C. Except for storm runoff, leaks, or spills, are any of the discharges described in Items II-A or B intermittent or seasonal?
 YES (complete the following table) NO (go to Section III)

1. OUTFALL NUMBER (list)	2. OPERATION(S) CONTRIBUTING FLOW (list)	3. FREQUENCY		4. FLOW				5. DURATION (in days)
		A. DAYS PER WEEK (specify average)	B. MONTHS PER YEAR (specify average)	6. FLOW RATE (in mgd)		7. TOTAL VOLUME (specify with units)		
				1. LONG TERM AVERAGE	2. MAXIMUM DAILY	1. LONG TERM AVERAGE	2. MAXIMUM DAILY	

III. MAXIMUM PRODUCTION

A. Does an effluent guideline limitation promulgated by EPA under Section 304 of the Clean Water Act apply to your facility?
 YES (complete Item III B) NO (to Section IV)

B. Are the limitations in the applicable effluent guideline expressed in terms of production for other measure of operation?
 YES (complete Item III C) NO (go to Section IV)

C. If you answered "Yes" to Item III B, list the quantity which represents an actual measurement of your maximum level of production, expressed in the terms and units used in the applicable effluent guideline, and indicate the affected outfalls.

MAXIMUM QUANTITY			2. AFFECTED OUTFALLS (list outfall numbers)
3. QUANTITY PER DAY	4. UNITS OF MEASURE	5. OPERATIONS, PRODUCT, MATERIAL, ETC. (specify)	

IV. IMPROVEMENTS

A. Are you now required by any Federal, State or local authority to meet any implementation schedule for the construction, upgrading or operation of wastewater treatment equipment or practices or any other environmental programs which may affect the discharges described in this application? This includes, but is not limited to, permit conditions, administrative or enforcement orders, enforcement compliance schedule letters, stipulations, court orders, and grant or loan conditions.
 YES (complete the following table) NO (go to Item IV-B)

1. IDENTIFICATION OF CONDITION, AGREEMENT, ETC.	2. AFFECTED OUTFALLS		3. BRIEF DESCRIPTION OF PROJECT	4. FINAL COMPLIANCE DATE	
	A. NO.	B. SOURCE OF DISCHARGE		A. REQUIRED	B. PROJECTED

B. OPTIONAL: You may attach additional sheets describing any additional water pollution control programs for other environmental projects which may affect your discharges you now have underway or which you plan. Indicate whether each program is now underway or planned, and indicate your actual or planned schedules for construction. MARK "X" IF DESCRIPTION OF ADDITIONAL CONTROL PROGRAMS IS ATTACHED

THIS PAGE
WAS INTENTIONALLY
LEFT BLANK

B-4a

EXHIBIT 2 - (Continued)

EPA I.D. NUMBER (copy from Item 1 of Form 1)

Form Approved OMB No. 158-R0173

CONTINUED FROM PAGE 2

V. INTAKE AND EFFLUENT CHARACTERISTICS

A, B, & C: See instructions before proceeding - Complete one set of tables for each outfall - Annotate the outfall number in the space provided.
 NOTE: Tables V-A, V-B, and V-C are included on separate sheets numbered V-1 through V-9.

D. Use the space below to list any of the pollutants listed in Table 2c-3 of the instructions, which you know or have reason to believe is discharged or may be discharged from any outfall. For every pollutant you list, briefly describe the reasons you believe it to be present and report any analytical data in your possession.

1. POLLUTANT	2. SOURCE	1. POLLUTANT	2. SOURCE

VI. POTENTIAL DISCHARGES NOT COVERED BY ANALYSIS

A. Is any pollutant listed in Item V-C a substance or component of a substance which you do or expect that you will over the next 5 years use or manufacture as an intermediate or final product or byproduct?

YES (list all such pollutants below) NO (go to Item VI-B)

B. Are your operations such that your raw materials, processes, or products can reasonably be expected to vary so that your discharges of pollutants may during the next 5 years exceed two times the maximum values reported in Item V?

YES (complete Item VI-C below) NO (go to Section VII)

C. If you answered "Yes" to Item VI-B, explain below and describe in detail the sources and expected levels of such pollutants which you anticipate will be discharged from each outfall over the next 5 years, to the best of your ability at this time. Continue on additional sheets if you need more space.

EXHIBIT 2 - (Continued)

CONTINUED FROM THE FRONT

VII. BIOLOGICAL TOXICITY TESTING DATA

Do you have any knowledge or reason to believe that any biological test for acute or chronic toxicity has been made on any of your discharges or on a receiving water in relation to your discharge within the last 3 years?

YES (identify the test(s) and describe their purpose below)

NO (go to Section VIII)

VIII. CONTRACT ANALYSIS INFORMATION

Were any of the analyses reported in Item V performed by a contract laboratory or consulting firm?

YES (list the name, address, and telephone number of, and pollution analyzed by, each such laboratory or firm below)

NO (go to Section IX)

A. NAME	B. ADDRESS	C. TELEPHONE (area code & no.)	D. POLLUTANTS ANALYZED (list)

IX. CERTIFICATION

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this application and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

A. NAME & OFFICIAL TITLE (type or print)	B. PHONE NO. (area code & no.)
C. SIGNATURE	D. DATE SIGNED

PLEASE PRINT OR TYPE IN THE UNSHADED AREAS ONLY. You may report some or all of this information on separate sheets (use the same format) instead of completing these pages. SEE INSTRUCTIONS

EPA I.D. NUMBER (copy from Item 1 of Form 1)

Form Approved OMB No. 158-H0173

V. INTAKE AND EFFLUENT CHARACTERISTICS (continued from page 3 of Form 2-C) OUTFALL NO. _____

PART A: You must provide the results of at least one analysis for every pollutant in this table. Complete one table for each outfall. See instructions for additional details.

I. POLLUTANT	2. EFFLUENT						J. NO. OF ANALYSES	3. UNITS (specify if blank)		4. INTAKE (optional)		
	B. MAXIMUM DAILY VALUE		D. MAXIMUM 30 DAY VALUE (if available)		C. LONG TERM AVG. VALUE (if available)			K. CONCENTRATION	L. MASS	G. LONG TERM AVERAGE VALUE		M. NO. OF ANALYSES
	(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS				(1) CONCENTRATION	(2) MASS	
a. Biochemical Oxygen Demand (BOD)												
b. Chemical Oxygen Demand (COD)												
c. Total Organic Carbon (TOC)												
d. Total Suspended Solids (TSS)												
e. Ammonia (as N)												
f. Flow	VALUE		VALUE		VALUE				VALUE			
g. Temperature (winter)	VALUE		VALUE		VALUE			°C	VALUE			
h. Temperature (summer)	VALUE		VALUE		VALUE			°C	VALUE			
i. pH	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM				STANDARD UNITS		X		

PART B: Mark "X" in column 2-a for each pollutant you know or have reason to believe is present. Mark "X" in column 2-b for each pollutant you believe to be absent. If you mark column 2-a for any pollutant, you must provide the results of at least one analysis for that pollutant. Complete one table for each outfall. See the instructions for additional details and requirements.

I. POLLUTANT AND CAS NO. (if available)	2. MARK "X"		3. EFFLUENT						J. NO. OF ANALYSES	4. UNITS		5. INTAKE (optional)		
	a. PRESENT	b. ABSENT	B. MAXIMUM DAILY VALUE		D. MAXIMUM 30 DAY VALUE (if available)		C. LONG TERM AVG. VALUE (if available)			K. CONCENTRATION	L. MASS	G. LONG TERM AVERAGE VALUE		M. NO. OF ANALYSES
			(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS				(1) CONCENTRATION	(2) MASS	
a. Bromide (24059-67-9)														
b. Chlorine, Total Residual														
c. Color														
d. Fecal Coliform														
e. Fluoride (16084-48-8)														
f. Nitrate-Nitrite (as N)														

EXHIBIT 2 - (Continued)

B-7

ITEM V-B CONTINUED FROM FRONT

1. POLLUTANT AND CAS NO. (if available)	2. MARK 'X'		3. EFFLUENT						4. UNITS		5. INTAKE (optional)			
	A. LEVEL SENT	B. LEVEL AD- SENT	B. MAXIMUM DAILY VALUE		D. MAXIMUM 30 DAY VALUE (if available)		C. LONG TERM AVG. VALUE (if available)		J. NO. OF ANAL- YSES	E. CONCENT- TRATION	D. MASS	A. LONG TERM AVERAGE VALUE		I. NO. OF ANAL- YSES
			(1) CONCENTRATION	(2) MASS	(3) CONCENTRATION	(4) MASS	(5) CONCENTRATION	(6) MASS				(7) CONCENTRATION	(8) MASS	
g. Nitrogen, Total Organic (as N)														
h. Oil and Grease														
i. Phosphorus (as P), Total (7723-14-0)														
j. Radioactivity														
(1) Alpha, Total														
(2) Beta, Total														
(3) Radium, Total														
(4) Radium 226, Total														
k. Sulfate (as S(14) (14800-79-8)														
l. Sulfide (as S)														
m. Sulfite (as SO ₃) (14266-40-3)														
n. Surfactants														
o. Aluminum, Total (7429-90-8)														
p. Barium, Total (7440-39-3)														
q. Boron, Total (7440-42-8)														
r. Cobalt, Total (7440-48-4)														
s. Iron, Total (7439-89-6)														
t. Magnesium, Total (7439-95-4)														
u. Molybdenum, Total (7439-98-7)														
v. Manganese, Total (7439-96-6)														
w. Tin, Total (7440-31-6)														
x. Titanium, Total (7440-32-6)														

FACSIMILE

B-8

EXHIBIT 2 - (Continued)

EPA I.D. NUMBER (copy from Item 1 of Form 1)

OUTFALL NUMBER

CONTINUED FROM PAGE 3 OF FORM 2-C

Form Approved OMB No. 158-R0173

PART C - If you are a primary industry and this outfall contains process wastewater, refer to Table 2c-2 in the instructions to determine which of the GC/MS fractions you must test for. Mark "X" in column 2-a for all such GC/MS fractions that apply to your industry and for ALL toxic metals, cyanides, and total phenols. If you are not required to mark column 2-a (secondary industries, non-process wastewater outfalls, and non-required GC/MS fractions), mark "X" in column 2-b for each pollutant you know or have reason to believe is present. Mark "X" in column 2-c for each pollutant you believe to be absent. If you mark either columns 2-a or 2-b for any pollutant, you must provide the results of at least one analysis for that pollutant. Note that there are seven pages to this part; please review each carefully. Complete one table (all seven pages) for each outfall. See instructions for additional details and requirements.

1. POLLUTANT AND CAS NUMBER (if available)	2. MARK 'X'			3. EFFLUENT						4. UNITS		5. INTAKE (optional)			
	a. ANAL. FRACTION	b. ANAL. FRACTION	c. ANAL. FRACTION	a. MAXIMUM DAILY VALUE		b. MAXIMUM 30 DAY VALUE (if available)		c. LONG TERM AVG. VALUE (if available)		d. NO. OF ANALYSES	e. CONCENTRATION	f. MASS	g. LONG TERM AVERAGE VALUE		h. NO. OF ANALYSES
				(i) CONCENTRATION	(ii) MASS	(i) CONCENTRATION	(ii) MASS	(i) CONCENTRATION	(ii) MASS				(i) CONCENTRATION	(ii) MASS	
METALS, CYANIDE, AND TOTAL PHENOLS															
1M. Antimony, Total (7440-38-0)															
2M. Arsenic, Total (7440-38-2)															
3M. Beryllium, Total (7440-41-7)															
4M. Cadmium, Total (7440-43-8)															
5M. Chromium, Total (7440-47-3)															
6M. Copper, Total (7660-80-8)															
7M. Lead, Total (7439-97-6)															
8M. Mercury, Total (7439-97-6)															
9M. Nickel, Total (7440-02-0)															
10M. Selenium, Total (7782-49-2)															
11M. Silver, Total (7440-22-4)															
12M. Thallium, Total (7440-28-0)															
13M. Zinc, Total (7440-66-6)															
14M. Cyanide, Total (57-12-6)															
15M. Phenols, Total															
DIOXIN															
2,3,7,8 Tetra-chlorodibenzo P-dioxin (1763-01-6)				DESCRIBE RESULTS											

FACSIMILE

B-9

EXHIBIT 2 - (Continued)

CONTINUED FROM THE FRONT

1. POLLUTANT AND CAS NUMBER (if available)	2. MARK 'X'			3. EFFLUENT						4. UNITS		5. INTAKE (optional)			
	A. ST. NO. OF QUAR. EQ.	B. CO. NO. OF QUAR. EQ.	C. CO. NO. OF QUAR. EQ.	6. MAXIMUM DAILY VALUE		7. MAXIMUM 30 DAY VALUE (if available)		8. LONG TERM AVG. VALUE (if available)		9. NO. OF ANAL. YSES	A. CONCENTRATION	B. MASS	10. LONG TERM AVERAGE VALUE		D. NO. OF ANAL. YSES
				(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS				(1) CONCENTRATION	(2) MASS	
GC/MS FRACTION - VOLATILE COMPOUNDS															
1V. Acrolein (107-02-8)															
2V. Acrylonitrile (107-13-1)															
3V. Benzene (71-43-2)															
4V. Bis (Chloromethyl) Ether (542-88-1)															
5V. Bromoform (75-26-2)															
6V. Carbon Tetrachloride (56-23-6)															
7V. Chlorobenzene (108-90-7)															
8V. Chlorodibromomethane (124-48-1)															
9V. Chloroethane (75-00-3)															
10V. 2-Chloroethylvinyl Ether (110-75-8)															
11V. Chloroform (67-68-3)															
12V. Dichlorobromomethane (75-27-4)															
13V. Dichlorodifluoromethane (75-71-8)															
14V. 1,1-Dichloroethane (78-34-3)															
15V. 1,2-Dichloroethane (107-06-2)															
16V. 1,1-Dichloroethylene (78-36-4)															
17V. 1,2-Dichloropropene (78-87-5)															
18V. 1,2-Dichloropropylene (542-75-6)															
19V. Ethylbenzene (100-41-4)															
20V. Methyl Bromide (74-83-9)															
21V. Methyl Chloride (74-87-3)															

FACSIMILE

B-10

EXHIBIT 2 - (Continued)

CONTINUED FROM PAGE V-4

1. POLLUTANT AND CAS NUMBER (if available)	2. MARCH			3. EFFLUENT						4. UNITS		5. INTAKE (optional)			
	A. STATE	B. DATE	C. DATE	D. MAXIMUM DAILY VALUE		E. MAXIMUM 30 DAY VALUE		F. LONG TERM AVG. VALUE		G. NO. OF ANALYSES	H. CONCENTRATION	I. MASS	J. LONG TERM AVERAGE VALUE		K. NO. OF ANALYSES
				(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS				(1) CONCENTRATION	(2) MASS	
GC/MS FRACTION - VOLATILE COMPOUNDS (continued)															
22V. Methylene Chloride (78-09-2)															
23V. 1,1,2,2-Tetrachloroethane (79-34-6)															
24V. Tetrachloroethylene (117-18-4)															
25V. Toluene (108-88-3)															
26V. 1,2-Dichloroethylene (156-60-6)															
27V. 1,1,1-Trichloroethane (71-65-6)															
28V. 1,1,2-Trichloroethane (78-00-6)															
29V. Trichloroethylene (79-01-6)															
30V. Trichlorofluoromethane (76-69-4)															
31V. Vinyl Chloride (75-01-4)															
GC/MS FRACTION - ACID COMPOUNDS															
1A. 2-Chlorophenol (95-67-8)															
2A. 2,4-Dichlorophenol (120-83-2)															
3A. 2,4-Dimethylphenol (105-67-8)															
4A. 4,6-Dinitro-O-Cresol (634-62-1)															
5A. 2,4-Dinitrophenol (81-20-6)															
6A. 2-Nitrophenol (88-76-6)															
7A. 4-Nitrophenol (100-02-7)															
8A. P-Chloro M-Cresol (69-60-7)															
9A. Pentachlorophenol (87-86-8)															
10A. Phenol (100-95-2)															
11A. 2,4,6-Trichlorophenol (88-06-2)															

FACSIMILE

EXHIBIT 2 - (Continued)

B-11

CONTINUED FROM THE FRONT

1. POLLUTANT AND CAS NUMBER (if available)	2. MARK 'X'			3. EFFLUENT						4. UNITS		5. INTAKE (optional)			
	A. TEST METHOD	B. DATE	C. ANALYST	A. MAXIMUM DAILY VALUE		B. MAXIMUM 30 DAY VALUE (if available)		C. LONG TERM AVG. VALUE (if available)		D. NO. OF ANALYSES	E. CONCENTRATION	F. MASS	G. LONG TERM AVERAGE VALUE		H. NO. OF ANALYSES
				(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS				(1) CONCENTRATION	(2) MASS	
GC/MS FRACTION - BASE/NEUTRAL COMPOUNDS															
18. Acenaphthene (83-32-9)															
28. Acenaphthylene (208-96-6)															
38. Anthracene (120-12-7)															
48. Benzidine (82-87-5)															
58. Benzo (a) Anthracene (66-66-3)															
68. Benzo (e) Pyrene (60-32-8)															
78. 3,4-Benzo-fluoranthene (205-89-2)															
88. Benzo (ghi) Perylene (191-24-2)															
98. Benzo (h) Fluoranthene (207-08-9)															
108. Bis (2-Chloroethoxy) Methane (111-91-1)															
118. Bis (2-Chloroethyl) Ether (111-44-4)															
128. Bis (2-Chloropropyl) Ether (39638-32-8)															
138. Bis (2-Ethylhexyl) Phthalate (117-81-7)															
148. 4-Bromophenyl Phenyl Ether (101-55-3)															
158. Butyl Benzyl Phthalate (65-68-7)															
168. 2-Chloronaphthalene (81-58-7)															
178. 4-Chlorophenyl Phenyl Ether (7005-72-3)															
188. Chrysene (218-01-9)															
198. Dibenzo (4,h) Anthracene (53-70-3)															
208. 1,2-Dichlorobenzene (95-50-1)															
218. 1,3-Dichlorobenzene (541-73-1)															

FACSIMILE

B-12

EXHIBIT 2 - (Continued)

CONTINUED FROM PAGE V-6

1. POLLUTANT AND CAS NUMBER (if available)	2. MARK 'X'			3. EFFLUENT						4. UNITS		5. INTAKE (optional)			
	A. ANAL. DATE	B. ANAL. DATE	C. ANAL. DATE	A. MAXIMUM DAILY VALUE		B. MAXIMUM 30 DAY VALUE (if available)		C. LONG TERM AVERAGE VALUE (if available)		D. NO. OF ANALYSES	E. CONCENTRATION	F. MASS	G. LONG TERM AVERAGE VALUE		H. NO. OF ANALYSES
				(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS				(1) CONCENTRATION	(2) MASS	
GC/MS FRACTION - BASE/NEUTRAL COMPOUNDS (continued)															
22B. 1,4-Dichlorobenzene (106-46-7)															
23B. 3,3'-Dichlorobenzidine (91-84-1)															
24B. Diethyl Phthalate (84-60-2)															
26B. Dimethyl Phthalate (131-11-3)															
26B. Di-N-Butyl Phthalate (84-74-2)															
27B. 2,4-Dinitrotoluene (121-14-2)															
28B. 2,6-Dinitrotoluene (608-20-2)															
29B. Di-N-Octyl Phthalate (117-84-0)															
30B. 1,2-Diphenylhydrazine (as Azobenzene) (122-65-7)															
31B. Fluoranthene (206-44-0)															
32B. Fluorene (86-73-7)															
33B. Hexachlorobenzene (116-71-1)															
34B. Hexachlorocyclopentadiene (67-68-3)															
35B. Hexachlorocyclopentadiene (77-47-4)															
36B. Hexachloroethane (67-72-1)															
37B. Indeno (1,2,3-cd) Pyrene (193-39-6)															
38B. Isophthalene (78-59-1)															
39B. Naphthalene (91-20-3)															
40B. Nitrobenzene (100-56-3)															
41B. N-Nitrosodimethylamine (62-76-9)															
42B. N-Nitrosodi-N-Propylamine (62-164-7)															

FACSIMILE

B-13

EXHIBIT 2 - (Continued)

CONTINUED FROM THE FRONT

1. POLLUTANT AND CAS NUMBER (if available)	2. MARK 'X'			3. EFFLUENT				4. NO OF ANALYSES	4. UNITS		5. INTAKE (optional)				
	a. TEST METHOD	b. CAS NO.	c. CAS NO.	6. MAXIMUM DAILY VALUE		b. MAXIMUM 30 DAY VALUE (if available)			c. LONG TERM AVG. VALUE (if available)		b. CONCENTRATION	b. MASS	6. LONG TERM AVERAGE VALUE		b. NO OF ANALYSES
				(i) CONCENTRATION	(ii) MASS	(i) CONCENTRATION	(ii) MASS		(i) CONCENTRATION	(ii) MASS			(i) CONCENTRATION	(ii) MASS	
GC/MS FRACTION - BASE/NEUTRAL COMPOUNDS (continued)															
43B. N-Nitrosodiphenylamine (86-30-6)															
44B. Phenanthrene (85-01-8)															
45B. Pyrene (129-00-0)															
46B. 1,2,4-Trichlorobenzene (120-82-1)															
GC/MS FRACTION - PESTICIDES															
1P. Aldrin (309-00-2)															
2P. α -BHC (319-84-6)															
3P. β -BHC (319-85-7)															
4P. γ -BHC (58-89-9)															
5P. δ -BHC (319-86-8)															
6P. Chlordane (67-74-9)															
7P. 4,4'-DDT (50-29-3)															
8P. 4,4'-DDE (72-85-9)															
9P. 4,4'-DDD (72-64-8)															
10P. Dieldrin (60-57-1)															
11P. α -Endosulfen (116-29-7)															
12P. β -Endosulfen (116-29-7)															
13P. Endosulfen Sulfate (1031-07-8)															
14P. Endrin (72-20-8)															
15P. Endrin Aldehyde (7421-93-4)															
16P. Heptachlor (76-44-8)															

FACSIMILE

B-14

EXHIBIT 2 - (Continued)

EPA I.D. NUMBER (copy from Item 1 of Form 1) OUTFALL NUMBER

Form Approved OMB No. 158-R0173

CONTINUED FROM PAGE V-8

1. POLLUTANT AND CAS NUMBER (if available)	2. MARK 'X'			3. EFFLUENT						4. UNITS		5. INTAKE (optional)			
	A. ANAL. BY QUANT. METHOD	B. ANAL. BY VISUAL OBSERVATION	C. ANAL. BY OTHER METHOD	B. MAXIMUM DAILY VALUE		D. MAXIMUM 30 DAY VALUE (if available)		C. LONG TERM AVG. VALUE (if available)		J. NO. OF ANALYSES	K. CONCENTRATION	L. MASS	I. LONG TERM AVERAGE VALUE		M. NO. OF ANALYSES
				(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS	(1) CONCENTRATION	(2) MASS				(1) CONCENTRATION	(2) MASS	
GC/MS FRACTION - PESTICIDES (continued)															
17P. Heptachlor Epoxide (1024-67-3)															
18P. PCB-1242 (63469-21-9)															
19P. PCB-1254 (11097-69-1)															
20P. PCB-1221 (11104-28-2)															
21P. PCB-1232 (11141-18-6)															
22P. PCB-1248 (12672-29-8)															
23P. PCB-1260 (11098-82-6)															
24P. PCB-1018 (12674-11-2)															
25P. Toxaphene (8001-36-2)															

FACSIMILE

EPA Form 3510-2C (6-80)

PAGE V-9

B-15

EXHIBIT 2 - (Continued)

EXHIBIT 3

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
APPLICATION FOR PERMIT TO DISCHARGE - SHORT FORM C

APPLICATION NUMBER									
DATE RECEIVED									
YEAR			MO.			DAY			

To be filed only by persons engaged in manufacturing and mining

Do not attempt to complete this form before reading accompanying instructions
Please print or type

1. Name, address, location, and telephone number of facility producing discharge

A. Name _____

B. Mailing address:

1. Street address _____

2. City _____ 3. State _____

4. County _____ 5. ZIP _____

C. Location:

1. Street _____

2. City _____ 3. County _____

4. State _____

D. Telephone No. _____

Area Code

2. SIC

--	--	--	--

(Leave blank)

3. Number of employees _____

If all your waste is discharged into a publicly owned waste treatment facility and to the best of your knowledge you are not required to obtain a discharge permit, proceed to item 4. Otherwise, proceed directly to item 5.

4. If you meet the condition stated above, check here and supply the information asked for below. After completing these items, please complete the date, title, and signature blocks below and return this form to the proper reviewing office without completing the remainder of the form.

A. Name of organization responsible for receiving waste _____

B. Facility receiving waste:

1. Name _____

2. Street address _____

3. City _____ 4. County _____

5. State _____ 6. ZIP _____

5. Principal product, raw material (Check one) _____

6. Principal process _____

7. Maximum amount of principal product produced or raw material consumed per (Check one)

Basis	Amount							
	[-99 (1)	100-199 (2)	200-499 (3)	500-999 (4)	1000-4999 (5)	5000-9999 (6)	10,000-49,999 (7)	50,000 or more (8)
A. Day								
B. Month								
C. Year								

EXHIBIT 3 - (Continued)

8. Maximum amount of principal product produced or raw material consumed, reported in item 7, above, is measured in (Check one):

- A. pounds B. tons C. barrels D. bushels E. square feet
 F. gallons G. pieces or units H. other, specify _____

9. (a) Check here if discharge occurs all year , or

(b) Check the month(s) discharge occurs:

1. January 2. February 3. March 4. April 5. May 6. June
 7. July 8. August 9. September 10. October 11. November 12. December

(c) Check how many days per week: 1. 1 2. 2-3 3. 4-5 4. 6-7

10. Types of waste water discharged to surface waters only (check as applicable)

Discharge per operating day	Flow, operating gallons per day					Volume treated before discharging (percent)				
	0.1-999 (1)	1000-4999 (2)	5000-9999 (3)	10,000-49,999 (4)	50,000- or more (5)	None (6)	0.1-29.9 (7)	30-64.9 (8)	65-94.9 (9)	95-100 (10)
A. Sanitary, daily average										
B. Cooling water, etc. daily average										
C. Process water, daily average										
D. Maximum per operating day for total discharge (all types)										

11. If any of the three types of waste identified in item 9, either treated or untreated, are discharged to places other than surface waters, check below as applicable.

Waste water is discharged to:	Average flow, gallons per operating day				
	0.1-999 (1)	1000-4999 (2)	5000-9999 (3)	10,000-49,999 (4)	50,000 or more (5)
A. Municipal sewer system					
B. Underground well					
C. Septic tank					
D. Evaporation lagoon or pond					
E. Other, specify _____					

12. Number of separate discharge points: A. 1 B. 2-3 C. 4-5 D. 6 or more

13. Name of receiving water or waters _____

14. Does your discharge contain or is it possible for your discharge to contain one or more of the following substances added as a result of your operations, activities, or processes: ammonia, cyanide, aluminum, beryllium, cadmium, chromium, copper, lead, mercury, nickel, selenium, zinc, phenols, oil and grease, and chlorine (residual). A. yes B. no

I certify that I am familiar with the information contained in the application and that to the best of my knowledge and belief such information is true, complete, and accurate.

Printed name of Person Signing _____

Title _____

Date Application Signed _____

Signature of Applicant _____

18 U.S.C. Section 1001 provides that:

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious, or fraudulent statements or representations; or makes or uses any false writing or document knowing same to contain any false, fictitious, or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

EXHIBIT 4

FORM APPROVED
OMB No. 158-R0100

FOR AGENCY USE									

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
APPLICATION FOR PERMIT TO DISCHARGE WASTEWATER

STANDARD FORM C - MANUFACTURING AND COMMERCIAL

SECTION I. APPLICANT AND FACILITY DESCRIPTION

Unless otherwise specified on this form all items are to be completed. If an item is not applicable indicate 'NA.'

ADDITIONAL INSTRUCTIONS FOR SELECTED ITEMS APPEAR IN SEPARATE INSTRUCTION BOOKLET AS INDICATED. REFER TO BOOKLET BEFORE FILLING OUT THESE ITEMS.

Please Print or Type

1. Legal Name of Applicant (see instructions)	101	_____				
2. Mailing Address of Applicant (see instructions)						
Number & Street	102a	_____				
City	102b	_____				
State	102c	_____				
Zip Code	102d	_____				
3. Applicant's Authorized Agent (see instructions)						
Name and Title	103a	_____				
Number & Street Address	103b	_____				
City	103c	_____				
State	103d	_____				
Zip Code	103e	_____				
Telephone	103f	_____				
4. Previous Application If a previous application for a National or Federal discharge per- mit has been made, give the date of application. Use numeric designation for date.	104	<table border="0" style="margin-left: 20px;"> <tr> <td style="border: 1px solid black; padding: 2px;">Area Code</td> <td style="border: 1px solid black; padding: 2px;">Number</td> </tr> <tr> <td style="border: 1px solid black; padding: 2px;">YR</td> <td style="border: 1px solid black; padding: 2px;">MO DAY</td> </tr> </table>	Area Code	Number	YR	MO DAY
Area Code	Number					
YR	MO DAY					

I certify that I am familiar with the information contained in this application and that to the best of my knowledge and belief such information is true, complete, and accurate.

Printed Name of Person Signing	102e	Title			
Signature of Applicant or Authorized Agent	102f	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="border: 1px solid black; padding: 2px;">YR</td> <td style="border: 1px solid black; padding: 2px;">MO</td> <td style="border: 1px solid black; padding: 2px;">DAY</td> </tr> </table>	YR	MO	DAY
YR	MO	DAY			

18 U.S.C. Section 1001 provides that:

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation, or makes or uses any false writing or document knowing same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

FOR AGENCY USE

Received _____
YR MO DAY

OFFICE: _____ EPA Region Number
_____ State

EPA Form 7550-23 (7-73)

This section contains 3 pages.

EXHIBIT 4 - (Continued)

5. Facility/Activity (see instructions)
Give the name, ownership, and physical location of the plant or other operating facility where discharge(s) does or will occur.

FOR AGENCY USE									

Name

105a

Ownership (Public, Private or Both Public and Private)

105b

PUB PRV BPP

Check block if Federal Facility and give GSA Inventory Control Number

105c

FED

105d

Location

Street & Number

105e

City

105f

County

105g

State

105h

6. Nature of Business State the nature of the business conducted at the plant or operating facility.

106a

106b

AGENCY USE

--

7. Facility Intake Water (see instructions) Indicate water intake volume per day by sources. Estimate average volume per day in thousand gallons per day.

Municipal or private water system

107a

_____ thousand gallons per day

Surface water

107b

_____ thousand gallons per day

Groundwater

107c

_____ thousand gallons per day

Other*

107d

_____ thousand gallons per day

Total Item 7

107e

_____ thousand gallons per day

*If there is intake water from 'other,' specify the source.

107f

8. Facility Water Use Estimate average volume per day in thousand gallons per day for the following types of water usage at the facility. (see instructions)

Noncontact cooling water

108a

_____ thousand gallons per day

Boiler feed water

108b

_____ thousand gallons per day

Process water (including contact cooling water)

108c

_____ thousand gallons per day

Sanitary water

108d

_____ thousand gallons per day

Other*

108e

_____ thousand gallons per day

Total Item 8

108f

_____ thousand gallons per day

*If there are discharges to 'other,' specify.

108g

If there is 'Sanitary' water use, give the number of people served.

108h

_____ people served

EXHIBIT 4 - (Continued)

FORM APPROVED
OMB No. 158-R0100

FOR AGENCY USE									

9. All Facility Discharges and other Losses; Number and Discharge (see instructions) Volume Specify the number of discharge points and the volume of water discharged or lost from the facility according to the categories below. Estimate average volume per day in thousand gallons per day.

	Number of Discharge Points		Total Volume Used or Discharged, Thousand Gal/Day	
Surface Water	109a1	_____	109a2	_____
Sanitary wastewater transport system	109b1	_____	109b2	_____
Storm water transport system	109c1	_____	109c2	_____
Combined sanitary and storm water transport system	109d1	_____	109d2	_____
Surface impoundment with no effluent	109e1	_____	109e2	_____
Underground percolation	109f1	_____	109f2	_____
Well injection	109g1	_____	109g2	_____
Waste acceptance firm	109h1	_____	109h2	_____
Evaporation	109i1	_____	109i2	_____
Consumption	109j1	_____	109j2	_____
Other*	109k1	_____	109k2	_____
Facility discharges and volume Total item 9.	109l1	_____	109l2	_____
*If there are discharges to "other," specify.	109m1	_____		_____

10. Permits, Licenses and Applications List all existing, pending or denied permits, licenses and applications related to discharges from this facility (see instructions).

Issuing Agency	For Agency Use	Type of Permit or License	ID Number	Date Filed	Date Issued	Date Denied	Expiration Date
				YR/MO/DA	YR/MO/DA	YR/MO/DA	YR/MO/DA
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.							
2.							
3.							

11. Maps and Drawings Attach all required maps and drawings to the back of this application. (see instructions)

12. Additional Information

112	Item Number	Information

EXHIBIT 4 - (Continued)

STANDARD FORM C - MANUFACTURING AND COMMERCIAL

FOR AGENCY USE					

SECTION II. BASIC DISCHARGE DESCRIPTION

Complete this section for each discharge indicated in Section I, Item 9, that is to surface waters. This includes discharges to municipal sewerage systems in which the wastewater does not go through a treatment works prior to being discharged to surface waters. Discharges to wells must be described where there are also discharges to surface waters from this facility. SEPARATE DESCRIPTIONS OF EACH DISCHARGE ARE REQUIRED EVEN IF SEVERAL DISCHARGES ORIGINATE IN THE SAME FACILITY. All values for an existing discharge should be representative of the twelve previous months of operation. If this is a proposed discharge, values should reflect best engineering estimates.

ADDITIONAL INSTRUCTIONS FOR SELECTED ITEMS APPEAR IN SEPARATE INSTRUCTION BOOKLET AS INDICATED. REFER TO BOOKLET BEFORE FILLING OUT THESE ITEMS.

1. Discharge Serial No. and Name

- a. Discharge Serial No. (see instructions)
- b. Discharge Name Give name of discharge, if any. (see instructions)
- c. Previous Discharge Serial No. If previous permit application was made for this discharge (see Item 4, Section I), provide previous discharge serial number.

201a
201b
201c

2. Discharge Operating Dates

- a. Discharge Began Date If the discharge described below is in operation, give the date (within best estimate) the discharge began.
- b. Discharge to Begin Date If the discharge has never occurred but is planned for some future date, give the date (within best estimate) the discharge will begin.
- c. Discharge to End Date If discharge is scheduled to be discontinued within the next 5 years, give the date (within best estimate) the discharge will end.

202a
202b
202c

YR MO
YR MO
YR MO

- 3. Engineering Report Available Check if an engineering report is available to reviewing agency upon request. (see instructions)

203

- 4. Discharge Location Name the political boundaries within which the point of discharge is located.

State
County
(If applicable) City or Town

204a
204b
204c

Agency Use

204d	_____
204e	_____
204f	_____

- 5. Discharge Point Description Discharge is into (check one): (see instructions)

Stream (includes ditches, arroyos, and other intermittent watercourses)
Lake
Ocean
Municipal Sanitary Wastewater Transport System
Municipal Combined Sanitary and Storm Transport System

205a

STR
 LKE
 OCE
 MTS
 MCS

EXHIBIT 4 - (Continued)

DISCHARGE SERIAL NUMBER

FOR AGENCY USE					

Municipal Storm Water Transport System

STS

Well (Injection)

WEL

Other

OTH

If 'Other' is checked, specify _____

6. Discharge Point - Lat/Long Give the precise location of the point of discharge to the nearest second.

Latitude

206a _____ DEG _____ MIN _____ SEC

Longitude

206b _____ DEG _____ MIN _____ SEC

7. Discharge Receiving Water Name Name the waterway at the point of discharge. (see instructions)

207a _____

If the discharge is through an outfall that extends beyond the shoreline or is below the mean low water line, complete item 8.

For Agency Use			207c	For Agency Use	
Major	Minor	Sub		Use	

8. Offshore Discharge

a. Discharge Distance from Shore

208a _____ feet

b. Discharge Depth Below Water Surface

208b _____ feet

9. Discharge Type and Occurrence

a. Type of Discharge Check whether the discharge is continuous or intermittent. (see instructions)

209a (con) Continuous
 (int) Intermittent

b. Discharge Occurrence Days per Week. Enter the average number of days per week (during periods of discharge) this discharge occurs.

209b _____ days per week

c. Discharge Occurrence - Months If this discharge normally operates (either Intermittently, or continuously) on less than a year-around basis (excluding shutdowns for routine maintenance), check the months during the year when the discharge is operating. (see instructions)

209c JAN FEB MAR APR
 MAY JUN JUL AUG
 SEP OCT NOV DEC

Complete items 10 and 11 if "Intermittent" is checked in item 9.a. Otherwise, proceed to item 12.

10. Intermittent Discharge Quantity State the average volume per discharge occurrence in thousands of gallons.

210 _____ thousand gallons per discharge occurrence.

11. Intermittent Discharge Duration and Frequency

a. Intermittent Discharge Duration Per Day State the average number of hours per day the discharge is operating.

211a _____ hours per day

b. Intermittent Discharge Frequency State the average number of discharge occurrences per day during days when discharging.

211b _____ discharge occurrences per day

12. Maximum Flow Period Give the time period in which the maximum flow of this discharge occurs.

212 From _____ to _____
month month

EXHIBIT 4 - (Continued)

DISCHARGE SERIAL NUMBER

FOR AGENCY USE									

13. Activity Description Give a narrative description of activity producing this discharge.(see instructions)

213a

14. Activity Causing Discharge For each SIC Code which describes the activity causing this discharge, supply the type and maximum amount of either the raw material consumed (Item 14a) or the product produced (Item 14b) in the units specified in Table I of the Instruction Booklet. For SIC Codes not listed in Table I, use raw material or production units normally used for measuring production.(see instructions)

a. Raw Materials

	SIC Code	Name	Maximum Amount/Day	Unit (See Table I)	Shared Discharges (Serial Number)
214a	(1)	(2)	(3)	(4)	(5)

b. Products

	SIC Code	Name	Maximum Amount/Day	Unit (See Table I)	Shared Discharges (Serial Number)
214b	(1)	(2)	(3)	(4)	(5)

EXHIBIT 4 - (Continued)

DISCHARGE SERIAL NUMBER

FOR AGENCY USE									

12. Waste Abatement

a. Waste Abatement Practices
Describe the waste abatement practices used on this discharge with a brief narrative. (see instructions)

215a

Narrative: _____

b. Waste Abatement Codes
Using the codes listed in Table II of the Instruction Booklet, describe the waste abatement processes for this discharge in the order in which they occur if possible.

215b

(1) _____ (2) _____ (3) _____
(4) _____ (5) _____ (6) _____
(7) _____ (8) _____ (9) _____
(10) _____ (11) _____ (12) _____
(13) _____ (14) _____ (15) _____
(16) _____ (17) _____ (18) _____
(19) _____ (20) _____ (21) _____
(22) _____ (23) _____ (24) _____
(25) _____

EXHIBIT 4 - (Continued)

DISCHARGE SERIAL NUMBER

FOR AGENCY USE									

16. Wastewater Characteristics

Check the box beside each constituent which is present in the effluent (discharge water). This determination is to be based on actual analysis or best estimate. (see instructions)

Parameter 216.	Present	Parameter 216.	Present
Color 00080		Copper 01042	
Ammonia 00610		Iron 01045	
Organic nitrogen 00605		Lead 01051	
Nitrate 00620		Magnesium 00927	
Nitrite 00615		Manganese 01055	
Phosphorus 00665		Mercury 71900	
Sulfate 00945		Molybdenum 01062	
Sulfide 00745		Nickel 01067	
Sulfite 00740		Selenium 01147	
Bromide 71870		Silver 01077	
Chloride 00940		Potassium 00937	
Cyanide 00720		Sodium 00929	
Fluoride 00951		Thallium 01059	
Aluminum 01105		Titanium 01152	
Antimony 01097		Tin 01102	
Arsenic 01002		Zinc 01092	
Beryllium 01012		Alkylides* 74051	
Barium 01007		Chlorinated organic compounds* 74052	
Boron 01022		Pesticides* 74053	
Cadmium 01027		Oil and grease 00550	
Calcium 00916		Phenols 32730	
Cobalt 01037		Surfactants 38260	
Chromium 01034		Chlorine 50060	
Fecal coliform bacteria 74055		Radioactivity* 74050	

*Specify substances, compounds and/or elements in Item 26.

Pesticides (insecticides, fungicides, and rodenticides) must be reported in terms of the acceptable common names specified in *Acceptable Common Names and Chemical Names for the Ingredient Statement on Pesticide Labels*, 2nd Edition, Environmental Protection Agency, Washington, D.C. 20230, June 1972, as required by Subsection 162.71(b) of the Regulations for the Enforcement of the Federal Insecticide, Fungicide, and Rodenticide Act.

EXHIBIT 4 - (Continued)

DISCHARGE SERIAL NUMBER

FOR AGENCY USE:									

17. Description of Intake and Discharge

For each of the parameters listed below, enter in the appropriate box the value or code letter answer called for. (see instructions)

In addition, enter the parameter name and code and all required values for any of the following parameters if they were checked in Item 16: ammonia, cyanide, aluminum, arsenic, beryllium, cadmium, chromium, copper, lead, mercury, nickel, selenium, zinc, phenols, oil and grease, and chlorine (residual).

Parameter and Code 217a	Influent		Effluent					
	Untreated Intake Water (Daily Average)	In-Plant Treated Intake Water (Daily Average)	Daily Average	Minimum Value Observed or Expected During Discharge Activity	Maximum Value Observed or Expected During Discharge Activity	Frequency of Analysis	Number of Analyses	Sample Type
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Flow * Gallons per day 00056								
pH Units 00400			X					
Temperature (winter) ° F 74028								
Temperature (summer) ° F 74027								
Biochemical Oxygen Demand (BOD 5-day) mg/l 00310								
Chemical Oxygen Demand (COD) mg/l 00340								
Total Suspended (nonfilterable) Solids mg/l 00530								
Specific Conductance microhm/cm at 25° C 00095			X					
Settleable Matter (residue) ml/l 00545								

*Other discharges sharing intake flow (serial numbers). (see instructions)

EXHIBIT 4 - (Continued)

DISCHARGE SERIAL NUMBER

FOR AGENCY USE:									

17. (Cont'd.)

Parameter and Code	Influent		Effluent					
	Untreated Intake Water (Daily Average)	Influent Treated Intake Water (Daily Average)	Daily Average	Minimum Value Observed or Expected During Discharge Activity	Maximum Value Observed or Expected During Discharge Activity	Frequency of Analysis	Number of Analyses	Sample Type
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
217a								

18. Plant Controls Check if the following plant controls are available for this discharge.

Alternate power source for major pumping facility.

Alarm or emergency procedure for power or equipment failure.

Complete item 19 if discharge is from cooling and/or steam water generation and water treatment additives are used.

19. Water Treatment Additives If the discharge is treated with any conditioner, inhibitor, or algicide, answer the following:

a. Name of Material(s)

b. Name and address of manufacturer

c. Quantity (pounds added per million gallons of water treated).

218		<input type="checkbox"/> APS	
		<input type="checkbox"/> ALM	
219a	_____		

219b	_____		

219c	_____		

EXHIBIT 4 - (Continued)

DISCHARGE SERIAL NUMBER

FOR AGENCY USE:									

d. Chemical composition of these additives (see instructions).

219d

Complete Items 20-25 if there is a thermal discharge (i.e., associated with a steam and/or power generation plant, steel mill, petroleum refinery, or any other manufacturing process) and the total discharge flow is 10 million gallons per day or more. (see instructions)

20. Thermal Discharge Source Check the appropriate item(s) indicating the source of the discharge. (see instructions)

220

- Boiler Blowdown
- Boiler Chemical Cleaning
- Ash Pond Overflow
- Boiler Water Treatment — Evaporator Blowdown
- Oil or Coal Fired Plants — Effluent from Air Pollution Control Devices
- Condense Cooling Water
- Cooling Tower Blowdown
- Manufacturing Process
- Other

- BLBD
- BCCL
- APOF
- EPBD
- OCFF
- COND
- CTBD
- MFPR
- OTHR

21. Discharge/Receiving Water Temperature Difference

Give the maximum temperature difference between the discharge and receiving waters for summer and winter operating conditions. (see instructions)

Summer

221a _____ °F

Winter

221b _____ °F

22. Discharge Temperature, Rate of Change Per Hour

Give the maximum possible rate of temperature change per hour of discharge under operating conditions. (see instructions)

222 _____ °F/hour

23. Water Temperature, Percentile Report (Frequency of Occurrence)

In the table below, enter the temperature which is exceeded 10% of the year, 5% of the year, 1% of the year and not at all (maximum yearly temperature). (see instructions)

Frequency of occurrence

a. Intake Water Temperature (Subject to natural changes)

223a

b. Discharge Water Temperature

223b

	10%	5%	1%	Maximum
a.	_____ °F	_____ °F	_____ °F	_____ °F
b.	_____ °F	_____ °F	_____ °F	_____ °F

24. Water Intake Velocity (see instructions)

224 _____ feet/sec.

25. Retention Time Give the length of time, in minutes, from start of water temperature rise to discharge of cooling water. (see instructions)

225 _____ minutes

EXHIBIT 4 - (Continued)

FORM APPROVED
OMB No. 158-R0100

FOR AGENCY USE									

STANDARD FORM C - MANUFACTURING AND COMMERCIAL

SECTION III. WASTE ABATEMENT REQUIREMENTS & IMPLEMENTATION (CONSTRUCTION) SCHEDULE

This section requires information on any uncompleted implementation schedule which may have been imposed for construction of waste abatement facilities. Such requirements and implementation schedules may have been established by local, State, or Federal agencies or by court action. In addition to completing the following items, a copy of an official implementation schedule should be attached to this application. IF YOU ARE SUBJECT TO SEVERAL DIFFERENT IMPLEMENTATION SCHEDULES, EITHER BECAUSE OF DIFFERENT LEVELS OF AUTHORITY IMPOSING DIFFERENT SCHEDULES (Item 1a.) AND/OR STAGED CONSTRUCTION OF SEPARATE OPERATION UNITS (Item 1c), SUBMIT A SEPARATE SECTION III FOR EACH ONE.

1. Improvements

a. Discharge Serial Number Affected List the discharge serial numbers, assigned in Section II, that are covered by this implementation schedule.

b. Authority Imposing Requirements Check the appropriate item indicating the authority for implementation schedule. If the identical implementation schedule has been ordered by more than one authority, check the appropriate items. (see instructions)

- Locally developed plan
- Areawide Plan
- Basic Plan
- State approved implementation schedule
- Federal approved water quality standards implementation plan.
- Federal enforcement procedure or action
- State court order
- Federal court order

c. Facility Requirement. Specify the 3-character code of those listed below that best describes in general terms the requirement of the implementation schedule and the applicable six-character abatement code(s) from Table II of the instruction booklet. If more than one schedule applied to the facility because of a staged construction schedule, state the stage of construction being described here with the appropriate general action code. Submit a separate Section III for each stage of construction planned.

300	
301a	_____

301b	<input type="checkbox"/> LOC <input type="checkbox"/> ARE <input type="checkbox"/> BAS <input type="checkbox"/> SQS <input type="checkbox"/> WQS <input type="checkbox"/> ENF <input type="checkbox"/> CRT <input type="checkbox"/> FED
	3-character (general)
301c	_____
301d	5-character (specific) (see Table II) _____ _____ _____

FOR AGENCY USE
SCHED. NO. _____

- | | |
|---|-----|
| New Facility | NEW |
| Modification (no increase in capacity or treatment) | MOD |
| Increase in Capacity | INC |
| Increase in Treatment Level | INT |
| Both Increase in Treatment Level and Capacity | ICT |
| Process Change | PRO |
| Elimination of Discharge | ELI |

EXHIBIT 4 - (Continued)

FOR AGENCY USE									

2. Implementation Schedule and 3. Actual Completion Dates

Provide dates imposed by schedule and any actual dates of completion for implementation steps listed below. Indicate dates as accurately as possible. (see instructions)

Implementation Steps	2. Schedule (Yr./Mo./Day)	3. Actual Completion (Yr./Mo./Day)
a. Preliminary plan complete	302a. ___/___/___	303a. ___/___/___
b. Final plan submission	302b. ___/___/___	303b. ___/___/___
c. Final plan complete	302c. ___/___/___	303c. ___/___/___
d. Financing complete & contract awarded	302d. ___/___/___	303d. ___/___/___
e. Site acquired	302e. ___/___/___	303e. ___/___/___
f. Begin action (e.g., construction)	302f. ___/___/___	303f. ___/___/___
g. End action (e.g., construction)	302g. ___/___/___	303g. ___/___/___
h. Discharge Began	302h. ___/___/___	303h. ___/___/___
i. Operational level attained	302i. ___/___/___	303i. ___/___/___

FEDERAL AGENCY USE
A 10100234

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
APPLICATION FOR PERMIT TO DISCHARGE WASTEWATER

STANDARD FORM C - MANUFACTURING AND COMMERCIAL

SECTION I. APPLICANT AND FACILITY DESCRIPTION

Unless otherwise specified on this form all items are to be completed. If an item is not applicable indicate 'NA.'

ADDITIONAL INSTRUCTIONS FOR SELECTED ITEMS APPEAR IN SEPARATE INSTRUCTION BOOKLET AS INDICATED. REFER TO BOOKLET BEFORE FILLING OUT THESE ITEMS.

Please Print or Type

1. Legal Name of Applicant (see instructions)	101	Exxon Corporation
		Alaskan Star - Semisubmersible Drilling Vessel
2. Mailing Address of Applicant (see instructions) Number & Street	102a	P O Box 2180, Room 2303, Attn: W. M. Chappelle
City	102b	Houston
State	102c	Texas
Zip Code	102d	77001
3. Applicant's Authorized Agent (see instructions) Name and Title	103a	W. M. Chappelle, Assistant Offshore Division Manager, Exploration Department
Number & Street Address*	103b	P O Box 2180, Room 2303
City	103c	Houston
State	103d	Texas
Zip Code	103e	77001
Telephone	103f	713 656-4801 Area Number
4. Previous Application If a previous application for a National or Federal discharge per- mit has been made, give the date of application. Use numeric designation for date.	104	76 6 18 Pacesetter III - Semisubmersible Drilling Vessel 77 3 21 Glomar Pacific - Drillship YR MO DAY

I certify that I am familiar with the information contained in this application and that to the best of my knowledge and belief such information is true, complete, and accurate.

W. M. Chappelle

Printed Name of Person Signing

Assistant Offshore Division Manager

Title

Signature of Applicant or Authorized Agent

77 9 22
YR MO DAY

Date Application Signed

18 U.S.C. Section 1001 provides that:

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representation, or makes or uses any false writing or document knowing same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

FOR AGENCY USE

OFFICE: EPA Region Number

Received YR MO DAY

State

EXHIBIT 5 - (Continued)

FOR AGENCY USE									

5. Facility/Activity (see instructions) Give the name, ownership, and physical location of the plant or other operating facility where discharge(s) does or will occur.

Name

105a

Alaskan Star self-propelled, semisubmersible drilling vessel (schematics attached)

Ownership (Public, Private or Both Public and Private)

105b

PUB PRV BPP

Check block if Federal Facility and give GSA Inventory Control Number

105c

FED

105d

NA

Location

Street & Number

105e

Mid-Atlantic OCS Sale No. 40 Area

City

105f

(location map attached)

County

105g

State

105h

6. Nature of Business State the nature of the business conducted at the plant or operating facility.

106a

Exploratory well drilling for gas and oil.

106b

AGENCY USE

7. Facility Intake Water (see instructions) Indicate water intake volume per day by sources. Estimate average volume per day in thousand gallons per day.

Municipal or private water system

107a

0

thousand gallons per day

Surface water

107b

5048.1

thousand gallons per day

Groundwater

107c

0

thousand gallons per day

Other*

107d

4

thousand gallons per day

Total Item 7

107e

5052.1

thousand gallons per day

*If there is intake water from 'other,' specify the source.

107f

rainfall (4.M gpd)

8. Facility Water Use Estimate average volume per day in thousand gallons per day for the following types of water usage at the facility. (see instructions)

Noncontact cooling water

108a

4,700

thousand gallons per day.

Boiler feed water

108b

18

thousand gallons per day

Process water (including contact cooling water)

108c

0

thousand gallons per day

Sanitary water

108d

9.2

thousand gallons per day

Other*

108e

324.9

thousand gallons per day

Total Item 8.

108f

5052.1

thousand gallons per day

*If there are discharges to 'other,' specify.

108g

Cuttings and washdown (302M gpd), ballast (6M gpd), Drlg r (4.7M gpd) contaminated deck drainage (12M gpd) and EOP control fluid (200 gpd)

If there is 'Sanitary' water use, give the number of people served.

108h

50-70

people served

EXHIBIT 5 - (Continued)

FOR AGENCY USE									

9. All Facility Discharges and other Losses; Number and Discharge (see Instructions) Volume. Specify the number of discharge points and the volume of water discharged or lost from the facility according to the categories below. Estimate average volume per day in thousand gallons per day.

		Number of Discharge Points		Total Volume Used or Discharged, Thousand Gal/Day	
Surface Water	109a1	7	109a2	5040.9	
Sanitary wastewater transport system	109b1	2	109b2	9.2	
Storm water transport system	109c1	NA	109c2	NA -	storm water portion (4M gpd) subject to potential contamination and subsequent treatment shown in 10 gal.
Combined sanitary and storm water transport system	109d1	NA	109d2	NA	
Surface impoundment with no effluent	109e1	NA	109e2	NA	
Underground percolation	109f1	NA	109f2	NA	
Well Injection	109g1	(1)	109g2	(2.1) -	not subject to EPA regulation
Waste acceptance firm	109h1	NA	109h2	NA	
Evaporation	109i1	NA	109i2	NA	
Consumption	109j1	NA	109j2	NA	
Other*	109k1	NA	109k2	2.0	
Facility discharges and volume Total Item 9.	109l1	9 (10)	109l2	5052.1	
*If there are discharges to "other," specify.	109m1	Cuttings from drilling			

10. Permits, Licenses and Applications

List all existing, pending or denied permits, licenses and applications related to discharges from this facility (see instructions).

Issuing Agency	For Agency Use	Type of Permit or License	ID Number	Date Filed YR/MO/DA	Date Issued YR/MO/DA	Date Denied YR/MO/DA	Expiration Date YR/MO/DA
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
10							
1.							
2.							
3.							

11. Maps and Drawings

Attach all required maps and drawings to the back of this application. (see instructions)

12. Additional Information

Item Number	Information
107 a	Fresh water may be barged from shore as an option
109 g1	This is a potential discharge herein considered for completeness but is not part of this application since the EPA is not authorized to regulate injection.
109 L1	Permit for nine discharges requested. One potential injection discharge not regulated by EPA.

STANDARD FORM C - MANUFACTURING AND COMMERCIAL

FOR AGENCY USE									

SECTION II. BASIC DISCHARGE DESCRIPTION

Complete this section for each discharge indicated in Section I, Item 9, that is to surface waters. This includes discharges to municipal sewerage systems in which the wastewater does not go through a treatment works prior to being discharged to surface waters. Discharges to wells must be described where there are also discharges to surface waters from this facility. SEPARATE DESCRIPTIONS OF EACH DISCHARGE ARE REQUIRED EVEN IF SEVERAL DISCHARGES ORIGINATE IN THE SAME FACILITY. All values for an existing discharge should be representative of the twelve previous months of operation. If this is a proposed discharge, values should reflect best engineering estimates.

ADDITIONAL INSTRUCTIONS FOR SELECTED ITEMS APPEAR IN SEPARATE INSTRUCTION BOOKLET AS INDICATED. REFER TO BOOKLET BEFORE FILLING OUT THESE ITEMS.

<p>1. Discharge Serial No. and Name</p> <p>a. Discharge Serial No. (see instructions)</p> <p>b. Discharge Name Give name of discharge, if any. (see instructions)</p> <p>c. Previous Discharge Serial No. If previous permit application was made for this discharge (see Item 4, Section I), provide previous discharge serial number.</p>	<p>201a</p> <p>201b</p> <p>201c</p>	<p><u>001</u></p> <p><u>Ballast Water</u></p> <p><u>NA</u></p>							
<p>2. Discharge Operating Dates</p> <p>a. Discharge Began Date If the discharge described below is in operation, give the date (within best estimate) the discharge began.</p> <p>b. Discharge to Begin Date If the discharge has never occurred but is planned for some future date, give the date (within best estimate) the discharge will begin.</p> <p>c. Discharge to End Date If discharge is scheduled to be discontinued within the next 5 years, give the date (within best estimate) the discharge will end.</p>	<p>202a</p> <p>202b</p> <p>202c</p>	<p><u>NA</u> YR MO</p> <p><u>78 1</u> YR MO</p> <p><u>NA</u> YR MO</p>							
<p>3. Engineering Report Available Check if an engineering report is available to reviewing agency upon request. (see instructions)</p>	<p>203</p>	<p><input checked="" type="checkbox"/> Vessel specification and design</p>							
<p>4. Discharge Location Name the political boundaries within which the point of discharge is located.</p> <p>State</p> <p>County</p> <p>(If applicable) City or Town</p>	<p>204a</p> <p>204b</p> <p>204c</p>	<p><u>Mid-Atlantic</u></p> <p><u>OCS Sale 40 Area</u></p> <p>_____</p>	<p>Agency Use</p> <table border="1"> <tr> <td>204d</td> <td> </td> </tr> <tr> <td>204e</td> <td> </td> </tr> <tr> <td>204f</td> <td> </td> </tr> </table>	204d		204e		204f	
204d									
204e									
204f									
<p>5. Discharge Point Description Discharge is into (check one); (see instructions)</p> <p>Stream (includes ditches, arroyos, and other intermittent watercourses)</p> <p>Lake</p> <p>Ocean</p> <p>Municipal Sanitary Wastewater Transport System</p> <p>Municipal Combined Sanitary and Storm Transport System</p>	<p>205a</p>	<p><input type="checkbox"/> STR</p> <p><input type="checkbox"/> LAKE</p> <p><input checked="" type="checkbox"/> OCEAN</p> <p><input type="checkbox"/> MTS</p> <p><input type="checkbox"/> MCS</p>							

EXHIBIT 5 - (Continued)

FOR AGENCY USE									

Municipal Storm Water Transport System

Well (Injection)

Other

If 'other' is checked, specify

STS

WEL

OTH

6. Discharge Point - Lat/Long Give the precise location of the point of discharge to the nearest second.

Latitude

Longitude

205b

Mid-Atlantic OCS Sale No. 40 Area

206a

___ DEG ___ MIN ___ SEC

206b

___ DEG ___ MIN ___ SEC

7. Discharge Receiving Water Name Name the waterway at the point of discharge. (see instructions)

207a

Atlantic Ocean

If the discharge is through an outfall that extends beyond the shoreline or is below the mean low water line, complete Item 8.

8. Offshore Discharge

a. Discharge Distance from Shore

b. Discharge Depth Below Water Surface

207b

For Agency Use		
Major	Minor	Sub

207c

For Agency Use	
303e	

208a

___ feet From 40 to 82 nautical miles

208b

___ ~~feet~~ -50' @ drilling draft to -10' @ transit draft

9. Discharge Type and Occurrence

a. Type of Discharge Check whether the discharge is continuous or intermittent. (see instructions)

b. Discharge Occurrence Days per Week Enter the average number of days per week (during periods of discharge) this discharge occurs.

c. Discharge Occurrence - Months If this discharge normally operates (either intermittently, or continuously) on less than a year-around basis (excluding shutdowns for routine maintenance), check the months during the year when the discharge is operating. (see instructions)

209a

(con) Continuous
 (int) Intermittent

209b

7 days per week

209c

JAN FEB MAR APR
 MAY JUN JUL AUG
 SEP OCT NOV DEC

Complete Items 10 and 11 if "intermittent" is checked in Item 9.a. Otherwise, proceed to Item 12.

10. Intermittent Discharge Quantity State the average volume per discharge occurrence in thousands of gallons.

210

6.0 thousand gallons per discharge occurrence. During drilling operations. When vessel moves locations (approximately every 70 days) volume is 1,900,000 gallons.

11. Intermittent Discharge Duration and Frequency

a. Intermittent Discharge Duration Per Day State the average number of hours per day the discharge is operating.

b. Intermittent Discharge Frequency State the average number of discharge occurrences per day during days when discharging.

211a

1 hours per day

211b

1 discharge occurrences per day

12. Maximum Flow Period Give the time period in which the maximum flow of this discharge occurs.

212

From NA to ___
month month

FOR AGENCY USE									

13. Activity Description Give a narrative description of activity producing this discharge.(see instructions)

213a

Discharge occurs during de-ballasting operations. During normal operations seawater is pumped in or out to maintain proper attitude, draft and stability during drilling activities. In preparation for a location change, ballast tanks will be deballasted to improve speed and maneuver ability. Since ballast tanks are used only for ballasting operations there is no contact with any contaminants during these operations.

14. Activity Causing Discharge For each SIC Code which describes the activity causing this discharge, supply the type and maximum amount of either the raw material consumed (Item 14a) or the product produced (Item 14b) in the units specified in Table I of the Instruction Booklet. For SIC Codes not listed in Table I, use raw material or production units normally used for measuring production.(see instructions)

NA- Exploration drilling

a. Raw Materials

SIC Code	Name	Maximum Amount/Day	Unit (See Table I)	Shared Discharges (Serial Number)
(1)	(2)	(3)	(4)	(5)
214a NA				

b. Products

SIC Code	Name	Maximum Amount/Day	Unit (See Table I)	Shared Discharges (Serial Number)
(1)	(2)	(3)	(4)	(5)
214b NA				

FOR AGENCY USE									

EXHIBIT 5 - (Continued)

15. Waste Abatement

a. Waste Abatement Practices
Describe the waste abatement practices used on this discharge with a brief narrative. (see Instructions)

215a

Narrative: No change in seawater character in that ballasting operations are carried out in tanks used for no other purpose.

b. Waste Abatement Codes
Using the codes listed in Table II of the Instruction Booklet, describe the waste abatement processes for this discharge in the order in which they occur if possible.

215b

- (1) NONONE , (2) _____ , (3) _____
- (4) _____ , (5) _____ , (6) _____
- (7) _____ , (8) _____ , (9) _____
- (10) _____ , (11) _____ , (12) _____
- (13) _____ , (14) _____ , (15) _____
- (16) _____ , (17) _____ , (18) _____
- (19) _____ , (20) _____ , (21) _____
- (22) _____ , (23) _____ , (24) _____
- (25) _____

EXHIBIT 5 - (Continued)

FOR AGENCY USE									

Analysis of Atlantic waters is not available.

16. Wastewater Characteristics

Check the box beside each constituent which is present in the effluent (discharge water). This determination is to be based on actual analysis or best estimate. (see instructions)

Parameter 216	Present	Parameter 216	Present
Color 00080		Copper 01042	
Ammonia 00610		Iron 01045	
Organic nitrogen 00605		Lead 01051	
Nitrate 00620		Magnesium 00927	
Nitrite 00615		Manganese 01055	
Phosphorus 00665		Mercury 71900	
Sulfate 00945		Molybdenum 01062	
Sulfide 00745		Nickel 01067	
Sulfite 00740		Selenium 01147	
Bromide 71870		Silver 01077	
Chloride 00940		Potassium 00937	
Cyanide 00720		Sodium 00929	
Fluoride 00951		Thallium 01059	
Aluminum 01105		Titanium 01152	
Antimony 01097		Tin 01102	
Arsenic 01002		Zinc 01092	
Beryllium 01012		Algicides* 74051	
Barium 01007		Chlorinated organic compounds* 74052	
Boron 01022		Pesticides* 74053	
Cadmium 01027		Oil and grease 00550	
Calcium 00916		Phenols 32730	
Cobalt 01037		Surfactants 38260	
Chromium 01034		Chlorine 50060	
Fecal coliform bacteria 74055		Radioactivity* 74050	

*Specify substances, compounds and/or elements in Item 26.

Pesticides (insecticides, fungicides, and rodenticides) must be reported in terms of the acceptable common names specified in *Acceptable Common Names and Chemical Names for the Ingredient Statement on Pesticide Labels*, 2nd Edition, Environmental Protection Agency, Washington, D.C. 20250, June 1972, as required by Subsection 162.7(b) of the Regulations for the Enforcement of the Federal Insecticide, Fungicide, and Rodenticide Act.

EXHIBIT 5 - (Continued)

17. Description of Intake and Discharge

For each of the parameters listed below, enter in the appropriate box the value or code letter answer called for. (see instructions)

In addition, enter the parameter name and code and all required values for any of the following parameters if they were checked in Item 16; ammonia, cyanide, aluminum, arsenic, beryllium, cadmium, chromium, copper, lead, mercury, nickel, selenium, zinc, phenols, oil and grease, and chlorine (residual).

Parameter and Code 217a	Influent		Effluent					
	Untreated Intake Water (Daily Average) (1)	In-Plant Treated Intake Water (Daily Average) (2)	Daily Average (3)	Minimum Value Observed or Expected During Discharge Activity (4)	Maximum Value Observed or Expected During Discharge Activity (5)	Frequency of Analysis (6)	Number of Analyses (7)	Sample Type (8)
Flow* Gallons per day 00056	6000	NA	6000	25,000	1,900,000	(1)	NA	NA
pH Units 00400	(2)		X			NA		
Temperature (winter) ° F 74028	45	NA				NA		
Temperature (summer) ° F 74027	70	NA				NA		
Biochemical Oxygen Demand (BOD 5-day) mg/l 00310	NA	NA				NA		
Chemical Oxygen Demand (COD) mg/l 00340	NA	NA				NA		
Total Suspended (nonfilterable) Solids mg/l 00530	NA	NA				NA		
Specific Conductance micromhos/cm at 25° C 00095	NA	NA	X			NA		
Settleable Matter (residue) ml/l 00545	NA	NA				NA		

*Other discharges sharing intake flow (serial numbers). (see instructions)

(1) Ballasting operations entered in daily log.

(2) Not affected by vessel operations.

--	--	--	--	--	--	--	--	--	--

EXHIBIT 5 - (Continued)

17. (Cont'd.)

Parameter and Code 217a	Influent		Effluent					
	Untreated Intake Water (Daily Average) (1)	In-Plant Treated Intake Water (Daily Average) (2)	Daily Average (3)	Minimum Value Observed or Expected During Discharge Activity (4)	Maximum Value Observed or Expected During Discharge Activity (5)	Frequency of Analysis (6)	Number of Analyses (7)	Sample Type (8)
NA								

13. Plant Controls Check if the following plant controls are available for this discharge.

Alternate power source for major pumping facility.

Alarm or emergency procedure for power or equipment failure

Complete item 19 if discharge is from cooling and/or steam water generation and water treatment additives are used.

19. Water Treatment Additives If the discharge is treated with any conditioner, inhibitor, or algicide, answer the following:

a. Name of Material(s)

b. Name and address of manufacturer

c. Quantity (pounds added per million gallons of water treated).

219	<input checked="" type="checkbox"/> APS <input checked="" type="checkbox"/> ALM
219a	NA
219b	NA
219c	NA

FOR AGENCY USE									

EXHIBIT 5 - (Continued)

d. Chemical composition of these additives (see instructions).

219d

NA

Complete Items 20-25 if there is a thermal discharge (e.g., associated with a steam and/or power generation plant, steel mill, petroleum refinery, or any other manufacturing process) and the total discharge flow is 10 million gallons per day or more. (see instructions)

20. Thermal Discharge Source Check the appropriate item(s) indicating the source of the discharge. (see instructions)

220

NA

- Boiler Blowdown
- Boiler Chemical Cleaning
- Ash Pond Overflow
- Boiler Water Treatment — Evaporator Blowdown
- Oil or Coal Fired Plants — Effluent from Air Pollution Control Devices
- Condense Cooling Water
- Cooling Tower Blowdown
- Manufacturing Process
- Other

- BLBD
- BCCL
- APOF
- EPBD
- OCFP
- COND
- CTBD
- MFPR
- OTHR

21. Discharge/Receiving Water Temperature Difference

Give the maximum temperature difference between the discharge and receiving waters for summer and winter operating conditions. (see instructions)

Summer

221a

NA °F.

Winter

221b

NA °F.

22. Discharge Temperature, Rate of Change Per Hour

222

NA °F./hour

Give the maximum possible rate of temperature change per hour of discharge under operating conditions. (see instructions)

23. Water Temperature, Percentile Report (Frequency of Occurrence)

In the table below, enter the temperature which is exceeded 10% of the year, 5% of the year, 1% of the year and not at all (maximum yearly temperature). (see instructions)

NA

Frequency of occurrence

	10%	5%	1%	Maximum
a. Intake Water Temperature (Subject to natural changes)	°F	°F	°F	°F
b. Discharge Water Temperature	°F	°F	°F	°F

a. Intake Water Temperature (Subject to natural changes)

223a

b. Discharge Water Temperature

223b

24. Water Intake Velocity (see instructions)

224

NA feet/sec.

25. Retention Time Give the length of time, in minutes, from start of water temperature rise to discharge of cooling water. (see instructions)

225

NA minutes

EXHIBIT 6



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VI

1201 ELM STREET
DALLAS, TEXAS 75270

FACT SHEET

for proposed National Pollutant Discharge Elimination System (NPDES) permit to discharge No. TX0071170 to waters of the United States.

Issuing Office: Environmental Protection Agency
Region 6
1201 Elm Street
First International Building
Dallas, Texas 75270

Applicant: Union Oil Company of California
500 Executive Plaza East
4615 Southwest Freeway
Houston, Texas 77027

1. The applicant currently is the designated operator of a Federal Oil & Gas Lease for oil and gas extraction activities.
2. As described in the application, the activities will occur in High Island Area East Addition South Extension Block No. A-384, Outer Continental Shelf, Gulf of Mexico. The proposed permit is for anticipated discharges which would occur within this lease block during either exploration or production phases of oil & gas activities for a period of five years.
3. The authority to issue this discharge permit is Section 402 of the Clean Water Act (P.L. 95-217). Specific provisions of the permit are based on:

Effluent Guidelines and Standards, Oil & Gas Extraction Point Source Category (40 CFR Part 435).

Section 403 (Ocean Discharge Criteria) of the Clean Water Act with guidance provided by the ocean dumping criteria (40 CFR Part 227)..

Section 308 (Inspections, Monitoring and Entry) of the Clean Water Act.

EXHIBIT 6.- (Continued)

2

4. EPA is funding a research effort to determine the fate and effect of oil & gas related discharges on the Flower Gardens Banks. This study recognizes and complements on-going studies funded by the Bureau of Land Management (BLM) and other studies performed by United States Geological Survey (USGS) permittees in specified areas of the Flower Gardens Banks.

Some of the information gathered by the permit (e.g. Drilling Plan and Chemical Inventory, and Oceanographic Parameters) will be used to complement the overall Monitoring Program mentioned in the preceding paragraph.

5. The specific effluent limitations and conditions are a combination of technology based limitations and water quality considerations.

Special conditions are incorporated into Part III of the permit because of the lease block location [i.e. proximity to the Flower Gardens Banks].

Technology based limitations as specified in effluent guidelines (40 CFR 435) are the basis for limitations on outfalls 103-Produced Waters, 105-Sanitary Waste, and 106-Well Completion and/or Treatment Fluids.

Best engineering judgement based on good housekeeping practices is the basis for the 72 mg/l oil & grease limitation on outfall 104-Deck Drainage and the cooling water chlorine requirements in Part III.

Any permitted discharge into the ocean must comply with the requirements of Section 403 (Ocean Discharge Criteria). Since no 403 guidelines are promulgated, criteria utilized for evaluation of ocean dumping applications (40 CFR 227) are used as guidance. Stated another way - the treatment technology based effluent guidelines must be met as well as any other requirements of Section 403.

A major requirement of this permit is that all discharges must meet the Limiting Permissible Concentration (LPC) after initial mixing. This is a regulatory concept which is adopted from the ocean dumping criteria and serves as a major regulatory requirement to assure that ocean discharges meet the Section 403 requirements. The LPC is defined as the concentration which:

1. does not exceed applicable marine water quality criteria (40 CFR 227.31); or when there are no applicable marine water quality criteria,

2. does not exceed a toxicity threshold defined as 0.01 of the 96 hour LC50.

EXHIBIT 6 - (Continued)

3

The toxicity shall be determined by use of 96-hour static toxicity tests and reported as the median lethal concentration (LC50) for one species each of phytoplankton or zooplankton, crustacean or mollusk, and fish.

Initial mixing is defined as the volume created by the release zone and depth of water bounded by the bottom, a hydrodynamic discontinuity, or a distance 20 meters below the surface, whichever is the minimum. For a shunted discharge, initial mixing is defined as the volume created by the release zone and a column of water bounded by the surface, a hydrodynamic discontinuity, or a distance 20 meters above the bottom, whichever is the minimum. The release zone is the area swept out by the locus of points 100 meters from the perimeter of the facility.

To comply with the LPC discharge requirement the more toxic components may be substituted by less toxic components, the discharge rate reduced, the discharge diluted prior to discharge, or a combination of these approaches. The permit sets forth a regulatory framework which must be met. The permittee's responsibility is to meet the requirements in the manner best suited for the individual situation.

Other permit conditions which are authorized by Section 403 are:

1. Shunting of drill cutting and adhering drilling fluids - The operational requirement of shunting is for the purpose of avoiding contamination of the water column with the drilling fluid fraction that adheres to the drill cuttings. This requirement has been used by USGS & BLM as a regulatory mechanism to provide environmental protection for the more shallow areas of hard bank communities in the Gulf of Mexico.

2. No discharge of drilling fluids except those adhering to cuttings - No discharge of drilling fluids except the portion adhering to cuttings is required in order to provide a level of environmental protection consistent with the knowledge of drilling fluids' fate and effects on the Flower Gardens Banks. Considerable concern has been voiced over the discharge of any drilling fluids or cuttings within one nautical mile of the 100 meter isobath; however, as proposed, this permit provides for the prohibition of any drilling fluids discharge except that portion adhering to the shunted cuttings. This will allow development of the lease by the permittee and provide the level of protection needed pending additional information to be obtained by the research effort underway.

This prohibition on the discharge of drilling fluids is also necessary due to the oil & gas development which will occur during the life of the permit.

It is recognized that a disposal problem is created when discharge is not permitted. The disposal options are: (1) reuse of drilling fluids at locations outside the no discharge area; (2) disposal on land and (3) disposal at an approved ocean dumping site after obtaining an ocean dumping permit.

3. No discharge in areas less than 100 meters deep - This area of no discharge is an expansion of the BLM no-activity area. From the 100 meter isobath to more shallow depths is the area judged to require the maximum protection possible because of the interactions between deep areas of the banks and the more shallow areas.

4. No discharge of halogenated phenol compounds - These compounds are not allowed to be discharged because of available substitute bactericides and substantial information on potential adverse impacts which can result from their discharge.

5. Restriction to discharge from only one drilling operation per platform at any time - This operational restriction is the usual practice and will allow maximum dispersion of discharge materials.

6. No open cycle drilling - Extreme turbidity at the beginning of drilling is prevented by not allowing open cycle drilling. This requirement has increased importance with closer proximity to the banks.

These permit conditions are designed to provide an extra level of environmental protection beyond that provided by compliance with the LPC. Most of these conditions are based on an evaluation of the following:

U.S. Department of Commerce, National Oceanic & Atmospheric Administration, Office of Coastal Zone Management. 1979. Draft Environmental Impact Statement Prepared on the Proposed East & West Flower Gardens Marine Sanctuary. Washington, D.C.

U.S. Department of the Interior, Bureau of Land Management. 1979. Final Environmental Impact Statement Proposed. OCS sale 58A. Washington, D.C.

U.S. Environmental Protection Agency, Ocean Programs Branch. September 1978. Recommendations And Supporting Rationale For NPDES Permit Conditions For Oil and Gas Exploratory And Production Activities At The Flower Gardens Banks, Gulf of Mexico Outer Continental Shelf. Washington, D.C.

Richards, Norman L. January 23, 1979. Memo: "Preliminary Estimate of Effects to Corals That Could Result From Discharge of Drilling Fluids During Oil and Gas Drilling Operations in the Texas "Flower Garden Banks" Area. U.S. EPA, Gulf Breeze, Florida.

Richards, Norman L. June, 1979. Effects of Chemicals Used in Oil and Gas Well-Drilling Operations in Aquatic Environments. Paper presented at: The Fourth National Conference Interagency Energy/Environment R&D Program June 7 & 8, 1979. Washington, D.C.

Offshore Operators Committee letter of August 7, 1978 to Mr. Dail W. Brown, Associate Director, Critical Area Planning & Analysis, Office of Ocean Management, NOAA commenting on "NOAA Office of Ocean Management White Paper No. 1 - Proposed Designation of the Flower Garden Banks as a Marine Sanctuary."

Offshore Operators Committee letter of October 5, 1978 to Mr. Robert B. Elliott, Chief Permits & Support Branch, U.S. Environmental Protection Agency, Region VI commenting on the draft EPA document "Permit Conditions for NPDES Permits at the Flower Garden Reefs, Gulf of Mexico, Outer Continental Shelf" dated August 1978.

Offshore Operators Committee letter of December 4, 1978 to Mr. Thomas C. Jorling, Assistant Administrator for Water & Waste Management, U.S. Environmental Protection Agency commenting on the Agency document "Recommendations and Supporting Rationale for NPDES Permit Conditions for Oil and Gas Exploratory and Production Activities at the Flower Garden Banks, Gulf of Mexico, Outer Continental Shelf" dated September 1978.

6. A quantitative description of the discharge can be illustrated by what is typical for such activities since discharges are variable and dependent on numerous factors. These factors include the facilities mode of operation (i.e. drilling or production); and within these modes there are variations based on the depth of drilling, geological formation, number of persons aboard, etc.

Discharge of drilling fluids (muds) are prohibited except for quantities adhering to drill cuttings. The volume of drill cuttings for a typical well can range from 2000-4000 barrels. In the Flower Garden Banks area, the typical well drilling time may be 35 days with

6

an actual drilling time of 20 days. Produced water production may vary from less than 1 to 90 percent of the production fluids. Untreated produced water is expected to have concentrations of 200-1000 mg/l oil and grease. The proposed permit will limit the discharge concentration to 48 mg/l daily avg. and 72 mg/l daily max. Typical raw combined sanitary and domestic wastes for 10-40 persons are 2900 gallons per day. Deck drainage will depend on the amount of rain and frequencies of wash-downs. It will be limited to 72 mg/l Oil & Grease daily max.

The proposed permit will encompass a whole OCS lease block which may have more than one facility within. It is anticipated that there would be two to four exploratory wells and 40 developmental wells drilled per lease block.

7. There are two regulatory requirements which have been considered in the development of this permit which are still under active consideration. They are: (1) A five year moratorium on discharges from leases obtained after the date of this Public Notice; and (2) A zone of no discharge one nautical mile from the 100 meter isobath for all existing leases. Comments on these considerations are solicited.

8. If additional information is desired please contact Rich Walentowicz at (214) 767-3663.

9. The public notice describes the procedures for the formulation of final determinations.

EXHIBIT 7

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION II
26 Federal Plaza
New York, New York 10007
(212) 264-2516

PUBLIC NOTICE

No. NPDES 78-74

Date: MAR 31 1978

Notice is hereby given that the United States Environmental Protection Agency (EPA) has received a complete application (No. AT0100234) from Exxon Corporation, P.O. Box 2180, Room 2303, Houston, Texas 77001 (the Applicant) for a National Pollutant Discharge Elimination System (NPDES) permit to discharge pollutants into navigable waters under the Federal Water Pollution Control Act Amendments of 1972 (the Act) (33 U.S. Code §§1251-1376).

The applicant is involved in exploratory drilling operations at NJ 18-3, Blocks 456, 499, 500, 501, 631, 675, 596, 597, 639, 640, 641, 683, 684, 685, 727, 728, 729, 599, 643, 816, 858, 901, 902, 944, 945; NJ 18-6, Blocks 19, 142, 143, 227, 276, Baltimore Canyon Area, Atlantic Ocean, Offshore New Jersey. The drilling rig is Alaskan Star semi-submersible.

The drilling activity will result in the discharge of drill cuttings, drilling muds, treated sanitary wastes, deck drainage, domestic wastes, ballast water, cooling water, cement slurry, BOP operating fluid and distillation blowdown. The volume of each type of waste described in the permit application are summarized below:

<u>Discharge Serial No.</u>	<u>Type of Wastes</u>	<u>Volume-daily average</u> <u>(million gallons)</u>
001	Ballast water	0.006
002 and 003	Drilling muds and drill cuttings	0.0067
005	BOP operating fluid	0.0002
006	Cement slurry	0.0002 (daily maximum)
007	Contaminated deck drainage	0.0 12
008	Sanitary wastes	0.00 12
009	Distillation blowdown	0.0 18
010	Domestic wastes	0.008
012	Cooling water	4.7

The Region II staff of EPA has tentatively determined to issue a permit to the Applicant subject to certain effluent limitations and other conditions necessary to carry out the provisions of the Act. Interested persons may submit written comments on the tentative determinations to the Regional Administrator at the above address no later than MAY 1 1978. The period for submitting comments may be extended if the public interest warrants.

EPA Region II has decided not to issue an environmental impact statement for this permit. This decision is based upon the following criteria: (1) draft and final environmental impact statements for OCS Sale No. 40 have been issued by the Bureau of Land Management (BLM); and (2) after reviewing the BLM draft and final environmental impact statements for OCS Sale No. 40 and other information submitted by the applicant, EPA Region II has determined that the environmental impacts which will result from the proposed action will be acceptable. As required by the EPA regulations, an environmental impact appraisal and a negative declaration have been prepared by EPA Region II for this proposed action. Interested persons may submit written comments on this determination to the Environmental Impacts Branch at the above address no later than MAY 1 1978. The period for submitting comments may be extended if the public interest warrants.

A copy of the draft NPDES permit, including environmental appraisals, negative declarations and other available information, may be obtained by mail from the Status of Compliance Branch, EPA, Region II, at the above address, or by calling (212) 264-9881, or in person between 8:00 a.m. and 4:30 p.m. Monday through Friday. Other forms and relevant documents may be inspected at said office. Copies will be provided at a charge of \$.20 per copy sheet.

In lieu of, or in addition to, the submission of comments as above provided, any interested person may request that the Regional Administrator hold an informal public hearing to consider the permit application and the tentative determinations with respect thereto. Any request for an informal public hearing under 40 Code of Federal Regulations 125.34 must meet the requirements of the cited Regulations, be in writing, and be submitted to the Status of Compliance Branch, EPA, Region II, at the above address no later than MAY 1 1978.

The Regional Administrator will consider the issuance of a final permit to the Applicant as soon as possible after the date indicated above for the submission of comments or after any informal public hearing. All comments timely submitted by interested persons in response to this notice, and statements and other evidence properly submitted at any hearing held will be considered by the Regional Administrator in the formulation of his final determinations with respect to the application for a permit.

The Applicant and any person who submits comments will receive a copy of the Regional Administrator's final determinations. Within 10 days of the receipt of such copy any such person may request an adjudicatory hearing to consider the permit and its conditions. Any such request must meet the requirements of 40 Code of Federal Regulations 125.36 (Federal Register, July 24, 1974 pp. 27081-84).

EPA's decision on the question of whether to hold any hearing, formal or informal, the administration of any hearing, and the rights and obligations of participants therein are governed by NPDES Regulations (40 Code of Federal Regulations 125).

Dr. Richard A. Baker
Chief
Status of Compliance Branch
Enforcement Division

AUTHORIZATION TO DISCHARGE UNDER THE
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

In compliance with the provisions of the Federal Water Pollution Control Act, as amended,
(33 U.S.C. 1251 et. seq; the "Act"),

Mobil Oil Corporation
Nine Greenway Plaza
Suite 2700
Houston, Texas 77046

DRAFT PERMIT

is authorized to discharge from facilities located at

High Island Area, East Addition, South Extension Block A-389

to receiving waters named

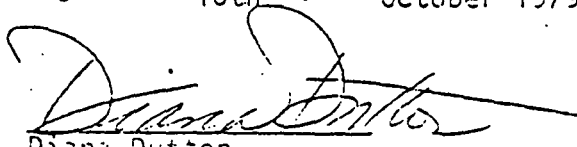
Gulf Of Mexico

in accordance with effluent limitations, monitoring requirements and other conditions set forth
in Parts I, II, and III hereof.

This permit shall become effective on January 13, ~~1979~~ 1980

This permit and the authorization to discharge shall expire at midnight, January 12, 1985

Signed this 10th day of October 1979



Diana Dutton
Director
Enforcement Division

Note:

Permit body identical
to NPDES Permit No. TX0071170

A-2 EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning effective date and lasting through the date of expiration the permittee is authorized to discharge from outfall(s) serial number(s) 102 - Drill Cuttings**

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations				Monitoring Requirements	
	kg/day (lbs/day)		Other Units (Specify)		Measurement Frequency	Sample Type
	Daily Avg	Daily Max	Daily Avg	Daily Max		
Discharge Rate	N/A	N/A	*	*	Continuous	Record
Discharge Duration	N/A	N/A	*	*	Continuous	Record
Total Suspended Solids	*	*	*mg/l	*mg/l	once/day	Grab
Total Dissolved Solids	*	*	*mg/l	*mg/l	once/day	Grab
Total Setteable Solids	*	*	*mg/l	*mg/l	once/day	Grab

See Part III. A. for toxicity testing requirements on the drilling fluid fraction.

* Report

** Shunted to within 10 m of bottom in area defined in Part III

*** Monitoring requirements for these parameters shall be implemented only when requested by letter from the EPA.

There shall be no discharge of free oil.
There shall be no discharge of floating solids or visible foam in other than trace amounts.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

At sampling point prior to comingling with any other waste stream or entering Gulf Waters.

B-54

EXHIBIT 8 - (Continued)

PART I

Page 2 of 21
Permit No. TX0059430

A- 3 EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning effective date and lasting through the date of expiration the permittee is authorized to discharge from outfall(s) serial number(s) 103 - Produced Waters

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>				<u>Monitoring Requirements</u>	
	kg/day (lbs/day)		Other Units (Specify)		Measurement Frequency	Sample Type
	Daily Avg	Daily Max	Daily Avg	Daily Max		
Flow—m ³ /Day (MGD)	N/A	N/A	(*)	(*)	once/week	measured
Oil & Grease	N/A	N/A	48 mg/l	72 mg/l	once/week	grab

*Report

There shall be no discharge of floating solids or visible foam in other than trace amounts.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

At a sampling point prior to comingling with any other waste stream or entering Gulf waters.

B-55

EXHIBIT 8 - (Continued)

PART I

Page 3 of 21
Permit No. TX0059490

A- 4 EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning effective date and lasting through the date of expiration the permittee is authorized to discharge from outfall(s) serial number(s) 104 - Deck Drainage

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>				<u>Monitoring Requirements</u>	
	kg/day (lbs/day)		Other Units (Specify)		Measurement Frequency	Sample Type
	Daily Avg	Daily Max	Daily Avg	Daily Max		
Flow—m ³ /Day (MGD)	N/A	N/A	(*)	(*)	once/week	estimate
Oil & Grease	N/A	N/A	N/A	72 mg/l	once/month	grab

*Report

There shall be no discharge of free oil.

There shall be no discharge of floating solids or visible foam in other than trace amounts.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

At a sampling point prior to comingling with any other waste stream or entering Gulf waters.

EXHIBIT 8 - (Continued)

PART I

Page 4 of 21
Permit No. TX00594

B-56

A- 5 EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning effective date and lasting through the date of expiration the permittee is authorized to discharge from outfall(s) serial number(s) 105 - Sanitary Waste (facilities continuously manned by 10 or more persons)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>				<u>Monitoring Requirements</u>	
	kg/day (lbs/day)		Other Units (Specify)		Measurement Frequency	Sample Type
	Daily Avg	Daily Max	Daily Avg	Daily Max		
Flow - m ³ /Day (MGD)	N/A	N/A	(*)	(*)	once/week	measured
Residual Chlorine	N/A	N/A	N/A	1.0 mg/l**	once/week	grab

*Report

** minimum of 1 mg/l and maintained as close to this concentration as possible.

There shall be no discharge of floating solids or visible foam in other than trace amounts.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

At a sampling point prior to comingling with any other waste stream or entering Gulf waters.

B-57

EXHIBIT 8 - (Continued)

PART I

Page 5 of 21
Permit No. TX0059420

A -6 EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning effective date and lasting through the date of expiration the permittee is authorized to discharge from outfall(s) serial number(s) 106 - Well Completion and/or Treatment Fluids.

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations				Monitoring Requirements	
	kg/day (lbs/day)		Other Units (Specify)		Measurement Frequency	Sample Type
	Daily Avg	Daily Max	Daily Avg	Daily Max		
Flow - m ³ /Day (MGD)	N/A	N/A	(*)	(*)	once/day	estimate

*Report and describe material discharged.

There shall be no discharge of free oil.

The pH shall not be less than N/A standard units nor greater than N/A standard units and shall be monitored once per day by grab sample

There shall be no discharge of floating solids or visible foam in other than trace amounts.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
At a point prior to comingling with any other waste stream or entering Gulf waters.

B-38

EXHIBIT 8 - (Continued)

PART I

Page 6 of 21
Permit No. TX0059480

A-7 EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning effective date and lasting through the date of expiration the permittee is authorized to discharge from outfall(s) serial number(s) 107 - Non-contact Cooling Waters

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations				Monitoring Requirements	
	kg/day (lbs/day)		Other Units (Specify)		Measurement Frequency	Sample Type
	Daily Avg	Daily Max	Daily Avg	Daily Max		
Flow—m ³ /Day (MGD)	N/A	N/A	(*)	(*)	once/week	measured
Copper	N/A	N/A	N/A	* mg/l	once/month	grab
Biocides	See Part III. B.					

*Report

There shall be no discharge of floating solids or visible foam in other than trace amounts.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
At a sampling point prior to comingling with any other waste stream or entering Gulf waters.

B-59

EXHIBIT 8 - (Continued)

B. SCHEDULE OF COMPLIANCE

1. The permittee shall achieve compliance with the effluent limitations specified for discharges in accordance with the following schedule:

None

2. No later than 14 calendar days following a date identified in the above schedule of compliance, the permittee shall submit either a report of progress or, in the case of specific actions being required by identified dates, a written notice of compliance or noncompliance. In the latter case, the notice shall include the cause of noncompliance, any remedial actions taken, and the probability of meeting the next scheduled requirement.

C. MONITORING AND REPORTING**1. Representative Sampling**

Samples and measurements taken as required herein shall be representative of the volume and nature of the monitored discharge.

2. Reporting

Monitoring results obtained during the previous 3 months shall be summarized for each month and reported on a Discharge Monitoring Report Form (EPA No. 3320-1), postmarked no later than the 28th day of the month following the completed reporting period. The first report is due on April 28, 1980. Signed copies of these, and all other reports required herein, shall be submitted to the Regional Administrator at the following address:

Director, Enforcement Division (6AEP)
U. S. Environmental Protection Agency
Region VI
First International Bank Building
1201 Elm Street
Dallas, Texas 75270

3. Definitions

- a. The "daily average" discharge means the total discharge by weight during a calendar month divided by the number of days in the month that the production or commercial facility was operating. Where less than daily sampling is required by this permit, the daily average discharge shall be determined by the summation of all the measured daily discharges by weight divided by the number of days during the calendar month when the measurements were made.
- b. The "daily maximum" discharge means the total discharge by weight during any calendar day.

4. Test Procedures

Test procedures for the analysis of pollutants shall conform to regulations published pursuant to Section 304(g) of the Act, under which such procedures may be required.

5. Recording of Results

For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record the following information:

- a. The exact place, date, and time of sampling;
- b. The dates the analyses were performed;
- c. The person(s) who performed the analyses;

- d. The analytical techniques or methods used; and
- e. The results of all required analyses.

6. *Additional Monitoring by Permittee*

If the permittee monitors any pollutant at the location(s) designated herein more frequently than required by this permit, using approved analytical methods as specified above, the results of such monitoring shall be included in the calculation and reporting of the values required in the Discharge Monitoring Report Form (EPA No. 3320-1). Such increased frequency shall also be indicated.

7. *Records Retention*

All records and information resulting from the monitoring activities required by this permit including all records of analyses performed and calibration and maintenance of instrumentation and recordings from continuous monitoring instrumentation shall be retained for a minimum of three (3) years, or longer if requested by the Regional Administrator.

A. MANAGEMENT REQUIREMENTS**1. *Change in Discharge***

All discharges authorized herein shall be consistent with the terms and conditions of this permit. The discharge of any pollutant identified in this permit more frequently than or at a level in excess of that authorized shall constitute a violation of the permit. Any anticipated facility expansions, production increases, or process modifications which will result in new, different, or increased discharges of pollutants must be reported by submission of a new NPDES application or, if such changes will not violate the effluent limitations specified in this permit, by notice to the permit issuing authority of such changes. Following such notice, the permit may be modified to specify and limit any pollutants not previously limited.

2. *Noncompliance Notification*

If, for any reason, the permittee does not comply with or will be unable to comply with any daily maximum effluent limitation specified in this permit, the permittee shall provide the Regional Administrator with the following information in writing, within five (5) days of becoming aware of such condition:

- a. A description of the discharge and cause of noncompliance; and
- b. The period of noncompliance, including exact dates and times; or, if not corrected, the anticipated time the noncompliance is expected to continue, and steps being taken to reduce, eliminate and prevent recurrence of the noncomplying discharge.

3. *Facilities Operation*

The permittee shall at all times maintain in good working order and operate as efficiently as possible all treatment or control facilities or systems installed or used by the permittee to achieve compliance with the terms and conditions of this permit.

4. *Adverse Impact*

The permittee shall take all reasonable steps to minimize any adverse impact to navigable waters resulting from noncompliance with any effluent limitations specified in this permit, including such accelerated or additional monitoring as necessary to determine the nature and impact of the noncomplying discharge.

5. *Bypassing*

Any diversion from or bypass of facilities necessary to maintain compliance with the terms and conditions of this permit is prohibited, except (i) where unavoidable to prevent loss of life or severe property damage, or (ii) where excessive storm drainage or runoff would damage any facilities necessary for compliance with the effluent limitations and prohibitions of this permit. The permittee shall promptly notify the Regional Administrator in writing of each such diversion or bypass.

6. Removed Substances

Solids, sludges, filter backwash, or other pollutants removed in the course of treatment or control of wastewaters shall be disposed of in a manner such as to prevent any pollutant from such materials from entering navigable waters.

7. Power Failures

In order to maintain compliance with the effluent limitations and prohibitions of this permit, the permittee shall either:

a. In accordance with the Schedule of Compliance contained in Part I, provide an alternative power source sufficient to operate the wastewater control facilities;

or, if such alternative power source is not in existence, and no date for its implementation appears in Part I,

b. Halt, reduce or otherwise control production and/or all discharges upon the reduction, loss, or failure of the primary source of power to the wastewater control facilities.

B. RESPONSIBILITIES**1. Right of Entry**

The permittee shall allow the Regional Administrator, and/or his or her authorized representatives, upon the presentation of credentials:

a. To enter upon the permittee's premises where an effluent source is located or in which any records are required to be kept under the terms and conditions of this permit; and

b. At reasonable times to have access to and copy any records required to be kept under the terms and conditions of this permit; to inspect any monitoring equipment or monitoring method required in this permit; and to sample any discharge of pollutants.

2. Transfer of Ownership or Control

In the event of any change in control or ownership of facilities from which the authorized discharges emanate, the permittee shall notify the succeeding owner or controller of the existence of this permit by letter, a copy of which shall be forwarded to the Regional Administrator.

3. Availability of Reports

Except for data determined to be confidential under Section 308 of the Act, all reports prepared in accordance with the terms of this permit shall be available for public

inspection at the offices of the Regional Administrator. As required by the Act, effluent data shall not be considered confidential. Knowingly making any false statement on any such report may result in the imposition of criminal penalties as provided for in Section 309 of the Act.

4. *Permit Modification*

After notice and opportunity for a hearing, this permit may be modified, suspended, or revoked in whole or in part during its term for cause including, but not limited to, the following:

- a. Violation of any terms or conditions of this permit;
- b. Obtaining this permit by misrepresentation or failure to disclose fully all relevant facts; or
- c. A change in any condition that requires either a temporary or permanent reduction or elimination of the authorized discharge.

5. *Toxic Pollutants*

Notwithstanding Part II, B-4 above, if a toxic effluent standard or prohibition (including any schedule of compliance specified in such effluent standard or prohibition) is established under Section 307(a) of the Act for a toxic pollutant which is present in the discharge and such standard or prohibition is more stringent than any limitation for such pollutant in this permit, this permit shall be revised or modified in accordance with the toxic effluent standard or prohibition and the permittee so notified.

6. *Civil and Criminal Liability*

Except as provided in permit conditions on "Bypassing" (Part II, A-5) and "Power Failures" (Part II, A-7), nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance.

7. *Oil and Hazardous Substance Liability*

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties to which the permittee is or may be subject under Section 311 of the Act.

8. *Property Rights*

The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State or local laws or regulations.

9. *Severability*

The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

A. LIMITING PERMISSIBLE CONCENTRATION

No discharge shall contain any constituent in concentrations which exceed the Limiting Permissible Concentration (LPC) after allowance for initial mixing. The Limiting Permissible Concentration is defined as the concentration which:

1. does not exceed applicable marine water quality criteria (40 CFR 227.31); or when there are no applicable marine water quality criteria,
2. does not exceed a toxicity threshold defined as 0.01 of the 96 hour LC50. When there is reasonable scientific evidence on a specific waste material to justify the use of an application factor other than 0.01, such alternate application factor shall be used.

The permittee shall, within thirty (30) days of anticipated discharge, provide the Regional Administrator with the methodology or program that will be utilized to assure compliance with the LPC.

The toxicity shall be determined by use of 96-hour static toxicity tests and reported as the median lethal concentration (LC50) for one species each of zooplankton, crustacean or mollusk, and fish. A list of acceptable species and procedures will be provided upon permit issuance.

Toxicity data on the proposed drilling fluid for each phase of drilling the well shall be submitted with the drilling plan. A phase being a major change in the drilling 'mud' program. This data may be based on drilling fluids with similar chemical composition to those proposed for use. During drilling, a toxicity test shall be performed on the actual used drilling fluids during each phase of drilling. The results of such tests shall be submitted with the quarterly reports. Samples shall be analyzed in a timely manner and, if requested, a split sample be sent to the EPA.

B. COOLING WATER

If chlorine is used as a biocide in the cooling water system, no cooling water discharges may exceed a total residual chlorine concentration of 0.2 mg/l daily avg. or 0.5 mg/l daily max. (monitored once

per week), unless the permittee can demonstrate to the Regional Administrator that the heat transfer surfaces cannot be maintained free of fouling growths at this level of chlorination. If any other biocide is used, a report outlining the chemical composition of such additive, and the concentration and frequency at which it would be used, shall be submitted to the EPA during the 30-day comment period after Public Notice.

C. SANITARY WASTES

Any facility satisfying requirements of Section 312 (Marine Sanitation Devices) of the Clean Water Act shall utilize such requirements in lieu of permit limitations for sanitary wastes.

For facilities continuously manned by nine (9) or fewer persons or only intermittently manned by any number of persons - there shall be no floating solids as a result of the discharge of these wastes.

D. DOMESTIC WASTES

Domestic wastes shall mean discharges from galley, sinks, showers, and laundries only. There shall be no discharge of free oil as a result of the discharge of these wastes. Also, there shall be no discharge of floating solids or visible foam in other than trace amounts.

E. NO DISCHARGE ZONE

Within the 85 meter isobaths at the East and West Flower Garden Banks, as defined by the quarter-quarter-quarter system from the Bureau of Land Management Lease Stipulations, or within the 100 meters isobaths where such area extends further from the midpoint of either bank [27° 55' 07.44"N; 93° 35' 08.49"W for the East Bank, and 27° 52' 14.21"N; 93° 48' 54.79"W for the West Bank] no discharges of any kind are allowed.

F. DRILL CUTTINGS AND DRILLING FLUIDS

1. There shall be no discharge of drilling fluids other than quantities adhering to drill cuttings [i.e. those materials separated or screened out by properly operating shale shaker, desander, and desilter units] within the area approximately four (4) nautical miles from the 100 meter isobaths surrounding the East and West Flower Garden Banks.

2. Outside the areas defined by the No Discharge Zone and within the area approximately 4 nautical miles from the 100 meter isobaths surrounding the East and West Flower Garden Banks, operational discharges of drill cuttings and adherent drilling fluids must be shunted to within ten (10) meters of the bottom.

G. NO DISCHARGE CONTINGENCY PLAN

The permittee shall establish a contingency plan outlining the measures which will be taken to prevent discharge of any wastes in the event a "no discharge" provision is instituted for certain areas.

H. OIL AND HAZARDOUS MATERIAL SPILLS

In addition to requirements the permittee may be subject to under Section 311 of the Act, appropriate containment, recovery, and storage equipment will be maintained at the site. The permittee shall provide information to demonstrate that such equipment is appropriate, considering maximum average winds, currents, and wave height and the maximum expected spill size. The permittee shall select equipment that will be of sufficient size to totally contain, remove, and store the spilled material until necessary on-shore equipment can be brought to the scene.

I. OTHER DISCHARGE REQUIREMENTS

1. There shall be no discharge of halogenated phenol compounds.
2. The simultaneous discharge of the effluent from more than one drilling rig per platform is prohibited.
3. Open-cycle drilling is prohibited, unless drilling is from a semi-submersible or drillship and only for the initial spudding-in to set the first casing. In no case shall this jetting or drilling depth exceed 100m below the bottom.
4. If requested, the permittee shall provide EPA with a sample of any waste in a manner specified by this Agency.

The Regional Administrator of EPA reserves the right to revoke or modify this permit if in his or her opinion any discharge poses an adverse environmental impact to the Flower Garden Bank communities.

J. OTHER REPORTING REQUIREMENTS (PART I.C.2)

If there is more than one facility (platform, drilling ship, semi-submersible) in a lease block, the outfalls shall be designated in the following manner: 101, 102, 103, etc. for the first facility; 201, 202, 203, etc. for the second facility; 301, 302, 303, etc. for the third facility; etc.

If any category of waste (outfall) is not applicable due to the type of operation (e.g. drilling, production), no Discharge Monitoring Report (DMR) is required for that particular outfall. Only DMRs representative of the activities occurring need to be submitted. A notification indicating the type of operation should be provided with the DMRs.

If any category of waste (outfall) has more than one discharge point, the limitations apply to each discharge point, and shall be reported as - XXA, XXB, XXC, etc. (e.g. 14A, 14B, 14C)

K. DEFINITIONS

1. The term "no discharge of free oil" shall mean that a discharge does not cause a film or sheen upon or a discoloration on the surface of the water or adjoining shorelines, or cause a sludge or emulsion to be deposited beneath the surface of the water or upon adjoining shorelines.

2. a. Initial Mixing is defined as the volume created by the release zone and a depth of water bounded by the bottom, a hydrodynamic discontinuity, or a distance 20 meters below the surface, whichever is the minimum.

b. For a shunted discharge, initial mixing is defined as the volume created by the release zone and a column of water bounded by the surface, a hydrodynamic discontinuity, or a distance 20 meters above the bottom, whichever is the minimum.

3. a. The release zone is the area swept out by the locus of points 100 meters from the perimeter of the facility.

b. For a shunted discharge, the release zone is the circular area 100 meters in radius from the discharge pipe.

4. Drilling fluid is defined as any fluid sent down the drill hole, including drilling muds, from the time a well is begun until final cessation of drilling in that hole.

5. Well completion and treatment fluids are defined as any fluid sent down the drill hole to improve the flow of hydrocarbons or other fluids into or out of geological formations which have been drilled.

6. Open cycle drilling is defined as drilling without a casing to provide an annulus for the drilling fluid and cuttings to travel from the wellbore up to the rig.

7. The "daily average" concentration means the arithmetic average (weighted by flow value) of all the daily determinations of concentration made during a calendar month. Daily determinations of concentration made using a composite sample shall be the concentration of the composite sample. When grab samples are used, the daily determination of concentration shall be the arithmetic average (weighted by flow value) of all the samples collected during the calendar day.

8. The "daily maximum" concentration means the daily determination of concentration for any calendar day.

L. DRILLING PLAN AND CHEMICAL INVENTORY

At least thirty (30) days prior to drilling, a detailed drilling plan for each well shall be provided including:

1. well depth and location
2. a planned schedule of drilling, including discharge rates and volumes
3. a list of chemicals projected for use in the drilling program, including drilling mud additives anticipated for use in meeting special drilling requirements.

Within thirty (30) days after drilling each well, the permittee shall provide EPA with:

1. the actual drilling schedule including
 - a. depth of drilling
 - b. rate of drilling
 - c. interruptions in drilling and reasons
 - d. daily inventory of all ingredients added downhole

EXHIBIT 3 - (Continued)

PART III

Page 21 of 21
Permit No. TX0059480

2. a list of chemicals (including "specialty items", diesel fuel, etc.) used
3. the amount of drilling fluid remaining on the facility
4. the method by which remaining drilling fluids are removed and transported, and their final disposal locations

The list of chemicals shall contain the generic chemical names, lot numbers, chemical names, and any available analytical data on the chemicals. All of these data will be kept confidential and will not be released without prior consent of the mud company.

The permittee shall provide EPA with the approximate general class of sediment encountered (e.g. shale, sand, etc.) in drilling. All such information will be considered proprietary and will not be released without approval of the operator.

M. OCEANOGRAPHIC PARAMETERS

The following shall be monitored eight times daily and submitted with the quarterly reports:

1. temperature ($\pm 0.1^{\circ}\text{C}$)
2. current (vector)

These measurements shall be obtained 100 meters from the facility, and at the surface, 15 meters and 60 meters below the surface, 10 meters above the bottom, and near the bottom.

N. OTHER REQUIREMENTS

The conditions applicable to all permits under 40 CFR 122.14 (as promulgated in the June 7, 1979, Federal Register) are hereby incorporated into this permit and prevail over any inconsistent requirements of this permit.

Noncompliance notifications for any daily maximum effluent limitation violation, shall be submitted in writing within five days of the permittee becoming aware of such violation.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET
ATLANTA, GEORGIA 30308

MAR 07 1980

Mr. L.G. Otteman
Offshore Division Production Manager
Shell Oil Company
P.O. Box 60124
New Orleans, Louisiana 70160

Re: Issuance of NPDES Permit No. GA0027758 - Shell Oil Co., Block 123,
Offshore Georgia

Dear Sir:

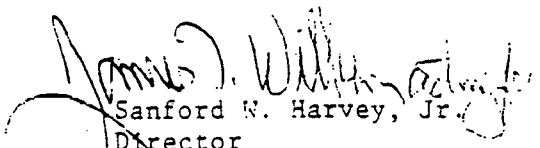
Enclosed is the National Pollutant Discharge Elimination System (NPDES) permit for the facility referenced above. This action constitutes issuance of a final permit under Title 40, Code of Federal Regulations, Section 124.61 (44 FR 32936, June 7, 1979).

In accordance with 40 CFR 124.61, this permit will become effective on the effective date specified in the permit, provided that no request for an evidentiary or panel hearing is granted by the Agency. In the event that such a request is granted, the contested provisions of the permit will be stayed and will not become effective until the administrative review process is completed. All uncontested provisions of the permit will be effective and enforceable in accordance with the provisions of 40 CFR 124.61(e).

If you wish to request an evidentiary hearing or a panel hearing, you must submit such request (an original and two copies) to the Regional Hearing Clerk within thirty (30) days from the receipt of this letter. The request will be timely if mailed by certified mail within the thirty (30) day time period. For the request to be valid, it must conform to the requirements of 40 CFR 124.74. A summary of these requirements is enclosed.

Information on procedures and legal matters pertaining to an evidentiary or panel hearing request may be obtained by contacting the EPA Legal Branch at 404/SS1-3506.

Sincerely yours,


Sanford W. Harvey, Jr.
Director
Enforcement Division

Enclosures

EXHIBIT 9 - (Continued)

REQUIREMENTS FOR EVIDENTIARY/PANEL
HEARING REQUEST

Evidentiary Hearing (40 CFR 124.74)

1. Requests must be made within 30 days following date of issuance of final permit.

2. Requests must contain:

(a) the name, mailing address, and telephone number of the person mailing the request

(b) a clear and concise factual statement of the nature and scope of the interest of the requester

(c) the names and addresses of all persons whom the requester represents

(d) a statement by the requester that upon motion of any party, or upon request of the Presiding Officer and without cost or expense to any other party, the requester shall make available to appear and testify the following:

(i) the requester

(ii) all persons represented by the requester, and

(iii) all officers, directors, employees, consultants and agents of the requester and the persons represented by the requester.

(e) a statement of each legal or factual question alleged to be at issue and their relevance to the permit decision together with a designation of the specific factual areas to be adjudicated

(f) an estimate of the hearing time necessary for the adjudication

(g) specific references to the contested permit terms and conditions as well as suggested revised or alternate permit terms and conditions, (not excluding permit denial) which, in the judgement of the requester, would be required to implement the purposes and policies of the Clean Water Act.

(h) in the case of challenges to the application of control or treatment technologies identified in the statement of basis or the fact sheet, identification of the basis for the objection, and the alternative technologies which the requester believes are necessary to meet the requirements of the Clean Water Act.

EXHIBIT 9 - (Continued)

2

*(i) specific identification of each of the discharger's obligations which should be stayed if the request is granted. If the request contests more than one permit term or condition then each obligation which is proposed to be stayed must be referenced to the particular contested term warranting the stay.

Panel Hearing (40 CFR 124.111)

The form and content of a request for a panel hearing is the same as for an evidentiary hearing, except that the permittee may specifically include a request that the hearing be conducted under the non-adversary procedures of subpart I of the regulations.

*Note: for new source & new dischargers, if the request is granted, the applicant will be considered without a permit pending final agency action.

EXHIBIT 9 - (Continued)

AUTHORIZATION TO DISCHARGE UNDER THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

In compliance with the provisions of the Federal Water Pollution Control Act, as amended, (33 U.S.C. 1251 et. seq; the "Act"),

Shell Oil Company
P. O. Box 60124
New Orleans, Louisiana 70160

is authorized to discharge from a facility located at

Far Offshore Exploratory Drilling Facility
Lease OCS-G3682 (Block 123, Tract 43-158)
Jacksonville Area
Far Offshore Georgia, U.S.A.

to receiving waters named

Atlantic Ocean

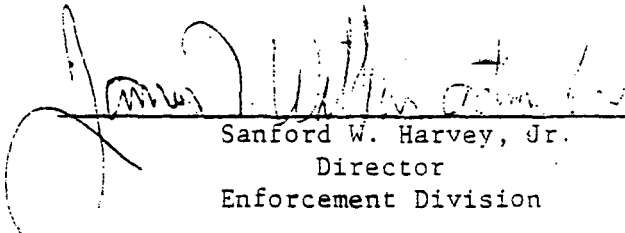
in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts I, II, and III hereof.

This permit shall become effective on APR 07 1980

This permit and the authorization to discharge shall expire at midnight,

APR 06 1985

Signed MAR 07 1980


Sanford W. Harvey, Jr.
Director
Enforcement Division

A. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning on the effective date and lasting through the term of this permit, the permittee is authorized to discharge the following waste streams from exploratory drilling operations for crude oil and natural gas:

Such discharges shall be limited and monitored by the permittee as specified below:

1. Deck Drains, Drilling Muds, and Drilled Cuttings

- a. The discharge of oil based or inverse emulsion type drilling muds is prohibited.
- b. There shall be no free oil contained in the discharge of deck drainage, drilling muds, or drilled cuttings from any outfall from this facility.
- c. The total amount of oil and grease discharged from the facility shall not produce a visible sheen on the receiving waters.
- d. The total volume (gallons) of drilled muds discharged shall be measured (estimate), recorded, and reported on the monitoring report as given in Part I. C. 2, whenever such discharges occur.
- e. The total volume (gallons) of drilled cuttings discharged shall be measured (estimate), recorded and reported on the monitoring as given in Part I. C. 2, whenever such discharges occur.
- f. There shall be no discharge of floating solids or visible foam in other than trace amounts from exploratory drilling operations.
- g. Discharges from the facility shall not contain any constituent in concentrations which exceed applicable marine water quality criteria after allowance for initial mixing. Initial mixing and applicable marine quality criteria are defined in Part III. G.
- h. Additional requirements are outlined in Part III. A. 1-3.

2. Sanitary Sewage

- a. Discharges of sanitary sewage shall contain a daily minimum residual chlorine content of 1 mg/l and shall be maintained as

EXHIBIT 9 - (Continued)

A. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS (CONTD.)

close to 1 mg/l as possible. The sanitary sewage discharges shall be monitored 1/month with a grab sample. The flow shall be estimated at the time the sample is taken, recorded, and reported with the residual chlorine analyses in the monitoring report required in Part I. C. 2.

- b. There shall be no discharge of floating solids or visible foam in other than trace amounts from the sewage treatment system.
- c. Samples taken in compliance with the monitoring requirements specified above shall be taken at the nearest accessible point after final treatment but prior to entry into the Gulf of Mexico.
- d. Other requirements are listed in Part III. D.

3. Domestic Waste

- a. Discharges from sinks, showers, laundries, galleys, and other domestic waste sources may be discharged without specific numerical limitation or monitoring and reporting requirements. There shall be no floating solids as a result of the discharge of these wastes.
- b. Inedible domestic waste, trash, waste metal, and similar refuse shall not be discharged. This waste shall be collected and taken to shore for suitable disposal.

4. Sand and Drilled Cuttings Washwater

Sand and drilled cuttings washwater containing no free oil may be discharged without numerical limitation or monitoring and reporting requirements.

5. Miscellaneous Wastewater Streams

- (a.) Blowdown and drains from boilers and steam generators,
- (b.) discharges from fire water systems, (c.) discharges from fresh water makers, (d.) non-contact cooling water, (e.) blowout preventer control fluid, and (f.) ballast water may be discharged without numerical limitation or monitoring and reporting requirements.

6. Unspecified Wastewater Streams

All other discharges containing no free oil from exploratory drilling operations not specifically prohibited or limited by the effluent limitations listed in Part I. A. 1-5 of this permit may be discharged without numerical limitation or monitoring and reporting requirements.

B. SCHEDULE OF COMPLIANCE

1. The permittee shall achieve compliance with the effluent limitations specified for discharges in accordance with the following schedule:

- a. Permittee shall comply with the effluent limitations by the effective date of the permit.
- b. This permit shall be modified, or alternatively, revoked and reissued, to comply with any applicable effluent standard or limitation issued or approved under sections 301(b)(2) (C), (D), (E), and (F), 304(b)(2), and 307(a)(2) of the Clean Water Act, if the effluent standard or limitation so issued or approved:
 - (1) Contains different conditions or is otherwise more stringent than any effluent limitation in the permit; or
 - (2) Controls any pollutant not limited in the permit.

The permit as modified or reissued under this paragraph shall also contain any other requirements of the Act then applicable.

- c. This permit shall be modified, or alternately revoked and reissued to require that:
 - (1) The exploratory drilling rig, vessel, or ship be relocated in the event that "live bottom" areas are endangered by the discharge of drilling muds, cuttings, and the like or
 - (2) The drilling muds, cuttings, etc. are transported or shunted to prevent their accumulation in "live bottom" areas which favor the accumulation of turtles, pelagic and demersal fish, etc. and support major finfish fisheries on the outer continental shelf.

2. No later than 14 calendar days following a date identified in the above schedule of compliance, the permittee shall submit either a report of progress or, in the case of specific actions being required by identified dates, a written notice of compliance or noncompliance. In the latter case, the notice shall include the cause of noncompliance, any remedial actions taken, and the probability of meeting the next scheduled requirement.

GA 0022758

C. MONITORING AND REPORTING**1. Representative Sampling**

Samples and measurements taken as required herein shall be representative of the volume and nature of the monitored discharge.

2. Reporting

Monitoring results obtained during the previous month shall be summarized for each month and reported on a Discharge Monitoring Report Form (EPA No. 3320-1), postmarked no later than the 28th day of the month following the completed reporting period. The first report is due on **MAY 31 1980**. Duplicate signed copies of these, and all other reports required herein, shall be submitted to the Regional Administrator at the following address

Environmental Protection Agency
Water Enforcement Branch
345 Courtland Street, N. E.
Atlanta, Georgia 30308

3. Definitions

- a. The "daily average" discharge means the total discharge by weight during a calendar month divided by the number of days in the month that the production or commercial facility was operating. Where less than daily sampling is required by this permit, the daily average discharge shall be determined by the summation of all the measured daily discharges by weight divided by the number of days during the calendar month when the measurements were made.
- b. The "daily maximum" discharge means the total discharge by weight during any calendar day.

4. Test Procedures

Test procedures for the analysis of pollutants shall conform to regulations published pursuant to Section 304(g) of the Act, under which such procedures may be required.

5. Recording of Results

For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record the following information:

- a. The exact place, date, and time of sampling;
- b. The dates the analyses were performed;
- c. The person(s) who performed the analyses;

EA 0022758

- d. The analytical techniques or methods used; and
- e. The results of all required analyses.

6. *Additional Monitoring by Permittee*

If the permittee monitors any pollutant at the location(s) designated herein more frequently than required by this permit, using approved analytical methods as specified above, the results of such monitoring shall be included in the calculation and reporting of the values required in the Discharge Monitoring Report Form (EPA No. 3320-1). Such increased frequency shall also be indicated.

7. *Records Retention*

All records and information resulting from the monitoring activities required by this permit including all records of analyses performed and calibration and maintenance of instrumentation and recordings from continuous monitoring instrumentation shall be retained for a minimum of three (3) years, or longer if requested by the Regional Administrator.

GA 0022758

A. MANAGEMENT REQUIREMENTS**1. *Change in Discharge***

All discharges authorized herein shall be consistent with the terms and conditions of this permit. The discharge of any pollutant identified in this permit more frequently than or at a level in excess of that authorized shall constitute a violation of the permit. Any anticipated facility expansions, production increases, or process modifications which will result in new, different, or increased discharges of pollutants must be reported by submission of a new NPDES application or, if such changes will not violate the effluent limitations specified in this permit, by notice to the permit issuing authority of such changes. Following such notice, the permit may be modified to specify and limit any pollutants not previously limited.

2. *Noncompliance Notification*

If, for any reason, the permittee does not comply with or will be unable to comply with any daily maximum effluent limitation specified in this permit, the permittee shall provide the Regional Administrator with the following information, in writing, within five (5) days of becoming aware of such condition:

- a. A description of the discharge and cause of noncompliance; and
- b. The period of noncompliance, including exact dates and times; or, if not corrected, the anticipated time the noncompliance is expected to continue; and steps being taken to reduce, eliminate and prevent recurrence of the noncomplying discharge.

3. *Facilities Operation*

The permittee shall at all times maintain in good working order and operate as efficiently as possible all treatment or control facilities or systems installed or used by the permittee to achieve compliance with the terms and conditions of this permit.

4. *Adverse Impact*

The permittee shall take all reasonable steps to minimize any adverse impact to navigable waters resulting from noncompliance with any effluent limitations specified in this permit, including such accelerated or additional monitoring as necessary to determine the nature and impact of the noncomplying discharge.

5. *Bypassing*

Any diversion from or bypass of facilities necessary to maintain compliance with the terms and conditions of this permit is prohibited, except (i) where unavoidable to prevent loss of life or severe property damage, or (ii) where excessive storm drainage or runoff would damage any facilities necessary for compliance with the effluent limitations and prohibitions of this permit. The permittee shall promptly notify the Regional Administrator in writing of each such diversion or bypass.

6. *Removed Substances*

Solids, sludges, filter backwash, or other pollutants removed in the course of treatment or control of wastewaters shall be disposed of in a manner such as to prevent any pollutant from such materials from entering navigable waters.

7. *Power Failures*

In order to maintain compliance with the effluent limitations and prohibitions of this permit, the permittee shall either:

a. In accordance with the Schedule of Compliance contained in Part I, provide an alternative power source sufficient to operate the wastewater control facilities;

or, if such alternative power source is not in existence, and no date for its implementation appears in Part I,

b. Halt, reduce or otherwise control production and/or all discharges upon the reduction, loss, or failure of the primary source of power to the wastewater control facilities.

B. RESPONSIBILITIES**1. *Right of Entry***

The permittee shall allow the Regional Administrator, and/or their authorized representatives, upon the presentation of credentials:

a. To enter upon the permittee's premises where an effluent source is located or in which any records are required to be kept under the terms and conditions of this permit; and

b. At reasonable times to have access to and copy any records required to be kept under the terms and conditions of this permit; to inspect any monitoring equipment or monitoring method required in this permit; and to sample any discharge of pollutants.

2. *Transfer of Ownership or Control*

In the event of any change in control or ownership of facilities from which the authorized discharges emanate, the permittee shall notify the succeeding owner or controller of the existence of this permit by letter, a copy of which shall be forwarded to the Regional Administrator.

3. *Availability of Reports*

Except for data determined to be confidential under Section 308 of the Act, all reports prepared in accordance with the terms of this permit shall be available for public

inspection at the offices of the State water pollution control agency and the Regional Administrator. As required by the Act, effluent data shall not be considered confidential. Knowingly making any false statement on any such report may result in the imposition of criminal penalties as provided for in Section 309 of the Act.

4. *Permit Modification*

After notice and opportunity for a hearing, this permit may be modified, suspended, or revoked in whole or in part during its term for cause including, but not limited to, the following:

- a. Violation of any terms or conditions of this permit;
- b. Obtaining this permit by misrepresentation or failure to disclose fully all relevant facts; or
- c. A change in any condition that requires either a temporary or permanent reduction or elimination of the authorized discharge.

5. *Toxic Pollutants*

Notwithstanding Part II, B-4 above, if a toxic effluent standard or prohibition (including any schedule of compliance specified in such effluent standard or prohibition) is established under Section 307(a) of the Act for a toxic pollutant which is present in the discharge and such standard or prohibition is more stringent than any limitation for such pollutant in this permit, this permit shall be revised or modified in accordance with the toxic effluent standard or prohibition and the permittee so notified.

6. *Civil and Criminal Liability*

Except as provided in permit conditions on "Bypassing" (Part II, A-5) and "Power Failures" (Part II, A-7), nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance.

7. *Oil and Hazardous Substance Liability*

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties to which the permittee is or may be subject under Section 311 of the Act.

8. *State Laws*

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties established pursuant to any applicable State law or regulation under authority preserved by Section 510 of the Act.

EXHIBIT 9 - (Continued)

PART II

Page 10 of 17

Permit No.

GA 0022758

9. *Property Rights*

The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State or local laws or regulations.

10. *Severability*

The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

PART III

A. MUD PROGRAMS AND BIOASSAY DATA

1. At least fourteen (14) days prior to the initiation of any exploratory drilling operations which will result in the discharge of drilling muds under this permit, the permittee shall furnish the Regional Administrator with a planned mud schedule or program which is specific to the proposed operations including the anticipated rate and duration of the discharge, the anticipated composition of the mud(s) including a description of the components, and any laboratory analyses performed by the permittee on the components of the mud and/or muds.
2. In addition to the submittal of the above plans, the permittee shall also furnish, prior to the initiation of exploratory drilling operations, (a) available bioassay data resulting from a 96-hour test for each type of proposed mud submitted above or of similar mud compositions, and (b) any other related information which may tend to show that the above proposed muds are non-toxic to marine life and benthic organisms. Data already submitted to another Federal Agency may be substituted if it meets the requirements of this section.
3. If, in the judgment of the Regional Administrator, the submitted mud plan and/or bioassay data and supporting information appear to be inadequate or seem inconclusive, the permittee may be required to conduct such additional testing as the Regional Administrator shall specify. The resulting data shall then be submitted to the Regional Administrator.

EXHIBIT 9 - (Continued)

Page 11 of 17
Permit No.

GA 0022758

B. LOCATION OF DRILLING RIG, VESSEL, OR SHIP

1. The drilling rig, vessel, or ship shall be allowed to operate within the leased block(s) listed as the location of the facility (page 1). The name, type of facility (jackup rig, semi-submersible vessel, or drill ship) and exact planned location of the drilling rig, vessel, or ship shall be submitted to the Regional Administrator at least 14 days prior to the start of drilling operations. The location shall be designated on an appropriate lease sale map which shall include longitude, latitude, and water depth. This provision shall not prevent the permittee from locating and relocating the rig, vessel, or drill ship without additional information anywhere within 500 feet of the exact planned location because of obstructions, wellbore problems, or other good cause. The permittee may (if good reason exists) request an exception to the two week prior notification requirement.
2. In the event the drilling rig, vessel, or ship is relocated, the Regional Administrator shall be informed of the planned location of the drilling rig, vessel, or ship at least 14 days prior to relocation of the rig, vessel, or ship. The new location shall be designated on an appropriate lease map which shall include longitude, latitude, and water depth. The permittee may (if good reason exists) request an exception to the two week prior notification requirement.
3. The permittee shall not be prohibited or delayed by the conditions of this permit from relocating the permitted drilling rig, vessel, or ship or locating any suitable non-permitted drilling rig, vessel, or ship on the drilling location for the purpose of emergency operations to prevent loss of life, bring a runaway well under control, or prevent severe property damage.

C. DRILLING RIG, VESSEL, OR SHIP SUBSTITUTION

If the permittee desires to substitute a different rig, vessel, or ship from that described to the Regional Administrator (as required in Part III, B. 1. above), the substitution shall be allowed if the permittee:

1. Complies with all other conditions of the permit.
2. Supplies the following information to the Regional Administrator:
 - a) Name of the rig.
 - b) Number of discharge points and locations (assign a three-digit unique serial number beginning with 001 and followed by consecutive numbers for each additional discharge).

C. DRILLING RIG, VESSEL, OR SHIP SUBSTITUTION (CONTD.)

- c.) Description of each discharge including the volume (daily maximum and daily average) of wastes.
- d.) Concentration (daily maximum and daily average) of all parameters limited in this permit including oil and grease at the outfall of all discharges.
- e.) Any other information the company wishes to submit in support of the proposed substitution.
- f.) Such information shall be submitted to the Regional Administrator at least 14 days prior to the proposed substitution of the existing rig (vessel). The permittee may (if good reason exists) request an exception to the two-week prior notification requirement.

D. SANITARY WASTE

Sewage treatment systems or other equivalent systems shall be installed and used where sanitary waste is discharged. For the purpose of this permit, sanitary waste includes human body waste materials discharged from toilets and urinals. All sanitary waste effluent shall be disinfected prior to discharge.

E. TERMINATION OF OPERATIONS

Subsequent to and within 14 days of the completion of exploratory drilling operations, the permittee shall notify the Regional Administrator of the termination of the operation(s).

F. CHANGE IN DISCHARGE/PROCESS MODIFICATION

The initiation of discharges of produced formation or brine wastewater, produced sand, well treatment fluids, sanitary waste, or other process wastewater from fixed development or production platforms or structures, installed for development work or to produce crude petroleum or natural gas, shall constitute a change in discharge, process modification, etc., in accordance with Part II, A. 1. of this permit and will require notification and submission of a new NPDES application to this Agency. The application shall contain the serial number (e.g., Serial No. 001, 002, etc.) of the fixed platform or structure in the block, the exact location of the platform from which the discharges will occur, and the area, zone, block number, and name of the producing field.

GA 0022758

G. DEFINITIONS

1. Deck Drainage

For the purpose of this permit, deck drainage includes all waste resulting from platform washings, deck washings and run-off from curbs, gutters, and drains (including drip pans and work areas). This does not include the crew quarters or exterior walkways which are in no way subject to contamination by drilling operations.

2. Initial Mixing

Initial mixing is defined in 40 CFR 227.29 and for the purposes of this permit means that dispersion or diffusion of liquid, suspended particulate, and solid phases of a waste which occurs within four hours after discharge. The limiting permissible concentration shall not be exceeded beyond the boundaries of the disposal site during initial mixing, and shall not be exceeded at any point in the marine environment after initial mixing. The maximum concentration of the liquid, suspended particulate, and solid phases of a discharged material after initial mixing shall be estimated by one of these methods, in order of preference:

- a. When field data on the proposed discharge are adequate to predict initial dispersion and diffusion of the waste, these shall be used, if necessary, in conjunction with an appropriate mathematical model acceptable to EPA or the District Engineer, as appropriate.
- b. When field data on the dispersion and diffusion of a waste of characteristics similar to that proposed for discharge are available, these shall be used in conjunction with an appropriate mathematical model acceptable to EPA or the District Engineer, as appropriate.
- c. When no field data are available, theoretical oceanic turbulent diffusion relationships may be applied to known characteristics of the waste and the disposal site.

When no other means of estimation are feasible,

- a. The liquid and suspended particulate phases of the discharged waste may be assumed to be evenly distributed after four hours over a column of water bounded on the surface by the release zone and extending to the ocean floor, thermocline, or halocline if one exists, or to a depth of 20 meters, whichever is shallower, and
- b. The solid phase of a discharged waste may be assumed to settle rapidly to the ocean bottom and to be distributed evenly over the ocean bottom in an area equal to that of the release zone as defined in § 227.28.

When there is reasonable scientific evidence to demonstrate that other methods of estimating a reasonable allowance for initial mixing are appropriate for a specific material, such methods may be used with the concurrence of EPA after appropriate scientific review.

3. Applicable Marine Water Quality Criteria

Applicable Marine Water Quality Criteria is defined in 40 CFR 227.31 as the criteria given for marine waters in the EPA publication "Quality Criteria for Water" as published in 1976 and amended by subsequent supplements or additions.

4. Facility

The facility of page one of this permit is defined as a drillship, drilling barge, semi-submersible vessel, or a jackup drilling rig. The term jackup includes both a cantilever or a non-cantilever type drilling rig.

GA 0022758

PART IV

A. BYPASSES AND UPSETS

1. Bypass

a. Definitions

- 1.) "Bypass" means the intentional diversion of wastes from any portion of a treatment facility.
- 2.) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which would cause them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b. Conditions Necessary for Bypass

Bypass is prohibited unless the following four conditions are met:

- 1.) Bypass is unavoidable to prevent loss of life, personal injury or severe property damage;
- 2.) There are no feasible alternatives to bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment down-time;
- 3.) The permittee submits notice of an unanticipated bypass to the Director within 24 hours of becoming aware of the bypass (if this information is provided orally, a written submission must be provided within five days). Where the permittee knows or should have known in advance of the need for a bypass, this prior notification shall be submitted for approval to the Director, if possible, at least ten days before the date of the bypass;

(Comment: Fully efficient operation of treatment systems is required at all times. Although this generally requires the use of all portions of an existing treatment system, in some cases, maintenance necessary to ensure efficient operation may require bypassing portions of a system. Where such a bypass will not cause applicable effluent

GA 0022758

limitations or standards to be exceeded, it may be done without notification to the permitting authority. Where, however, a bypass is undertaken for reasons other than essential maintenance or where a bypass would cause effluent limitations or standards to be exceeded, it may be undertaken only in accordance with the provisions of this section.)

- 4.) The bypass is allowed under conditions determined to be necessary by the Director to minimize any adverse effects. The public shall be notified and given an opportunity to comment on bypass incidents of significant duration, to the extent feasible.

c. Prohibition of Bypass

The Director may prohibit bypass in consideration of the adverse effect of the proposed bypass or where the proposed bypass does not meet the conditions set forth in paragraphs 1., b., 1.) and 2.).

(Comment: When a bypass occurs, the burden is on the discharger to demonstrate compliance with this paragraph. If the reason for the bypass was the need for regular preventive maintenance, for which backup equipment should have been provided by the discharger, in accordance with paragraph b.2.), the bypass will not be allowed. If there is any doubt as to the necessity of the bypass or the availability of methods to reduce or eliminate the discharge, appropriate enforcement action may be taken.)

2. Upset

a. Definition

- 1.) "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.

GA 0022758

b. Effect of an Upset

An upset shall constitute an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the requirements of paragraphs 2.a. and c. are met.

c. Conditions Necessary for a Demonstration of Upset

A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

- 1.) An upset occurred and that the permittee can identify the specific cause(s) of the upset;
- 2.) The permitted facility was at the time being operated in a prudent and workman-like manner and in compliance with proper operation and maintenance procedures;
- 3.) The permittee submitted information required in 40CFR122.14(h)(1) within 24 hours of becoming aware of the upset (if this information is provided orally, a written submission must be provided within five days), and
- 4.) The permittee complied with any remedial measures required under 40CFR122.14(i).

d. Burden of Proof

In any enforcement proceeding the permittee seeking to establish the occurrence of an upset shall have the burden of proof.

(Comments: (1) Upset is only available for permit limits which are based on technology. It is not available for non-technology-based requirements such as water quality standards, State laws, or health or environmentally based toxic pollutant effluent standards. (2) Although in the usual exercise of prosecutorial discretion, Agency enforcement personnel should review any claims that noncompliance was caused by an upset, no determination made in the course of the review constitutes final Agency action subject to judicial review. Permittees will have the opportunity for a judicial determination on any claim of upset only in an enforcement action brought for non-compliance with technology-based permit effluent limitations.)

EXHIBIT 10

BEFORE THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX

In Re:)
Global Marine, Inc.)
Glomar Atlantic	CA 0110401)
Glomar Pacific	CA 0110389)
Glomar II	CA 0110142)
Glomar Grand Isle	CA 0110125)
Glomar Grand Banks	CA 0110109)
Glomar Conception	CA 0110117)
Glomar Coral Sea	CA 0110087)
Glomar Java Sea	CA 0110133)
Dolphin International)
Bergsten Dolphin	CA 0110338)
Keydril Company)
Aleutian Key	CA 0110282)
Zapata Offshore Co.)
Zapata Trader	CA 0110346)
Exxon Corporation)
Alaskan Star	CA 0110206)
ODECO (U.K.), Inc.)
Ocean Prospector	CA 0110176)

Request for
Evidentiary Hearings

Requestors:

Scenic Shoreline Preservation Conference and
John Mohr

Authority:

40 CFR §124.74

EXHIBIT 10 - (Continued)

Background Information

In a decision dated March 27, 1980, the Regional Administrator modified the terms of numerous NPDES Permits for the captioned exploratory drilling vessels. As a consequence of these modifications, the named vessels will be able to discharge pollutants within Lease Sale Number 48 without adequate safeguards.

§124.74 b) An evidentiary hearing is necessary because significant issues of law and fact were inadequately resolved prior to issuance of permit modifications by the Environmental Protection Agency.

Legal Issues

1. Does Section 403 (c) (1) mandate an examination of site specific data concerning marine life prior to modification of exploratory oil drilling permits allowing discharges in areas different from those originally proposed?

Section 403 (c) (1) of the Federal Water Pollution Control Act (FWPCA) calls for guidelines addressing seven issues concerning ocean discharges. Until these general guidelines are in force, each permit issued must be examined in light of potential impacts on the criteria set forth.

(40 CFR Part 227 [Nov. 9, 1979])

EXHIBIT 10 - (Continued)

According to the interim guidelines: "It is imperative that discharges into the ocean are in compliance with applicable statutory provisions. Therefore pending promulgation of final ocean discharge guidelines, the criteria set forth in section 403 (c) of the Act are to be considered and applied in the issuance, re-issuance or review of all NPDES permits for ocean dischargers."

Section 403 (c) (1) criteria include the following:

- (A) the effect of disposal of pollutants on human health or welfare, including but not limited to plankton, fish, shellfish, wildlife, shorelines, and beaches;
 - (B) the effect of disposal of pollutants on marine life including the transfer, concentration, and dispersal of pollutants or their byproducts through biological, physical, and chemical processes; changes in marine ecosystem diversity, productivity, and stability; and species and community population changes;
 - (C) the effect of disposal, of pollutants on esthetic, recreation, and economic values;
 - (D) the persistence and permanence of the effects of disposal of pollutants;
 - (E) the effect of the disposal at varying rates, of particular volumes and concentrations of pollutants;
 - (F) other possible locations and methods of disposal or recycling of pollutants including land-based alternatives; and
 - (G) the effect on alternate uses of the oceans, such as mineral exploitation and scientific study.
- (2) In any event where insufficient information exists on any proposed discharge to make a reasonable judgment on any of the guidelines established pursuant to this subsection no permit shall be issued under section 402 of this Act.

We contend that the effects of discharging drilling muds from the named vessels on "fish, shellfish (or) wildlife," [403 (c) (1) (A)] can only be known if specific information on the wildlife surrounding the proposed discharge site is

EXHIBIT 10 - (Continued)

available. The same reasoning under 40 CFR part 227 also applies to the six other criteria of 403 (c)(1). The permit modifications allow vessels to drill for oil within Lease Sale 48 without an analysis of the impacts of discharging pollutants on any particular drilling site. Proposed bioassay methods to determine impacts of discharges on marine biota are inadequate. The results of such tests may not be relevant for prospective drilling sites within the Santa Barbara Channel since we do not know whether or not the same biological assemblages used for bioassay purposes even exist at the disposal sites. Species at particular sites may be more vulnerable or sensitive than species used in the tests. Using such tests could, therefore, result in discharges harmful to ocean resources, contrary to the protective policies Congress intended EPA to fulfill when section 403 (c) was enacted.

Information concerning the nature and sensitivities of marine life at the proposed drilling sites is not presently available. Unless conditions are imposed to ascertain this information prior to the release of discharges, section 403 (c)(2) requires that the permit modification be denied.

2. Must the proposed modification include a requirement that the bioassay requirements of 40 CFR 227.8 be met before waste material may be discharged?

EXHIBIT 10 - (Continued)

40 CFR Part 227 (Nov. 9, 1979) calls for the application of ocean dumping regulations issued pursuant to Section 102 of the Marine Protection Research and Sanctuaries Act of 1972 "to the fullest extent possible. . ." Under those ocean dumping regulations, wastes can not be discharged into the ocean if such discharges exceed permissible concentrations for toxic substances. These concentrations must be based on bioassays covering the impacts of liquid, particulate and solid phases of the waste material on the "more sensitive" marine species that may be involved. Bioassays on each phase are necessary in order to determine the toxicity and bio-accumulation risks involved in a particular discharge.

Such tests will not be used by the captioned oil companies before drilling muds and other effluents are released. If the more sensitive tests called for in the ocean-dumping regulations are not included in the modified permit, such modified permits can not be issued under 403 (c)(2) since insufficient information will be available to determine the extent and type of impacts a particular discharge can cause on the ocean environment.

The hearing officer concluded that the ocean dumping regulations set forth in 40 CFR 227 did not have to be followed since, 40 CFR 227 states that such regulations will be followed "except where circumstances make it inappropriate

EXHIBIT 10 - (Continued)

to do so." The EPA decision does not, however, indicate why it is inappropriate to require adherence to formal regulations that must be followed "to the fullest extent possible." Since the various drilling vessels will be discharging effluents into what will be highly sensitive sections of the Santa Barbara Channel, there is every reason to require adherence to ocean dumping regulations. References to time delays and costs for the permit holders must be carefully analyzed during the hearing so that we can rationally resolve conflicting claims between economics and marine resource protection.

Factual Issues

1. Will the results of bioassay tests proposed supply adequate information on the biological impacts of discharging muds from drilling ships on Santa Barbara Channel ecosystems? Hearing time -- one hour.

The subject vessels will be drilling on sites of varying ecological significance. The Channel contains areas of great bio-geographic diversity including the Arguello Plateau, Mainland Shelf, Santa Barbara Basin, Ventura-Oxnard Shelf, Santa Rosa Ridge and Tanner-Cortes Banks. Even within one area, such diversity exists that vastly differing efforts are necessary to classify ocean bottom samples. Although the average sampling time for any particular specific region was 11 curating hours per square foot, certain samples took 90 hours to curate, others as many as 400 hours.

EXHIBIT 10 - (Continued)

Studies on the Channel Islands, the marine sanctuary region and the Tanner-Cortes Banks, for example, reveal areas rich in marine value, diversity and productivity. Areas within this ecosystem deserve site specific appraisals of likely impacts from drilling effluents. Bioassay methods being used only consider the impacts of drilling muds on certain selected assemblages. Such superficial tests are ill-suited for Lease Sale 48, since the Santa Barbara Channel contains vastly differing marine ecosystems each with unique reactions to drilling muds and associated effluents.

2. Is there sufficient, reliable information on the impacts of toxic substances from drilling effluents to understand their acute and chronic impacts? Hearing time -- one hour.

A review of literature on toxic effects of drilling effluents reveals that biotic damage from these discharges is not well understood and is probably greater than that indicated by conventional bioassay tests and industry-sponsored studies. The Natural Resources Defense Council has addressed this issue through comments it submitted on proposed National Pollutant Discharge Elimination System Permits for Oil and Gas Activities in the Flower Garden Banks. (January 29, 1980) This analysis revealed the possibility of serious impacts on coral as a result of drilling muds' being discharged in the area. Conditions at the Flower Garden Banks are similar to those under which :

EXHIBIT 10 - (Continued)

coral exist in the California borderlands where the subject vessels will operate. Currents which transport drilling effluents throughout the Flower Garden area also exist within Lease Sale 48.

3. What specific sensitive habitats and species in the areas of proposed exploratory oil drilling will be adversely affected by the discharge of drilling muds? Hearing time -- one hour.

Unique invertebrates mentioned by Dr. John Mohr including the rare monoplacophoran, solengaster, foraminiferan and pogonophorans could be adversely affected by drilling muds and associated discharges as well as other endangered species in the California borderlands area.

4. What site specific information on marine biota should be gathered by the affected companies to determine the impacts of discharging drilling muds, and at what cost can this information be gathered compared to other exploratory oil drilling costs? Hearing time -- one hour.

5. What alternative, less environmentally sensitive disposal sites exist within the Santa Barbara Channel area for the discharge of drilling muds, and at what costs could such muds be barged to these sites compared to other exploratory oil-drilling costs? Hearing time -- one hour.

EXHIBIT 10 - (Continued)

§124.74 (c)

1. Scenic Shoreline Preservation Conference, Inc.
4623 More Mesa Drive
Santa Barbara, California 93110
(805) 964-2492

John Mohr
3819 Chanson Drive
Los Angeles, Ca. 90043
(213) 295-5664

-2. Scenic Shoreline is a statewide environmental group headquartered in Santa Barbara. The organization has been concerned for years with the impact of oil development in the Santa Barbara Channel and Southern California borderland. The corporation was formed to consider issues relating to coastal and watershed areas. The impact of discharges on sensitive marine habitat recognized for its quality as a potential marine sanctuary is a priority concern.

John Mohr, Ph.D., a former professor of biology at the University of Southern California has had a long-time interest in marine research and particular concern for unique species and habitats within the Tanner-Cortez Banks.

3. Not applicable.

4. The requestors upon motion of any parties or sua sponte by the Presiding Officers and without cost or expense to any other parties shall appear and testify and shall arrange for the appearance of all officers, directors, employees, consultants and agents of the requestor.

EXHIBIT 10 - (Continued)

5. The proposed modifications of NDPES permits will inadequately protect ocean resources, since adequate bioassay methods are not required. Methods utilized fail to require tests on assemblages of plants in the area affected by discharges and do not determine chronic and long-term impacts of such discharges. Other specific requirements of 403 (c)(1) of the Clean Water Act and the Ocean Dumping Criteria of the Marine Protection Research and Sanctuaries Act will likewise be neglected by use of inadequate bioassay tests.

6. We call for the use of 40 CFR Part 227 ocean discharge criteria in determining the impacts of exploratory well discharges and, if necessary, a requirement that drilling muds, cuttings, formation water and other effluents be barged to certified dump sites.

7. Dumping of discharges should not be permitted until adequate bioassays are performed and alternate disposal sites are investigated.

Submitted by:

Date: April 9, 1980

Michael David Cox, Esq.
Environmental Defense Center
1005 Santa Barbara Street
Santa Barbara, California 93101
805-963-1822
Representative for Requestors

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 WASHINGTON, D.C. 20460

JUL 14 1980

THE ADMINISTRATOR

SUBJECT: Coordination of Regulatory Activities for
 Offshore Oil and Gas Facilities

TO: Assistant Administrator for Enforcement (EM-329)

Assistant Administrator for Research
 and Development (RD-672)

Assistant Administrator for Water
 and Waste Management (WR-556)

General Counsel (A-131)

Regional Administrators, Regions I, II, IV, VI,
 IX, and X

Congress, through the National Pollutant Discharge Elimination System (NPDES) permit program, has entrusted this Agency with the responsibility to regulate the discharges from offshore oil and gas facilities. The NPDES permit program is an important mechanism for ensuring that offshore oil and gas development is undertaken in an environmentally sound manner. However, just as it is our responsibility to independently determine necessary environmental limitations, it is also our responsibility to ensure that NPDES permits for offshore oil and gas facilities are issued without unnecessary delays and are coordinated with other federal agencies having responsibilities in this area.

It is important that EPA take the lead in developing new and efficient approaches to environmental regulation. I am, therefore, committing this Agency to developing an offshore permitting process which will:

1. Ensure that NPDES permit limitations are established which will provide adequate protection to the marine environment.

2. Develop necessary permit limitations at the earliest possible stage in the OCS lease sale process. To the extent possible, this should be achieved by gathering and evaluating all necessary information in cooperation with other federal agencies in the environmental assessments undertaken during the OCS lease sale process.

EXHIBIT 11 - (Continued)

-7-

3. Promote the issuance of standardized NPDES permits applicable to those portions of OCS lease sales which warrant uniform environmental limitations.

4. Promulgate regulations, both effluent limitations guidelines and ocean discharge guidelines, which to the greatest extent possible, resolve permit limitation issues in a single national forum.

To achieve these objectives, I am instructing you to undertake the following tasks:

Office of Water Enforcement

1. Establish an Outer Continental Shelf Coordination Committee to be chaired by the Deputy Assistant Administrator for Water Enforcement. This committee will be responsible for coordinating our OCS permitting activities with the program efforts of other offices in this area. The Deputy Assistant Administrator for Water Enforcement should, in six months, submit a report to me detailing the results of OCS coordination activities.

2. Continue efforts to develop a Memorandum of Understanding with the Bureau of Land Management, the United States Geological Survey, and the Coast Guard which defines the respective responsibilities of each agency for the regulation of offshore oil and gas facilities. In order to avoid duplication of activities and allow early decision making, agreement should be sought on EPA's participation in the preparation of environmental impact statements and other environmental evaluations for future lease sales as a mechanism for gathering data for use in NPDES permitting.

3. Develop national permitting policy for offshore oil and gas facilities and guidance for use by the Regions and States and provide assistance to the Regions in writing individual and general permits for these facilities.

4. Assist Region VI in issuing draft general permits applicable to offshore oil and gas facilities in the Gulf of Mexico.

Office of Water and Waste Management

1. Promulgate section 403(c) ocean discharge guidelines. During the development of those regulations consider their effects on the timely issuance of NPDES individual and general permits for offshore oil and gas facilities.

EXHIBIT 11 - (Continued)

13-

2. Evaluate the regulations issued pursuant to the ocean dumping provisions of the Marine Protection, Research, and Sanctuaries Act to determine if any revisions are necessary to ensure that ocean dumping sites can be designated and ocean dumping permits can be issued promptly to allow the operation of oil and gas wells which are otherwise precluded from discharging under sections 402 and 403 of the Clean Water Act.

3. Propose and promulgate new source performance standards for the offshore subcategory of the oil and gas extraction point source category after adequate evaluation of necessary data.

4. Continue to provide EPA participation in interagency workgroups and provide assistance and recommendations to other program offices and Regions on ocean-related technical issues.

Office of Research and Development

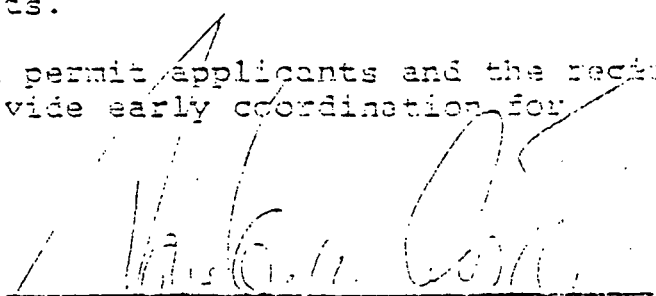
1. Undertake an evaluation, headed by the Deputy Assistant Administrator for Environmental Processes and Effects Research, of the environmental impacts of drilling mud and formation water discharges from offshore oil and gas facilities. This evaluation should be based on available literature and any research determined to be necessary. A report on the results of this evaluation should be completed within one year.

2. Provide necessary research support to program offices in the development of ocean discharge guidelines and revisions to the ocean dumping regulations. This research support should be coordinated through the Outer Continental Shelf Coordination Committee.

Regional Administrators

1. Participate in the Outer Continental Shelf Coordination Committee. Coordinate with this Committee to expedite the issuance of NPDES and ocean dumping permits.

2. Establish contacts with permit applicants and the regional offices of other agencies to provide early coordination for permit issuance.



Administrator

APPENDIX C

Exhibit

- 1 Private Aids to Navigation Application, Form CG-2554
- 2 Application For Class I Private Aids To Navigation On Artificial Islands and Fixed Structures, Form CG-4143
- 3 Completed Private Aids To Navigation Application Form CG-4143
- 4 Facility Application For Certificate Of Financial Responsibility
- 5 Offshore Oil Pollution Compensation Fund Certificate Of Financial Responsibility (For Offshore Facilities)
- 6 Administrative Information Concerning The Offshore Oil Pollution Liability Fund (Draft Dated March 18, 1980)
- 7 Application For Inspection Of U.S. Vessel, Form CT-3752
- 8 Permit To Proceed To Another Port For Repairs, Form CG-948
- 9 Certificate Of Inspection Amendment, Form CG-858
- 10 A.B.S. Load Line Certificate
- 11 Official Logbook, Form CG-706B, Sample Sheets
- 12 Report Of Personal Injury Or Loss Of Life, Form CG-924E
- 13 Report Of Vessel Casualty Or Accident, Form CG-2692
- 14 Memorandum of Understanding Between The Coast Guard And OSHA Concerning Occupational Safety And Health On Artificial Islands, Installations And Other Devices On The U.S. OCS
- 15 Memorandum Of Understanding Between The Coast Guard And USGS Concerning Regulation Of U.S. Mobile Offshore Drilling Units On The U.S. OCS
- 16 Memorandum Of Understanding Between The USGS And The Coast Guard Concerning Regulation Of Artificial Islands, Installations And Other Devices On The U.S. OCS (Proposed April 30, 1980)

EXHIBIT 1

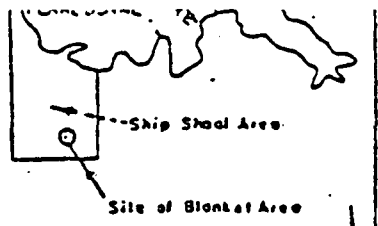
DEPARTMENT OF TRANSPORTATION U.S. COAST GUARD CG-2554 (Rev. 7-76)	PRIVATE AIDS TO NAVIGATION APPLICATION <i>(See attached instructions and copy of Code of Fed. Reg., Title 33, Chap. 1, Part 66)</i>	Form Approved OMB-004-R5681									
NO PRIVATE AID TO NAVIGATION MAY BE AUTHORIZED UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED (14 U.S.C. 83; 33 C.F.R. 66.01-5).											
1. ACTION REQUESTED FOR PRIVATE AIDS TO NAVIGATION: A. <input type="checkbox"/> ESTABLISH AND MAINTAIN B. <input type="checkbox"/> DISCONTINUE C. <input type="checkbox"/> CHANGE D. <input type="checkbox"/> TRANSFER OWNERSHIP		2. DATE ACTION TO START _____									
3. AIDS WILL BE OPERATED: A. <input type="checkbox"/> THROUGHOUT YEAR B. <input type="checkbox"/> TEMPORARILY UNTIL _____ C. <input type="checkbox"/> ANNUALLY FROM _____ TO _____											
4. NECESSITY FOR AID <i>(Continue in Block 8)</i>		5. GENERAL LOCALITY _____									
6. CORPS OF ENGINEERS AUTHORIZED THIS STRUCTURE OR BUOY BY <input type="checkbox"/> PERMIT OR <input type="checkbox"/> LETTER <i>(file and date)</i>											
FOR DISTRICT COMMANDERS ONLY		7. APPLICANT WILL FILL IN APPLICABLE REMAINING COLUMNS									
LIGHT LIST NUMBER OR PAGE	NAME OF AID	NO. OR LTR. (7a)	PER. (7b)	FLASH LGTH. (7c)	COLOR (7d)	POSITION (7e)	DEPTH OF WATER (7f)	CAN- DLE POWER (7g)	HT. ABOVE WATER (7h)	STRUCTURE TYPE, COLOR, AND HEIGHT ABOVE GROUND (7i)	REMARKS <i>(See Instructions)</i> (7j)
8. ADDITIONAL COMMENTS											
9a. NAME AND ADDRESS OF PERSON IN DIRECT CHARGE OF AID				10a. NAME AND ADDRESS OF PERSON OR CORPORATION AT WHOSE EXPENSE AID IS MAINTAINED				10b. THE APPLICANT AGREES TO SAVE THE COAST GUARD HARMLESS WITH RESPECT TO ANY CLAIM OR CLAIMS THAT MAY RESULT ARISING FROM THE ALLEGED NEGLIGENCE OF THE MAINTENANCE OR OPERATION OF THE APPROVED AID(S).			
9b. TELEPHONE NO.								10c. DATE		10d. SIGNATURE AND TITLE OF OFFICIAL SIGNING	
FOR USE BY DISTRICT COMMANDER				RECD.			DATE APPROVED		SIGNATURE <i>(By direction)</i>		
SERIAL NO.	CLASSIFICATION OF AIDS			CHART							
	Class			L. N. M.							

C-1

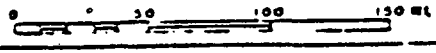
DEPARTMENT OF TRANSPORTATION U. S. COAST GUARD CG-4143 (Rev. 4-70)	APPLICATION FOR CLASS I PRIVATE AIDS TO NAVIGATION ON ARTIFICIAL ISLANDS AND FIXED STRUCTURES (Please read instructions on reverse)	Form Approved Budget Bureau NO. 04-R3002	
1. NAME AND ADDRESS (including zip code) of CORPORATION OR PERSON MAKING APPLICATION	2. ACTION REQUESTED FOR PRIVATE AIDS TO NAVIGATION A. <input type="checkbox"/> ESTABLISH AND MAINTAIN E. <input type="checkbox"/> DISCONTINUE B. <input type="checkbox"/> CHANGE OWNERSHIP F. DATE OF ACTION C. <input type="checkbox"/> CHANGE EQUIPMENT D. <input type="checkbox"/> MOVE		
3. POSITION			
A. GENERAL LOCALITY AND GRID AREA		B. LATITUDE	C. LONGITUDE
D. BLOCK NUMBER	E. SIGN	F. LEASE NUMBER	G. WELL NUMBER
4. LIGHT			
A. CHARACTERISTICS FLASH SECONDS ECLIPSE SECONDS	COLOR WHITE <input type="checkbox"/> RED <input type="checkbox"/>	B. NUMBER INSTALLED	C. ILLUMINANT (Check) <input type="checkbox"/> ELECTRICITY <input type="checkbox"/> GAS <input type="checkbox"/> OIL <input type="checkbox"/> OTHER (Specify)
D. HEIGHT ABOVE MEAN HIGH WATER	E. VOLTS	F. AMPERES	G. INSIDE DIAMETER LENS GLOBE H. CANOLE POWER (If known)
5. FOG SIGNAL (Characteristic will be one two-second blast every twenty seconds)			
A. CLASS <input type="checkbox"/> A (2-Mile) <input type="checkbox"/> B (1/2-Mile)	9. MANUFACTURED BY		C. MODEL NUMBER
6. STRUCTURE			
A. COLOR	B. HEIGHT ABOVE MEAN HIGH WATER	C. DEPTH OF WATER BELOW MEAN LOW WATER	
7. AUTHORIZED BY CORPS OF ENGINEERS, U. S. ARMY, PERMIT NO:			
8. PERSON IN DIRECT CHARGE OF AID			
A. NAME		C. ADDRESS	
B. TELEPHONE NUMBER			
9. The applicant agrees to save the Coast Guard harmless with respect to any claim or claims that may result arising from the alleged negligence of the operation of the approved aids. Attached to this application are: A. <input type="checkbox"/> LOCATION PLAT B. <input type="checkbox"/> PRINT OF STRUCTURE C. <input type="checkbox"/> AIDS TO NAVIGATION EQUIPMENT LIST D. <input type="checkbox"/> CERTIFICATE REQUIRED BY 33 CFR 67.10-1 (4)			
DATE		SIGNATURE TITLE	
FOR COAST GUARD USE			
10. FROM: Commander Coast Guard District			
A. THE ACTION DESCRIBED ABOVE IS <input type="checkbox"/> APPROVED <input type="checkbox"/> APPROVED SUBJECT TO THE COMMENTS IN BLOCK 11 ON REVERSE		B. NOTICE TO MARINERS <input type="checkbox"/> WILL BE ISSUED <input type="checkbox"/> WILL NOT BE ISSUED	
C. CHARTS AFFECTED		D. NAME OF AID(S)	
E. DATE	F. SIGNATURE (By direction in accordance with 33 CFR 67)		

EXHIBIT 3

DEPARTMENT OF TRANSPORTATION U. S. COAST GUARD CG-4143 (Rev. 4-70)	APPLICATION FOR CLASS 1 PRIVATE AIDS TO NAVIGATION ON ARTIFICIAL ISLANDS AND FIXED STRUCTURES (Please read instructions on reverse)	Form Approved Budget Bureau NO. 04-R3002
1. NAME AND ADDRESS (including zip code) OF CORPORATION OR PERSON MAKING APPLICATION Tenneco Oil Company P. O. Box 51345 Lafayette, La. 70505		2. ACTION REQUESTED FOR PRIVATE AIDS TO NAVIGATION A. <input checked="" type="checkbox"/> ESTABLISH AND MAINTAIN E. <input type="checkbox"/> DISCONTINUE B. <input type="checkbox"/> CHANGE OWNERSHIP F. DATE OF ACTION C. <input type="checkbox"/> CHANGE EQUIPMENT 6/1/77 D. <input type="checkbox"/> MOVE
3. POSITION		
A. GENERAL LOCALITY AND GRID AREA Ship Shoal		B. LATITUDE 28° 37' 06.736"
C. LONGITUDE 98° 59' 41.900"		D. BLOCK NUMBER 122
E. SIGN MC - CS - 182 - C		F. LEASE NUMBER CCS - G - 1019
G. WELL NUMBER "C" Prod. Jacket		
4. LIGHT		
A. CHARACTERISTICS FLASH 3 SECONDS ECLIPSE 7 SECONDS		B. NUMBER INSTALLED 2
C. ILLUMINANT (Check) <input checked="" type="checkbox"/> BATTERY OPERATED <input type="checkbox"/> ELECTRICITY <input type="checkbox"/> OTHER (Specify)		
D. HEIGHT ABOVE MEAN HIGH WATER 20'	E. VOLTS 12	F. AMPERES .77
G. INSIDE DIAMETER LENS 250MM GLOBE		H. CANOLE POWER (If known)
5. FOG SIGNAL (Characteristic will be one two-second blast every twenty seconds)		
A. CLASS <input type="checkbox"/> A (2-Mile) <input type="checkbox"/> B (1/2-Mile)	B. MANUFACTURED BY	C. MODEL NUMBER
6. STRUCTURE		
A. COLOR Yellow	B. HEIGHT ABOVE MEAN HIGH WATER 15'	C. DEPTH OF WATER BELOW MEAN LOW WATER 65'
7. AUTHORIZED BY CORPS OF ENGINEERS, U. S. ARMY, PERMIT NO. LMHOD-SP (GULF OF MEXICO) 1243		
8. PERSON IN DIRECT CHARGE OF AID		
A. NAME J. R. Bacque		C. ADDRESS Tenneco Oil Company P.O. Box 51345 Lafayette, La. 70505
B. TELEPHONE NUMBER 232-3600 area code 318		
9. The applicant agrees to save the Coast Guard harmless with respect to any claim or claims that may result arising from the alleged negligence of the operation of the approved aids. Attached to this application are: A. <input checked="" type="checkbox"/> LOCATION PLAT B. <input checked="" type="checkbox"/> PRINT OF STRUCTURE C. <input checked="" type="checkbox"/> AIDS TO NAVIGATION EQUIPMENT LIST D. <input type="checkbox"/> CERTIFICATE REQUIRED BY 33 CFR 67.10-114		
DATE 5/26/77	SIGNATURE ORIGINAL SIGNED BY J. R. BACQUE, J. R. Bacque	
	TITLE Administrative Supervisor	
FOR COAST GUARD USE		
10. FROM Commander Coast Guard District		
A. THE ACTION DESCRIBED ABOVE IS <input type="checkbox"/> APPROVED <input type="checkbox"/> APPROVED SUBJECT TO THE COMMENTS IN BLOCK 11 ON REVERSE		B. NOTICE TO MARINERS <input type="checkbox"/> WILL BE ISSUED <input type="checkbox"/> WILL NOT BE ISSUED
C. CHARTS AFFECTED		D. NAME OF AIDS
E. DATE	F. SIGNATURE (By direction in accordance with 33 CFR 67)	



VICINITY MAP



TENNECO OIL COMPANY

PROPOSED "C" STR. (8992)

X = 2,106,160.47'
Y = - 17,234.92'
Lat. 20° 37' 07.305"
Long. 90° 59' 59.332"

CENTER PT.

BLK. 182

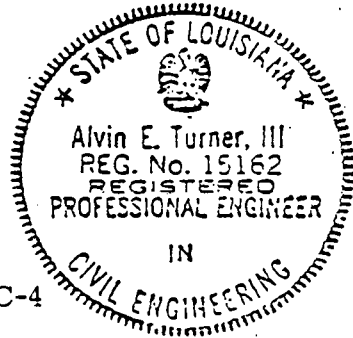
O.C.S. G-1020

O.C.S. G-1019

BLK. 193

Blank

TENNECO OIL COMPANY
O.C.S. G-1020
PERMIT PLAT
SHIP SHOAL AREA



hereby certify that the above structure location is correct.

Alvin E. Turner III

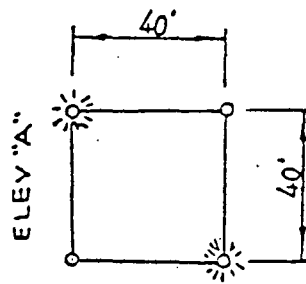
Registered Professional Eng. #15162
State of Louisiana

C-4

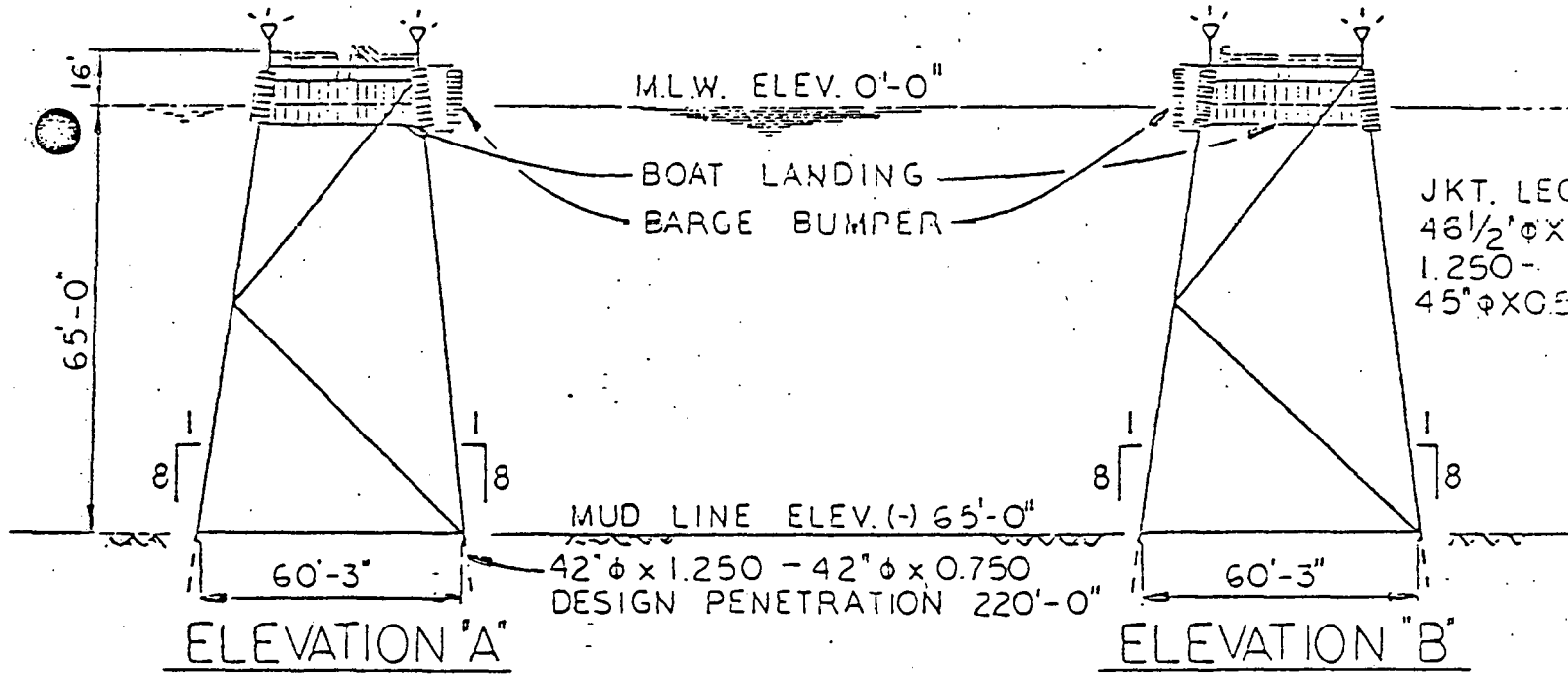
SCALE: 1" = 2000'

5/73

DESIGN LOADS PER PILE
MAX. BEARING 1788.93 KIPS
LATERAL 181.00 KIPS



ELEV "B"
PLAN



ELEVATION "A"

ELEVATION "B"

Tenneco Oil Company certifies that this platform has been certified by a Registered Professional Engineer and that the structure is as drawn, will be operated and maintained as described in the application, and any modifications thereto. Certified plans are on file at Tenneco Oil Company's office in Lafayette, Louisiana.

APPLICATION BY
ANY TENNECO OIL COMPANY
SIGNATURE [Signature]
TITLE ADM. SUPERVISOR DATE 5-26-77

4 PILE PRODUCTION PLATFORM
LEASE NO. OCS-G-1019 BLOCK NO. 182 "C"
AREA SHIP SHOAL SHEET 1 OF 1

EXHIBIT 3 - (Continued)

SHIP SHOAL 182 "C" PROD. JACKET

EQUIPMENT LIST

LIGHTS

Manufactured By: Automatic Power, Inc.

Type: FA-250

Description: Two 250 mm lanterns with clear lens, lamp
changer containing four .77 amp 12 volt lamps
and flasher mechanism, sun switch and pro-
tective relay. Battery operated.

EXHIBIT 4

No certificate may be issued unless a completed application form has been received (33 CFR 135.215).

7 Digit Sequential Application Number

ADVANCE COPY
U. S. COAST GUARD
OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1978
FACILITY APPLICATION FOR CERTIFICATE OF FINANCIAL RESPONSIBILITY

1 _____
2 _____
3 _____
4 _____
5 _____
6 _____
7 _____
8 _____
9 _____
10 _____
11 _____
12 _____
13 _____
14 _____
15 _____

16 I/We are filing for a Certificate of Financial Responsibility as:
17 1. Owner 2. Operator 3. Owner and Operator
18 4. Owner or Operator on behalf of two or more Owners or Operators
19 5. Proportional Owner or Operator (proportion of evidence submitted): %
20 I/We are providing evidence to cover the liability for each owner and operator
(named in appendix A to this application) of the facility noted on this application.
21 I/We are filing for a Certificate of Financial Responsibility for:
22 1. An initial facility (proof of financial responsibility on back)
23 2. An additional facility (proof of financial responsibility was
24 previously submitted in application number: _____
25 3. Change to application or certificate number: _____

26 The facility covered by this application is described as follows:
27 Modu's, Platforms, Satellite Wells, Underwater completions: Total

	Area/Block	Lease	Field	I.D.	Condensate	Other Oil
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						

40 Pipelines: from _____ to _____
41 Area/Block I.D. Area/Block I.D. Diameter
42 _____
43 Length #Condensate Other Oil
44 _____
45 from _____ to _____
46 Area/Block I.D. Area/Block I.D. Diameter
47 _____
48 Length #Condensate Other Oil
49 _____
50 from _____ to _____
51 Area/Block I.D. Area/Block I.D. Diameter
52 _____
53 Length #Condensate Other Oil
54 _____
55 Area/Block Lease Field I.D.
56 _____

57 The designated U.S. agent for service of process is:
58 _____
59 Name
60 _____
61 Address
62 _____
63 City State Zip Code

64 Signature: _____
65 Title/Date: _____

66 I hereby certify the above information is correct to the best of my knowledge
and I agree to notify the Fund Administrator of any changes in the above
information:
67 Signature: _____
68 Title/Date: _____

CERTIFICATE

U. S. Coast Guard
Offshore Oil Pollution Compensation Fund
Certificate of Financial Responsibility
(For Offshore Facilities)

WHEREAS by Section 305(b) of Title III of an act of Congress approved September 18, 1978, entitled "Outer Continental Shelf Lands Act Amendments of 1978" (43 U.S.C. 1811 et. seq.), the owner or operator of an offshore facility which (1) is used for drilling for, producing, or processing oil, or (2) has the capacity to transport, store, transfer, or otherwise handle more than one thousand barrels of oil at any one time, is required to establish and maintain, in accordance with regulations promulgated by the President, evidence of financial responsibility sufficient to satisfy the maximum amount of liability to which the owner or operator of such facility would be exposed in a case where he would be entitled to limit his liability in accordance with the provisions of section 304(b) of that title, or \$35,000,000, whichever is less;

AND WHEREAS by Executive Order 12123, signed by the President on February 26, 1979, the authority vested in the President by section 305(b) of that act was transferred to and vested in the Secretary of Transportation, and further delegated by the Secretary to the Commandant, United States Coast Guard by section 1.46(z) of Title 49 Code of Federal Regulations;

AND WHEREAS under Subpart C of Part 135 of Title 33, Code of Federal Regulations, an owner or operator of an offshore facility is required to submit for approval evidence of financial responsibility in the amount of \$35,000,000 to the Fund Administrator, Offshore Oil Pollution Compensation Fund, acting for and on behalf of the Commandant, United States Coast Guard, before placing such offshore facility into operation or coverage becomes effective;

AND WHEREAS _____ (name of applicant) has submitted evidence of financial responsibility in the amount of \$35,000,000 for the offshore facility identified on application number _____ and located on _____;

EXHIBIT 5 - (Continued)

NOW THEREFORE, this is to certify that the evidence of financial responsibility submitted is hereby approved by the Fund Administrator, Offshore Oil Pollution Compensation Fund, subject to the following conditions:

1. Each owner, operator, or guarantor submitting evidence of financial responsibility for the offshore facility identified on application number _____, shall within ten days notify the Fund Administrator, Offshore Oil Pollution Compensation Fund in writing when any change occurs which prevents that owner, operator, or guarantor from meeting the obligations for which this Certificate of Financial Responsibility has been issued. Based on notice of a change in financial capability, the Fund Administrator, Offshore Oil Pollution Compensation Fund may revoke this Certificate of Financial Responsibility.

2. Issuance of this certificate does not relieve the Certificant of the obligation or responsibility for compliance with the provisions of any other law or regulation of any other federal or state authority having cognizance of any aspect of the location, construction, maintenance, or operation of said offshore facility.

3. The approval hereby granted shall expire _____

4. The Certificant shall destroy this certificate on the expiration date. In the event the Certificant ceases to be the named owner or operator before the expiration date, this certificate shall be promptly returned to the Fund Administrator, Offshore Oil Pollution Compensation Fund together with a letter advising the Fund Administrator of the name and address of the new owner or operator and the effective date of the change.

FUND ADMINISTRATOR

Date Issued _____

EXHIBIT 6

D R A F T

18 March 1980

Offshore Oil Pollution Liability Fund; Administrative information

To: OCS Offshore Facility Owners, Operators, and Guarantors

Ref: (a) P.L. 95-372 Outer Continental Shelf Lands Act Amendments of 1978, Title III

(b) 33 CFR 135,136 FR 19 March 1979

(c) Fund Information dated 23 July 1979

1. Since the publication of references (a), (b), (c), and after review of many applications for Certification of Financial Responsibility, additional general comments appear desirable.

2. Insurance underwriters have perceived in Subsection 305(c), reference (a), a direct action threat of unlimited liability for all claims to which the owner/operator insured is liable. The Fund recognized the potential problem of this wording and in reading the history of the Act, saw no intent of the Congress to impose unlimited liability on a guarantor, insurer, or indemnitor. In Section 135.207(b)(1) and (e)(3) of ref (b), the words, "to the extent of their contracts" and "within limits of the policy coverage" were added. The insurance underwriters recognized the dominance of the statute wording over that of the regulation and have requested a statutory amendment to remove any ambiguity. Underwriters presently are unwilling to validate as guarantors to the Fund Administrator under Title III.

3. The Coast Guard has taken a temporary position in the certification procedure, that owners/operators, restrained from certification because of need of insurance industry coverage, will not be penalized until Congress has had the opportunity to guide a solution to the insurance dilemma. This position has not relieved the facility owner/operator from application for certification with best financial supportive data appended. The Coast Guard has issued certificates for those applications having self-insurance or indemnification assured up to \$35M. Some applications are still pending as we further evaluate questionable financial responsibility under self-insurance, and also as we evaluate questionable facility descriptions. Our basic data bank on facilities is provided by U.S. Geological Survey. Title III requires better definition of facility ownership than that provided in USGS data. This is being obtained by aggregation of data from the certification applications.

EXHIBIT 6 - (Continued)

4. Some confusion has been generated by the usage of the term "operator" as used in Title III. The Coast Guard administration of Title III of Public Law 95-372 is governed by regulations published in 33 CFR Parts 135 and 136. The term "operator," as defined in the regulations at Section 135.5(a) and 136.5(a), has the same meaning as it does in the underlying statute. The statute and regulations both recognize that many possible variations can occur in the ownership and operations of offshore oil production facilities. The definition of "operator" within the statute explicitly states that the "operator" is "any person, except the owner, who is responsible for the operation of such facility by agreement with the owner." Liability for oil pollution removal cost damage is, therefore, tied to ownership of such facilities and to those who may operate them by agreement with the owner and is not directly related to ownership of the Outer Continental Shelf lease site.

5. It is important to distinguish between liability and certification. Financial responsibility may be assumed by persons other than owners or operators, but only owners or operators (or in combination) may apply for certificates. Under the statutory and regulatory scheme, it is possible for the lessee of the seabed lease to be the operator of a drilling or well facility if he has no ownership in that facility. If, however, the holder of the lease site has some ownership in the facility, he is excluded from operator status by the terms of the statute. The determination of who is the "operator" must, therefore, be resolved on a case-by-case basis from the information submitted in the application for certification of financial responsibility. The lessee of the lease site, even if he is not the "operator," may act as guarantor or indemnitor of the facility. Failure of some owners/operators to apply for certification may presently be generated by doubt as to facility definition or by lack of coordination between owner and operator. Initial identification of facilities is made by the applicant for certification of financial responsibility. Follow up by the Fund certification staff will present the Administrator's interpretation of a structure's status should there be a difference from that submitted or should there be no application for facilities identified from the data bank. A hearing under 33 CFR 135.223 may be requested before final agency action on a structure's status.

EXHIBIT 6 - (Continued)

5. (Continued)

Some examples to aid in structure definition as a facility are as follows:

a. The well becomes a facility under the Act as soon as structure is imbedded in the seabed and protrudes from the seabed. Although generally, this structure; i.e., casing, well head, blowout preventer, trees, etc., is placed in the well facility by a contracted drilling rig, ownership is continuously retained by the well owner/operator. We, thus, have at least two facilities under statutory definition that meet requirements as drilling for, transporting, producing, processing, storing, transferring, or otherwise handling oil and are located at the same location albeit one being downstream from the other relative to the natural source of oil. Certification for the well facility is separate from certification for the concurrent drilling, producing or other facility by factor of ownership. Degree of risk for level or scale of pollution is very different among commonly located facilities. A low pollution risk assessment for the other colocated facilities should make customary indemnification by the well facility owner/operator acceptable.

b. Platforms may require independent certification if separately owned/operated from the facilities associated with the platform. The platform may be assessed as a low pollution risk facility.

c. The fixed drilling rig or mobile drilling unit facilities are normally separately owned/operated from the platform or well facilities. Since the operation is often conducted in uncertain formations, risk of pollution from a drilling facility remains significant. Certification of drilling rigs or units is required under the statute.

d. Workover or wireline operation facilities are used to facilitate production of oil and are normally separately owned/operated from the platform or well facilities. Although the operations are conducted in reasonably defined formations, risk of pollution caused by these facilities remain significant. These facilities are not relieved of requirement for certification under Title III since the operation is in the stream from the source of oil in nature to a point of change in ownership.

EXHIBIT 6 - (Continued)

e. For procedural simplification of certification, if indemnity or guarantee is provided by the well facility owner or operator, the drilling, workover, or wireline facility may be aggregated with the facilities covered by the well owner or operator. Other equipment and appurtenances separately owned and operated from the platform, well, drilling rigs, workover or wireline equipments, although related to drilling, production, processing or transportation of OCS oil, for procedural simplification if indemnified or guaranteed by the well facility owner or operator, are not considered facilities under the Act or implementing regulations for purposes of certification.

6. Questions have been raised as to the right to claim excess removal costs in relation to the unlimited liability of offshore facilities removal costs. Some ambiguity exists in applying the language of section 303(b)(1)(B) in the case where the owner or operator of an offshore facility has no defense to liability but is eligible for limitation of liability. Section 303(b)(1)(B) refers to "removal costs incurred in excess of 'that' limitation" available under 304(b), although no limitation of liability for removal costs is available in the case of offshore facilities. The limitation referred to must be read as an amount equal to the limitation that is available for damages, that is, \$35 million. This interpretation is necessitated by the introductory language of section 303(b)(1) which clearly states that offshore facility owners and operators may be claimants under its provisions. The applicability of subclause (B) should not be limited to vessels merely because of an ambiguity in its language. Furthermore, the reference to the 304(b) limitation is not necessarily related only to a removal cost limitation not available to such offshore facility claimants. To void the removal cost claim as to offshore facilities would contravene the legislative purpose of obtaining the prompt removal of discharged oil. To deny the offshore facility discharger the right to claim its excess removal costs would have the opposite result of putting such a discharger in a position where it would be equally, if not more advantageous, to take no action but leave all cleanup and removal activities to governmental agencies. It is the discharger that is in the best position to begin immediate removal and cleanup activities. Section 303 and section 304, taken together, will operate to encourage such action by affording the offshore facility discharger the possibility of recovering its excess removal costs from the industry supported fund or other liable parties if prompt, voluntary action is undertaken. At the same time, the amount of governmental removal costs, for which the discharger is liable under section 304(d), will be minimized.

EXHIBIT 6 - (Continued)

To resolve this ambiguity, it has been recommended to Congress that section 303(b)(1)(B) be amended by adding "for damages" after "304(b)" and in lieu of the last two words "that limitation" add "in the case of a vessel, the greater of \$250,000 or \$300 per gross ton or, in the case of an offshore facility, \$35,000,000."

7. Certain modifications to the facility application for certificate of financial responsibility, which presently exists in an "advance copy" form, are desirable. Any variance desired by the owner/operator or guarantor may be added as an endorsement to the form and if possible will be accepted by the Fund Manager with such endorsement. If not possible to accept the endorsement, the applicant will be advised. Specific changes that seem appropriate at this time and are planned are as follows:

a. Line 7 - delete 3. Owner and Operator and renumber 4. to 3. and 5. to 4.

b. Lines 48 - 51 and 68 - 71 - Substitute the following "the amount of coverage for which Proof of Financial Responsibility is being established is for all claims under this Act respecting incidents which occur within the period set forth in line [52] and [72] and which are presented against any owner or operator (named in Appendix A to this application) of the facility noted on this application from [\$0 to \$___] [\$___ to \$___]." The Fund Administrator allows owners and operators of the facility to share responsibility by permitting layering of coverage such that in aggregate \$35 million is achieved, but each owner or operator covers different monetary levels. The Fund Administrator recognizes the joint venture clause established on liability insurances. The aggregate financial responsibility presentation for all owners of each facility is consistent with this clause. Each owner or operator is not required to establish and maintain evidence of financial responsibility for the entire \$35 million. The liability of the owner/operator remains joint, several, and strict in accordance with Section 304 of the Act. Whenever one owner fails to show his pro-rata financial responsibility, the certificate is invalidated.

EXHIBIT 6 - (Continued)

c. Line 74 - "I/we agree to use our best efforts to notify you . . ." may be substituted for "I/we agree to notify you . . ."

d. Line 17 - Substitute words "Structures Comprising Facility" in lieu of the listing. On page 5 of the instructions under Type (T), use number "5" for "Fixed Drilling Rig," number "6" for "Wells," number "7" for "Wireline Operation," and number "8" for "Workover Rig."

8. Movement of MODU's with little advance notice is an ordinary business practice. An amendment to 33 CFR Part 135 is in process which reduces the burden presently existing in regulations for MODU certification. Where ownership and financial responsibility have been previously ascertained, only notification of change in location is required.

EXHIBIT 7
APPLICATION FOR INSPECTION OF U. S. VESSEL

Address reply to:

DATE:

To: Officer in Charge, Marine Inspection

Port of _____

Gentlemen:

The undersigned applies to have the Steam Vessel Motor Vessel Motorboat

Other (Indicate) _____ named _____

Official or Award No. _____ inspected under the inspection laws of the

United States; to be employed as a Passenger Ship Freight Ship Tankship

Barge Other (Indicate) _____ on the following route:

(Waters, Geographical limits) _____

Liquid cargo in bulk will will not be carried as follows: (Insert grade of Liquid

Cargo) _____

Vessel will be at (Port, Pier, etc.) _____

The current Certificate of Inspection expires on _____ 19 ____.

Inspection is desired on _____ 19 ____.

Cargo Ship Safety Construction Certificate to be issued by ABS USCG.

I certify that previous application for this inspection has has not been made.

I further certify that I have instructed the master to present the vessel ready in all respects

for the above requested inspection on the date specified.

(Signature)

EXHIBIT 8

CG-948 (Rev. 3-67)

FILE No. T
V

PERMIT TO PROCEED TO ANOTHER PORT FOR REPAIRS

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

PORT _____

DATE _____, 19 _____

DISTRICT OF _____

The *S. S.*
M. V.

of

, in the State of

O. N.

, whereof

is Master, has been examined and inspected this date and I find that the said vessel is requiring repairs, to wit:

*The said Master requesting that the said vessel be permitted to proceed to the port of _____ for the purpose of making the said repairs, I do hereby, after due consideration, regarding it as safe to do so, permit her to proceed to said port, touching at intermediate ports in her course, as if she had, in every particular, complied with the requirements of law.**

Officer in Charge, Marine Inspection.

* Note.— Inspector must state upon the face of this permit "the condition upon which it is granted, and whether the vessel is to be allowed to carry freight or passengers, the quantity and number."

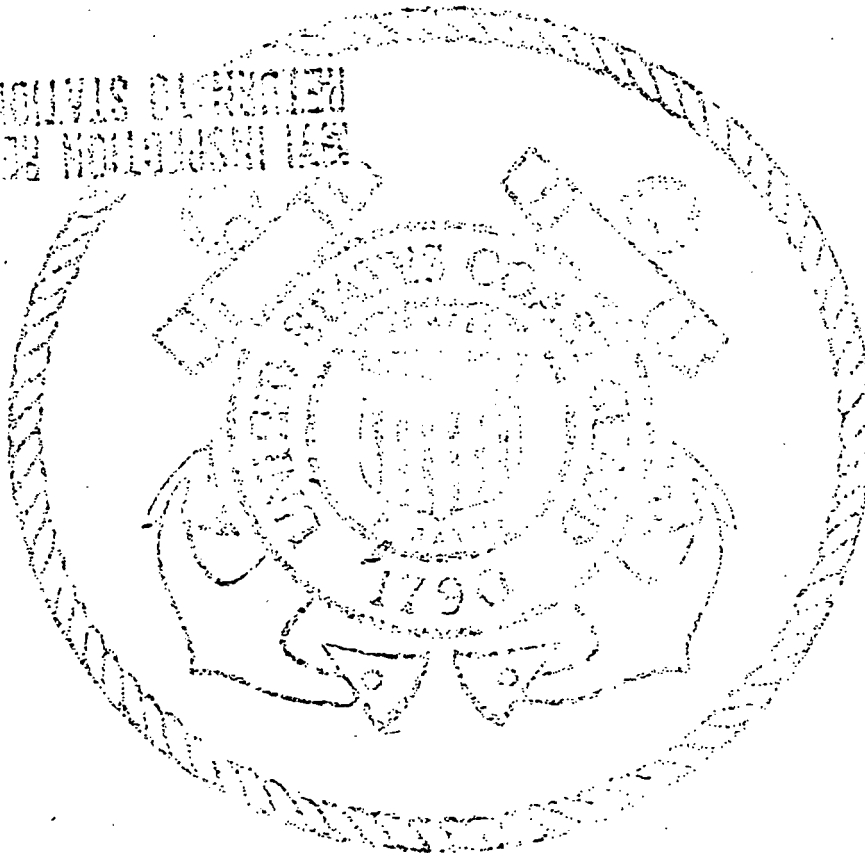
* Provided, however, That no vessel whose certificate has expired will be permitted to carry passengers while en route to another port for repairs. In issuing this permit, inspector shall notify the master, if proceeding into another district, that application must be made for inspection and certificate in the district where the repairs are made.

TREASURY DEPARTMENT U. S. COAST GUARD CG-858 (Rev. 7-61)	CERTIFICATE OF INSPECTION AMENDMENT
--	--

NAME OF VESSEL		OFFICIAL NUMBER
CLASS	GROSS TONS	HOME PORT
WHEN AND WHERE BUILT		
DATE CURRENT CERTIFICATE OF INSPECTION EXPIRES	DATE AND PLACE CURRENT CERTIFICATE OF INSPECTION ISSUED	

The Certificate of Inspection issued to the vessel described above is amended as follows:

2-7 NGALVIS BURNETT
 080028 NOLAUSHTI IAS



DATE OF ISSUE	INSPECTION ZONE	OFFICER IN CHARGE, MARINE INSPECTION
---------------	-----------------	--------------------------------------

INSTRUCTIONS

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. This amendment shall be issued to authorize changes to the conditions or particulars entered on a current valid Certificate of Inspection (Form CG-341 or CG-3753) or to the conditions or particulars entered on a current valid amendment to such Certificate of Inspection. When issued it shall become a part of the Certificate of Inspection which it amends. 2. The original of this amendment shall be delivered to the master or owner of the vessel named herein and must be framed under glass with or near the vessel's Certificate of Inspection. If the Certificate of Inspection is not required to be posted, this amendment must be kept on board with the Certificate of Inspection and shown on demand. | <ol style="list-style-type: none"> 3. One copy of this amendment shall be filed in the office of the issuing Officer in Charge, Marine Inspection. In addition one copy shall be distributed to each of the following: <ol style="list-style-type: none"> (a) The Chief Officer of Customs of the district in which a copy of the current Certificate of Inspection was filed. (b) The Officer in Charge, Marine Inspection who issued the current Certificate of Inspection. (c) The Commandant (MVD). |
|--|--|

INTERNATIONAL LOAD LINE CERTIFICATE (1966)

Issued under the provisions of the International Convention on Load Lines, 1966, under the authority of the Government of the



UNITED STATES OF AMERICA,

Commandant, U. S. Coast Guard,

by the **American Bureau of Shipping**

duly authorized for assigning purposes under the provisions of the Convention

Certificate No. _____

Name of Ship	Official number or Distinctive Letters	Port of Registry	Length (L) as defined in Article 2 (8); i. e., 46 CFR 42.13-15

Freeboard assigned as: * { A new ship
An existing ship
* Delete whatever is inapplicable.

Type of Ship * { Type "A"
Type "B"
Type "B" with reduced freeboard
Type "B" with increased freeboard

Freeboard from deck line

Load Line

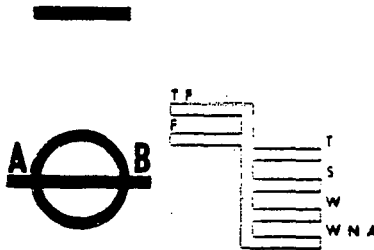
Tropical	feet	inches (T)	inches above (S)
Summer	feet	inches (S)	Upper edge of line at level of center of ring
Winter	feet	inches (W)	inches below (S)
Winter North Atlantic	feet	inches (WNA)	inches below (S)

Note: Freeboards and load lines which are not applicable need not be entered on the certificate.

Allowance for fresh water for all freeboards _____ inches.

Note: All measurements are to upper edge of the respective horizontal lines.

The upper edge of the deck line from which these freeboards are measured is, _____ deck at side.



Date of initial or periodical survey _____

THIS IS TO CERTIFY that this ship has been surveyed and that the freeboards have been assigned and load lines shown above have been marked in accordance with the International Convention on Load Lines, 1966.

This Certificate is valid until _____ **, subject to annual surveys in accordance with Article 14 (1) (c) of the Convention, and endorsement thereof on the reverse side of the Certificate.

**At the expiration of this certificate, applicable reissuance should be obtained in accordance with the Load Line Regulations.

Issued at New York, N. Y.

The undersigned declares that he is duly authorized by the said Government to issue this Certificate.

American Bureau of Shipping

ANNUAL SURVEYS

THIS IS TO CERTIFY that at an annual survey required by Article 14(1)(c) of the Convention, this ship was found to comply with the relevant provisions of the Convention.

Place..... Date.....

.....Surveyor to the American Bureau of Shipping
(Signature)

Place..... Date.....

.....Surveyor to the American Bureau of Shipping
(Signature)

Place..... Date.....

.....Surveyor to the American Bureau of Shipping
(Signature)

Place..... Date.....

.....Surveyor to the American Bureau of Shipping
(Signature)

EXTENSION OF LOAD LINE CERTIFICATE

The provisions of the Convention being fully complied with by this ship, the validity of this Certificate is, in accordance with Article 19(2) of the Convention, extended until

Place..... Date.....

.....Surveyor to the American Bureau of Shipping
(Signature)

Notes:

1. When a ship departs from a port situated on a river or inland waters, deeper loading shall be permitted corresponding to the weight of fuel and all other materials required for consumption between the point of departure and the sea.
2. When a ship is in fresh water of unit density the appropriate load line may be submerged by the amount of the fresh water allowance shown above. Where the density is other than unity, an allowance shall be made proportional to the difference between 1.025 and the actual density.
3. It is the owner's responsibility to furnish the master with information and instructions for loading and ballasting this vessel to provide guidance as to stability of the vessel under varying conditions of service and to avoid unacceptable stresses in the vessel's structure.
4. The Winter North Atlantic Load Line applies only to vessels of 328 ft. in length or less, which enter any part of the North Atlantic Ocean during the winter months as defined by the Load Line Regulations in 46 CFR 42.30-5 and 42.30-35. The periods during which the other seasonal load lines apply in different parts of the world are as stated in the Load Line Regulations of 46 CFR 42.30-5 to 42.30-30, inclusive.
5. This Load Line Certificate will be canceled by the Commandant, U. S. Coast Guard, if —
 - (a) The annual surveys have not been carried out within three months either way of each anniversary date of the certificate.
 - (b) The certificate is not endorsed to show that the ship has been surveyed as indicated in (a).
 - (c) Material alterations have been made to the hull or superstructures such as would necessitate the assignment of an increased freeboard.
 - (d) The fittings and appliances for the protection of the openings, guardrails, freeing ports, or the means of access to the crew's quarters have not been in as effective a condition as they were when the Certificate was issued.
 - (e) The structural strength of the ship is lowered to such an extent that the ship is unsafe.
6. When this Certificate has expired or been canceled, it must be delivered to the Assigning Authority.

(Name of Vessel)

Merchant Marine of the United States



PAID INSPECTION FRODO
RETURN TO STATION 4-3

Port Voyage Began _____

Date Began _____

Port Voyage Ended _____

Date Ended _____

TREASURY DEPARTMENT
UNITED STATES COAST GUARD
CG 706B (Rev. 8-65) Replaces CG 706C

Book No. _____ of _____ Books

OFFICIAL LOGBOOK

OFFICIAL LOGBOOK

Supplied Gratuitously by the Government of the United States to American Vessels in the Foreign Trade and the Trade Between the Atlantic and Pacific Ports of the United States

NAME OF SHIP	OFFICIAL NUMBER
PORT OF REGISTRY	NET TONNAGE
NAME OF MASTER	MASTER'S Z/BK NUMBER
NATURE OF VOYAGE OR EMPLOYMENT	CLASS OF SHIP

TABLE OF CONTENTS

Item	Page
Draft Record	2
Maintenance of Watertight Integrity of the Ship	3
Drills and Inspections	5
Crew List and Report of Character	10
Laws Relating to Log-Books	18
Miscellaneous Entries	20
Stop and Cash Accounts	70

LOAD LINES FOR VESSELS (46 USC 85)—See Page 2

SEC. 85. Load lines are hereby established for the following vessels: (a) Merchant vessels of one hundred and fifty gross tons or over, loading at or proceeding to sea from any port or place within the United States or its possessions for a foreign voyage by sea, or arriving within the jurisdiction of the United States or its possessions from a foreign voyage by sea, in both cases the Great Lakes excepted. (b) Merchant vessels of the United States of one hundred and fifty gross tons or over, loading at or proceeding to sea from any foreign port or place for a voyage by sea, the Great Lakes excepted.

SEC. 85e. It shall be the duty of the master of every vessel subject to Sections 85-85g of this Title and to the regulations established thereunder . . . before departing from her loading port or place for a voyage by sea, to enter in the official logbook of such vessel a statement of the position of the load line mark applicable to the voyage in question and the actual drafts forward and aft at the time of departing from port as nearly as the same can be ascertained.

SEC. 85g: (b) If the master of any vessel subject to Sections 85-85g of this Title and to the regulations established thereunder, . . . shall fail, before departing from her loading port or place, to enter in the official logbook of such vessel the statement required by section 85e of this Title, he shall for each offense be liable to the United States in a penalty of \$500. (The Commandant, United States Coast Guard may, in his discretion, remit or mitigate any penalty imposed under this paragraph.)

EXCERPTS OF U.S. COAST GUARD REGULATIONS—See Page 2

Concerning Load Lines and Implementing the International Convention for the Safety of Life at Sea, 1960

The master of any vessel, at the time of departure from a port, on an ocean, coastwise or Great Lakes voyage, shall insert in the official logbook a statement of the position of the load line mark (for cargo vessels) or the subdivision load line mark (for passenger vessels), port and starboard, in relation to the surface of the water in which the vessel is then floating; and the drafts of the vessel, forward and aft.

EXHIBIT 11 - (Continued)

LIST OF CREW AND REPORT OF CHARACTER

NAME	CAPACITY ENGAGED	REPORT OF CHARACTER ¹		SEE PAGE ²
		CONDUCT	ABILITY	
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				

¹ VG for Very Good, G—Good, M—Middling, and I—Indifferent. The master may also insert particulars of ability or conduct; thus 'Helm'—Good, or 'Sabriety'—Indifferent. If he declines giving any opinion he must so state opposite the man's name.

² If there is any entry in the log relating in any way to the crew, the page numbers in the log where the entry appears should be written in the column opposite the man's name.

EXHIBIT 11 - (Continued)

18

LAWS RELATING TO LOGBOOKS (Excerpts from Title 46, U.S. Code)

Sec. 201. Every vessel making voyages from a port in the United States to any foreign port (except ports in the British North American possessions), or, being of the burden of seventy-five tons or upward, from a port on the Atlantic to a port on the Pacific, or vice versa, shall have an official logbook; and every master of such vessel shall make, or cause to be made therein, entries of the following matters, that is to say:

First. Every legal conviction of any member of his crew, and the punishment inflicted.

Second. Every offense committed by any member of his crew for which it is intended to prosecute, or to enforce a forfeiture, together with such statement concerning the reading over such entry, and concerning the reply, if any, made to the charge, as is required by the provisions of section 702 of this title.

Third. Every offense for which punishment is inflicted on board, and the punishment inflicted.

Fourth. A statement of the conduct, character, and qualifications of each of his crew; or a statement that he declines to give an opinion of such particulars.

Fifth. Every case of illness or injury happening to any member of the crew, with the nature thereof, and the medical treatment.

Sixth. Every case of death happening on board, with the cause thereof.

Seventh. Every birth happening on board, with the sex of the infant, and the names of the parents.

Eighth. Every marriage taking place on board, with the names and ages of the parties.

Ninth. The name of every seaman, or apprentice who ceases to be a member of the crew otherwise than by death, with the place, time, manner, and cause thereof.

Tenth. The wages due to any seaman or apprentice who dies during the voyage, and the gross amount of all deductions to be made therefrom.

Eleventh. The sale of the effects of any seaman or apprentice who dies during the voyage, including a statement of each article sold, and the sum received for it.

Twelfth. In every case of collision in which it is practicable so to do, the master shall, immediately after the occurrence, cause a statement thereof, and of the circumstances under which the same occurred, to be entered in the official logbook. Such entry shall be made in the manner prescribed in section 202 of this title, and failure to make such entry shall subject the offender to the penalties prescribed by section 203 of this title.

Sec. 202. Every entry hereby required to be made in the official logbook shall be signed by the master and by the mate, or some other one of the crew, and every entry in the official logbook shall be made as soon as possible after the occurrence to which it relates, and, if not made on the same day as the occurrence to which it relates, shall be made and dated so as to show the date of the occurrence, and of the entry respecting it; and in no case shall any entry therein, in respect of any occurrence happening previously to the arrival of the vessel at her final port, be made more than twenty-four hours after such arrival.

Sec. 203. If in any case the official logbook is not kept in the manner hereby required, or if any entry hereby directed to be made in any such logbook is not made at the time and in the manner hereby directed, the master shall, for each such offense, be liable to a penalty of not more than \$25; and every person who makes, or procures to be made, or assists in making, any entry in any official logbook in respect of any occurrence happening previously to the arrival of the vessel at her final port of discharge, more than twenty-four hours after such arrival, shall, for each offense, be liable to a penalty of not more than \$150.

EXHIBIT 11 - (Continued)

19

Sec. 701. Whenever any seaman who has been lawfully engaged or any apprentice to the sea service commits any of the following offenses, he shall be punished as follows:

First. For desertion, by forfeiture of all or any part of the clothes or effects he leaves on board and of all or any part of the wages or emoluments which he has then earned.

Second. For neglecting or refusing without reasonable cause to join his vessel or to proceed to sea in his vessel, or for absence without leave at any time within twenty-four hours of the vessel's sailing from any port, either at the commencement or during the progress of the voyage or for absence at any time without leave and without sufficient reason from his vessel and from his duty, not amounting to desertion, by forfeiture from his wages of not more than two days' pay or sufficient to defray any expenses which shall have been properly incurred in hiring a substitute.

Third. For quitting the vessel without leave, after her arrival at the port of her delivery and before she is placed in security, by forfeiture from his wages of not more than one month's pay.

Fourth. For a willful disobedience to any lawful command at sea, by being, at the option of the master, placed in irons until such disobedience shall cease, and upon arrival in port by forfeiture from his wages of not more than four days' pay, or, at the discretion of the court, by imprisonment for not more than one month.

Fifth. For continued willful disobedience to lawful command or continued willful neglect of duty at sea, by being, at the option of the master, placed in irons, on bread and water, with full rations every fifth day, until such disobedience shall cease, and upon arrival in port by forfeiture, for every twenty-four hours' continuance of such disobedience or neglect, of a sum of not more than twelve days' pay, or by imprisonment for not more than three months, at the discretion of the court.

Sixth. For assaulting any master, mate, pilot, engineer, or staff officer, by imprisonment for not more than two years.

Seventh. For willfully damaging the vessel, or embezzling or willfully damaging any of the stores or cargo, by forfeiture out of his wages of a sum equal in amount to the loss thereby sustained, and also, at the discretion of the court, by imprisonment for not more than twelve months.

Eighth. For any act of smuggling for which he is convicted and whereby loss or damage is occasioned to the master or owner, he shall be liable to pay such master or owner such a sum as is sufficient to reimburse the master or owner for such loss or damage, and the whole or any part of his wages may be retained in satisfaction or on account of such liability, and he shall be liable to imprisonment for a period of not more than twelve months.

Sec. 702. Upon the commission of any of the offenses enumerated in section 701 of this title an entry thereof shall be made in the official logbook on the day on which the offense was committed, and shall be signed by the master and by the mate or one of the crew; and the offender, if still in the vessel, shall, before her next arrival at any port, or if she is at the time in port, before her departure therefrom, be furnished with a copy of such entry, and have the same read over distinctly and audibly to him, and may thereupon make such a reply thereto as he thinks fit; and a statement that a copy of the entry has been so furnished, or the same has been so read over, together with his reply, if any, made by the offender, shall likewise be entered and signed in the same manner. In any subsequent legal proceedings the entries hereinbefore required shall, if practicable, be produced or proved; and in default of such production or proof the court hearing the case may, at its discretion, refuse to receive evidence of the offense.

EXHIBIT 11 - (Continued)

SLOP AND CASH ACCOUNT

INSTRUCTION: Use C to designate cash account and S to designate slop account.	DATE	ACCOUNT SYMBOL	AMOUNT	INITIALS	DATE	ACCOUNT SYMBOL	AMOUNT	INITIALS
ACCOUNT OF: (Seaman's Name)								
<i>I have received the cash and slops as shown</i>								
SIGNATURE OF SEAMAN								
SIGNATURE OF MASTER								
SIGNATURE OF WITNESS								
ACCOUNT OF: (Seaman's Name)								
<i>I have received the cash and slops as shown</i>								
SIGNATURE OF SEAMAN								
SIGNATURE OF MASTER								
SIGNATURE OF WITNESS								
ACCOUNT OF: (Seaman's Name)								
<i>I have received the cash and slops as shown</i>								
SIGNATURE OF SEAMAN								
SIGNATURE OF MASTER								
SIGNATURE OF WITNESS								
ACCOUNT OF: (Seaman's Name)								
<i>I have received the cash and slops as shown</i>								
SIGNATURE OF SEAMAN								
SIGNATURE OF MASTER								
SIGNATURE OF WITNESS								
ACCOUNT OF: (Seaman's Name)								
<i>I have received the cash and slops as shown</i>								
SIGNATURE OF SEAMAN								
SIGNATURE OF MASTER								
SIGNATURE OF WITNESS								

EXHIBIT 12

DEPARTMENT OF TRANSPORTATION U. S. COAST GUARD CG-924E (Rev. 4-78)	REPORT OF PERSONAL INJURY OR LOSS OF LIFE	Form Approved OMB No. 004R-3004 REPORTS CONTROL SYMBOL G-MMI-4016
INSTRUCTIONS		
1. This form shall be completed for every loss of life and for every injury which incapacitates the injured for a period in excess of seventy-two hours (3 days), if the accident involves any vessel except those required to report under the Federal Boat Safety Act.		
2. Injuries to longshoremen or harbor workers are not required to be reported unless the injury arises out of failure of ship's equipment, a vessel casualty, misconduct or negligence of ship's personnel or the injury results in death.		
3. A signed original shall be submitted as soon as possible to the Officer in Charge, Marine Inspection, U.S. Coast Guard, in whose district the accident occurred, or in whose district the vessel first arrive(s) (d) after such casualty.		
4. The master or person in charge is required to report in person to the Officer in Charge, Marine Inspection as soon as possible after the casualty occurs unless it can be shown that it was inconvenient to do so because of the distance involved. However, nothing shall relieve the person in charge of the vessel from submitting this report.		
5. This report should be completed in full. Blocks which do not apply to a particular case should be indicated as "NA." Where answers are unknown or none, they should be indicated as such.		
6. Report all vessel casualties or accidents on Form CG-2692, Report of Vessel Casualty or Accident. Attach a Form CG-924E to the CG-2692 for each person killed, missing or injured as a result of the marine casualty or accident.		
TO: Officer in Charge, Marine Inspection, Port of		DATE SUBMITTED
I. PARTICULARS OF VESSEL		
1. NAME OF VESSEL	2. OFFICIAL NUMBER	3. VESSEL INSPECTED BY USCG <input type="checkbox"/> YES <input type="checkbox"/> NO
4. NATIONALITY	5. TYPE OF VESSEL (Frt., pass., tr., etc.)	6. PROPULSION (Steam, diesel, etc.)
7. NAME OF OWNER(S), OPERATOR(S), OR AGENT (Indicate which)	8. NAME AND TELEPHONE NO. OF MASTER OR PERSON IN CHARGE (Indicate which)	9a. LICENSED BY COAST GUARD <input type="checkbox"/> YES <input type="checkbox"/> NO
II. PARTICULARS OF PERSON INJURED, DECEASED OR MISSING (Believed dead)		
9. NAME OF PERSON	10. BOOK OR MMD NUMBER	11. LICENSED BY CG <input type="checkbox"/> YES <input type="checkbox"/> NO
12. STATUS OR CAPACITY ON VESSEL	13. HOME ADDRESS AND TELEPHONE NO.	14. DATE OF BIRTH
15. ACTIVITY ENGAGED IN AT TIME OF CASUALTY	16. IF CREW MEMBER OR SHORE WORKER <input type="checkbox"/> ON WATCH <input type="checkbox"/> WORKING <input type="checkbox"/> OTHER	17. SUPERVISOR'S CAPACITY OR STATUS ON VESSEL
18. NAME OF IMMEDIATE SUPERVISOR AT TIME OF CASUALTY	19. SUPERVISOR'S CAPACITY OR STATUS ON VESSEL	
III. PARTICULARS OF ACCIDENT OR CASUALTY		
20. DATE OF CASUALTY	21. TIME OF CASUALTY (Local or zone)	22. TIME ZONE (I.E., EST, EDST., etc.)
23. TIME OF DAY <input type="checkbox"/> DAY <input type="checkbox"/> NIGHT <input type="checkbox"/> TWILIGHT	24. DID CASUALTY OCCUR WHILE UNDERWAY	25a. IF YES, LAST PORT OF DEPARTURE
26. IF YES, WHERE BOUND WHEN CASUALTY OCCURRED	27. VESSEL LOCATION AT CASUALTY (Latitude and longitude; distance and TRUE bearing from charted object; dock; anchored; etc.)	
28. BODY OF WATER (Geographical name)	29. RESULT OF CASUALTY (Complete INJURY or DEATH entries below, as appropriate) <input type="checkbox"/> INJURY <input type="checkbox"/> DEATH <input type="checkbox"/> MISSING	
30. NATURE OF INJURY	31. TOTAL DAYS INCAPACITATED	32. REASON FOR DEATH
33. LOCATION OF INDIVIDUAL AT DEATH	34. DATE OF DEATH	

23. DESCRIPTION OF CASUALTY (Give events leading up to casualty and how it occurred. Attach diagram & additional sheets if necessary.)

24. WITNESSES TO ACCIDENT (At least two, if possible)

NAME	NAME
ADDRESS AND TELEPHONE NO.	ADDRESS AND TELEPHONE NO.
NAME	NAME
ADDRESS AND TELEPHONE NO.	ADDRESS AND TELEPHONE NO.

IV. ASSISTANCE AND RECOMMENDATIONS

25. MEDICO(MEDICAL) MESSAGE SENT	25a. IF YES, GIVE DATE OF FIRST MESSAGE	25b. IF YES, GIVE TIME OF FIRST MESSAGE (Local or zone and description)
----------------------------------	---	--

26. TREATMENT ADMINISTERED <input type="checkbox"/> YES <input type="checkbox"/> NO	26a. IF YES, BY WHOM <input type="checkbox"/> SHIP'S DOCTOR <input type="checkbox"/> OTHER SHIP'S PERSONNEL <input type="checkbox"/> OTHER (Specify)
--	---

27. BRIEFLY DESCRIBE TREATMENT (If administered by other than M.D.):

28. NAME OF HOSPITAL, IF PERSON WAS HOSPITALIZED	28a. ADDRESS OF HOSPITAL
--	--------------------------

29. RECOMMENDATIONS FOR CORRECTIVE SAFETY MEASURES TO PREVENT SIMILAR CASUALTIES
(Include explanation of unused factory lifesaving equipment.)

TITLE	SIGNATURE
-------	-----------

EXHIBIT 13

DEPARTMENT OF TRANSPORTATION U. S. COAST GUARD CG-2692 (Rev. 12-79)	REPORT OF VESSEL CASUALTY OR ACCIDENT	Form Approved OMB No. 04-R3003 REPORTS CONTROL SYMBOL MYI-4017	
INSTRUCTIONS			
1. An original and two copies of this form shall be submitted, without delay, to the Officer in Charge, Marine Inspection, in whose district the casualty occurred, or in whose district the vessel first arrived after such casualty. 2. If the person making the report is a licensed officer on a vessel required to be manned by such officer, he must make the report in writing and in person to the proper Marine Inspector. If because of distance it may be inconvenient for such an officer to submit the report in person, he may submit the required number of copies by mail. However, to avoid delay in investigations, it is desired that reports be submitted in person. 3. This form should be completed in full; blocks which do not apply to a particular case should be indicated as "NA". Where answers are unknown or none, they should be indicated as such. All copies should be signed. NOTE: (1) Report all deaths and injuries, which incapacitate in excess of 72 hours, on CG-924E whether or not there was a vessel casualty. (2) Attach separate Form CG-924E to this report for each person killed or injured and incapacitated in excess of 72 hours as a result of the vessel casualty reported herein.			
TO: Officer in Charge, Marine Inspection, Port of		DATE SUBMITTED	
I PARTICULARS OF VESSEL			
1. NAME OF VESSEL	2. OFFICIAL NUMBER	3. HOME PORT	4. NATIONALITY
5. TYPE OF VESSEL (<i>Pr., pass., tr., etc.</i>)	6. PROPULSION (<i>Steam, diesel, etc.</i>)	7. GROSS TONNAGE	8. REGISTERED LENGTH OR L.O.A.
9. HULL MATERIALS	10. YEAR BUILT	11. RADIO EQUIPMENT <input type="checkbox"/> TRANSMIT <input type="checkbox"/> RECEIVE <input type="checkbox"/> VOICE <input type="checkbox"/> CW (<i>Key</i>)	
12. (a) RADAR EQUIPPED <input type="checkbox"/> YES <input type="checkbox"/> NO		(b) IF YES, RADAR OPERATING AT TIME OF CASUALTY <input type="checkbox"/> YES <input type="checkbox"/> NO	
13. (a) CERTIFICATE OF INSPECTION ISSUED AT PORT OF		(b) DATE CERTIFICATE OF INSPECTION ISSUED	
14. (a) NAME OF MASTER OR PERSON IN CHARGE (<i>Indicate which</i>)		(b) DATE OF BIRTH	(c) LICENSED BY COAST GUARD <input type="checkbox"/> YES <input type="checkbox"/> NO
15. (a) NAME OF PILOT (<i>If on board at time of accident</i>)		(b) PILOT SERVING UNDER AUTHORITY OF LICENSE ISSUED BY <input type="checkbox"/> USCG <input type="checkbox"/> STATE <input type="checkbox"/> FOREIGN	
16. (a) NAME OF OWNER(S), OPERATOR(S) OR AGENT (<i>Indicate which</i>)		(b) ADDRESS OF OWNER(S), OPERATOR(S), OR AGENT	
II PARTICULARS OF CASUALTY			
17. (a) DATE OF CASUALTY	(b) TIME OF CASUALTY (<i>Local or zone</i>)	(c) ZONE DESCRIPTION	(d) TIME OF DAY <input type="checkbox"/> DAY <input type="checkbox"/> NIGHT <input type="checkbox"/> TWILIGHT
18. LOCATION OF CASUALTY (<i>Latitude and longitude; distance and TRUE bearing from charted object; dock; anchorage; etc.</i>)			
19. BODY OF WATER (<i>Geographical name</i>)	20. RULES OF THE ROAD APPLICABLE <input type="checkbox"/> INLAND <input type="checkbox"/> GREAT LAKES <input type="checkbox"/> WESTERN RIVERS <input type="checkbox"/> INTERNATIONAL <input type="checkbox"/> OTHER (<i>Specify</i>)		
21. (a) DID CASUALTY OCCUR WHILE UNDERWAY: <input type="checkbox"/> YES <input type="checkbox"/> NO			
(b) IF YES, LAST PORT OF DEPARTURE		(c) IF YES, WHERE BOUND WHEN CASUALTY OCCURRED	
22. (a) WEATHER CONDITIONS WHEN CASUALTY OCCURRED: <input type="checkbox"/> CLEAR <input type="checkbox"/> PARTLY CLOUDY <input type="checkbox"/> OVERCAST <input type="checkbox"/> FOG <input type="checkbox"/> RAIN <input type="checkbox"/> SNOW <input type="checkbox"/> OTHER (<i>Specify</i>)			
(b) VISIBILITY (<i>Statute yds., etc.</i>)	(c) WIND DIRECTION	(d) FORCE IN KNOTS	(e) GUSTY <input type="checkbox"/> YES <input type="checkbox"/> NO (f) AIR TEMPERATURE
23. (a) SEA CONDITIONS WHEN CASUALTY OCCURRED	(b) SEA WATER TEMP (<i>If available</i>)	(c) HEIGHT OF SEA	(d) DIRECTION OF SEA (e) HEIGHT OF SWELL (f) DIRECTION OF SWELL
24. (a) NATURE OF CARGO (<i>Specify</i>)	(b) AMOUNT OF DRY CARGO (<i>Long tons</i>)	(c) AMOUNT OF BULK LIQUID (<i>Long tons</i>)	(d) AMOUNT OF DECK LOAD (<i>Long tons</i>)
25. (a) DRAFT FORWARD		(b) DRAFT AFT	
26. (a) TYPES OF LIFESAVING EQUIPMENT USED, IF ANY		(b) NO. LIVES SAVED WITH LIFESAVING EQUIPMENT	(c) LIFESAVING EQUIPMENT SATISFACTORY <input type="checkbox"/> YES <input type="checkbox"/> NO (<i>If no, explain in item 34</i>)

EXHIBIT 13 - (Continued)

Reverse of CG-2692 (Rev. 12-70)

27	CREW PASSENGERS OTHER (Specify)	28	ESTIMATED LOSS/DAMAGE TO YOUR VESSEL \$
	NUMBER ON BOARD		ESTIMATED LOSS/DAMAGE TO YOUR CARGO \$
	DEAD/MISSING		ESTIMATED LOSS/DAMAGE TO OTHER PROPERTY \$
	INCAPACITATED (over 3 days)		(Specify whether vessel, dock, bridge, etc.)
29. NATURE OF THE CASUALTY (Check one or more of the following. Give pertinent details in item 30.)			
COLLISION WITH OTHER VESSEL(S) (Specify)		EXPLOSION/FIRE (Other)	
		GROUNDING	
		FOUNDER (Sinking)	
COLLISION WITH FLOATING OR SUBMERGED OBJECTS		CAPSIZING WITHOUT SINKING	
COLLISION WITH FIXED OBJECTS (Piers, bridges, etc.)		FLOODING, SWAMPING, ETC. WITHOUT SINKING	
COLLISION WITH ICE		HEAVY WEATHER DAMAGE	
COLLISION WITH AIDS TO NAVIGATION		CARGO DAMAGE (No vessel damage)	
COLLISION (Other)		MATERIAL FAILURE (Vessel structure)	
EXPLOSION/FIRE (Involving cargo)		MATERIAL FAILURE (Engineering machinery, including main propulsion, auxiliaries, boilers, evaporators, deck machinery, electrical, etc.)	
EXPLOSION/FIRE (Involving vessel's fuel)			
FIRE (Vessel's structure or equipment)		EQUIPMENT FAILURE	
EXPLOSION (Boiler and associated parts)		CASUALTY NOT NAMED ABOVE	
EXPLOSION (Pressure vessels and compressed gas cylinders)			
30. DESCRIPTION OF CASUALTY (Events and circumstances leading to casualty and present when it occurred. Attach diagram and additional sheets, if necessary)			
31. DAMAGE (Give brief general description and state if vessel is a total loss.)			
III ASSISTANCE AND RECOMMENDATIONS			
32. AUTO ALARM TRANSMITTED BY YOUR VESSEL: <input type="checkbox"/> YES <input type="checkbox"/> NO			
33(a) ASSISTANCE RENDERED BY STATIONS AND VESSELS (Include Coast Guard and other stations and vessels)		33(b) OTHER ASSISTANCE RENDERED	
34. RECOMMENDATIONS FOR CORRECTIVE SAFETY MEASURES PERTINENT TO THIS CASUALTY (Include explanation of unsatisfactory life-saving equipment)			
TITLE		SIGNATURE	

EXHIBIT 14

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES COAST GUARD,
THE DEPARTMENT OF TRANSPORTATION
AND THE
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION,
THE DEPARTMENT OF LABOR
CONCERNING OCCUPATIONAL SAFETY AND HEALTH ON ARTIFICIAL ISLANDS,
INSTALLATIONS AND OTHER DEVICES ON
THE OUTER CONTINENTAL SHELF ON THE UNITED STATES

I. PURPOSE - The purpose of this Memorandum of Understanding is to establish procedures to increase consultation and coordination between the United States Coast Guard (USCG) and Occupational Safety and Health Administration (OSHA) with respect to matters affecting the occupational safety and health of personnel working on the Outer Continental Shelf of the United States.

II. DEFINITION - For purposes of the Memorandum, the following definition applies:

Working Conditions on the Outer Continental Shelf of the United States

Working conditions related to activities, including diving, taking place on or from, on the waters adjacent to, or otherwise associated with artificial islands, installations, or other devices permanently or temporarily attached to the seabed and exploring for, developing or producing resources from the Outer Continental Shelf of the United States, or any device (other than ship or vessel) used for the purpose of transporting such resources (43 U.S.C. 1333(a)(1)).

III. AGENCY RESPONSIBILITIES

A. United States Coast Guard

The USCG has authority to promulgate and enforce Safety and Health Regulations for working conditions on the OCS of the United States. In carrying out this responsibility on the OCS the Coast Guard will cooperate with the Occupational Safety and Health Administration to maximize the safety and health protection of employees, avoid duplication of effort, and avoid undue burdens on the maritime industry. The USCG, consistent with its statutory authority:

L. Promulgates regulations and may modify any regulation, interim or final, applying to hazardous working conditions related to activities on the Outer Continental Shelf, and promulgates such other regulations as may be necessary to promote the safety of life and property on the OCS;

EXHIBIT 14 - (Continued)

2. Promulgates regulations to provide for scheduled onsite inspection, at least once a year, of each facility on the Outer Continental Shelf which is subject to any environmental, safety or health regulation promulgated by the Coast Guard pursuant to the OCS Act*, and also provides for periodic onsite inspection without advance notice to the operator of such facility to assure compliance with such environmental, health or safety regulations;

3. Reviews any allegation from any person of the existence of a violation of a safety or health regulation or other unsafe working condition.

4. Investigates and makes a public report on any death or serious injury occurring as a result of operations conducted pursuant to the OCS Act, and may investigate and report on other injuries, casualties or accidents.

5. Initiates appropriate civil and criminal procedures and other actions to enforce any provision of the OCS Act or any regulation issued under the Act.

B. Occupational Safety and Health Administration

The Occupational Safety and Health Act (OSHAct)** applies with respect to working conditions on Outer Continental Shelf Lands (29 USC 653(a)), but does not apply to working conditions with respect to which the Coast Guard or other Federal agencies exercise statutory authority to prescribe or enforce standards affecting occupational safety and health (29 USC 653(b)(1), Sec. 21(d) of the OCS Act). The Occupational Safety and Health Administration will cooperate with the Coast Guard to maximize the safety and health protection of employees, avoid duplication of effort, and avoid undue burdens on the maritime industry.

Consistent with its statutory authority under the Occupational Safety and Health Act, OSHA:

1. Prescribes occupational safety and health rules and regulations as necessary to carry out its responsibility under the OSHAct;

2. Inspects and investigates places of employment to insure compliance with any applicable OSHA requirements;

*"OCS Act" refers to the Outer Continental Shelf Lands Act, as Amended (43 USC 1331 et seq).

**"OSHAct" refers to Public Law 91-596, the Occupational Safety and Health Act of 1970"

3. Responds to allegations of violations of applicable OSHA requirements and makes investigations where there are reasonable grounds to believe that a violation exists.

4. Issues citations and initiates appropriate civil and criminal procedures against employers for violations of applicable OSHA requirements;

IV. PROCEDURES

The two agencies agree, consistent with their statutory obligations, to observe the following procedures in carrying out their responsibilities to promote safe working conditions on the OCS:

A. Development and promulgation of standards

The Coast Guard will develop and promulgate necessary regulations to assure safe and healthful working conditions on the OCS. OSHA will continue to promulgate general standards, which may apply to working conditions on the OCS not being regulated by the Coast Guard. In developing regulations and standards, the two agencies will cooperate to the maximum extent possible. Such cooperation will include, but will not be limited to the following:

1. Information and data availability. For the purposes of identifying work hazards, determining accident or illness causes, developing corrective measures, and assessing the impacts of new or revised regulations or standards, the two agencies will exchange data and study results to the extent permitted by law.

2. Standards research and development projects. The two agencies will jointly participate in standards research and development projects of mutual interest and benefit.

3. Review of existing regulations and standards. The two agencies will jointly review existing USCG and OSHA regulations and standards to help identify hazards that require priority attention in Coast Guard regulations development projects;

4. Exchange of technical expertise. Each agency will provide the other with technical support, where feasible, to assist in the review of particular hazards or the development of regulations.

5. Early notice of rulemaking activities. The Coast Guard will provide for OSHA's review and consultation copies of drafts of advance notices of proposed rulemaking, notices of proposed rulemaking, and final rules, which relate to working conditions on the OCS. Likewise, OSHA will provide for the Coast Guard's review and consultation copies of drafts of advance notices of proposed rulemaking, notices of proposed rulemaking, and final rules, which have application to any working condition on the OCS. Publication of any rule, however, is not contingent upon receipt of comments.

EXHIBIT 14 - (Continued)

B. Enforcement of regulations and standards

While OSHA has statutory responsibilities with respect to workplaces on the OCS, the following provisions have been drafted to emphasize the Coast Guard's increasing role for safety and health on the OCS, as provided under the OCS Lands Act Amendments of 1978 (Pub. L 95-372). Through this Act, Congress expressed the expectation that the Coast Guard would be the principal Federal agency in matters of occupational safety and health on the OCS.

1. Routine enforcement activities:

a. The Coast Guard will continue to enforce existing regulations issued under its authority which affect working conditions on the OCS.

b. The Coast Guard will also enforce any new occupational safety and health regulations promulgated under its authority affecting working conditions on the OCS.

c. OSHA remains responsible for enforcing requirements adopted under the OSHA Act which apply to working conditions on the OCS for which the Coast Guard or other Federal agencies have not exercised their statutory authority to prescribe or enforce standards affecting occupational safety and health. To minimize any duplication which may result from exercising this responsibility, OSHA will consult with the Coast Guard and seek to minimize the need for OSHA's routine inspection activity.

2. Investigation of accidents:

In accordance with regulations issued under its authority, the Coast Guard will investigate deaths, injuries and other casualties or accidents occurring as a result of operations conducted pursuant to the OCS Act. In the course of all such investigations, formal and informal, the Coast Guard will cooperate with OSHA with respect to identifying violations of applicable OSHA regulations related to the casualty or accident. Such cooperation will include: promptly making investigation information available to OSHA; inviting OSHA attendance at Coast Guard formal hearings; and developing lines of inquiry suggested by OSHA. Where a Coast Guard investigation identifies an apparent violation of an applicable OSHA regulation the Coast Guard will promptly notify OSHA and subsequently will cooperate with OSHA with respect to any enforcement action OSHA may undertake. This cooperation may include, but is not limited to, providing transportation, as available; provided, however, OSHA remains responsible for obtaining its own legal right of access to any facility.

EXHIBIT 14 - (Continued)

3. Investigation of allegations:

The Coast Guard will review any allegation from any person of the existence of a violation of an occupational safety or health regulation or other unsafe working condition on the OCS and take appropriate action under the circumstances. Copies of complaints of occupational safety or health violations on the OCS received by OSHA will be referred to the appropriate Coast Guard district commander for action. The Coast Guard will notify OSHA as promptly as possible of the disposition of allegations forwarded by OSHA.

V. JOINT TRAINING PROGRAM

The two agencies will review the training needs of agency personnel with responsibilities for matters pertaining to safety and health on the OCS, and will develop programs responsive to these needs.

VI. IMPLEMENTATION

The Coast Guard and OSHA shall each designate a representative who shall be responsible for coordinating implementation of the provisions of this Memorandum.

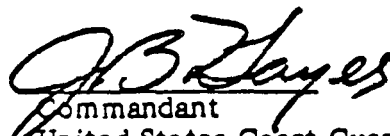
VII. EFFECTIVE DATE

This Memorandum is effective upon signature by the parties. It may be amended at any time by mutual written agreement of the agencies and may be terminated by either agency upon thirty days written notice.

VIII. SAVINGS PROVISION

Nothing in this Memorandum shall be deemed to alter, amend, or affect in any way the statutory authority of the Coast Guard or OSHA.

Signed At Washington, DC this 19th day of December, 1979.


Commandant
United States Coast Guard
Department of Transportation



Assistant Secretary
Occupational Safety and Health
Department of Labor

EXHIBIT 15

MEMORANDUM OF UNDERSTANDING
BETWEEN THE UNITED STATES COAST GUARD OF THE DEPARTMENT
OF TRANSPORTATION AND THE UNITED STATES GEOLOGICAL
SURVEY OF THE DEPARTMENT OF THE INTERIOR FOR REGULATION
OF UNITED STATES MOBILE OFFSHORE DRILLING UNITS ON THE OUTER
CONTINENTAL SHELF OF THE UNITED STATES

I. PURPOSE

This Memorandum of Understanding is entered into by the United States Coast Guard (USCG), Department of Transportation (DOT), and the United States Geological Survey (USGS), Department of the Interior (DOI), for the purpose of coordinating and implementing consistent and comprehensive requirements to maximize safety with respect to the design, construction, and operation of mobile offshore drilling units having United States nationality on the Outer Continental Shelf (OCS) of the United States, to minimize the possible adverse environmental impact of such units, and to minimize duplication and avoid possible inconsistency in the safety standards applicable to these units. A "mobile offshore drilling unit" or "unit" is defined as a vessel capable of engaging in drilling operations for the exploration for or exploitation of resources beneath the seabed.

II. AGENCY RESPONSIBILITIES

A. General

The Department of the Interior is responsible for initiating the OCS leasing program and coordinating governmental control over this program. The Geological Survey is the Bureau within DOI which regulates all drilling operations conducted on oil and gas leases or under exploration permits issued by DOI. This responsibility includes the review and approval of an Application for a Permit to Drill including exploration and development plans for the leased area. Approvals and permits are granted upon ensuring that the lessee complies with applicable DOI regulations and rules, standards, and

EXHIBIT 13 - (Continued)

OCS Orders issued by the USGS. In addition, the USGS conducts an inspection of each unit before authorizing drilling operations by that unit on the OCS and periodically reinspects such units during drilling operations.

The USCG approves the design and inspects the construction of each United States unit. Upon completion of a unit and compliance with the USGS regulations, certificates are issued including a Certificate of Inspection, a Loadline Certificate, and appropriate international certificates. The USCG periodically reinspects vessels and renews these certificates.

Pursuant to the provisions of this agreement, each Agency will separately enforce the conditions of the permits, licenses, and certificates which it issues, and pertinent regulations or Orders. Enforcement, as used in this Memorandum, means the investigation of a violation of law or conditions of a certificate or license, the issuance of a notice of violation, or the imposition of sanctions as appropriate. To the extent practicable, each Agency will consult with the other with respect to any enforcement action concerning matters which are of mutual concern.

Each Agency agrees, consistent with its respective statutory obligations, to exercise its responsibilities in a manner that will avoid duplication. To this end, each Agency may use personnel, facilities, advice, and information provided by the other Agency for the purpose of carrying out its respective responsibilities. When access to a unit offshore is required in order to conduct an inspection or investigation, either Agency may furnish transportation to appropriate personnel.

B. Technical Review

The USCG will exercise technical review and approval responsibility relating to the safety and health of personnel, the general safety and integrity of the unit, and the protection of the environment for the following:

1. Structural integrity of the unit.
2. Construction and arrangement including structural fire protection.
3. Stability.

EXHIBIT 15 - (Continued)

4. Emergency systems including fire protection and lifesaving.
5. Mechanical and electrical standards for machinery installations including propulsion systems and industrial systems.
6. Standards for arc or acetylene welding or cutting operations affecting the structural integrity or installed equipment.
7. Provisions for navigation including lights and other signals.
8. Pollution-prevention measures for sources not associated with the drilling operations, including substances such as domestic and sanitary water, domestic waste, fuel, oil, and hazardous substances.
9. Crane standards.
10. Measures for the transfer, stowage, and handling of explosives and other dangerous articles.

The USGS will exercise technical review and approval responsibility relating to safety of operations, the conservation of natural resources, and the protection of the environment for the following:

1. Drilling equipment, drilling safety systems and other well-control equipment, and operational procedures with regard to the drilling operations to be performed.
2. The effects of oceanographical, meteorological, geological, and geophysical conditions at a particular drilling site.
3. Pollution-prevention measures associated with the drilling operation, e.g., drilling fluid, drill cuttings, and well effluents.
4. Proper control of arc or acetylene welding or cutting operations during the drilling mode.

EXHIBIT 15 - (Continued)

5. The conduct of drilling operations which are to be performed under an approved Critical Operations and Curtailment Plan.

C. Inspections

Each Agency will conduct inspections to ensure compliance within its areas of responsibility as set forth under Technical Review above. Either Agency may request inspection assistance from the other Agency and establish field working agreements to accommodate the procedure used by each Agency.

D. Casualty Investigations - USCG

The USCG will continue its present function of conducting investigations of marine casualties which involve any of the following:

1. Actual damage to property in excess of \$1,500.
2. Material damage affecting the seaworthiness or navigational efficiency of a unit.
3. Stranding or grounding except when the unit is grounded to conduct normal operations.
4. Loss of life.
5. Injury causing any persons to remain incapacitated for a period in excess of 72 hours.

If the casualty under investigation occurred while the unit was engaged in drilling operations and in any manner involved the drilling operations, the USCG will consult with the USGS as to the scope of each Agency's respective investigative responsibilities. During an investigation, upon request by the USCG, the USGS may provide assistance and technical advice in the areas of its expertise.

If a formal investigation or Marine Board of Investigation is convened, the USCG may afford the USGS the rights of a party in interest.

EXHIBIT 15 - (Continued)

The USCG will provide the USGS Area Oil and Gas Supervisor with copies of USCG reports of investigation for casualties which occurred while the unit was engaged in drilling operations.

E. Casualty Investigations - USGS

The USGS will investigate all casualties occurring during oil and gas drilling operations which involve possible violation of USGS regulations. These include, but are not limited to, casualties involving:

1. Drilling procedures.
2. Down-hole problems.
3. Loss of well control.
4. Failure or malfunction of drilling or well control equipment.
5. Fire or explosion.
6. Pollution originating from the drilling operation.
7. Loss of life.

The USGS will consult with the USCG as to the scope of each Agency's respective investigative responsibilities. During an investigation, upon request of the USGS, the USCG may provide assistance and technical advice in the areas of its expertise. The USGS may afford the USCG the rights of a party in interest to any formal proceedings convened by them.

The USGS will provide the USCG District Commander copies of USGS investigative reports of casualties.

III. DEVELOPMENT OF STANDARDS, REGULATIONS, ORDERS, AND NOTICES

To the maximum extent possible, each Agency shall cooperate with the other in the development of standards, regulations, Orders, and notices concerning mobile offshore drilling units. This includes appearance at public hearings or advisory committees, exchange of expertise, relevant information or data, and cooperation in appropriate research and development activities.

EXHIBIT 15 - (Continued)

Each Agency shall send copies of all contemplated Notices of Proposed Rulemaking (NPRM's) concerning mobile offshore drilling units to the other for review before publication in the Federal Register. However, publication of NPRM's is not contingent upon the exchange of comments.

In developing and scheduling activities in the rulemaking process, each Agency shall satisfy its own procedural requirements.

Every effort shall be made to promulgate final standards or final rules which are mutually satisfactory with regard to content and jurisdiction.

IV. PROCEDURES

The Director of the USGS and the Commandant of the USCG shall each designate one senior official who shall be responsible for coordinating and implementing the provisions of this Memorandum.

Each Agency shall establish procedures for the development of field agreement to implement this Memorandum.

Each Agency shall interpret its assigned responsibilities in a manner which best achieves the purposes of this Memorandum. In the event a question arises concerning interpretation, the matter shall be brought to the attention of the cognizant USGS Area Oil and Gas Supervisor and USCG District Commander for resolution. If the matter cannot be resolved, it shall promptly be referred to the designated senior Agency officials who shall confer and seek mutual resolution.

A committee composed of representatives of each Agency shall be established to evaluate regulatory policy with regard to mobile offshore drilling units, to review legislative initiatives affecting the scope of this Memorandum, and to coordinate Agency positions regarding legal issues raised in the course of implementing this Memorandum.

EXHIBIT 15 - (Continued)

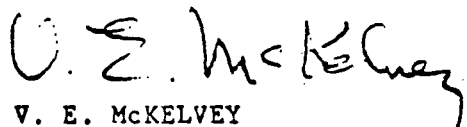
V. EFFECT OF OTHER LAWS

Nothing in this Memorandum shall be deemed to restrict, modify, or otherwise limit the application or enforcement of any laws of the United States with respect to matters specified herein, nor the application or enforcement of such laws to matters other than those specified herein, nor shall anything in the Memorandum be construed as modifying the existing authority of either Agency. The Memorandum of Understanding between the Departments of the Interior and Transportation relating to responsibilities under the National Oil and Hazardous Substances Pollution Contingency Plan dated August 16, 1971, will not be affected by this Memorandum.


VI. EFFECTIVE DATE

This Memorandum of Understanding shall take effect upon signature by the parties. It may be amended at any time by mutual written agreement of the Agencies and may be terminated by either Agency upon 30 days notice.

Dated: 11 APR 1977


V. E. McKELVEY
Director, U.S. Geological Survey
Department of the Interior

Dated: 11 APR 1977


O. W. SILER
Commandant, U.S. Coast Guard
Department of Transportation

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES GEOLOGICAL SURVEY
OF THE DEPARTMENT OF THE INTERIOR
AND THE
UNITED STATES COAST GUARD
OF THE
DEPARTMENT OF TRANSPORTATION
CONCERNING REGULATION OF ARTIFICIAL ISLANDS
INSTALLATIONS AND OTHER DEVICES ON
THE OUTER CONTINENTAL SHELF OF THE UNITED STATES.

I. Purpose - The purpose of this Memorandum of Understanding is to promote the safety of operations on artificial islands, installations, and other devices on the Outer Continental Shelf of the United States (OCS) involved in the exploration, development, and production of mineral resources, to promote consistent and coordinated regulation of these facilities, avoid duplication of effort, and minimize the economic and regulatory burdens placed on the operators of these facilities.

II. Definitions - For purposes of this Memorandum of Understanding, the following definitions apply:

Act - The Outer Continental Shelf Lands Act of 1953 (43 U.S.C. 1331 et seq.), as amended by the Outer Continental Shelf Lands Act Amendments of 1978 (Pub. L. 95-372).

Deepwater Port - A facility licensed by the Secretary of Transportation under the Deepwater Port Act of 1974.

Vessel - Every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on the water.

Outer Continental Shelf - That portion of the continental margin lying beyond state territorial boundaries and within federal jurisdiction. The continental margin consists of the continental shelf, the continental slope, and the continental rise.

OCS Activity - Any offshore activity associated with exploration for, development of, or production of mineral resources of the OCS, including any storage or processing activity.

OCS Facility - Any artificial island, installation or other device, permanently or temporarily attached to the seabed or subsoil of the OCS, and used for any OCS activity. This term does not include a deepwater port or vessel engaged in transportation, but does include a:

1. Fixed OCS Facility - Any fixed, bottom-founded facility permanently attached to the seabed or subsoil of the OCS including guyed towers, articulated columns, gravity platforms and other structures;

2. Floating OCS Facility - Any buoyant facility securely and substantially moored to the seabed or subsoil of the OCS, including tension leg platforms, permanently moored semi-submersibles, ship/barge shape hulls, or buoyant structures. This term does not include mobile offshore drilling units or other vessels;

3. Mobile Offshore Drilling Unit (MODU) - Any vessel capable of engaging in drilling operations for the exploration or exploitation of mineral resources of the OCS. This term includes U. S., foreign, and undocumented mobile offshore drilling units engaged in OCS activities;

4. OCS Terminal - Any fixed or floating facility which is used or intended for use primarily as a port or terminal for transferring produced oil, gas or other OCS mineral resources to or from a vessel;

5. Mobile Well Servicing Unit (MWSU) - Any vessel other than a MODU capable of engaging in well servicing operations on the OCS.

III. Agency Authorities on the OCS

A. General

1. The Department of Interior is responsible for management of mineral leasing on the OCS of the United States, including coordinating federal activities related to this program. Within the Department of Interior, the U. S. Geological Survey regulates all mineral exploration, drilling, and production activities on leased or leasable land. This responsibility includes review and approval of exploration plans, development and production plans and applications for permits to drill; approval of rights of use and easement; inspections of drilling and production operations to ensure compliance with applicable lease terms and Geological Survey regulations and orders; and administration of civil penalties for violations of applicable Department of the Interior, Coast Guard, and Corps of Engineers requirements.

2. The United States Coast Guard of the Department of Transportation regulates to promote the safety of life and property on OCS facilities and vessels engaged in OCS activities, and the safety of navigation. This responsibility includes inspections of these units to ensure compliance with applicable Coast Guard requirements.

B. Specific statutory responsibilities which are shared by both agencies include:

1. Establishing minimum standards of design, construction, alteration, and repair for vessels, rigs, platforms, or other vehicles or structures engaged in OCS activities.

2. Providing scheduled annual and periodic unannounced inspections of OCS facilities to assure compliance with environmental and safety regulations

promulgated pursuant to the Act.

3. Enforcing safety and environmental regulations promulgated pursuant to the Act, including authority to utilize by agreement the services of personnel or facilities of other federal agencies.

4. Investigating and making public reports on deaths, serious injuries, major fires, and major oil spillage occurring as a result of OCS operations.

5. Requiring the use of the best available and safest technologies on OCS drilling and production operations as set forth in section 21(b) of the Act.

C. Other statutory Authorities of the Geological Survey on the OCS include:

1. Providing for the prevention of waste and conservation of the natural resources of the OCS, and the protection of correlative rights therein.

2. Providing for suspension or temporary prohibition of any operation or activity pursuant to a lease if there is a threat of serious, irreparable, or immediate harm or damage to life, to property, to mineral deposits or to the marine, coastal, or human environment.

3. Reviewing allegations of violations of safety regulations issued under the Act.

4. Providing for drilling permits or easements necessary for exploration, development, and production for prompt and efficient exploration and development of a lease area.

5. Providing for compliance with the national ambient air quality standards pursuant to the Clean Air Act (42 USC 7401 et seq.), to the extent that activities authorized under the Act significantly affect the air quality of any State.

D. Other statutory Authorities of the Coast Guard on the OCS include:

1. Promoting the safety of life and property on OCS facilities and adjacent waters.

2. Minimizing hazardous working conditions related to activities on the OCS.

3. Investigating allegations of violations of occupational safety and health regulations under the Act.

4. Administering applicable vessel navigation, safety and inspection laws contained in Titles 46 and 33 of the United States Code.

IV. Responsibilities:

To accomplish the purposes of this memorandum both agencies agree to observe the following guidelines with respect to overseeing OCS facility design and construction, systems and equipment, and operations.

A. Facility design and construction requirements, including plan approval:

1. The Geological Survey will exercise technical review and approval responsibility, including final plan approval, for design, fabrication, and installation of all fixed OCS facilities. In exercising this review and approval responsibility, the Geological Survey will require compliance with applicable Coast Guard standards that may affect the design of the facility, and will coordinate technical and plan review as necessary with the Coast Guard to achieve this end. The Geological Survey establishes standards addressing the following for all OCS facilities:

- a. Site specific considerations, such as oceanographic, meteorological, geological and geophysical conditions including bottom conditions and the bottom holding capability of equipment which maintains position of a facility relative to a wellhead or manifold.

The Geological Survey establishes standards addressing the following for fixed OCS facilities:

- b. Structural integrity including design and loading;
- c. Fabrication and installation;
- d. General arrangement of drilling, production, and well control systems and equipment.
- e. Modification and repair requirements related to structural integrity.

2. The Coast Guard will exercise technical review and approval responsibility for design and construction of all floating OCS facilities, and all vessels including MODUs and mobile well servicing units. In exercising this review and approval responsibility, the Coast Guard will require compliance with applicable Geological Survey standards which may affect the design of the vessel or facility, and will coordinate technical and plan review as necessary with the Geological Survey to achieve this end. The Coast Guard establishes standards for the following on all OCS facilities:

- a. Structural fire protection;
- b. Access, landings and emergency escape routes.

The Coast Guard also establishes standards for the following on floating OCS facilities and vessels engaged in OCS activities:

- c. Design, loading, fabrication and construction requirements;
- d. Stability and buoyancy;
- e. Modification and repair requirements related to structural integrity;
- f. General arrangement.

EXHIBIT 16 - (Continued)

B. Systems and Equipment

1. The Geological Survey establishes standards for drilling, production, well control and workover equipment on all OCS facilities. Equipment and systems for which Geological Survey is responsible on all OCS facilities includes:

- a. All blowout preventer and other well control equipment;
- b. All surface and subsurface production safety systems;
- c. All unfired and fired pressure vessels used for the processing of production;
- d. All well and flowline valves and sensors;
- e. All dehydration and gas compressor units used in production operations;
- f. All Hydrogen Sulfide control equipment including the Hydrogen Sulfide gas detection system;
- g. All production piping systems;
- h. Production emergency support systems (emergency shutdowns, fire loop system, combustible gas detection including the pneumatic supply).
- i. Subsea completions.
- j. All wellhead and blowout fire suppression systems.

Other equipment for which Geological Survey is responsible on fixed OCS facilities includes:

- k. Electrical system design and equipment including classified locations.

2. The Coast Guard establishes standards for propulsion machinery, auxiliary machinery systems and safety equipment installations on all OCS facilities. The Coast Guard may also set standards for all equipment (including drilling, production

or workover equipment) to the extent it affects occupational safety or to the extent it affects the seaworthiness of a MODU, floating OCS facility, or vessel. Equipment and systems for which the Coast Guard is responsible on all OCS facilities includes:

- a. All lifesaving and fire protection systems and equipment;
- b. All general alarm systems;
- c. All cranes, booms or other material handling equipment, including industrial trucks;
- d. All personnel protective equipment (excluding equipment for protection from Hydrogen Sulfide control);
- e. All communications equipment;
- f. All helicopter fueling facilities;
- g. All boilers and other pressure vessels not associated with production, operations including those for space and water heating;
- h. All navigation lights, obstruction lights, and sound signals;
- i. Helicopter deck installations.
- j. Underwater working chambers and their support systems.

Other equipment for which the Coast Guard is responsible on floating OCS facilities, MODUs, and vessels includes:

- k. Electrical system design and equipment including designation of classified areas.
- l. Mooring systems.

Other equipment for which the Coast Guard is responsible on OCS terminals includes:

- m. Oil transfer, gas inerting and vapor recovery systems.

EXHIBIT 16 - (Continued)

C. Operations

1. The Geological Survey administers procedures, including training, drills, inspections and emergency procedures on all OCS facilities with respect to:
 - a. Drilling, workover, and production operations, including well control, except operational requirements directly related to occupational safety or health;
 - b. Pollution prevention, except for transfers to or from a vessel;
 - c. Arc or acetylene welding, except welding procedures established by the Coast Guard for equipment and facilities for which the Coast Guard is responsible;
 - d. Control of Hydrogen Sulfide;
 - e. Pipeline operations associated with an OCS facility.

2. The Coast Guard administers procedures, including training, drills, inspections and emergency procedures on all OCS facilities with respect to:
 - a. Firefighting;
 - b. Facility abandonment, including use of lifesaving and other general emergency equipment;
 - c. Handling, transfer and stowage of explosives, radioactive, flammable (other than produced hydrocarbons), and hazardous materials;
 - d. Transfer of petroleum and other products from or to a vessel;
 - e. Transfer of materials and personnel on or off the facility by crane or other means;
 - f. Aircraft, vehicle and vessel operations;
 - g. Procedures affecting the occupational safety or health of personnel;
 - h. Diving operations.

V. Inspections

A. Each agency will conduct scheduled and unannounced inspections as necessary to ensure compliance with its requirements. Both agencies will coordinate inspections, whenever practical, to minimize disruption of operations. If in the course of a routine inspection, deficiencies falling within the responsibility of the other agency are identified, the matter will be referred to the other agency for action. This is not intended, however, to prevent any inspector from either agency from taking immediate action when necessary to prevent serious or irreparable harm to persons, property or the environment on the OCS.

B. The Geological Survey controls procedures for shut-down of drilling and production operations for safety infractions. In exercising this responsibility, upon request by the Coast Guard, the Geological Survey will require compliance with applicable Coast Guard requirements.

VI. Investigations

A. Responsibility

Investigation and public report by either the Geological Survey or the Coast Guard is required for certain fires, oil pollution, deaths and injuries associated with OCS activities. In addition, the agencies investigate certain other casualties relating to their regulatory interests, loss of well control, and sinking or capsizing of a vessel or facility. To avoid duplicative efforts and simplify administration, the primary agency regulating a particular facility, system, equipment or operation will be responsible for investigating and reporting on casualties involving that facility, system, equipment or operation. Where only one agency has an investigative interest in a casualty, that agency will investigate and report. Where both agencies have investigative interest in a casualty, one agency

EXHIBIT 16 - (Continued)

will assume lead responsibility with supporting participation by the other agency. Assumption of lead agency responsibility, the extent of supporting participation, and procedures for coordination will be a matter for local agency officials to determine as necessary to fit the circumstances of particular casualties. All investigations which involve both agencies will normally be coordinated using the following guidelines to determine lead agency.

B. Guidelines

1. Facilities, Material, and Equipment - The Geological Survey will normally be lead agency for:

- a. failure of or damage to fixed OCS facilities; and
- b. Failure of surface and subsurface oil or gas exploration or production systems or equipment.
- c. Incidents involving only pollution, fire, or explosions.

2. Facilities, Material, and Equipment - The Coast Guard will normally be lead agency for:

- a. failure of or damage to MODUs and other vessels, OCS terminals, and floating OCS facilities; and
- b. Propulsion, auxiliary, or emergency systems and equipment.
- c. Incidents involving only deaths and injuries.

3. Deaths and Injuries - The Coast Guard will request Geological Survey participation in investigations of all deaths and investigation of all injuries associated with oil or gas exploration or production operations or equipment, including Hydrogen Sulfide exposure.

4. Pollution - The Geological Survey will request Coast Guard participation in all investigations of pollution.

5. Fires and Explosions - The Geological Survey will request Coast Guard participation in all investigations of fires or explosions that involve vessels

equipment or operations for which the Coast Guard is responsible under paragraphs IV B.2. and C.2. above.

C. Conduct of Investigations

1. The lead agency responsible for investigation under these guidelines will conduct, review, approve and release the investigation report in accordance with normal agency procedures. Appropriate comments by the supporting agency will be included in the investigation report.

2. If both agencies participate in an investigation, the lead agency will forward an information copy of the final report to the supporting agency.

3. Reports prepared by a single agency need not be routinely forwarded but will be available upon request.

VII. Oil Spill Contingency Plans

Lessee's submit Exploration Plans or Development and Production Plans to the U. S. Geological Survey. The Geological Survey will request the Coast Guard to provide a technical review of that portion of the Plan which addresses the adequacy of the oil spill contingency plan including the adequacy of oil spill response and clean up equipment and procedures. The criteria by which to judge the adequacy of a plan will be jointly agreed upon by the Geological Survey and the Coast Guard.

VIII. Exchange of Services and Personnel

To the extent its own operations permit, each agency will provide the other such assistance, technical advice, and support, including transportation, as may be requested. Such an exchange of services and use of personnel shall be on a non-reimbursable basis.

IX. Cooperation in Standards and Regulation Development

A. Both agencies will exchange data and study results, participate in

EXHIBIT 16 - (Continued)

research and development projects of mutual interest, and exchange early drafts of rulemaking notices. Both agencies will review current standards, regulations and orders and revise them as necessary in keeping with the provisions of this MOU.

B. Both agencies will also review reporting and data collection requirements imposed on operators of OCS facilities and wherever feasible will eliminate or minimize duplicate reporting and data collection consistent with their statutory responsibilities.

X. Implementation

A. Each agency will review internal procedures and where appropriate revise them to accommodate the interagency coordination provided by this agreement. Each agency will also designate one senior official who will be responsible for coordinating and implementing the provisions of this Memorandum.

B. On the effective date of this agreement the Coast Guard/Geological Survey Memorandum of Understanding for mobile offshore drilling units dated April 11, 1977 is cancelled.

XI. Savings Provision

Nothing in this Memorandum shall be deemed to alter, amend, or affect in any way the statutory authority of the U. S. Geological Survey or the Coast Guard.

XII. Effective Date

This Memorandum is effective upon signature by the parties. It may be amended at any time by mutual written agreement of the agencies and may be terminated by either agency upon 30 days written notice.

CORPS OF ENGINEERS

APPENDIX D

APPENDIX D

Exhibit

- 1 Application For A Department of Army Permit, ENG Form 4345
- 2 Completed Application For A DOA Permit, ENG Form 4345
- 3 Department of the Army Permit, ENG Form 1721

APPLICATION FOR A DEPARTMENT OF THE ARMY PERMIT

For use of this form, see EP 1145-2-1

The Department of the Army permit program is authorized by Section 10 of the River and Harbor Act of 1899, Section 404 of P. L. 92-500 and Section 103 of P. L. 92-532. These laws require permits authorizing structures and work in or affecting navigable waters of the United States, the discharge of dredged or fill material into waters of the United States, and the transportation of dredged material for the purpose of dumping it into ocean waters. Information provided in ENG Form 4345 will be used in evaluating the application for a permit. Information in the application is made a matter of public record through issuance of a public notice. Disclosure of the information requested is voluntary; however, the data requested are necessary in order to communicate with the applicant and to evaluate the permit application. If necessary information is not provided, the permit application cannot be processed nor can a permit be issued.

One set of original drawings or good reproducible copies which show the location and character of the proposed activity must be attached to this application (see sample drawings and checklist) and be submitted to the District Engineer having jurisdiction over the location of the proposed activity. An application that is not completed in full will be returned.

<p>1. Application number (To be assigned by Corps)</p>	<p>2. Date</p> <p align="center">_____/_____/_____ Day Mo. Yr.</p>	<p>3. For Corps use only.</p>											
<p>4. Name and address of applicant.</p> <p align="center">Telephone no. during business hours</p> <p>A/C () _____</p> <p>A/C () _____</p>	<p>5. Name, address and title of authorized agent.</p> <p align="center">Telephone no. during business hours</p> <p>A/C () _____</p> <p>A/C () _____</p>												
<p>6. Describe in detail the proposed activity, its purpose and intended use (private, public, commercial or other) including description of the type of structures, if any to be erected on fills, or pile or float-supported platforms, the type, composition and quantity of materials to be discharged or dumped and means of conveyance, and the source of discharge or fill material. If additional space is needed, use Block 14.</p>													
<p>7. Names, addresses and telephone numbers of adjoining property owners, lessees, etc., whose property also adjoins the waterway.</p>													
<p>8. Location where proposed activity exists or will occur.</p> <table style="width:100%; border: none;"> <tr> <td style="width:50%; border: none;"> <p>Address:</p> <p>_____</p> <p>Street, road or other descriptive location</p> <p>_____</p> <p>In or near city or town</p> <p>_____</p> <p>County State Zip Code</p> </td> <td style="width:50%; border: none;"> <p>Tax Assessors Description: (if known)</p> <table style="width:100%; border: none;"> <tr> <td style="border: none;">Map No.</td> <td style="border: none;">Subdiv. No.</td> <td style="border: none;">Lot No.</td> </tr> <tr> <td style="border: none;">_____</td> <td style="border: none;">_____</td> <td style="border: none;">_____</td> </tr> <tr> <td style="border: none;">Sec.</td> <td style="border: none;">Twp.</td> <td style="border: none;">Rge.</td> </tr> </table> </td> </tr> </table>			<p>Address:</p> <p>_____</p> <p>Street, road or other descriptive location</p> <p>_____</p> <p>In or near city or town</p> <p>_____</p> <p>County State Zip Code</p>	<p>Tax Assessors Description: (if known)</p> <table style="width:100%; border: none;"> <tr> <td style="border: none;">Map No.</td> <td style="border: none;">Subdiv. No.</td> <td style="border: none;">Lot No.</td> </tr> <tr> <td style="border: none;">_____</td> <td style="border: none;">_____</td> <td style="border: none;">_____</td> </tr> <tr> <td style="border: none;">Sec.</td> <td style="border: none;">Twp.</td> <td style="border: none;">Rge.</td> </tr> </table>	Map No.	Subdiv. No.	Lot No.	_____	_____	_____	Sec.	Twp.	Rge.
<p>Address:</p> <p>_____</p> <p>Street, road or other descriptive location</p> <p>_____</p> <p>In or near city or town</p> <p>_____</p> <p>County State Zip Code</p>	<p>Tax Assessors Description: (if known)</p> <table style="width:100%; border: none;"> <tr> <td style="border: none;">Map No.</td> <td style="border: none;">Subdiv. No.</td> <td style="border: none;">Lot No.</td> </tr> <tr> <td style="border: none;">_____</td> <td style="border: none;">_____</td> <td style="border: none;">_____</td> </tr> <tr> <td style="border: none;">Sec.</td> <td style="border: none;">Twp.</td> <td style="border: none;">Rge.</td> </tr> </table>	Map No.	Subdiv. No.	Lot No.	_____	_____	_____	Sec.	Twp.	Rge.			
Map No.	Subdiv. No.	Lot No.											
_____	_____	_____											
Sec.	Twp.	Rge.											
<p>9. Name of waterway at location of the activity.</p>													

EXHIBIT 1 - (Continued)

10. Date activity is proposed to commence. _____

Date activity is expected to be completed _____

11. Is any portion of the activity for which authorization is sought now complete? YES NO

If answer is "Yes" give reasons in the remark section. Month and year the activity was completed _____ . Indicate the existing work on the drawings.

12. List all approvals or certifications required by other federal, interstate, state or local agencies for any structures, construction, discharges, deposits or other activities described in this application.

<u>Issuing Agency</u>	<u>Type Approval</u>	<u>Identification No.</u>	<u>Date of Application</u>	<u>Date of Approval</u>
-----------------------	----------------------	---------------------------	----------------------------	-------------------------

13. Has any agency denied approval for the activity described herein or for any activity directly related to the activity described herein?

Yes. No (If "Yes" explain in remarks)

14. Remarks or additional information.

15. Application is hereby made for a permit or permits to authorize the activities described herein. I certify that I am familiar with the information contained in this application, and that to the best of my knowledge and belief such information is true, complete, and accurate. I further certify that I possess the authority to undertake the proposed activities.

Signature of Applicant or Authorized Agent

The application must be signed by the applicant; however, it may be signed by a duly authorized agent (named in Item 5) if this form is accompanied by a statement by the applicant designating the agent and agreeing to furnish upon request, supplemental information in support of the application.

18 U. S. C. Section 1001 provides that: Whoever, in any manner within the jurisdiction of any department or agency of The United States knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both. Do not send a permit processing fee with this application. The appropriate fee will be assessed when a permit is issued.

APPLICATION FOR A DEPARTMENT OF THE ARMY PERMIT

For use of this form, see EP 1145-2-1

The Department of the Army permit program is authorized by Section 10 of the River and Harbor Act of 1899, Section 404 of P. L. 92-500 and Section 103 of P. L. 92-532. These laws require permits authorizing structures and work in or affecting navigable waters of the United States, the discharge of dredged or fill material into waters of the United States, and the transportation of dredged material for the purpose of dumping it into ocean waters. Information provided in ENG Form 4345 will be used in evaluating the application for a permit. Information in the application is made a matter of public record through issuance of a public notice. Disclosure of the information requested is voluntary; however, the data requested are necessary in order to communicate with the applicant and to evaluate the permit application. If necessary information is not provided, the permit application cannot be processed nor can a permit be issued.

One set of original drawings or good reproducible copies which show the location and character of the proposed activity must be attached to this application (see sample drawings and checklist) and be submitted to the District Engineer having jurisdiction over the location of the proposed activity. An application that is not completed in full will be returned.

1. Application number (To be assigned by Corps)	2. Date 8 3 79 Day Mo. Yr.	3. For Corps use only.
4. Name and address of applicant. Tenneco Oil Company P. O. Box 51345 Lafayette, LA 70505 Telephone no. during business hours A/C (318) <u>232-3600</u> A/C () _____	5. Name, address and title of authorized agent. C. W. Nance, Division General Manager P. O. Box 51345 Lafayette, LA 70505 Telephone no. during business hours A/C (318) <u>232-3600</u> A/C () _____	

6. Describe in detail the proposed activity, its purpose and intended use (private, public, commercial or other) including description of the type of structures, if any to be erected on fills, or pile or float-supported platforms, the type, composition and quantity of materials to be discharged or dumped and means of conveyance, and the source of discharge or fill material. If additional space is needed, use Block 14.

Install the OCS-G-3957 "A" platform in Sabine Pass Area, Block 8

This will be a four pile or eight pile platform to be used to perform drilling and production operations.

7. Names, addresses and telephone numbers of adjoining property owners, lessees, etc., whose property also adjoins the waterway.

Shell Oil Co. P. O. Box 2579 Lafayette, LA 70505	Superior Oil Co. P. O. Box 51108 Lafayette, LA 70505	Atlantic Richfield Co. P. O. Box 51408 Lafayette, LA 70505
--	--	--

8. Location where proposed activity exists or will occur.

Address: <u>OCS</u> Street, road or other descriptive location In or near city or town County State Zip Code	Tax Assessor's Description: (If known) Map No. Subdiv. No. Lot No. Sec. Twp. Rge.
--	---

9. Name of waterway at location of the activity.

Gulf of Mexico

EXHIBIT 2 - (Continued)

10. Date activity is proposed to commence. December 1, 1979
 Date activity is expected to be completed December 15, 1979

11. Is any portion of the activity for which authorization is sought now complete? YES NO
 If answer is "Yes" give reasons in the remark section. Month and year the activity was completed _____ . Indicate the existing work on the drawings.

12. List all approvals or certifications required by other federal, interstate, state or local agencies for any structures, construction, discharges, deposits or other activities described in this application.

<u>Issuing Agency</u>	<u>Type Approval</u>	<u>Identification No.</u>	<u>Date of Application</u>	<u>Date of Approval</u>
none				

13. Has any agency denied approval for the activity described herein or for any activity directly related to the activity described herein?
 Yes No (If "Yes" explain in remarks)

14. Remarks (Checklist, Appendix H, for additional information required for certain activities).

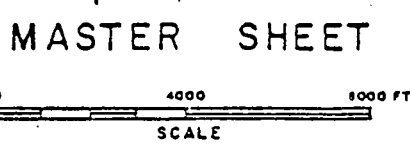
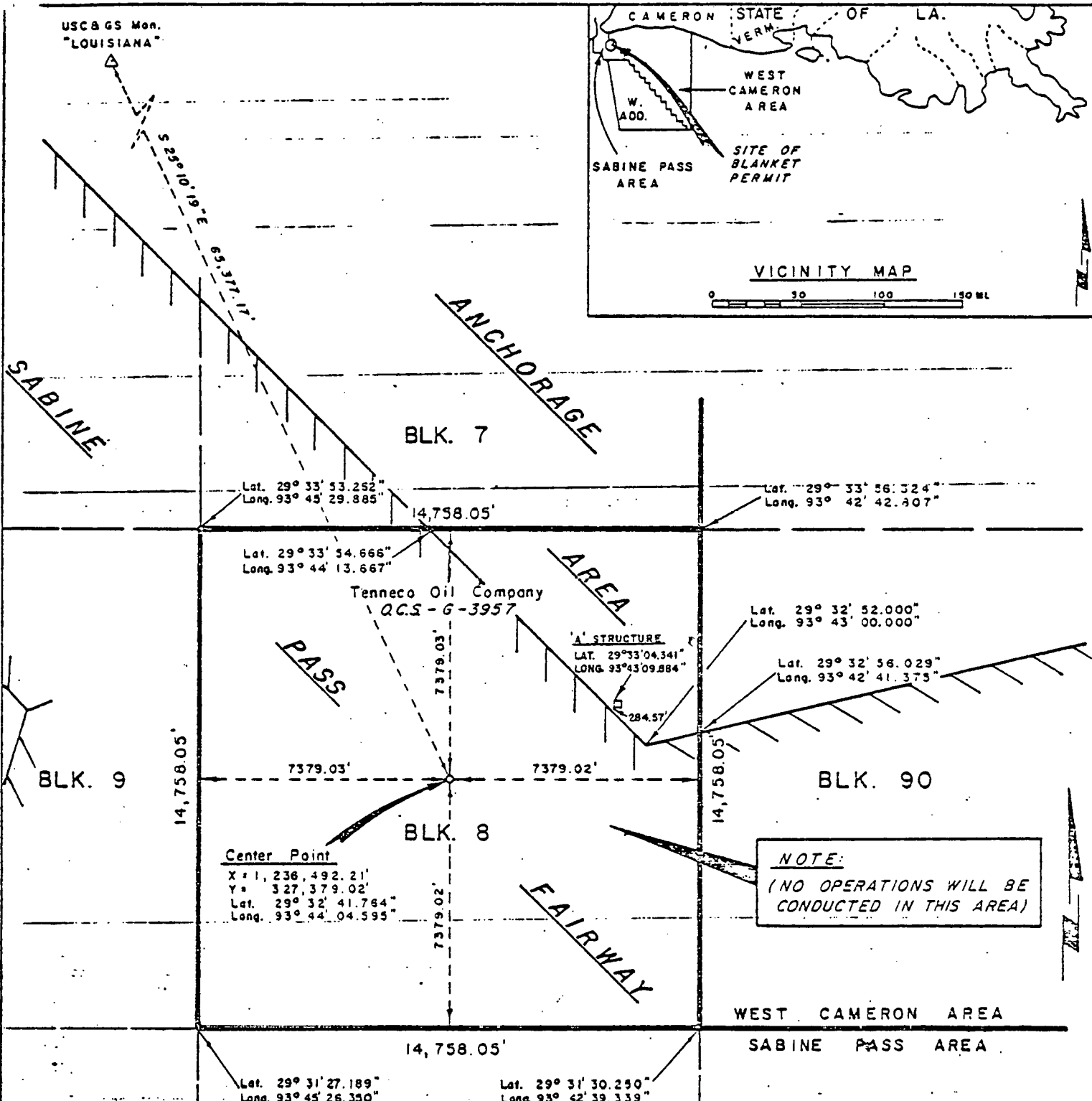
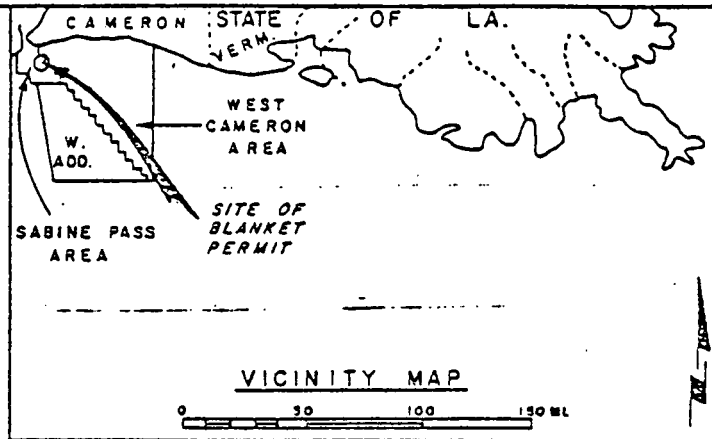
15. Application is hereby made for a permit or permits to authorize the activities described herein. I certify that I am familiar with the information contained in this application, and that to the best of my knowledge and belief such information is true, complete, and accurate. I further certify that I possess the authority to undertake the proposed activities.

C. W. Moore
 Signature of Applicant or Authorized Agent

The application must be signed by the applicant; however, it may be signed by a duly authorized agent (named in Item 5) if this form is accompanied by a statement by the applicant designating the agent and agreeing to furnish upon request, supplemental information in support of the application.

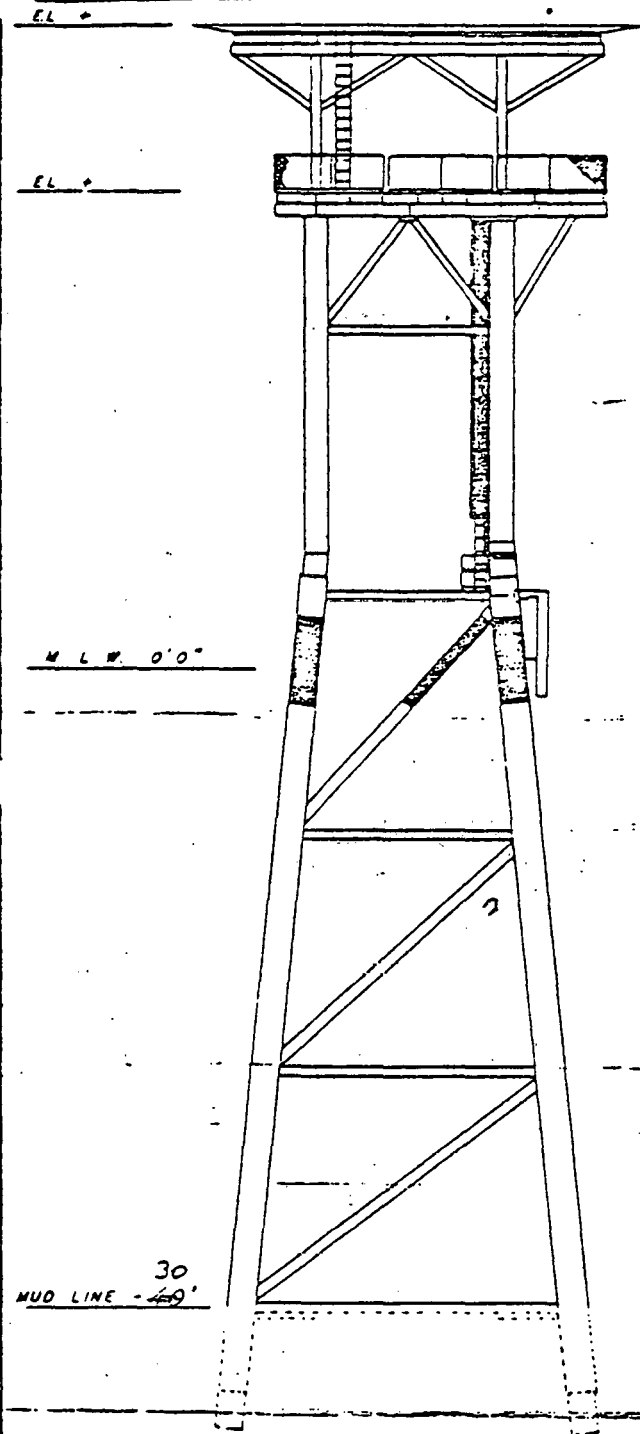
18 U. S. C. Section 1001 provides that: "Whoever, in any manner within the jurisdiction of any department or agency of The United States knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both." Do not send a permit processing fee with this application. The appropriate fee will be assessed when a permit is issued.

EXHIBIT 2 - (Continued)

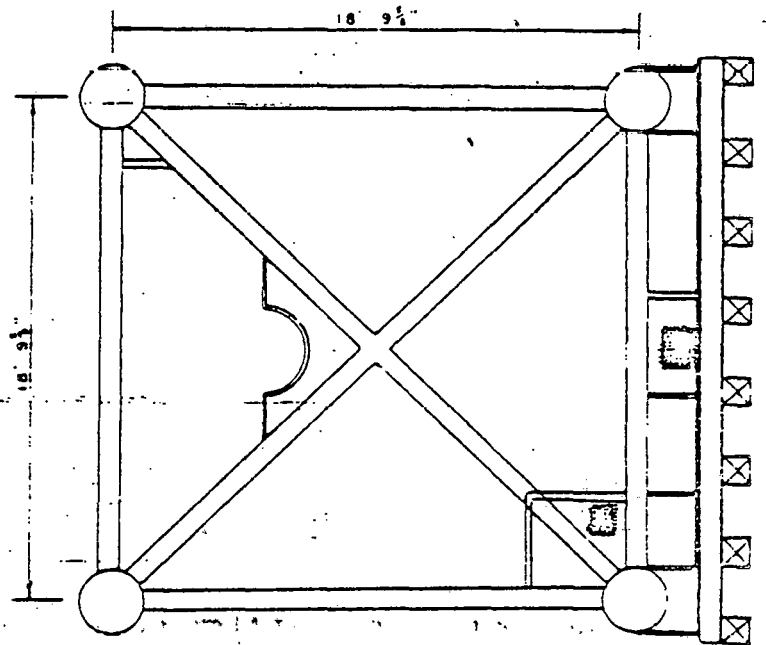


PROPOSED MINERAL DEVELOPMENT
SABINE PASS AREA
GULF OF MEXICO
APPLICATION B
MAR. 7, 1979
TENNECO OIL COMPANY
LAFAYETTE, LA.

EXHIBIT 2 - (Continued)



SIDE VIEW



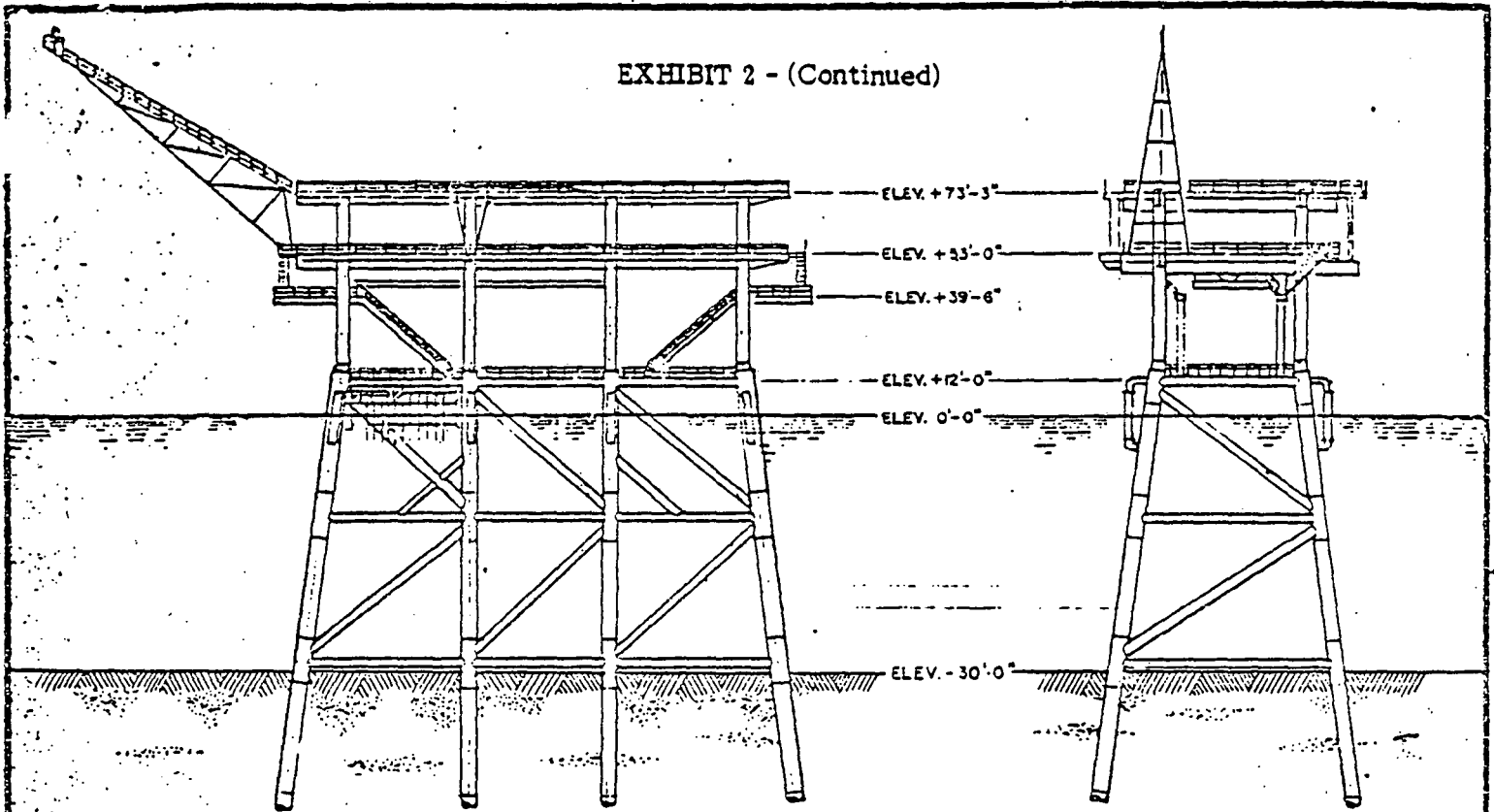
TOP VIEW AT EL. +17'

SABINE PASS BLOCK B (OCS-G-3957)

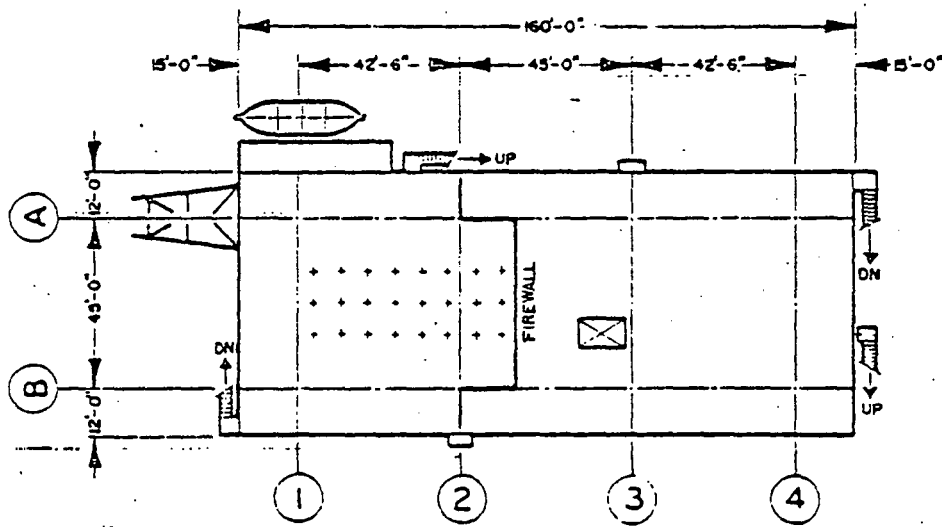
PRODUCTION PLATFORM

GULF OF MEXICO
APPLICATION BY: TENNECO OIL COMPANY
LAFAYETTE, LOUISIANA
SHEET 2 OF 3 SHEETS

EXHIBIT 2 - (Continued)



ELEVATION



PLAN

DRILLING AND
PRODUCTION PLATFORM

APPLICATION BY:
TENNECO OIL COMPANY

SABINE PASS
BLOCK 8, 'A' PLATF. (OCS-G-5957)

DATE 3-8-79

SHEET 3 OF 3

EXHIBIT 3

Application No. _____

Name of Applicant _____

Effective Date _____

Expiration Date (If applicable) _____

DEPARTMENT OF THE ARMY
PERMIT

Referring to written request dated _____ for a permit to:

() Perform work in or affecting navigable waters of the United States, upon the recommendation of the Chief of Engineers, pursuant to Section 10 of the Rivers and Harbors Act of March 3, 1899 (33 U.S.C. 403);

() Discharge dredged or fill material into waters of the United States upon the issuance of a permit from the Secretary of the Army acting through the Chief of Engineers pursuant to Section 404 of the Federal Water Pollution Control Act (86 Stat. 816, P.L. 92-500);

() Transport dredged material for the purpose of dumping it into ocean waters upon the issuance of a permit from the Secretary of the Army acting through the Chief of Engineers pursuant to Section 103 of the Marine Protection, Research and Sanctuaries Act of 1972 (86 Stat. 1052; P.L. 92-532);

is hereby authorized by the Secretary of the Army:
to

in

at

in accordance with the plans and drawings attached hereto which are incorporated in and made a part of this permit (on drawings: give file number or other definite identification marks.)

subject to the following conditions:

I. General Conditions:

a. That all activities identified and authorized herein shall be consistent with the terms and conditions of this permit; and that any activities not specifically identified and authorized herein shall constitute a violation of the terms and conditions of this permit which may result in the modification, suspension or revocation of this permit, in whole or in part, as set forth more specifically in General Conditions j or k hereto, and in the institution of such legal proceedings as the United States Government may consider appropriate, whether or not this permit has been previously modified, suspended or revoked in whole or in part.

EXHIBIT 3 - (Continued)

b. That all activities authorized herein shall, if they involve, during their construction or operation, any discharge of pollutants into waters of the United States or ocean waters, be at all times consistent with applicable water quality standards, effluent limitations and standards of performance, prohibitions, pretreatment standards and management practices established pursuant to the Federal Water Pollution Control Act of 1972 (P.L. 92-500; 86 Stat. 816), the Marine Protection, Research and Sanctuaries Act of 1972 (P.L. 92-532, 86 Stat. 1052), or pursuant to applicable State and local law.

c. That when the activity authorized herein involves a discharge during its construction or operation, of any pollutant (including dredged or fill material), into waters of the United States, the authorized activity shall, if applicable water quality standards are revised or modified during the term of this permit, be modified, if necessary, to conform with such revised or modified water quality standards within 6 months of the effective date of any revision or modification of water quality standards, or as directed by an implementor on plan contained in such revised or modified standards, or within such longer period of time as the District Engineer, in consultation with the Regional Administrator of the Environmental Protection Agency, may determine to be reasonable under the circumstances.

d. That the discharge will not destroy a threatened or endangered species as identified under the Endangered Species Act, or endanger the critical habitat of such species.

e. That the permittee agrees to make every reasonable effort to prosecute the construction or operation of the work authorized herein in a manner so as to minimize any adverse impact on fish, wildlife, and natural environmental values.

f. That the permittee agrees that he will prosecute the construction or work authorized herein in a manner so as to minimize any degradation of water quality.

g. That the permittee shall permit the District Engineer or his authorized representative(s) or designee(s) to make periodic inspections at any time deemed necessary in order to assure that the activity being performed under authority of this permit is in accordance with the terms and conditions prescribed herein.

h. That the permittee shall maintain the structure or work authorized herein in good condition and in accordance with the plans and drawings attached hereto.

i. That this permit does not convey any property rights, either in real estate or material, or any exclusive privileges; and that it does not authorize any injury to property or invasion of rights or any infringement of Federal, State, or local laws or regulations nor does it obviate the requirement to obtain State or local assent required by law for the activity authorized herein.

j. That this permit may be summarily suspended, in whole or in part, upon a finding by the District Engineer that immediate suspension of the activity authorized herein would be in the general public interest. Such suspension shall be effective upon receipt by the permittee of a written notice thereof which shall indicate (1) the extent of the suspension, (2) the reasons for this action, and (3) any corrective or preventative measures to be taken by the permittee which are deemed necessary by the District Engineer to abate imminent hazards to the general public interest. The permittee shall take immediate action to comply with the provisions of this notice. Within ten days following receipt of this notice of suspension, the permittee may request a hearing in order to present information relevant to a decision as to whether his permit should be reinstated, modified or revoked. If a hearing is requested, it shall be conducted pursuant to procedures prescribed by the Chief of Engineers. After completion of the hearing, or within a reasonable time after issuance of the suspension notice to the permittee if no hearing is requested, the permit will either be reinstated, modified or revoked.

k. That this permit may be either modified, suspended or revoked in whole or in part if the Secretary of the Army or his authorized representative determines that there has been a violation of any of the terms or conditions of this permit or that such action would otherwise be in the public interest. Any such modification, suspension, or revocation shall become effective 30 days after receipt by the permittee of written notice of such action which shall specify the facts or conduct warranting same unless (1) within the 30-day period the permittee is able to satisfactorily demonstrate that (a) the alleged violation of the terms and the conditions of this permit did not, in fact, occur or (b) the alleged violation was accidental, and the permittee has been operating in compliance with the terms and conditions of the permit and is able to provide satisfactory assurances that future operations shall be in full compliance with the terms and conditions of this permit; or (2) within the aforesaid 30-day period, the permittee requests that a public hearing be held to present oral and written evidence concerning the proposed modification, suspension or revocation. The conduct of this hearing and the procedures for making a final decision either to modify, suspend or revoke this permit in whole or in part shall be pursuant to procedures prescribed by the Chief of Engineers.

l. That in issuing this permit, the Government has relied on the information and data which the permittee has provided in connection with his permit application. If, subsequent to the issuance of this permit, such information and data prove to be false, incomplete or inaccurate, this permit may be modified, suspended or revoked, in whole or in part, and/or the Government may, in addition, institute appropriate legal proceedings.

m. That any modification, suspension, or revocation of this permit shall not be the basis for any claim for damages against the United States.

n. That the permittee shall notify the District Engineer at what time the activity authorized herein will be commenced, as far in advance of the time of commencement as the District Engineer may specify, and of any suspension of work, if for a period of more than one week, resumption of work and its completion.

EXHIBIT 3 - (Continued)

o. That if the activity authorized herein is not started on or before _____ day of _____, 19 _____, (one year from the date of issuance of this permit unless otherwise specified) and is not completed on or before _____ day of _____, 19 _____, (three years from the date of issuance of this permit unless otherwise specified) this permit, if not previously revoked or specifically extended, shall automatically expire.

p. That this permit does not authorize or approve the construction of particular structures, the authorization or approval of which may require authorization by the Congress or other agencies of the Federal Government.

q. That if and when the permittee desires to abandon the activity authorized herein, unless such abandonment is part of a transfer procedure by which the permittee is transferring his interests herein to a third party pursuant to General Condition t hereof, he must restore the area to a condition satisfactory to the District Engineer.

r. That if the recording of this permit is possible under applicable State or local law, the permittee shall take such action as may be necessary to record this permit with the Register of Deeds or other appropriate official charged with the responsibility for maintaining records of title to and interests in real property.

s. That there shall be no unreasonable interference with navigation by the existence or use of the activity authorized herein.

t. That this permit may not be transferred to a third party without prior written notice to the District Engineer, either by the transferee's written agreement to comply with all terms and conditions of this permit or by the transferee subscribing to this permit in the space provided below and thereby agreeing to comply with all terms and conditions of this permit. In addition, if the permittee transfers the interests authorized herein by conveyance of realty, the deed shall reference this permit and the terms and conditions specified herein and this permit shall be recorded along with the deed with the Register of Deeds or other appropriate official.

II. Special Conditions: (Here list conditions relating specifically to the proposed structure or work authorized by this permit):

EXHIBIT 3 - (Continued)

The following Special Conditions will be applicable when appropriate:

STRUCTURES IN OR AFFECTING NAVIGABLE WATERS OF THE UNITED STATES:

a. That this permit does not authorize the interference with any existing or proposed Federal project and that the permittee shall not be entitled to compensation for damage or injury to the structures or work authorized herein which may be caused by or result from existing or future operations undertaken by the United States in the public interest.

b. That no attempt shall be made by the permittee to prevent the full and free use by the public of all navigable waters at or adjacent to the activity authorized by this permit.

c. That if the display of lights and signals on any structure or work authorized herein is not otherwise provided for by law, such lights and signals as may be prescribed by the United States Coast Guard shall be installed and maintained by and at the expense of the permittee.

d. That the permittee, upon receipt of a notice of revocation of this permit or upon its expiration before completion of the authorized structure or work, shall, without expense to the United States and in such time and manner as the Secretary of the Army or his authorized representative may direct, restore the waterway to its former conditions. If the permittee fails to comply with the direction of the Secretary of the Army or his authorized representative, the Secretary or his designee may restore the waterway to its former condition, by contract or otherwise, and recover the cost thereof from the permittee.

e. Structures for Small Boats: That permittee hereby recognizes the possibility that the structure permitted herein may be subject to damage by wave wash from passing vessels. The issuance of this permit does not relieve the permittee from taking all proper steps to insure the integrity of the structure permitted herein and the safety of boats moored thereto from damage by wave wash and the permittee shall not hold the United States liable for any such damage.

MAINTENANCE DREDGING:

a. That when the work authorized herein includes periodic maintenance dredging, it may be performed under this permit for _____ years from the date of issuance of this permit (ten years unless otherwise indicated);

b. That the permittee will advise the District Engineer in writing at least two weeks before he intends to undertake any maintenance dredging.

DISCHARGES OF DREDGED OR FILL MATERIAL INTO WATERS OF THE UNITED STATES:

a. That the discharge will be carried out in conformity with the goals and objectives of the EPA Guidelines established pursuant to Section 404(b) of the FWPCA and published in 40 CFR 230;

b. That the discharge will consist of suitable material free from toxic pollutants in other than trace quantities;

c. That the fill created by the discharge will be properly maintained to prevent erosion and other non-point sources of pollution; and

d. That the discharge will not occur in a component of the National Wild and Scenic River System or in a component of a State wild and scenic river system.

DUMPING OF DREDGED MATERIAL INTO OCEAN WATERS:

a. That the dumping will be carried out in conformity with the goals, objectives, and requirements of the EPA criteria established pursuant to Section 102 of the Marine Protection, Research and Sanctuaries Act of 1972, published in 40 CFR 220-228.

b. That the permittee shall place a copy of this permit in a conspicuous place in the vessel to be used for the transportation and/or dumping of the dredged material as authorized herein.

This permit shall become effective on the date of the District Engineer's signature.

Permittee hereby accepts and agrees to comply with the terms and conditions of this permit.

PERMITTEE

DATE

BY AUTHORITY OF THE SECRETARY OF THE ARMY:

DATE

DISTRICT ENGINEER,
U.S. ARMY, CORPS OF ENGINEERS

Transferee hereby agrees to comply with the terms and conditions of this permit.

TRANSFEREE

DATE

EXHIBIT 1

COASTAL ZONE MANAGEMENT ACT OF 1972

(PL 92-583; signed by the President October 27, 1972; Amended by PL 94-370, July 26, 1976; PL 95-372, September 18, 1978)

An Act

To establish a national policy and develop a national program for the management, beneficial use, protection, and development of the land and water resources of the Nation's coastal zones, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for a comprehensive, long-range, and coordinated national program in marine science, to establish a National Council on Marine Resources and Engineering Development, and a Commission on Marine Science, Engineering and Resources, and for other purposes", approved June 17, 1966 (80 Stat. 203), as amended (33 U.S.C. 1101-1124), is further amended by adding at the end thereof the following new title:

TITLE III — MANAGEMENT OF THE COASTAL ZONE

SHORT TITLE

SEC. 301. This title may be cited as the "Coastal Zone Management Act of 1972".

CONGRESSIONAL FINDINGS

SEC. 302. The Congress finds that —

(a) There is a national interest in the effective management, beneficial use, protection, and development of the coastal zone.

(b) The coastal zone is rich in a variety of natural, commercial, recreational, ecological, industrial, and esthetic resources of immediate and potential value to the present and future well-being of the Nation.

(c) The increasing and competing demands upon the lands and waters of our coastal zone occasioned by population growth and economic development, including requirements for industry, commerce, residential development, recreation, extraction of mineral resources and fossil fuels, transportation and navigation, waste disposal, and harvesting of fish, shellfish, and other living marine resources, have resulted in the loss of living marine resources, wildlife, nutrient-rich areas, permanent and adverse changes to ecological systems, decreasing open space for public use, and shoreline erosion.

(d) The coastal zone, and the fish, shellfish, other living marine resources, and wildlife therein, are ecologically

fragile and consequently extremely vulnerable to destruction by man's alterations.

(e) Important ecological, cultural, historic, and esthetic values in the coastal zone which are essential to the well-being of all citizens are being irretrievably damaged or lost.

(f) Special natural and scenic characteristics are being damaged by ill-planned development that threatens these values.

(g) In light of competing demands and the urgent need to protect and to give high priority to natural systems in the coastal zone, present state and local institutional arrangements for planning and regulating land and water uses in such areas are inadequate.

(h) The key to more effective protection and use of the land and water resources of the coastal zone is to encourage the states to exercise their full authority over the lands and waters in the coastal zone by assisting the states, in cooperation with Federal and local governments and other vitally affected interests, in developing land and water use programs for the coastal zone, including unified policies, criteria, standards, methods, and processes for dealing with land and water use decisions of more than local significance.

(i) The national objective of attaining a greater degree of energy self-sufficiency would be advanced by providing Federal financial assistance to meet state and local needs resulting from new or expanded energy activity in or affecting the coastal zone.

DECLARATION OF POLICY

SEC. 303. The Congress finds and declares that it is the national policy (a) to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations, (b) to encourage and assist the states to exercise effectively their responsibilities in the coastal zone through the development and implementation of management programs to achieve wise use of the land and water resources of the coastal zone giving full consideration to ecological, cultural, historic, and esthetic values as well as to needs for economic development, (c) for all Federal agencies engaged in programs affecting the coastal zone to cooperate and participate with state and local governments and regional agencies in effectuating the purposes of this title, and (d) to encourage the participation of the public, of Federal, state, and local

governments and of regional agencies in the development of coastal zone management programs. With respect to implementation of such management programs, it is the national policy to encourage cooperation among the various state and regional agencies including establishment of interstate and regional agreements, cooperative procedures, and joint action particularly regarding environmental problems.

DEFINITIONS

SEC. 304. For the purposes of this title —

(1) The term "coastal zone" means the coastal waters (including the lands therein and thereunder) and the adjacent shorelands (including the waters therein and thereunder), strongly influenced by each other and in proximity to the shorelines of the several coastal states, and includes islands, transitional and intertidal areas, salt marshes, wetlands, and beaches. The zone extends, in Great Lakes waters, to the international boundary between the United States and Canada and, in other areas, seaward to the outer limit of the United States territorial sea. The zone extends inland from the shorelines only to the extent necessary to control shorelands, the uses of which have a direct and significant impact on the coastal waters. Excluded from the coastal zone are lands the use of which is by law subject solely to the discretion of or which is held in trust by the Federal Government, its officers or agents.

(2) The term "coastal waters" means (A) in the Great Lakes area, the waters within the territorial jurisdiction of the United States consisting of the Great Lakes, their connecting waters, harbors, roadsteads, and estuary-type areas such as bays, shallows, and marshes and (B) in other areas, those waters, adjacent to the shorelines, which contain a measurable quantity or percentage of sea water, including, but not limited to, sounds, bays, lagoons, bayous, ponds, and estuaries.

(3) The term "coastal state" means a state of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes. For the purposes of this title, the term also includes Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(4) The term "coastal energy activity" means any of the following activities if, and to the extent that (A) the conduct, support, or facilitation of such activity requires and involves the siting, construction, expansion, or operation of any equipment or facility; and (B) any technical requirement exists which, in the determination of the Secretary, necessitates that the siting, construction, expansion, or operation of such equipment or facility be carried out in, or in close proximity to, the coastal zone of any coastal state:

(i) Any outer Continental Shelf energy activity.

(ii) Any transportation, conversion, treatment, transfer, or storage of liquefied natural gas.

(iii) Any transportation, transfer, or storage of oil, natural gas, or coal (including, but not limited to, by means of any deep-water port, as defined in section 3(10) of the Deepwater Port Act of 1974 (33 U.S.C. 1502(10))).

For purposes of this paragraph, the siting, construction, expansion, or operation of any equipment or facility

shall be 'in close proximity to the coastal zone of any coastal state if such siting, construction, expansion, or operation has, or is likely to have, a significant effect on such coastal zone.

(5) The term "energy facilities" means any equipment or facility which is or will be used primarily —

(A) in the exploration for, or the development, production, conversion, storage, transfer, processing, or transportation of, any energy resource; or

(B) for the manufacture, production, or assembly of equipment, machinery, products, or devices which are involved in any activity described in subparagraph (A).

The term includes, but is not limited to (i) electric generating plants; (ii) petroleum refineries and associated facilities; (iii) gasification plants; (iv) facilities used for the transportation, conversion, treatment, transfer, or storage of liquefied natural gas; (v) uranium enrichment or nuclear fuel processing facilities; (vi) oil and gas facilities, including platforms, assembly plants, storage depots, tank farms, crew and supply bases, and refining complexes; (vii) facilities including deepwater ports, for the transfer of petroleum; (viii) pipelines and transmission facilities; and (ix) terminals which are associated with any of the foregoing.

(6) The term "estuary" means that part of a river or stream or other body of water having unimpaired connection with the open sea, where the sea water is measurably diluted with fresh water derived from land drainage. The term includes estuary-type areas of the Great Lakes.

(7) The term "estuarine sanctuary" means a research area which may include any part or all of an estuary and any island, transitional area, and upland in, adjoining, or adjacent to such estuary, and which constitute to the extent feasible a natural unit, set aside to provide scientists and students the opportunity to examine over a period of time the ecological relationships within the area.

(8) The term "Fund" means the Coastal Energy Impact Fund established by section 308(h).

(9) The term "land use" means activities which are conducted in, or on the shorelands within, the coastal zone, subject to the requirements outlined in section 307(g).

(10) The term "local government" means any political subdivision of, or any special entity created by, any coastal state which (in whole or part) is located in, or has authority over, such state's coastal zone and which (A) has authority to levy taxes, or to establish and collect user fees, or (B) provides any public facility or public service which is financed in whole or part by taxes or user fees. The term includes, but is not limited to, any school district, fire district, transportation authority, and any other special purpose district or authority.

(11) The term "management program" includes, but is not limited to, a comprehensive statement in words, maps, illustrations, or other media of communication, prepared and adopted by the state in accordance with the provisions of this title, setting forth objectives, policies, and standards to guide public and private uses of lands and waters in the coastal zone.

(12) The term "outer continental shelf energy activity" means any exploration for, or any development or production of, oil or natural gas from the outer con-

tinental shelf (as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), or the siting, construction, expansion, or operation of any new or expanded energy facilities directly required by such exploration, development, or production.

(13) The term "person" means any individual; any corporation, partnership, association, or other entity organized or existing under the laws of any state; the Federal Government; any state, regional, or local government; or any entity of any such Federal, state, regional, or local government.

(14) The term "public facilities and public services" means facilities or services which are financed, in whole or in part, by any state or political subdivision thereof, including, but not limited to, highways and secondary roads, parking, mass transit, docks, navigation aids, fire and police protection, water supply, waste collection and treatment (including drainage), schools and education, and hospitals and health care. Such term may also include any other facility or service so financed which the Secretary finds will support increased population.

(15) The term "Secretary" means the Secretary of Commerce.

(16) The term "water use" means activities which are conducted in or on the water; but does not mean or include the establishment of any water quality standard or criteria or the regulation of the discharge or runoff of water pollutants except the standards, criteria, or regulations which are incorporated in any program as required by the provisions of section 307(f).

MANAGEMENT PROGRAM DEVELOPMENT GRANTS

SEC. 305. (a) The Secretary may make grants to any coastal state —

(1) under subsection (c) for the purpose of assisting such state in the development of a management program for the land and water resources of its coastal zone; and

(2) under subsection (d) for the purpose of assisting such state in the completion of the development, and the initial implementation, of its management program before such state qualifies for administrative grants under section 306.

(b) The management program for each coastal state shall include each of the following requirements:

(1) An identification of the boundaries of the coastal zone subject to the management program.

(2) A definition of what shall constitute permissible land uses and water uses within the coastal zone which have a direct and significant impact on the coastal waters.

(3) An inventory and designation of areas of particular concern within the coastal zone.

(4) An identification of the means by which the state proposes to exert control over the land uses and water uses referred to in paragraph (2), including a listing of relevant constitutional provisions, laws, regulations, and judicial decisions.

(5) Broad guidelines on priorities of uses in particular areas, including specifically those uses of lowest priority.

(6) A description of the organizational structure proposed to implement such management program, in-

cluding the responsibilities and interrelationships of local, areawide, state, regional, and interstate agencies in the management process.

(7) A definition of the term 'beach' and a planning process for the protection of, and access to, public beaches and other public coastal areas of environmental, recreational, historical, esthetic, ecological, or cultural value.

(8) A planning process for energy facilities likely to be located in, or which may significantly affect, the coastal zone, including, but not limited to, a process for anticipating and managing the impacts from such facilities.

(9) A planning process for (A) assessing the effects of shoreline erosion (however caused), and (B) studying and evaluating ways to control, or lessen the impact of, such erosion, and to restore areas adversely affected by such erosion.

No management program is required to meet the requirements in paragraphs (7), (8), and (9) before October 1, 1978.

(c) The Secretary may make a grant annually to any coastal state for the purposes described in subsection (a)(1) if such state reasonably demonstrates to the satisfaction of the Secretary that such grant will be used to develop a management program consistent with the requirements set forth in section 306. The amount of any such grant shall not exceed 80 per centum of such state's costs for such purposes in any one year. No coastal state is eligible to receive more than four grants pursuant to this subsection. After the initial grant is made to any coastal state pursuant to this subsection, no subsequent grant shall be made to such state pursuant to this subsection unless the Secretary finds that such state is satisfactorily developing its management program.

(d)(1) The Secretary may make a grant annually to any coastal state for the purposes described in subsection (a)(2) if the Secretary finds that such state meets the eligibility requirements set forth in paragraph (2). The amount of any such grant shall not exceed 80 per centum of the costs for such purposes in any one year.

(2) A coastal state is eligible to receive grants under this subsection if it has —

(A) developed a management program which —

(i) is in compliance with the rules and regulations promulgated to carry out subsection (b), but

(ii) has not yet been approved by the Secretary under section 306;

(B) specifically identified, after consultation with the Secretary, any deficiency in such program which makes it ineligible for approval by the Secretary pursuant to section 306, and has established a reasonable time schedule during which it can remedy any such deficiency;

(C) specified the purposes for which any such grant will be used;

(D) taken or is taking adequate steps to meet any requirement under section 306 or 307 which involves any Federal official or agency; and

(E) complied with any other requirement which the Secretary, by rules and regulations, prescribes as being necessary and appropriate to carry out the purposes of this subsection.

(3) No management program for which grants are made under this subsection shall be considered an approved program for purposes of section 307.

(e) Grants under this section shall be made to, and allocated among, the coastal states pursuant to rules and regulations promulgated by the Secretary; except that —

(1) no grant shall be made under this section in an amount which is more than 10 per centum of the total amount appropriated to carry out the purposes of this section, but the Secretary may waive this limitation in the case of any coastal state which is eligible for grants under subsection (d); and

(2) no grant shall be made under this section in an amount which is less than 1 per centum of the total amount appropriated to carry out the purposes of this section, but the Secretary shall waive this limitation in the case of any coastal state which requests such a waiver.

(f) The amount of any grant (or portion thereof) made under this section which is not obligated by the coastal state concerned during the fiscal year for which it was first authorized to be obligated by such state, or during the fiscal year immediately following, shall revert to the Secretary who shall add such amount to the funds available for grants under this section.

(g) With the approval of the Secretary, any coastal state may allocate to any local government, to any areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, to any regional agency, or to any interstate agency, a portion of any grant received by it under this section for the purpose of carrying out the provisions of this section.

(h) Any coastal state which has completed the development of its management program shall submit such program to the Secretary for review and approval pursuant to section 306. Whenever the Secretary approves the management program of any coastal state under section 306, such state thereafter —

(1) shall not be eligible for grants under this section; except that such state may receive grants under subsection (c) in order to comply with the requirements of paragraphs (7), (8), and (9) of subsection (b); and

(2) shall be eligible for grants under section 306.

(i) The authority to make grants under this section shall expire on September 3, 1979.

ADMINISTRATIVE GRANTS

SEC. 306. (a) The Secretary may make a grant annually to any coastal state for not more than 30 per centum of the costs of administering such state's management program if the Secretary (1) finds that such program meets the requirements of section 305(b), and (2) approves such program in accordance with subsections (c), (d), and (e).

(b) Such grants shall be allocated to the states with approved programs based on rules and regulations promulgated by the Secretary which shall take into account the extent and nature of the shoreline and area covered by the plan, population of the area, and other relevant factors. *Provided, however* That no annual administrative grant under this section shall be made in ex-

cess of 10 per centum nor less than 1 per centum of the total amount appropriated to carry out the purposes of this section.

(c) Prior to granting approval of a management program submitted by a coastal state, the Secretary shall find that:

(1) The state has developed and adopted a management program for its coastal zone in accordance with rules and regulations promulgated by the Secretary, after notice, and with the opportunity of full participation by relevant Federal agencies, state agencies, local governments, regional organizations, port authorities, and other interested parties, public and private, which is adequate to carry out the purposes of this title and is consistent with the policy declared in section 303 of this title.

(2) The state has:

(A) coordinated its program with local, areawide, and interstate plans applicable to areas within the coastal zone existing on January 1 of the year in which the state's management program is submitted to the Secretary, which plans have been developed by a local government, an areawide agency designated pursuant to regulations established under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, a regional agency, or an interstate agency; and

(B) established an effective mechanism for continuing consultation and coordination between the management agency designated pursuant to paragraph (5) of this subsection and with local governments, interstate agencies, regional agencies, and areawide agencies within the coastal zone to assure the full participation of such local governments and agencies in carrying out the purposes of this title; except that the Secretary shall not find any mechanism to be 'effective' for purposes of this subparagraph unless it includes each of the following requirements:

(i) Such management agency is required, before implementing any management program decision which would conflict with any local zoning ordinance, decision, or other action, to send a notice of such management program decision to any local government whose zoning authority is affected thereby.

(ii) Any such notice shall provide that such local government may, within the 30-day period commencing on the date of receipt of such notice, submit to the management agency written comments on such management program decision, and any recommendation for alternatives thereto, if no action is taken during such period which would conflict or interfere with such management program decision, unless such local government waives its right to comment.

(iii) Such management agency, if any such comments are submitted to it, with such 30-day period, by any local government —

(I) is required to consider any such comments,

(II) is authorized, in its discretion, to hold a public hearing on such comments, and

(III) may not take any action within such 30-day period to implement the management program decision, whether or not modified on the basis of such comments.

(3) The state has held public hearings in the development of the management program.

(4) The management program and any changes thereto have been reviewed and approved by the Governor.

(5) The Governor of the state has designated a single agency to receive and administer the grants for implementing the management program required under paragraph (1) of this subsection.

(6) The state is organized to implement the management program required under paragraph (1) of this subsection.

(7) The state has the authorities necessary to implement the program, including the authority required under subsection (d) of this section.

(8) The management program provides for adequate consideration of the national interest involved in planning for, and in the siting of, facilities (including energy facilities in, or which significantly affect, such state's coastal zone) which are necessary to meet requirements which are other than local in nature. In the case of such energy facilities, the Secretary shall find that the state has given such consideration to any applicable interstate energy plan or program.

(9) The management program makes provision for procedures whereby specific areas may be designated for the purpose of preserving or restoring them for their conservation, recreational, ecological, or esthetic values.

(d) Prior to granting approval of the management program, the Secretary shall find that the state, acting through its chosen agency or agencies, including local governments, areawide agencies designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, regional agencies, or interstate agencies, has authority for the management of the coastal zone in accordance with the management program. Such authority shall include power —

(1) to administer land and water use regulations, control development in order to ensure compliance with the management program, and to resolve conflicts among competing uses; and

(2) to acquire fee simple and less than fee simple interests in lands, waters, and other property through condemnation or other means when necessary to achieve conformance with the management program.

(e) Prior to granting approval, the Secretary shall also find that the program provides:

(1) for any one or a combination of the following general techniques for control of land and water uses within the coastal zone:

(A) State establishment of criteria and standards for local implementation, subject to administrative review and enforcement of compliance;

(B) Direct state land and water use planning and regulation; or

(C) State administrative review for consistency with the management program of all development plans, projects, or land and water use regulations, including exceptions and variances thereto, proposed by any state or local authority or private developer, with power to approve or disapprove after public notice and an opportunity for hearings.

(2) for a method of assuring that local land and water use regulations within the coastal zone do not unreasonably restrict or exclude land and water uses of regional benefit.

(f) With the approval of the Secretary, a state may allocate to a local government, an areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, a regional agency, or an interstate agency, a portion of the grant under this section for the purpose of carrying out the provisions of this section. *Provided*, That such allocation shall not relieve the state of the responsibility for ensuring that any funds so allocated are applied in furtherance of such state's approved management program.

(g) Any coastal state may amend or modify the management program which it has submitted and which has been approved by the Secretary under this section, pursuant to the required procedures described in subsection (c). Except with respect to any such amendment which is made before October 1, 1978, for the purpose of complying with the requirements of paragraphs (7), (8), and (9) of section 305(b), no grant shall be made under this section to any coastal state after the date of such an amendment or modification, until the Secretary approves such amendment or modification.

(h) At the discretion of the state and with the approval of the Secretary, a management program may be developed and adopted in segments so that immediate attention may be devoted to those areas within the coastal zone which most urgently need management programs. *Provided*, That the state adequately provides for the ultimate coordination of the various segments of the management program into a single unified program and that the unified program will be completed as soon as is reasonably practicable.

COORDINATION AND COOPERATION

SEC. 307. (a) In carrying out his functions and responsibilities under this title, the Secretary shall consult with, cooperate with, and, to the maximum extent practicable, coordinate his activities with other interested Federal agencies.

(b) The Secretary shall not approve the management program submitted by a state pursuant to section 306 unless the views of Federal agencies principally affected by such program have been adequately considered.

(c)(1) Each Federal agency conducting or supporting activities directly affecting the coastal zone shall conduct or support those activities in a manner which is, to the maximum extent practicable, consistent with approved state management programs.

(2) Any Federal agency which shall undertake any development project in the coastal zone of a state shall insure that the project is, to the maximum extent practicable, consistent with approved state management programs.

(3)(A) After final approval by the Secretary of a state's management program, any applicant for a required Federal license or permit to conduct an activity affecting land or water uses in the coastal zone of that state shall provide in the application to the licensing or permitting agency a certification that the proposed activity complies with the state's approved program and that such activity will be conducted in a manner consistent with the program. At the same time, the applicant shall furnish to the state or its designated agency a copy of the certifica-

tion, with all necessary information and data. Each coastal state shall establish procedures for public notice in the case of all such certifications and, to the extent it deems appropriate, procedures for public hearings in connection therewith. At the earliest practicable time, the state or its designated agency shall notify the Federal agency concerned that the state concurs with or objects to the applicant's certification. If the state or its designated agency fails to furnish the required notification within six months after receipt of its copy of the applicant's certification, the state's concurrence with the certification shall be conclusively presumed. No license or permit shall be granted by the Federal agency until the state or its designated agency has concurred with the applicant's certification or until, by the state's failure to act, the concurrence is conclusively presumed, unless the Secretary, on his own initiative or upon appeal by the applicant, finds, after providing a reasonable opportunity for detailed comments from the Federal agency involved and from the state, that the activity is consistent with the objectives of this title or is otherwise necessary in the interest of national security.

(B) After the management program of any coastal state has been approved by the Secretary under section 306, any person who submits to the Secretary of the Interior any plan for the exploration or development of, or production from, any area which has been leased under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) and regulations under such Act shall, with respect to any exploration, development, or production described in such plan and affecting any land use or water use in the coastal zone of such state, attach to such plan a certification that each activity which is described in detail in such plan complies with such state's approved management program and will be carried out in a manner consistent with such program. No Federal official or agency shall grant such person any license or permit for any activity described in detail in such plan until such state or its designated agency receives a copy of such certification and plan, together with any other necessary data and information, and until —

(i) such state or its designated agency, in accordance with the procedures required to be established by such state pursuant to subparagraph (A), concurs with such person's certification and notifies the Secretary and the Secretary of the Interior of such concurrence;

(ii) concurrence by such state with such certification is conclusively presumed as provided for in subparagraph (A), except if such state fails to concur with or object to such certification within three months after receipt of its copy of such certification and supporting information, such state shall provide the Secretary, the appropriate federal agency, and such person with a written statement describing the status of review and the basis for further delay in issuing a final decision, and if such statement is not so provided, concurrence by such state with such certification shall be conclusively presumed; or

{(ii) revised by PL 95-372, September 18, 1978}

(iii) the Secretary finds, pursuant to subparagraph (A), that each activity which is described in detail in such plan is consistent with the objectives of this title or is otherwise necessary in the interest of national security.

If a state concurs or is conclusively presumed to concur, or if the Secretary makes such a finding, the provisions of subparagraph (A) are not applicable with respect to such person, such state, and any Federal license or permit which is required to conduct any activity affecting land uses or water uses in the coastal zone of such state which is described in detail in the plan to which such concurrence or finding applies. If such state objects to such certification and if the Secretary fails to make a finding under clause (iii) with respect to such certification, or if such person fails substantially to comply with such plan as submitted, such person shall submit an amendment to such plan, or a new plan, to the Secretary of the Interior. With respect to any amendment or new plan submitted to the Secretary of the Interior pursuant to the preceding sentence, the applicable time period for purposes of concurrence by conclusive presumption under subparagraph (A) is 3 months.

(d) State and local governments submitting applications for Federal assistance under other Federal programs affecting the coastal zone shall indicate the views of the appropriate state or local agency as to the relationship of such activities to the approved management program for the coastal zone. Such applications shall be submitted and coordinated in accordance with the provisions of title IV of the Intergovernmental Coordination Act of 1968 (82 Stat. 1098). Federal agencies shall not approve proposed projects that are inconsistent with a coastal state's management program, except upon a finding by the Secretary that such project is consistent with the purposes of this title or necessary in the interest of national security.

(e) Nothing in this title shall be construed —

(1) to diminish either Federal or state jurisdiction, responsibility, or rights in the field of planning, development, or control of water resources, submerged lands, or navigable waters; nor to displace, supersede, limit, or modify any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more states or of two or more states and the Federal Government; nor to limit the authority of Congress to authorize and fund projects;

(2) as superseding, modifying, or repealing existing laws applicable to the various Federal agencies; nor to affect the jurisdiction, powers, or prerogatives of the International Joint Commission, United States and Canada, the Permanent Engineering Board, and the United States operating entity or entities established pursuant to the Columbia River Basin Treaty, signed at Washington, January 17, 1961, or the International Boundary and Water Commission, United States and Mexico.

(f) Notwithstanding any other provision of this title, nothing in this title shall in any way affect any requirement (1) established by the Federal Water Pollution Control Act, as amended, or the Clean Air Act, as amended, or (2) established by the Federal Government or by any state or local government pursuant to such Acts. Such requirements shall be incorporated in any program developed pursuant to this title and shall be the water pollution control and air pollution control requirements applicable to such program.

(g) When any state's coastal zone management program, submitted for approval or proposed for modification pursuant to section 306 of this title, includes requirements as to shorelands which also would be subject to any Federally supported national land use program which may be hereafter enacted, the Secretary, prior to approving such program, shall obtain the concurrence of the Secretary of the Interior, or such other Federal official as may be designated to administer the national land use program with respect to that portion of the coastal zone management program affecting such inland areas.

(h) In case of serious disagreement between any Federal agency and a coastal state —

(1) in the development or the initial implementation of a management program under section 305; or

(2) in the administration of a management program approved under section 306;

the Secretary, with the cooperation of the Executive Office of the President, shall seek to mediate the differences involved in such disagreement. The process of such mediation shall, with respect to any disagreement described in paragraph (2), include public hearings which shall be conducted in the local area concerned.

COASTAL ENERGY IMPACT PROGRAM

SEC. 308. (a) (1) The Secretary shall administer and coordinate, as part of the coastal zone management activities of the Federal Government provided for under this title, a coastal energy impact program. Such program shall consist of the provision of financial assistance to meet the needs of coastal states and local governments in such states resulting from specified activities involving energy development. Such assistance, which includes —

(A) grants, under subsection (b), to coastal states for the purposes set forth in subsection (b)(5) with respect to consequences resulting from the energy activities specified therein;

(B) grants, under subsection (c)(1), to coastal states for study of, and planning for, consequences relating to new or expanded energy facilities in, or which significantly affect, the coastal zone;

(C) grants, under subsection (c)(2), to coastal states to carry out their responsibilities under the Outer Continental Shelf Lands Act;

(D) loans, under subsection (d)(1), to coastal states and units of general purpose local government to assist such states and units to provide new or improved public facilities or public services which are required as a result of coastal energy activity;

(E) guarantees, under subsection (d)(2) and subject to the provisions of subsection (f), of bonds or other evidences of indebtedness issued by coastal states and units of general purpose local government for the purpose of providing new or improved public facilities or public services which are required as a result of coastal energy activity;

(F) grants or other assistance, under subsection (d)(3), to coastal states and units of general purpose local government to enable such states and units to meet obligations under loans or guarantees under subsection

(d) (1) or (2) which they are unable to meet as they mature, for reasons specified in subsection (d)(3); and

(G) grants, under subsection (d)(4), to coastal states which have suffered, are suffering, or will suffer any unavoidable loss of a valuable environmental or recreational resource;

shall be provided, administered, and coordinated by the Secretary in accordance with the provisions of this section and under the rules and regulations required to be promulgated pursuant to paragraph (2). Any such financial assistance shall be subject to audit under section 313.

(2) The Secretary shall promulgate, in accordance with section 317, such rules and regulations (including, but not limited to, those required under subsection (e) as may be necessary and appropriate to carry out the provisions of this section.

(b) (1) The Secretary shall make grants annually to coastal states, in accordance with the provisions of this subsection.

(2) Subject to paragraph (3), the amounts payable to coastal states under this subsection shall be, with respect to any such state for any fiscal year, the sum of the amounts calculated, with respect to such state, pursuant to subparagraphs (A), (B), and (C):

(A) An amount which bears, to one-half of the amount appropriated for the purpose of funding grants under this subsection for such fiscal year, the same ratio that the amount of outer Continental Shelf acreage which is adjacent to such state and which is newly leased by the Federal Government in the immediately preceding fiscal year bears to the total amount of outer Continental Shelf acreage which is newly leased by the Federal Government in such preceding year.

(B) An amount which bears, to one-quarter of the amount appropriated for such purpose for such fiscal year, the same ratio that the volume of oil and natural gas produced in the immediately preceding fiscal year from the outer Continental Shelf acreage which is adjacent to such state and which is leased by the Federal Government bears to the total volume of oil and natural gas produced in such year from all of the outer Continental Shelf acreage which is leased by the Federal Government.

(C) An amount which bears, to one-quarter of the amount appropriated for such purpose for such fiscal year, the same ratio that the volume of oil and natural gas produced from outer Continental Shelf acreage leased by the Federal Government which is first landed in such state in the immediately preceding fiscal year bears to the total volume of oil and natural gas produced from all outer Continental Shelf acreage leased by the Federal Government which is first landed in all of the coastal states in such year.

(3)(A)(i) After making the calculations required under paragraph (2) for any fiscal year, the Secretary shall —

(I) with respect to any coastal state which, based on such calculations, would receive an amount which is less than 2 per centum of the amount appropriated for such fiscal year, increase the amount appropriated for such fiscal year, increase the amount payable to such coastal

state to 2 per centum of such appropriated amount; and

(II) with respect to any coastal state which, in such fiscal year, would not receive a grant under paragraph (2), make a grant to such coastal state in an amount equal to 2 per centum of the total amount appropriated for making grants to all states under paragraph (2) in such fiscal year if any other coastal state in the same region will receive a grant under such paragraph in such fiscal year, except that a coastal state shall not receive a grant under this subclause unless the Secretary determines that it is being or will be impacted by outer Continental Shelf energy activity and that it will be able to expend or commit the proceeds of such grant in accordance with the purposes set forth in paragraph (5).

(ii) For purposes of this subparagraph —

(I) the states of Connecticut, Delaware, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, and Virginia, the Commonwealth of Puerto Rico, and the Virgin Islands (the Atlantic coastal states) shall constitute one 'region';

(II) the states of Alabama, Florida, Louisiana, Mississippi, and Texas (the Gulf coastal states) shall constitute one 'region';

(III) the states of California, Hawaii, Oregon, and Washington (the Pacific coastal states) shall constitute one 'region' and

(IV) the state of Alaska shall constitute one 'region'.

(B) If, after the calculations required under subparagraph (A), the total amount of funds appropriated for making grants to coastal states in any fiscal year pursuant to this subsection is less than the total amount of grants payable to all coastal states in such fiscal year, there shall be deducted from the amount payable to each coastal state which will receive more than 2 per centum of the amount of funds so appropriated an amount equal to the product of —

(i) the amount by which the total amount of grants payable to all coastal states in such fiscal year exceeds the total amount of funds appropriated for making such grants; multiplied by

(ii) a fraction, the numerator of which is the amount of grants payable to such coastal state in such fiscal year reduced by an amount equal to 2 per centum of the total amount appropriated for such fiscal year and the denominator of which is the total amount of grants payable to coastal states which, in such fiscal year, will receive more than 2 per centum of the amount of funds so appropriated, reduced by an amount equal to the product of 2 per centum of the total amount appropriated for such fiscal year multiplied by the number of such coastal states.

(C)(i) If, after the calculations required under subparagraph (B) for any fiscal year, any coastal state would receive an amount which is greater than 37½ per centum of the amount appropriated for such fiscal year, the Secretary shall reduce the amount payable to such coastal state to 37½ per centum of such appropriated amount.

(ii) Any amount not payable to a coastal state in a fiscal year due to a reduction under clause (i) shall be payable proportionately to all coastal states which

are to receive more than 2 per centum and less than 37½ per centum of the amount appropriated for such fiscal year, except that in no event shall any coastal state receive more than 37½ per centum of such appropriated amount.

(iii) For purposes of this subparagraph, the term 'payable proportionately' means payment in any fiscal year in accordance with the provisions of paragraph (2), except that in making calculations under such paragraph the Secretary shall only include those coastal states which are to receive more than 2 per centum and less than 37½ per centum of the amount appropriated for such fiscal year.

(4)(A) The Secretary shall determine annually the amounts of the grants to be provided under this subsection and shall collect and evaluate such information as may be necessary to make such determinations. Each Federal department, agency, and instrumentality shall provide to the Secretary such assistance in collecting and evaluating relevant information as the Secretary may request. The Secretary shall request the assistance of any appropriate state agency in collecting and evaluating such information.

(B) For purposes of making calculations under paragraph (2), outer Continental Shelf acreage is adjacent to a particular coastal state if such acreage lies on that state's side of the extended lateral seaward boundaries of such state. The extended lateral seaward boundaries of a coastal state shall be determined as follows:

(i) If lateral seaward boundaries have been clearly defined or fixed by an interstate compact, agreement, or judicial decision (if entered into, agreed to, or issued before the date of the enactment of this paragraph), such boundaries shall be extended on the basis of the principles of delimitation used to so define or fix them in such compact, agreement, or decision.

(ii) If no lateral seaward boundaries, or any portion thereof, have been clearly defined or fixed by an interstate compact, agreement, or judicial decision, lateral seaward boundaries shall be determined according to the applicable principles of law, including the principles of the Convention on the Territorial Sea and the Contiguous Zone, and extended on the basis of such principles.

(iii) If, after the date of enactment of this paragraph, two or more coastal states enter into or amend an interstate compact or agreement in order to clearly define or fix lateral seaward boundaries, such boundaries shall thereafter be extended on the basis of the principles of delimitation used to so define or fix them in such compact or agreement.

(C) For purposes of making calculations under this subsection, the transitional quarter beginning July 1, 1976, and ending September 30, 1976, shall be included within the fiscal year ending June 30, 1976.

(5) Each coastal state shall use the proceeds of grants received by it under this subsection for the following purposes (except that priority shall be given to the use of such proceeds for the purpose set forth in subparagraph (A)):

(A) The retirement of state and local bonds, if any, which are guaranteed under subsection (d) (2); except

that, if the amount of such grants is insufficient to retire both state and local bonds, priority shall be given to retiring local bonds.

(B) The study of, planning for, development of, and the carrying out of projects and programs in such state which are —

(i) necessary to provide new or improved public facilities and public services which are required as a result of outer Continental Shelf energy activity;

(ii) of a type approved by the Secretary as eligible for grants under this paragraph, except that the Secretary may not disapprove any project or program for highways and secondary roads, docks, navigation aids, fire and police protection, water supply, waste collection and treatment (including drainage), schools and education, and hospitals and health care.

The Secretary may, pursuant to criteria promulgated by rule, describe geographic areas in which public facilities and public services referred to in clause (i) shall be presumed to be required as a result of outer Continental Shelf energy activity for purposes of disbursing the proceeds of grants under this subsection.

(C) The prevention, reduction, or amelioration of any unavoidable loss in such state's coastal zone of any valuable environmental or recreational resource if such loss results from coastal energy activity.

(6) The Secretary, in a timely manner, shall determine that each coastal state has expended or committed, and may determine that such state will expend or commit, grants which such state has received under this subsection in accordance with the purposes set forth in paragraph (5). The United States shall be entitled to recover from any coastal state an amount equal to any portion of any such grant received by such state under this subsection which —

(A) is not expended or committed by such state before the close of the fiscal year immediately following the fiscal year in which the grant was disbursed, or

(B) is expended or committed by such state for any purpose other than a purpose set forth in paragraph (5). Before disbursing the proceeds of any grant under this subsection to any coastal state, the Secretary shall require such state to provide adequate assurances of being able to return to the United States any amounts to which the preceding sentence may apply.

(c)(1) The Secretary shall make grants to any coastal state if the Secretary finds that the coastal zone of such state is being, or is likely to be significantly affected by the siting, construction, expansion, or operation of new or expanded energy facilities. Such grants shall be used for the study of, and planning for (including, but not limited to, the application of the planning process included in a management program pursuant to section 305(b)(8)) any economic, social, or environmental consequence which has occurred, is occurring, or is likely to occur in such state's coastal zone as a result of the siting, construction, expansion, or operation of such new or expanded energy facilities. The amount of any such grant shall not exceed 30 per centum of the cost of such study and planning.

(2) The Secretary shall make grants under this paragraph to any coastal state which the Secretary

finds is likely to be affected by outer Continental Shelf energy activities. Such grants shall be used by such state to carry out its responsibilities under the Outer Continental Shelf Lands Act. The amount of any such grant shall not exceed 80 per centum of the cost of carrying out such responsibilities.

(d)(1) The Secretary shall make loans to any coastal state and to any unit of general purpose local government to assist such state or unit to provide new or improved public facilities or public services, or both, which are required as a result of coastal energy activity. Such loans shall be made solely pursuant to this title, and no such loan shall require as a condition thereof that any such state or unit pledge its full faith and credit to the repayment thereof. No loan shall be made under this paragraph after September 30, 1986.

(2) The Secretary shall, subject to the provisions of subsection (f), guarantee, or enter into commitments to guarantee, the payment of interest on, and the principal amount of, any bond or other evidence of indebtedness if it is issued by a coastal state or a unit of general purpose local government for the purpose of providing new or improved public facilities or public services, or both, which are required as a result of a coastal energy activity.

(3) If the Secretary finds that any coastal state or unit of general purpose local government is unable to meet its obligations pursuant to a loan or guarantee made under paragraph (1) or (2) because the actual increases in employment and related population resulting from coastal energy activity and the facilities associated with such activity do not provide adequate revenues to enable such state or unit to meet such obligations in accordance with the appropriate repayment schedule, the Secretary shall, after review of the information submitted by such state or unit pursuant to subsection (e)(3), take any of the following actions:

(A) Modify appropriately the terms and conditions of such loan or guarantee.

(B) Refinance such loan.

(C) Make a supplemental loan to such state or unit the proceeds of which shall be applied to the payment of principal and interest due under such loan or guarantee.

(D) Make a grant to such state or unit the proceeds of which shall be applied to the payment of principal and interest due under such loan or guarantee.

Notwithstanding the preceding sentence, if the Secretary

(i) has taken action under subparagraph (A), (B), or (C) with respect to any loan or guarantee made under paragraph (1) or (2), and

(ii) finds that additional action under subparagraph (A), (B), or (C) will not enable such state or unit to meet, within a reasonable time, its obligations under such loan or guarantee and any additional obligations related to such loan or guarantee; the Secretary shall make a grant or grants under subparagraph (D) to such state or unit in an amount sufficient to enable such state or unit to meet such outstanding obligations.

(4) The Secretary shall make grants to any coastal state to enable such state to prevent, reduce, or ameliorate any unavoidable loss in such state's coastal zone of any valuable environmental or recreational

resource, if such loss results from coastal energy activity, if the Secretary finds that such state has not received amounts under subsection (b) which are sufficient to prevent, reduce, or ameliorate such loss.

(e) Rules and regulations with respect to the following matters shall be promulgated by the Secretary as soon as practicable, but not later than 270 days after the date of the enactment of this section:

(1) A formula and procedures for apportioning equitably, among the coastal states, the amounts which are available for the provision of financial assistance under subsection (d). Such formula shall be based on, and limited to, the following factors:

(A) The number of additional individuals who are expected to become employed in new or expanded coastal energy activity, and the related new population, who reside in the respective coastal states.

(B) The standardized unit costs (as determined by the Secretary by rule), in the relevant regions of such states, for new or improved public facilities and public services which are required as a result of such expected employment and the related new population.

(2) Criteria under which the Secretary shall review each coastal state's compliance with the requirements of subsection (g)(2).

(3) Criteria and procedures for evaluating the extent to which any loan or guarantee under subsection (d)(1) or (2) which is applied for by any coastal state or unit of general purpose local government can be repaid through its ordinary methods and rates for generating tax revenues. Such procedures shall require such state or unit to submit to the Secretary such information which is specified by the Secretary to be necessary for such evaluation, including, but not limited to —

(A) a statement as to the number of additional individuals who are expected to become employed in the new or expanded coastal energy activity involved, and the related new population, who reside in such state or unit;

(B) a description, and the estimated costs of the new or improved public facilities or public services needed or likely to be needed as a result of such expected employment and related new population;

(C) a projection of such state's or unit's estimated tax receipts during such reasonable time thereafter, not to exceed 30 years, which will be available for the repayment of such loan or guarantee; and

(D) a proposed repayment schedule.

The procedures required by this paragraph shall also provide for the periodic verification, review, and modification (if necessary) by the Secretary of the information or other material required to be submitted pursuant to this paragraph.

(4) Requirements, terms, and conditions (which may include the posting of security) which shall be imposed by the Secretary, in connection with loans and guarantees made under subsections (d)(1) and (2), in order to assure repayment within the time fixed, to assure that the proceeds thereof may not be used to provide public services for an unreasonable length of time, and otherwise to protect the financial interests of the United States.

(5) Criteria under which the Secretary shall establish rates of interest on loans made under subsections (d)(1)

and (3). Such rates shall not exceed the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of such loans.

In developing rules and regulations under this subsection, the Secretary shall, to the extent practicable, request the views of, or consult with, appropriate persons regarding impacts resulting from coastal energy activity.

(f)(1) Bonds or other evidences of indebtedness guaranteed under subsection (d)(2) shall be guaranteed on such terms and conditions as the Secretary shall prescribe, except that —

(A) no guarantee shall be made unless the indebtedness involved will be completely amortized within a reasonable period, not to exceed 30 years;

(B) no guarantee shall be made unless the Secretary determines that such bonds or other evidences of indebtedness will —

(i) be issued only to investors who meet the requirements prescribed by the Secretary, or, if an offering to the public is contemplated, be underwritten upon terms and conditions approved by the Secretary;

(ii) bear interest at a rate found not to be excessive by the Secretary; and

(iii) contain, or be subject to, repayment, maturity, and other provisions which are satisfactory to the Secretary;

(C) the approval of the Secretary of the Treasury shall be required with respect to any such guarantee, unless the Secretary of the Treasury waives such approval; and

(D) no guarantee shall be made after September 30, 1986.

(2) The full faith and credit of the United States is pledged to the payment, under paragraph (5), of any default on any indebtedness guaranteed under subsection (d)(2). Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligation involved for such guarantee, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation, except for fraud or material misrepresentation on the part of the holder, or known to the holder at the time acquired.

(3) The Secretary shall prescribe and collect fees in connection with guarantees made under subsection (d)(2). These fees may not exceed the amount which the Secretary estimates to be necessary to cover the administrative costs pertaining to such guarantees.

(4) The interest paid on any obligation which is guaranteed under subsection (d)(2) and which is received by the purchaser thereof (or the purchaser's successor in interest), shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954. The Secretary may pay out of the Fund to the coastal state or the unit of general purpose local government issuing such obligations not more than such portion of the interest on such obligations as exceeds the amount of interest that would be due at a comparable rate determined for loans made under subsection (d)(1).

(5)(A) Payments required to be made as a result of any guarantee made under subsection (d)(2) shall be made by the Secretary from sums appropriated to the Fund or from moneys obtained from the Secretary of the Treasury pursuant to paragraph (6).

(B) If there is a default by a coastal state or unit of general purpose local government in any payment of principal or interest due under a bond or other evidence of indebtedness guaranteed by the Secretary under subsection (d)(2), any holder of such bond or other evidence of indebtedness may demand payment by the Secretary of the unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary, after investigating the facts presented by the holder, shall pay to the holder the amount which is due such holder, unless the Secretary finds that there was no default by such state or unit or that such default has been remedied.

(C) If the Secretary makes a payment to a holder under subparagraph (B), the Secretary shall —

(i) have all of the rights granted to the Secretary or the United States by law or by agreement with the obligor; and

(ii) be subrogated to all of the rights which were granted such holder, by law, assignment, or security agreement between such holder and the obligor.

Such rights shall include, but not be limited to, a right of reimbursement to the United States against the coastal state or unit of general purpose local government for which the payment was made for the amount of such payment plus interest at the prevailing current rate as determined by the Secretary. If such coastal state, or the coastal state in which such unit is located, is due to receive any amount under subsection (b), the Secretary shall, in lieu of paying such amount to such state, deposit such amount in the Fund until such right of reimbursement has been satisfied. The Secretary may accept, in complete or partial satisfaction of any such rights, a conveyance of property or interests therein. Any property so obtained by the Secretary may be completed, maintained, operated, held, rented, sold, or otherwise dealt with or disposed of on such terms or conditions as the Secretary prescribes or approves. If, in any case, the sum received through the sale of such property is greater than the amount paid to the holder under subparagraph (D) plus costs, the Secretary shall pay any such excess to the obligor.

(D) The Attorney General shall, upon the request of the Secretary, take such action as may be appropriate to enforce any right accruing to the Secretary or the United States as a result of the making of any guarantee under subsection (d)(2). Any sums received through any sale under subparagraph (C) or recovered pursuant to this subparagraph shall be paid into the Fund.

(6) If the moneys available to the Secretary are not sufficient to pay any amount which the Secretary is obligated to pay under paragraph (5), the Secretary shall issue to the Secretary of the Treasury notes or other obligations (only to such extent and in such amounts as may be provided for in appropriation Acts) in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury prescribes. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States on comparable maturities during the month preceding the issuance of such notes or other obligations.

Any sums received by the Secretary through such issuance shall be deposited in the Fund. The Secretary of the Treasury shall purchase any notes or other obligations issued under this paragraph, and for this purpose such Secretary may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force. The purposes for which securities may be issued under that Act are extended to include any purchase of notes or other obligations issued under this paragraph. The Secretary of the Treasury may at any time sell any of the notes or other obligations so acquired under this paragraph. All redemptions, purchases, and sales of such notes or other obligations by the Secretary of the Treasury shall be treated as public debt transactions of the United States.

(g)(1) No coastal state is eligible to receive any financial assistance under this section unless such state —

(A) has a management program which has been approved under section 306;

(B) is receiving a grant under section 305(c) or (d); or

(C) is, in the judgment of the Secretary, making satisfactory progress toward the development of a management program which is consistent with the policies set forth in section 303.

(2) Each coastal state shall, to the maximum extent practicable, provide that financial assistance provided under this section be apportioned, allocated, and granted to units of local government within such state on a basis which is proportional to the extent to which such units need such assistance.

(h) There is established in the Treasury of the United States the Coastal Energy Impact Fund. The Fund shall be available to the Secretary without fiscal year limitation as a revolving fund for the purposes of carrying out subsections (c)(1) and (d). The Fund shall consist of —

(1) any sums appropriated to the Fund;

(2) payments of principal and interest received under any loan made under subsection (d)(1);

(3) any fees received in connection with any guarantee made under subsection (d)(2); and

(4) any recoveries and receipts under security, subrogation, and other rights and authorities described in subsection (f).

All payments made by the Secretary to carry out the provisions of subsections (c)(1)(d), and (f) (including reimbursements to other Government accounts) shall be paid from the Fund, only to the extent provided for in appropriation Acts. Sums in the Fund which are not currently needed for the purposes of subsections (c)(1), (d), and (f) shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.

(i) The Secretary shall not intercede in any land use or water use decision of any coastal state with respect to the siting of any energy facility or public facility by making siting in a particular location a prerequisite to, or a condition of, financial assistance under this section.

(j) The Secretary may evaluate, and report to the Congress, on the efforts of the coastal states and units of local government therein to reduce or ameliorate adverse consequences resulting from coastal energy activity and on the extent to which such efforts involve adequate consideration of alternative sites.

(k) To the extent that Federal funds are available under, or pursuant to, any other law with respect to —

(1) study and planning for which financial assistance may be provided under subsection (b)(4)(B) and (c)(1), or

(2) public facilities and public services for which financial assistance may be provided under subsection (b)(4)(B) and (d), the Secretary shall, to the extent practicable, administer such subsections —

(A) on the basis that the financial assistance shall be in addition to, and not in lieu of, any Federal funds which any coastal state or unit of general purpose local government may obtain under any other law; and

(B) to avoid duplication.

(1) As used in this section —

(1) The term 'retirement,' when used with respect to bonds, means the redemption in full and the withdrawal from circulation of those which cannot be repaid by the issuing jurisdiction in accordance with the appropriate repayment schedule.

(2) The term 'unavoidable,' when used with respect to a loss of any valuable environmental or recreational resource, means a loss, in whole or in part —

(A) the costs of prevention, reduction, or amelioration of which cannot be directly or indirectly attributed to, or assessed against, any identifiable person; and

(B) cannot be paid for with funds which are available under, or pursuant to, any provision of Federal law other than this section.

(3) The term 'unit of general purpose local government' means any political subdivision of any coastal state or any special entity created by such a state or subdivision which (in whole or part) is located in, or has authority over, such state's coastal zone, and which (A) has authority to levy taxes or establish and collect user fees, and (B) provides any public facility or public service which is financed in whole or part by taxes or user fees.

[SEC. 308 revised by PL 95-372, September 18, 1978]

INTERSTATE GRANTS

SEC. 309. (a) The coastal states are encouraged to give high priority —

(1) to coordinating state coastal zone planning, policies, and programs with respect to contiguous areas of such states; and

(2) to studying, planning, and implementing unified coastal zone policies with respect to such areas.

Such coordination, study, planning, and implementation may be conducted pursuant to interstate agreements or compacts. The Secretary may make grants annually, in amounts not to exceed 90 per centum of the cost of such coordination, study, planning, or implementation, if the Secretary finds that the proceeds of such grants will be used for purposes consistent with sections 305 and 306.

(b) The consent of the Congress is hereby given to two or more coastal states to negotiate, and to enter into, agreements or compacts, which do not conflict with any law or treaty of the United States, for —

(1) developing and administering coordinated coastal zone planning, policies, and programs pursuant to sections 305 and 306; and

(2) establishing executive instrumentalities or agencies which such states deem desirable for the effective implementation of such agreements or compacts.

Such agreements or compacts shall be binding and obligatory upon any state or party thereto without further approval by the Congress.

(c) Each executive instrumentality or agency which is established by an interstate agreement or compact pursuant to this section is encouraged to adopt a Federal-State consultation procedure for the identification, examination, and cooperative resolution of mutual problems with respect to the marine and coastal areas which affect, directly or indirectly, the applicable coastal zone. The Secretary, the Secretary of the Interior, the Chairman of the Council on Environmental Quality, the Administrator of the Environmental Protection Agency, the Secretary of the department in which the Coast Guard is operating, and the Administrator of the Federal Energy Administration, or their designated representatives, shall participate ex-officio on behalf of the Federal Government whenever any such Federal-State consultation is requested by such an instrumentality or agency.

(d) If no applicable interstate agreement or compact exists, the Secretary may coordinate coastal zone activities described in subsection (a) and may make grants to assist any group of two or more coastal states to create any maintain a temporary planning and coordinating entity to —

(1) coordinate state coastal zone planning, policies, and programs with respect to contiguous areas of the states involved;

(2) study, plan, and implement unified coastal zone policies with respect to such areas; and

(3) establish an effective mechanism, and adopt a Federal-State consultation procedure, for the identification, examination, and cooperative resolution of mutual problems with respect to the marine and coastal areas which affect, directly or indirectly, the applicable coastal zone.

The amount of such grants shall not exceed 90 per centum of the cost of creating and maintaining such an entity. The Federal officials specified in subsection (c), or their designated representatives, shall participate on behalf of the Federal Government, upon the request of any such temporary planning and coordinating entity.

RESEARCH AND TECHNICAL ASSISTANCE FOR COASTAL ZONE MANAGEMENT

SEC. 310. (a) The Secretary may conduct a program of research, study, and training to support the development and implementation of management programs. Each department, agency, and instrumentality of the executive branch of the Federal Government may assist the Secretary, on a reimbursable basis or otherwise, in carrying out the purposes of this section, including, but not limited to, the furnishing of information to the extent permitted by law, the transfer of personnel with their consent and without prejudice to their position and rating, and the performance of any research, study, and training which does not interfere with the performance of the primary duties of such department, agency, or in-

COASTAL ZONE

strumentality. The Secretary may enter into contracts or other arrangements with any qualified person for the purposes of carrying out this subsection.

(b) The Secretary may make grants to coastal states to assist such states in carrying out research, studies, and training required with respect to coastal zone management. The amount of any grant made under this subsection shall not exceed 80 per centum of the cost of such research, studies, and training.

(c)(1) The Secretary shall provide for the coordination of research, studies, and training activities under this section with any other such activities that are conducted by, or subject to the authority of, the Secretary.

(2) The Secretary shall make the results of research conducted pursuant to this section available to any interested person.

PUBLIC HEARINGS

SEC. 311. All public hearings required under this title must be announced at least thirty days prior to the hearing date. At the time of the announcement, all agency materials pertinent to the hearings, including documents, studies, and other data, must be made available to the public for review and study. As similar materials are subsequently developed, they shall be made available to the public as they become available to the agency.

REVIEW OF PERFORMANCE

SEC. 312. (a) The Secretary shall conduct a continuing review of —

(1) the management programs of the coastal states and the performance of such states with respect to coastal zone management; and

(2) the coastal energy impact program provided for under section 308.

(b) The Secretary shall have the authority to terminate any financial assistance extended under section 306 and to withdraw any unexpended portion of such assistance if (1) he determines that the state is failing to adhere to and is not justified in deviating from the program approved by the Secretary; and (2) the state has been given notice of the proposed termination and withdrawal and given an opportunity to present evidence of adherence or justification for altering its program.

RECORDS AND AUDIT

SEC. 313. (a) Each recipient of a grant under this title or of financial assistance under Sec. 308 shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition of the funds received under the grant and of the proceeds of such assistance, the total cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall —

(1) after any grant is made under this title or any financial assistance is provided under section 308(d); and

(2) until the expiration of 3 years after —

(A) completion of the project, program, or other undertaking for which such grant was made or used, or

(B) repayment of the loan or guaranteed indebtedness for which such financial assistance was provided.

have access for purposes of audit and examination to any record, book, document, and paper which belongs to or is used or controlled by, any recipient of the grant funds or any person who entered into any transaction relating to such financial assistance and which is pertinent for purposes of determining if the grant funds or the proceeds of such financial assistance are being, or were, used in accordance with the provisions of this title.

ADVISORY COMMITTEE

SEC. 314. (a) The Secretary is authorized and directed to establish a Coastal Zone Management Advisory Committee to advise, consult with, and make recommendations to the Secretary on matters of policy concerning the coastal zone. Such committee shall be composed of not more than fifteen persons designated by the Secretary and shall perform such functions and operate in such a manner as the Secretary may direct. The Secretary shall insure that the committee membership as a group possesses a broad range of experience and knowledge relating to problems involving management, use, conservation, protection, and development of coastal zone resources.

(b) Members of the committee who are not regular full-time employees of the United States, while serving on the business of the committee, including travel time, may receive compensation at rates not exceeding \$100 per diem; and while so serving away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently.

ESTUARINE SANCTUARIES AND BEACH ACCESS

SEC. 315. The Secretary may, in accordance with this section and in accordance with such rules and regulations as the Secretary shall promulgate, make grants to any coastal state for the purpose of —

(1) acquiring, developing, or operating estuarine sanctuaries, to serve as natural field laboratories in which to study and gather data on the natural and human processes occurring within the estuaries of the coastal zone; and

(2) acquiring lands to provide for access to public beaches and other public coastal areas of environmental, recreational, historical, esthetic, ecological, or cultural value, and for the preservation of islands.

The amount of any such grant shall not exceed 50 per centum of the cost of the project involved; except that, in the case of acquisition of any estuarine sanctuary, the Federal share of the cost thereof shall not exceed \$2,000,000.

ANNUAL REPORT

SEC. 316. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress not later than November 1 of each year a report on the administration of this title for the preceding fiscal year.

The report shall include but not be restricted to (1) an identification of the state programs approved pursuant to this title during the preceding Federal fiscal year and a description of those programs; (2) a listing of the states participating in the provisions of this title and a description of the status of each state's programs and its accomplishments during the preceding Federal fiscal year; (3) an itemization of the allocation of funds to the various coastal states and a breakdown of the major projects and areas on which these funds were expended; (4) an identification of any state programs which have been reviewed and disapproved or with respect to which grants have been terminated under this title, and a statement of the reasons for such action; (5) a listing of all activities and projects which, pursuant to the provisions of subsection (c) or subsection (d) of section 307, are not consistent with an applicable approved state management program; (6) a summary of the regulations issued by the Secretary or in effect during the preceding Federal fiscal year; (7) a summary of a coordinated national strategy and program for the Nation's coastal zone including identification and discussion of Federal, regional, state, and local responsibilities and functions therein; (8) a summary of outstanding problems arising in the administration of this title in order of priority; (9) a description of the economic, environmental, and social consequences of energy activity affecting the coastal zone and an evaluation of the effectiveness of financial assistance under section 308 in dealing with such consequences; (10) a description and evaluation of applicable interstate and regional planning and coordination mechanisms developed by the coastal states; (11) a summary and evaluation of the research, studies, and training conducted in support of coastal zone management; and (12) such other information as may be appropriate.

(b) The report required by subsection (a) shall contain such recommendations for additional legislation as the Secretary deems necessary to achieve the objectives of this title and enhance its effective operation.

RULES AND REGULATIONS

SEC 317. The Secretary shall develop and promulgate, pursuant to section 553 of title 5, United States Code, after notice and opportunity for full participation by relevant Federal agencies, state agencies, local governments, regional organizations, port authorities, and other interested parties, both public and private, such rules and regulations as may be necessary to carry out the provisions of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 318. (a) There are authorized to be appropriated to the Secretary —

(1) such sums, not to exceed \$20,000,000 for each of the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979, respectively, as may be necessary for grants under section 305, to remain available until expended;

(2) such sums, not to exceed \$50,000,000 for each of the fiscal years ending September 30, 1977, September 30, 1978, September 30, 1979, and September 30, 1980, respectively, as may be necessary for grants under section 306, to remain available until expended;

(3) such sums, not to exceed \$50,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, and not to exceed \$130,000,000 per fiscal year for each of the fiscal years occurring during the period beginning on October 1, 1978, and ending September 30, 1988, as may be necessary for grants under section 308(b);

(4) such sums, not to exceed \$5,000,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, September 30, 1981, September 30, 1982, and September 30, 1983, as may be necessary for grants under section 308(c)(2), to remain available until expended;

(5) such sums, not to exceed \$5,000,000 for each of the fiscal years ending September 30, 1977, September 30, 1978, September 30, 1979, and September 30, 1980, respectively, as may be necessary for grants under section 309, to remain available until expended;

(6) such sums, not to exceed \$10,000,000 for each of the fiscal years ending September 30, 1977, September 30, 1978, September 30, 1979, and September 30, 1980, respectively, as may be necessary for financial assistance under section 310, of which 50 per centum shall be for financial assistance under section 310(a) and 50 per centum shall be for financial assistance under section 310(b), to remain available until expended;

(7) such sums, not to exceed \$6,000,000 for each of the fiscal years ending September 30, 1977, September 30, 1978, September 30, 1979, and September 30, 1980, respectively, as may be necessary for grants under section 315(1), to remain available until expended;

(8) such sums, not to exceed \$25,000,000 for each of the fiscal years ending September 30, 1977, September 30, 1978, September 30, 1979, and September 30, 1980, respectively, as may be necessary for grants under section 315(2), to remain available until expended; and

(9) such sums, not to exceed \$5,000,000 for each of the fiscal years ending September 30, 1977, September 30, 1978, September 30, 1979, and September 30, 1980, respectively, as may be necessary for administrative expenses incident to the administration of this title.

(b) There are authorized to be appropriated until October 1, 1986, to the Fund, such sums, not to exceed \$800,000,000, for the purposes of carrying out the provisions of section 308, other than subsections (b) and (c)(2), of which not to exceed \$50,000,000 shall be for purposes of subsections (c)(1) and (d)(4) of such section.

(c) Federal funds received from other sources shall not be used to pay a coastal state's share of costs under section 305, 306, 309, or 310.

Editor's note: In addition to amending existing sections of the Coastal Zone Management Act of 1972 and adding new sections to the Act, PL 94-370 includes the following sections:

SEC. 15. ADMINISTRATION.

(a) There shall be in the National Oceanic and Atmospheric Administration an Associate Administrator for Coastal Zone Management, who shall be appointed by the President, by and with the advice and consent of the Senate. Such Associate Administrator shall be an individual who is, by reason of background and experience,

especially qualified to direct the implementation and administration of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.). Such Associate Administrator shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule Pay Rates (5 U.S.C. 5316).

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

(140) Associate Administrator for Coastal Zone Management, National Oceanic and Atmospheric Administration.

(c) The Secretary may, to carry out the provisions of the amendments made by this Act, establish, and fix the compensation for, four new positions without regard to the provision of chapter 51 of title 5, United States Code, at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title. Any such appointment may, at the discretion of the Secretary, be made without regard to the provisions of such title 5 governing appointments in the competitive service.

SEC. 16. SHELLFISH SANITATION REGULATIONS.

(a) The Secretary of Commerce shall —

(1) undertake a comprehensive review of all aspects of the molluscan shellfish industry, including, but not limited to, the harvesting, processing, and transportation of such shellfish; and

(2) evaluate the impact of Federal law concerning water quality on the molluscan shellfish industry.

The Secretary of Commerce shall, not later than April 30, 1977, submit a report to the Congress of the findings, comments, and recommendations (if any) which result from such review and evaluation.

(b) The Secretary of Health, Education, and Welfare shall not promulgate final regulations concerning the national shellfish safety program before June 30, 1977. At least 60 days prior to the promulgation of any such regulations, the Secretary of Health, Education, and Welfare, in consultation with the Secretary of Commerce, shall publish an analysis (1) of the economic impact of such regulations on the domestic shellfish industry, and (2) the cost of such national shellfish safety program relative to the benefits that it is expected to achieve.

CONTENTS OF APPENDIX F

- F.1 Significant Issues in Alaskan OCS Development
- F.2 Lease Stipulations
- F.3 Description of Autonomous State Permits That May Be Required During OCS Exploration in Alaska
- F.4 Discussion of the Three Alaska OCS Lease Sales

APPENDIX F

ALASKA

F.1 SIGNIFICANT ISSUES IN ALASKAN OCS DEVELOPMENT

The two maps which follow provide the reader with a guide to sales areas and communities discussed in the following sections. Exhibit F-1 identifies past and future sales areas in Alaska and Exhibit F-2 identifies some of the key communities along Alaska's coast.

The following sections discuss each of the eight major issues in Alaska's OCS activities and identify the nature of lease sale opposition associated with each issue.

F.1.1 Subsistence Resources

The conflict between OCS development and subsistence resources is a key issue along nearly all of Alaska's affected coastline. Over sixty percent of Alaska's eighty thousand native population and some of the non-native population continue to rely in part on subsistence hunting and fishing.¹ Nearly all native villages are partially dependent on offshore subsistence resources in the form of salmon, whales, or other wildlife. These groups view OCS oil and gas activity as a potential threat to their traditional food sources.

The potential threat to subsistence resources is viewed in two ways: 1) direct destruction of wildlife and habitat through oil development activities and oil spills; and 2) a dramatic increase in competition for a region's fish and game if a relatively large number of personnel at oil and support bases engage in hunting and fishing activities. Various Alaskan native villages have taken action to protect themselves from these impacts.

The most often mentioned threat to subsistence activities is the destruction of the food base as a result of oil development activities, and especially oil spills. This concern involves not only destruction of the resource used, such as the whale, but also its habitat and supporting organisms. Two recent actions illustrate attempts by villages

¹Source: Don Mitchell, Alaska Federation of Natives, Specialist on subsistence issues.

LEGEND

1. Eastern Gulf (Sale 55, Oct 1980)
2. Northern Gulf (Sale 39, April 1976)
3. Kodiak (Sale 61, April 1983)
4. Shelikof Straits (Sale 60, Sept. 1981)
5. Lower Cook Inlet (Sale CI, Oct. 1977)
6. Northern Aleutian Shelf (Sale 75, Oct. 1983)
7. St. George Basin (Sale 70, Dec 1982)
8. Navarin Basin (Sale 83, Dec 1984)
9. Norton Basin (Sale 57, Sept. 1982)
10. Hope Basin (Sale 86, May 1985)
11. Chukchi Sea (Sale 85, Feb 1985)
12. Beaufort (Sale 71, Feb 1983)
13. Beaufort Sea (Sale BF, Dec 1979)

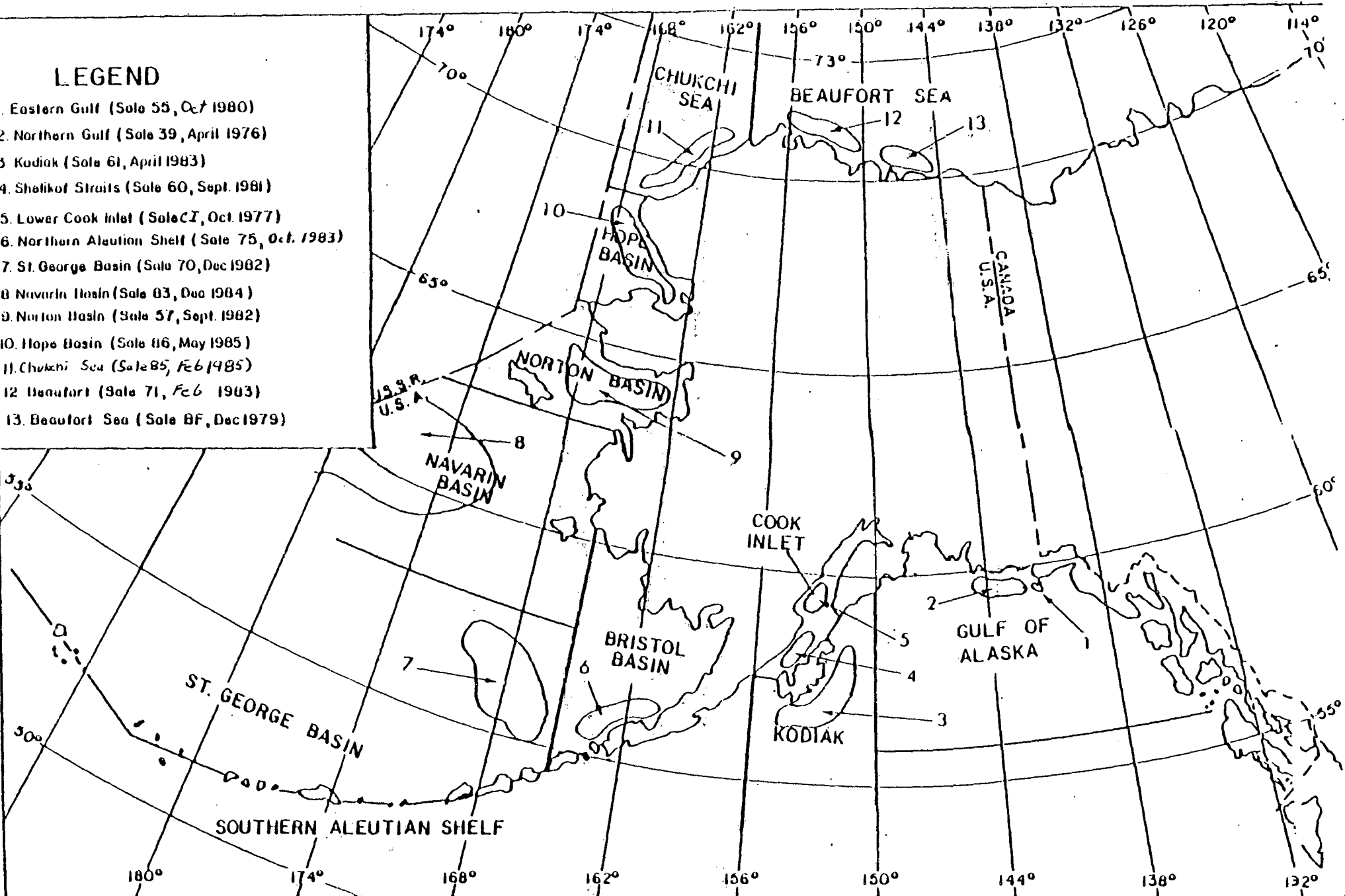
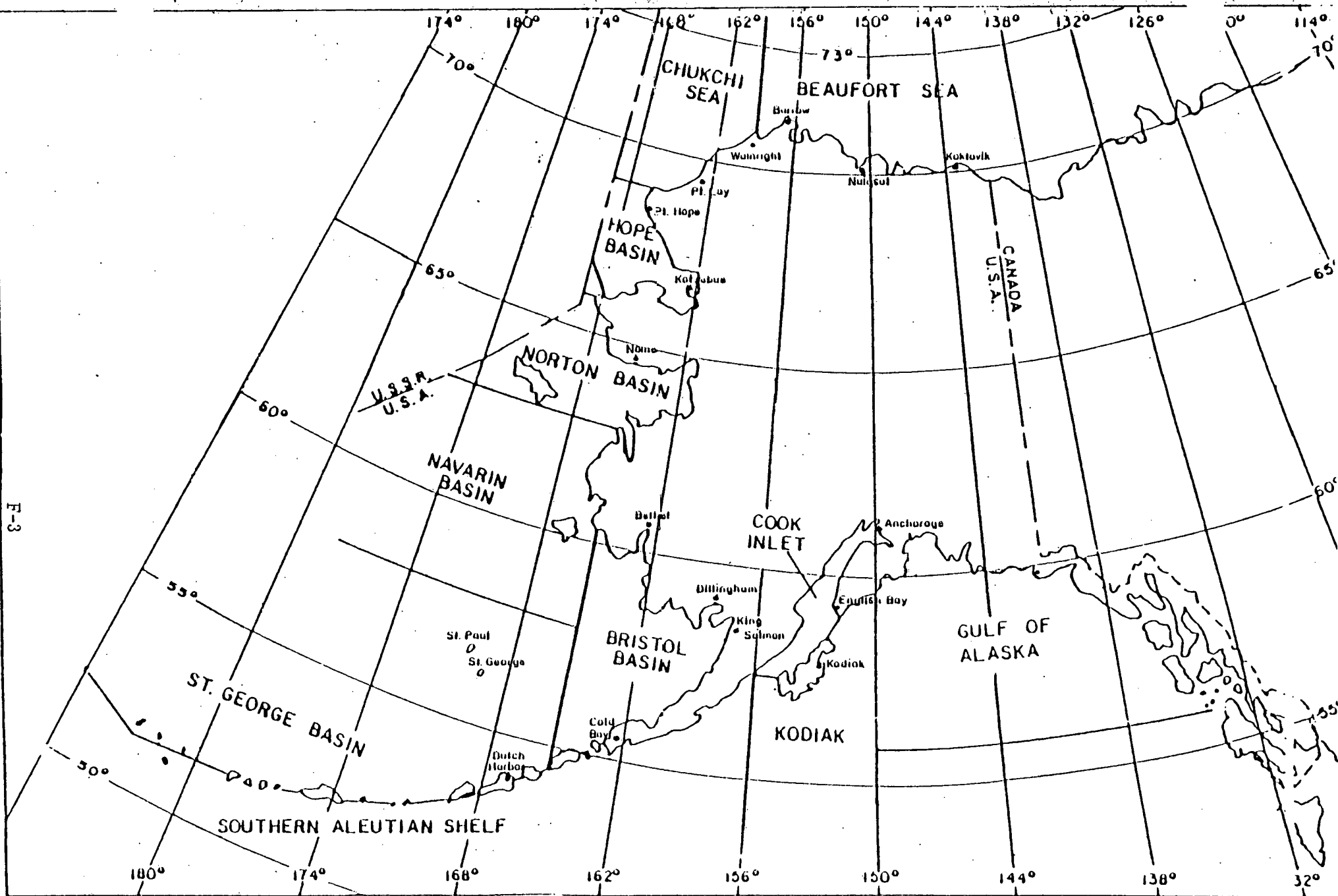


EXHIBIT F-1: GENERALIZED LOCATION OF ALASKAN OCS LEASE SALES
SCHEDULED THROUGH 1985



F-3

EXHIBIT F-2: GENERALIZED LOCATION OF KEY COASTAL COMMUNITIES

and a borough to deal with this threat. These involve the English Bay village on the lower Cook Inlet and a group of villages and the borough on the North Slope ("boroughs" in Alaska are similar to counties in other states).

English Bay, which relies heavily on subsistence activities and maintains a strong cultural identity, strongly opposed the lower Cook Inlet lease sale. Believing the oil development on tracts near their village could destroy their traditional lifestyle and the subsistence resources, the village joined with fishermen and environmentalists in a suit to stop the sale. The village contended that oil development activities related to the discharge of drilling muds and cuttings, and possible oil spills could destroy the subsistence resources which provide fifty percent of the village food supply. The suit, however, failed to stop the lease sale and was settled out of court.

Several villages on the North Slope, including Kaktovik, Nuiqsut, Point Lay, Wainwright, Barrow, Point Hope and Anaktuvuk, together with the North Slope Borough, sued the Federal government to halt the Beaufort Sea lease sale. The villages and borough feared that oil development activities in the Arctic Ocean would damage subsistence wildlife habitat and that blowouts or spills would kill or endanger whales, seals, waterfowl, and other marine life vital to their food supply. The bowhead whale, which is an endangered species, was one of the animals mentioned in the suit.

The threat of increased competition for subsistence foods, due to the sudden influx of workers involved with remote area resource development, has also been a common concern in Alaska. In the early 1970's, workers at the Cathedral River oil well, on the Alaskan Peninsula near the Aleutian Shelf sale area, caused problems by over-hunting the caribou and over-fishing certain streams. For this reason local villages in that area which rely on subsistence hunting and fishing have since been more reluctant to accept oil development.

More recently, villages relying on subsistence activities in southwestern and western Alaska have expressed concern about hunting by oil development personnel in their traditional game areas. In response to this problem the Association of Village Council Presidents for the Yukon and Kuskokwim Delta areas have requested a delay in the Navarin Basin and Norton Sound Basin OCS lease sales. They plan to use the additional time to complete local coastal management plans which would protect wildlife areas

that support subsistence economies. They also hope to obtain lease stipulations preventing oil personnel from hunting and fishing while in the area.

Efforts, such as those mentioned above, to protect subsistence resources will continue as new lease areas are announced. The use of lease stipulations and possibly local hunting/fishing permitting processes are two potential mechanisms designed to protect subsistence resources.

F.1.2 Fisheries Resources

The protection of Alaskan fisheries is a critical OCS issue. Alaska's outer continental shelf area contains some of the most productive fisheries in the world. Commercial fishing in these areas supports a significant portion of Alaska's nonpetroleum-related economy and is the mainstay of numerous local coastal economies.

Three large and extremely productive fisheries are found off Alaska's coasts: 1) the Bering Sea (noted for king crab, bottomfish, salmon); 2) the waters around Kodiak (noted for king and tanner crab, salmon and bottomfish); and 3) Bristol Bay (noted for red salmon). The waters around Kodiak and the Bering Sea each rank in the top three or four fishery areas in the United States. Several other areas, such as Southeast Alaska, the lower Cook Inlet and parts of the Gulf of Alaska are also sites of important fishing activity.

Many of the planned OCS sale areas are located within these high-value fishery areas. The sales planned for the St. George Basin, Aleutian Shelf, and Navarin Basin encompass parts of the large Bering Sea and Bristol Bay fisheries. The sales areas planned for Kodiak overlap an important segment of the Kodiak fishery. The main issue focuses on whether it is prudent to have sales in these uniquely rich fishery areas, and if sales are allowed whether adequate protection of the fish resources can be provided.

The perceived principal threat to fishery resources arising from OCS development is the fear of oil spills destroying the fish and their habitat. The oil spill problem is especially acute if it affects shoreline waters of less than sixty meters in depth. These waters provide habitat for crab, halibut, salmon, and other species during their most vulnerable stages of development. Oil spills in open water near fish resources can damage a

particular harvest immediately and possibly cause consumers to avoid purchase of spill-area fish in the future. Environmental Impact Statements for Alaskan areas predict that oil spills are probable if oil and gas development takes place.

Efforts have been made to protect key fishery areas by attempting to cancel or delay OCS sales, delete key tracts from the sales, or provide protection to fishing operations. The State of Alaska, under the leadership of Governor Hammond, has consistently taken a strong stand against any sales in the Bristol Bay fisheries area, such as the planned 1983 Northern Aleutian Shelf sale. The Kodiak area sale originally planned for December of 1980 was delayed until 1983, partially due to the vehement opposition of the fishing industry. In addition, various fishing industry lobbies have argued for the deletion of certain tracts from previous sales in the northern Gulf of Alaska and lower Cook Inlet.

The State and the fishing lobbies have also argued for the establishment of procedures and rules to prevent damage of fishing gear and interference with fishing operations. These procedures and rules include establishing oil industry transportation corridors, restrictions of oil activities to certain seasons (Beaufort Sea exploratory activity in winter only), and special operating orders for drilling operations.

The U.S. Congress, in passing the Outer Continental Shelf Lands Act Amendment in September of 1978, took steps to compensate for the loss or damage of fishing gear. Title IV of the Act creates the Fishermen's Contingency Fund to provide payments for loss of gear due to OCS activity.

F.1.3 Alaskan Coastal Communities

A major issue in Alaska is whether coastal communities can protect the interests of local residents during OCS development. This concern is relevant due to the small size of the communities and the types of local economies. The community sizes range from one hundred to five thousand people. Local economies vary; some are largely dependent on subsistence hunting and fishing or reindeer herding; others are more developed and rely on commercial fishing but have little industrial activity other than canneries. Most of these communities are unincorporated villages, some of which have no local governmental organization through which their interests may be protected.

Most communities are concerned about minimizing the change in the lifestyle of residents resulting from OCS development. The impact that oil development could have on the character of their towns, and the potential for rapid changes in their lifestyles are ever-present issues. These concerns are very important if full-scale oil exploration and development activities take place with attending population increases. Unlike oil development off the coastal areas of the lower 48 states, the addition of even one hundred workers to an Alaskan community could cause substantial impact.

The ability to provide support services and facilities such as storage space, housing, community services, land and fresh water for increased population is a problem for even the developed coastal towns. Existing housing facilities are in short supply in areas such as Yakutat, Cordova, Kodiak, and to some extent, Seward. Developable land for additional onshore support facilities is scarce in Cordova and Seward. All of these areas have limited water supplies. As part of the village of Yakutat's agreement to allow the establishment of a support base for the oil industry, industry-drilled water wells supplemented the town's water supply. Community services such as health care, firefighting, and education facilities are frequently incapable of expanding quickly enough to meet the needs of a rapid growth situation resulting from OCS drilling activity.

Communities also fear loss of self-determination. The town of Yakutat recently fought the battle to maintain resident control of their development as oil companies were gearing up for the northern Gulf of Alaska exploration program. A coalition of oil companies bought property in the main town area for support facilities. The community, opposing location of the support base within the town, worked with the State and the local native corporation to deny the tidelands permit for the industrial properties dock. Ultimately, the oil industry was permitted to lease lands for their activities in a location separated from the community. As part of the agreement for the use of these lands, the oil companies agreed to limit the number of workers living in the area, to use transportation facilities separated from the community and to implement other community protection stipulations.

Though most Alaskans, regardless of background, are concerned about the effects of OCS development on lifestyles, the Alaskan native is especially susceptible and alarmed. The Alaskan native coastal communities are adjusting to numerous changes which have affected their cultures over the past twenty years and most are attempting

to preserve aspects of a traditional lifestyle. A large influx of workers can threaten these lifestyles. As OCS development continues, the affected villages will require an understanding of potential impacts in order to make decisions that will minimize the effect on native lifestyles.

F.1.4 Federal, State and Local Disputes

Several disputes among the Federal, State, and local governments have delayed OCS activities. The main issues are the jurisdiction of each entity and conflicting perspectives of public welfare. As a result, the Federal government has been sued by the State or a local government on every lease sale held in Alaska.

The State government has disagreed with many aspects of the Federal OCS program. Alaska has taken strong stands to reduce the speed of OCS development and to affect the location of sales. From the State's perspective, coastal communities need time to prepare for OCS impacts, and certain areas should be off-limits to development due to the presence of important fisheries or environmental resources. As a result, the State has advocated delays in OCS drilling activities and deletions of lease areas from the Federal schedule.

The State sued the Federal government to stop the northern Gulf of Alaska lease sale, arguing that severe weather conditions and rough waters made oil development environmentally hazardous and spills nearly impossible to contain. The State also contended that local communities have not had time to sufficiently plan for OCS activities. The State has consistently argued against sales in the Bristol Bay area to protect fisheries and has argued for a more gradual leasing schedule to provide more time for preparation to minimize impacts.

From a jurisdictional standpoint, the State and Federal governments have been in court over two of the three past sale areas in Alaska simply trying to determine legal ownership of the submerged lands. The court ruled in favor of Federal government in the lower Cook Inlet, and the litigation continues over certain submerged lands in the Beaufort Sea.

The North Slope Borough government fought the Beaufort Sea sale that was supported by both the State and Federal governments. Conflicts with local governing bodies can be expected to continue in the future.

F.1.5 Transportation and Supply Base Infrastructure

Adequate transportation systems to support offshore oil development do not exist for many of the planned sales areas. Most of the coastal communities are not served by roads and are only accessible by air and water. Boat and air service to many areas is minimal. For example, Reeve Aleutian Airways is the only commercial air service in the Aleutian region near the St. George Basin and North Aleutian Shelf sales areas and offers service to many points only once or twice a week, if at all. Two boats, the North Star and the Aleut Provider, are primarily responsible for supplying the Aleutian and Pribilof Islands. If a boat is late on its bimonthly or quarterly run, an island such as St. George goes without supplies. The distances between developed urban areas and coastal communities limit the option of relying on urban areas to provide support for OCS activities. Dutch Harbor is over six hundred air miles from Anchorage and rough weather regularly delays flights. In remote sale areas, new transportation services would be required to support oil activities.

Most of Alaska's coastal areas are undeveloped and infrastructure support facilities such as developed harbors, housing and storage facilities, will have to be provided. In several areas, a lack of even potential port and supply base sites could cause delay of exploration or development activities. The Aleutian region, having no readily available site for a transportation support base, provides an excellent example of this dilemma. Possible port sites to service oil and gas development of the North Aleutian Shelf and St. George Basin are limited to Chernofski Bay and Dutch Harbor on Unalaska Island, Cold Bay on the Alaskan Peninsula, and St. Paul Island in the Pribilofs. The Chernofski Bay area is completely undeveloped, with no harbor, dock facilities, airstrip or village. Dutch Harbor has little available space and no public dock, and major oil development would displace activities at one of the most productive fish ports in the world. Cold Bay has space, airfield and harbor potential, but docks and buildings would be needed. This small community, which is surrounded by a national wildlife refuge with prime nesting areas, would be greatly affected by the introduction of large transportation facilities. St. Paul Island has an airfield and a community, but no natural harbor.

F.1.6 Alaskan Technical Issues

The traditional operating problems (stormy seas, earthquakes, tsunamis, volcanic eruptions, etc.) present in other United States OCS areas are also present in Alaska and, in some cases, are more frequent or extreme. Unique problems related to the cold also affect OCS activity. Sea ice presents severe exploration and development problems in the Beaufort and Chukchi Seas, where it is present on a year-round basis. Floating sea ice problems during winter months affect activities in the Norton Sound and Bering Sea areas. Exhibit F-3 shows locations of multi-year and single year ice in the Alaskan outer continental shelf and indicates the total area affected by sea ice problems.

One of the most difficult technical issues involves the sea ice in the Beaufort and Chukchi Seas. Three types of problems exist: pack ice movement, shear ice forces, and ice override forces. Pack ice is a permanent mass of ice that rotates on a year-round basis in water that is sixty or more feet deep. No existing drilling rig can stand up to the pressures of these ice masses. Shear ice is the force of moving pack ice rubbing against stationary shore-fast ice at about the thirty foot water depth. This shearing force is extreme and will require new advances in technology to prevent damage to drilling facilities. Ice override forces are present in the grounding of pack ice in shallow water with subsequent override of successive sheets of ice near shore. These forces could damage rigs which are in shallow water near the shore. A controversy continues concerning whether adequate technology can be developed to mitigate these problems.

A problem related to sea ice is the difficulty of cleaning up an oil spill which takes place under the ice or in the shore-fast ice zone during break-up. Studies are being conducted concerning the technology available to control the spread of spills and to clean up areas affected by spills.

In the Cook Inlet and Bering Sea areas, fast-moving ice flows carried by strong tides or ocean currents pose a technological problem. The technology which was successfully applied in the Cook Inlet areas is believed to be adequate to deal with Bering Sea problems.

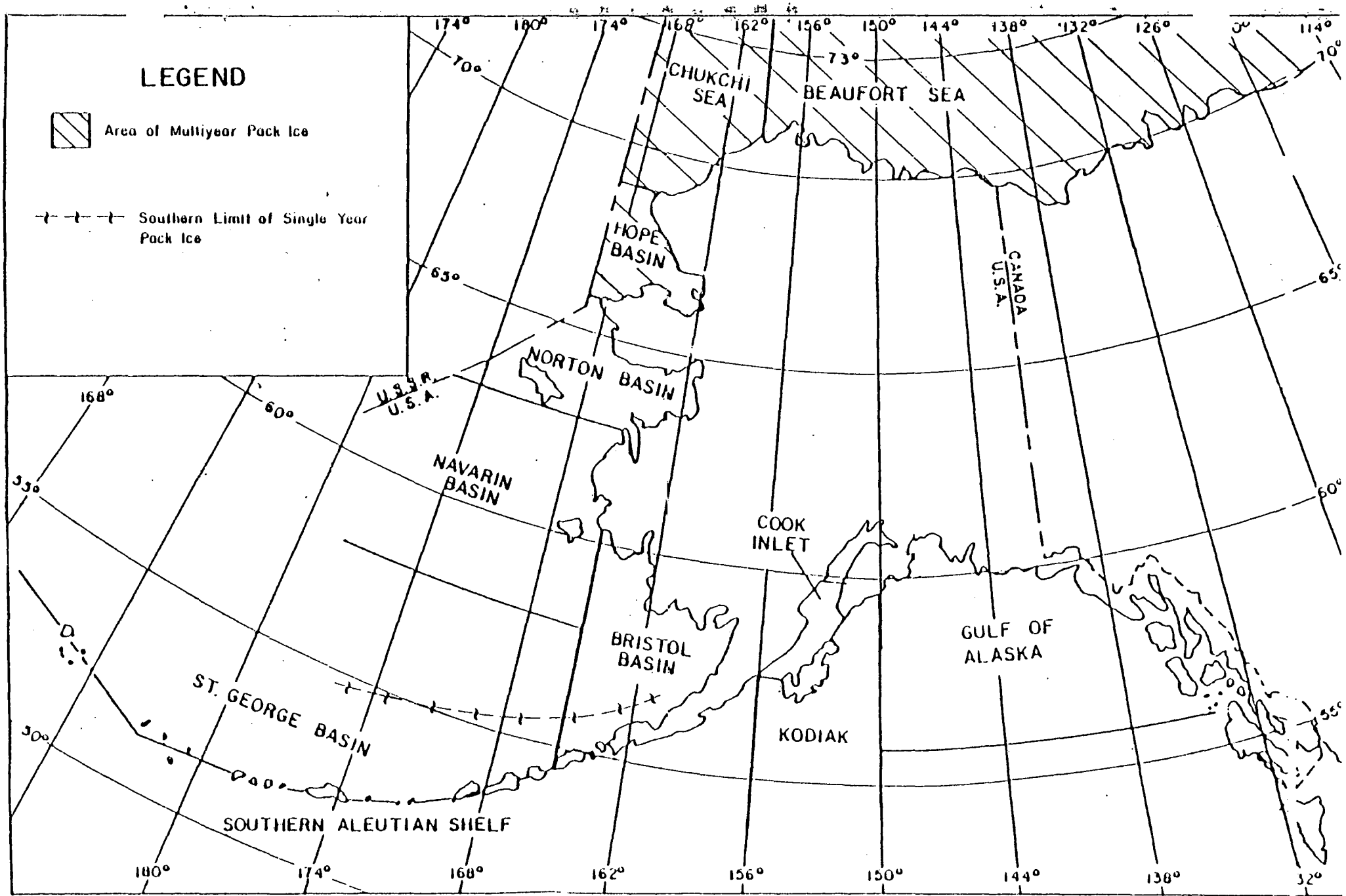


EXHIBIT F-3: GENERALIZED LOCATION OF SINGLE AND MULTIYEAR PACK ICE

Other technical concerns related to the Alaskan OCS involve heavy tidal action in Cook Inlet (tidal differences of up to forty feet) and extreme storm conditions accompanied by reported one hundred foot waves in the northern Gulf of Alaska. In addition, portions of Alaska's OCS lie along major fault lines where past earthquakes have caused one-time vertical shifts in the ocean floor of up to forty-two feet.

F.1.7 Unique Environmental Concerns

The Council on Environmental Quality has stated that Alaska's outer continental shelf is the most environmentally sensitive area in the United States. Alaska's coastline provides valuable nesting and feeding areas for numerous species of wildlife and has unique scenic wilderness beauty. Protection of the wildlife and wilderness areas is complicated by the extreme climatic conditions discussed in the preceding section. These technical hazards increase the possibilities of OCS-related environmental damage and increase oil spill clean-up problems. The potential for oil production in Alaska must therefore be balanced against the possible threats to unique environmental features and wildlife within the State.

A large part of the coastline adjacent to OCS sale areas is set aside as wildlife refuges or critical wildlife habitat areas. These refuges and habitat areas include:

- Lower Kenai Peninsula (adjacent to part of the lower Cook Inlet sale area)
- Kodiak Island (near Kodiak sale areas)
- nearly the entire Alaskan Peninsula
- most of the Aleutian Island area
- parts of the Pribilof Islands
- the western Alaskan coastline from west of Dillingham to the north side of the Yukon Delta (these refuges are adjacent to the North Aleutian Shelf, St. George Basin, Navarin Basin, and Norton Sound sales areas)

- portions of the northwestern Alaskan coast (near the Chukchi Sea and Hope Basin sales areas)
- the William O. Douglas Wildlife Range (near the Beaufort Sea sale area)

Many species of birds and mammals use Alaska as their main nesting or breeding grounds. The Pribilof Islands, in the center of St. George Basin, are the breeding grounds for most of the world's fur seal population. The islands are world renowned for many rare bird varieties. The Chukchi and Beaufort Seas provide habitation for the polar bear, walrus and several species of whale, including the endangered bowhead. The eel grass of the Izembek Wildlife Range on the Alaskan Peninsula is a prime waterfowl habitat area, and the endangered bald eagle nests along most of Alaska's coast south of the Seward Peninsula.

Due to Alaska's weather conditions (rough seas, regular fog, and arctic climate), lack of coastal development, and the great distances between urban areas such as Anchorage and coastal communities, the ability to clean up oil spills is limited. To date, no major spills have occurred from Alaskan OCS development activities. However, two spills caused by tankers running aground have illustrated the problems with oil spill cleanup in Alaska. In the case of the Lee Wang Zin wreck in southeastern Alaska, the oil was quickly blown by strong winds onto three hundred and fifty miles of shoreline up to one hundred miles away from the wreckage. When a large Korean fishing trawler ran aground on St. Paul Island in the Pribilofs, bad weather conditions prevented initial cleanup and prevented the containment personnel and equipment (located 300 miles away) from being transported promptly to the spill site. Bad weather also made effective containment difficult and delayed clean-up activities.

The difficulties encountered in attempting to contain and clean up these oil spills highlight the threat to the environment associated with OCS activity in Alaska. Because the residents of Alaska place a high value on the preservation of the wildlife and scenic beauty found in coastal areas of the State, many will oppose leasing and subsequent development of environmentally sensitive areas.

F.1.8 Alaska Coastal Management Program

The local plans which are being developed by the Alaskan coastal zone management program will be important factors to Alaska's OCS activities. The program emphasizes local autonomy and the local district management plan is the program's cornerstone. Plans are formed by local communities or governments according to general guidelines provided by the State government. The district plans, which set forth development and activity stipulations for defined coastal areas, are reviewed and approved by the Coastal Zone Policy Council, consisting of citizens appointed by the Governor and State agency representatives. There is a major emphasis within the State to allow each local unit to determine the direction of coastal development in its area. Local desires are usually upheld and the plans may include stipulations as to the location of shore-based support operations and the types of operations permitted.

One of the main disputes between the Federal government and the State of Alaska centers on the timing of Federal OCS sales and the timing of completed local coastal zone management plans. In many coastal areas of Alaska a coastal plan cannot be developed until governing organizations are formed and plan-area boundaries established. The inhabitants of these areas feel that a coastal plan should be completed before OCS development begins. With current Federal OCS sale schedules, residents argue that there is insufficient time to organize a governmental unit and develop a coastal plan prior to the projected sale dates. This has resulted in requests to delay the Federal OCS sale schedule, as is exemplified by the Association of Alaska Village Council Presidents' action described in the subsistence discussion.

Another problem of OCS activity in Alaska is the lack of coordination between local coastal management plans. Adjacent local plans may not be consistent on critical issues (development areas next to subsistence areas, etc.). The objective of plans in different areas of the State can also vary dramatically. Some areas may openly advocate major industrial development, other areas may seek to restrict early exploration activities by requiring local-level permits to drill exploratory wells in the outer continental shelf.

Because of the wide range of environmental and social considerations existing at the local level throughout Alaska, the State has chosen to share decision-making related to OCS regions with local governing units. However, the involvement of local participa-

tion in the leasing process requires time, and the time requirements increase directly with the extent of local participation. Unlike local participation processes within other states, participation in Alaska may involve:

- regions lacking formal local governing units
- unique native cultures that seek to preserve their traditions and lifestyles
- isolated villages relying heavily on subsistence hunting and fishing.

It is clear that local government participation in Alaska is critical to the development of Federal OCS areas of the State. It is equally clear that mechanisms for local participation have and will continue to impact the timing of oil industry activity within Alaska's outer continental shelf.

F.2. LEASE STIPULATIONS

The latest and most complete lease sale stipulation for each area is stated here with a discussion of its potential impact on timing.

F.2.1 Cultural Resource Protection

If the Supervisor, having reason to believe that a site, structure or object of historical or archaeological significance, hereinafter referred to as "cultural resource," may exist in the lease area, gives the lessee written notice that the lessor is invoking the provisions of this stipulation, the lessee shall upon receipt of such notice comply with the following requirements:

Prior to any drilling activity or the construction of placement of any structure for exploration or development of the lease, including but not limited to well drilling of and pipeline and platform placement, hereinafter in this stipulation referred to as the "operation," the lessee shall conduct remote sensing surveys to determine the potential existence of any cultural resource that may be affected by such operations. All data produced by such remote sensing surveys, as well as other pertinent natural and cultural environmental data, shall be examined by a qualified marine survey

archaeologist to determine if indications are present suggesting the existence of a cultural resource that may be adversely affected by any lease operation. A report of this survey and assessment prepared by the marine survey archaeologist shall be submitted by the lessee to the Supervisor and the Manager, Bureau of Land Management (BLM), Outer Continental Shelf (OCS) office, for review.

If such cultural resource indicators are present, the lessee shall: (1) locate the site of such operation so as not to adversely affect the identified locations; or (2) establish, to the satisfaction of the Supervisor, on the basis of further archaeological investigation conducted by a qualified marine survey archaeologist or underwater archaeologist using such survey equipment and techniques as deemed necessary by the Supervisor, either that such equipment will not adversely affect the location identified or that the potential cultural resource suggested by the occurrence of the indicators does not exist.

A report of this investigation prepared by the marine survey archaeologist or underwater archaeologist shall be submitted to the Supervisor and the Manager, BLM OCS office, for their review. Should the Supervisor determine that the existence of a cultural resource which may be adversely affected by such operation is sufficiently established to warrant protection, the lessee shall take no action that may result in an adverse effect on such cultural resource until the Supervisor has given direction as to its disposition.

The lessee agrees that if any site, structure, or object of historical or archaeological significance should be discovered during the conduct of any operations on the leased area, he shall report immediately such findings to the Supervisor, and make every reasonable effort to preserve and protect the cultural resource from damage until the Supervisor has given directions as to its disposition.

The rationale for this stipulation is protection of any possible underwater archaeological sites or important historic sites. Due to the nature of the waters which have been drilled in Alaska so far, it has not yet been necessary to invoke this stipulation. If it is invoked in the future, it could lead to delays in initial drilling, both by the time taken to conduct a remote sensing survey and having it analyzed, and possible change in plans for the location of the well. The time periods necessary to comply with the

stipulation would vary considerably, depending on the location of the sale (the more remote, the more difficult to obtain the proper equipment), the weather (most OCS areas in Alaska are subject to severe weather, fog, etc., at any time of the year), and the time of year (in numerous OCS areas it would be nearly impossible, or very expensive, to conduct on-site surveys at certain periods of the year; problems range from ice to bitter cold, to storms, to continual darkness). Any time on-site surveys are required, delays from three months to one year can be expected in Alaska.

F.2.2 Biological Resource Protection

If the Supervisor, having reason to believe that an area of special biologic significance may exist in the lease area, gives the lessee written notice that the lessor is invoking the provisions of this stipulation, the lessee shall, upon receipt of such notice, comply with the following requirements:

Prior to any drilling activity or the construction or placement of any structure for exploration or development of lease areas, including but not limited to well drilling and pipeline and platform placement, hereinafter in this stipulation referred to as "operation," the lessee shall conduct block-wide or site-specific surveys, as approved by the Supervisor, to determine if the block or site contains special biological communities that may be adversely affected by any lease operation. If the surveys indicate the existence of such communities, the lessee shall: (1) establish, to the satisfaction of the Supervisor, that such operation will not have a significant adverse effect on the community identified; or (2) modify his operating procedure to minimize the impact of the operation on the biological community. Such modification could include relocation of the drilling site.

All data obtained in the course of any biological surveys conducted pursuant to the provisions hereof shall be submitted in a report to the Supervisor prior to or with any application by the lessee for drilling or other activity with a copy to the Manager, Alaska OCS office. Should the Supervisor determine that the existence of a biological resource which may be adversely affected by such operation, the lessee shall take no action that may result in any adverse effect on such resource until the Supervisor has given the lessee directions with respect to the resource.

The lessee agrees that, if any communities of special biological significance should be discovered during the conduct of any operations on the lease area, he shall report such findings to the Supervisor, and make every reasonable effort to preserve and protect the resource from damage until the Supervisor has given the lessee directions with respect to the resource.

The rationale for this stipulation is to locate and protect any sensitive biological communities which may exist on a site-specific basis. This stipulation did not originate in Alaska, but was apparently first used on lease sales in the Atlantic OCS areas. The stipulation has been invoked for all tracts which have been drilled in the two Alaska OCS sales. There have been major delays experienced because of this stipulation, primarily in the lower Cook Inlet by Marathon Oil Company. Exxon has indicated that they had weather delays and other problems collecting biological data in the Gulf of Alaska before drilling there. They also indicated that the data recovered for this block indicates the presence or absence of biota only on the one or two days out of the year that the survey was run. In the biological surveying done for both the Gulf of Alaska and Cook Inlet sales, no biological anomalies were found which required rejection or modification of exploratory plans.

The costs for the biological surveys can be very high. For one lease block in the Gulf of Alaska, the cost was \$231,000. The time periods for completion would vary with location of the sale, the weather, and time of year, and could range from three months to one year.

F.2.3 Environmental/Social Training Program

The lessee shall include in his exploration and development plans submitted under 30 CFR 250.34 a proposed environmental training program for all personnel involved in exploration or development activities (including personnel of the lessee's contractors and subcontractors) for review and approval by the Supervisor pursuant to this stipulation. The program shall be designed to inform each person working on the project of specific types of environmental, social and cultural concerns which relate to the individual's job. The program shall be formulated and implemented by qualified instructors experienced in each pertinent field of study and shall employ effective methods to ensure personnel understand and use techniques necessary to preserve archaeological, geological

and biological resources. The program shall also be designed to increase the sensitivity and understanding of personnel to community values, customs and lifestyles in areas in which such personnel will be operating.

The lessee shall also submit for review and approval a continuing technical environmental briefing program for supervisory and managerial personnel of the lessee and its agents, contractors and subcontractors.

The purpose of this stipulation is well explained in the stipulation itself. Although this stipulation would not alter exploration plans, it is one more major requirement for the operators to contend with. They must design and set up such a program before drilling, to transmit the information to all the various subcontractors and employees after operations have begun. Most lease areas in Alaska are significantly different culturally and environmentally to require at a minimum the design of a separate program. With proper lead time, any delays can be minimized, but compliance will still take time.

F.2.4 Notice of Support Activity

To assist coastal communities in planning for the impact of activities during exploration under this lease, the lessee shall submit, for review and comment, to the Governor of the State of Alaska and to local jurisdictions that will be directly affected by those activities, a "Notice of Support Activity for the Exploration Program" (called hereafter in this stipulation "Notice"). When the lessee has doubts as to which local jurisdictions shall be informed, he will be guided by the advice of the Supervisor. The lessee shall not be required to include privileged information in the Notice. A lessee shall have discretion whether to submit a separate Notice in connection with each exploration plan submitted under 30 CFR 250.34 on a lease or to submit a Notice in connection with two or more plans on one or more leases. The Notice shall not be subject to approval or disapproval by the Supervisor.

A copy of the Notice shall be submitted to the Supervisor simultaneously with, or prior to, the exploration plan with a certification that it has been submitted to the Governor of the State of Alaska and to the local jurisdictions that will be directly affected by activities under the plan. If

the lessee shall submit a Notice in connection with two or more exploration plans, he shall not be required to submit additional copies of the Notice, but may instead refer to that previous submission. Before the Supervisor approves or disapproves the exploration plan, he shall allow at least thirty days from the date of receipt of the certification for the Governor and local jurisdictions to submit comments on the Notice to him, as well as to the lessee. Subsequent to the submission of the certification, significant changes in estimated support activities will be forwarded by the lessee, as an amendment to the Notice, to the Supervisor, the Governor, and to the local jurisdiction that will be directly affected by the program.

The Notice shall include with respect to the lessee and his contractors:

- (1) A description of the facilities, including site and size, that may be constructed, leased, rented or otherwise procured in affected areas;
- (2) The location and amount of acreage required within the state for facilities, including the need for storage of various supplies;
- (3) An estimate of the frequency of boat and aircraft departures and arrivals, on a monthly basis, and the onshore location of terminals;
- (4) The approximate number of persons who are expected to be engaged in onshore support activities and transportation, the approximate number of local personnel who are expected to be employed for or in support of the exploration program, and the approximate total number of persons who are expected to be employed for the exploration program;
- (5) Estimates of the approximate addition to the population of the local jurisdiction because of the exploration program and the approximate number of persons needing housing and other facilities;
- (6) An estimate of any significant quantity of major supplies and equipment to be procured within the state; and
- (7) The onshore address of the lessee's operation offices and of the offices of contractors involved with the exploration operation.

Used in all three Alaska OCS sales, this particular stipulation is now incorporated into the USGS operating orders (30 CFR 250.34-3). The purpose of this stipulation is to supply the State government and local affected communities with an estimate of the possible impacts which the activity may have on the economy, or social and cultural structure of the area. Again, this stipulation by itself will not alter any operator plans for exploration drilling and with proper lead times will not necessarily delay drilling. However, it can add to the time period required to obtain initially a permit to drill and, along with other requirements, delay the times for the beginning of the drilling.

F.2.5 Discharge of Produced Waters and Drill Cuttings (likely in arctic waters only)

1. Discharge of produced waters into marine waters is prohibited, except that the Supervisor may approve discharges in tracts greater than ten meters of water on a case-by-case basis.
2. Discharge of drilling muds and cuttings into marine waters is prohibited, except that the Supervisor may approve discharge (a) in tracts greater than ten meters of water on a case-by-case basis and (b) in tracts of less than ten meters of water on a case-by-case basis if effluents are shown to be non-toxic and can be adequately dispersed.

The rationale behind this stipulation is the protection of the marine environment in shallow waters, where the low energy environment impedes natural dispersal and mixing mechanisms to effectively dilute or disperse formation waters and drill cuttings. So far, this stipulation has only been used in the Beaufort Sea sale, where no drilling has yet taken place. However, it can be assumed that this stipulation will require a good deal of extra logistical support and could slow down the drilling process, particularly in the arctic, where there are no transportation facilities (ice roads will have to be built), and permafrost conditions make disposal a problem. This stipulation will add considerable expense to the operations and present logistical problems which could delay initial startup of drilling operations, as well as possibly slow down the actual drilling at the well, a critical factor due to the limitation placed on drilling discussed in the next section.

F.2.6 Five Month Drilling Window (arctic waters only)

Exploratory drilling and testing and other downhole exploratory activities will be limited to the period November 1 through March 31, unless the Supervisor determines that continued operations are necessary to prevent a loss of well control or to ensure human safety. This stipulation will remain in effect for two years following issuance of this lease.

The purpose of this stipulation is to contain oil spills and protect wildlife and sea mammals. Any oil spill occurring during the specified period should only affect the surface of the ice and will therefore not contact the marine environment. In theory, the spill can be contained and cleaned up before the ice breaks up, thus ensuring an uncontaminated marine environment during the summer months, which are critical for waterfowl nesting, wildlife movements and marine mammal migrations, including some of the endangered whales, especially the bowhead. This stipulation originated very early in the procedure for lease sale stipulation and was promulgated by a number of Federal and State agencies at that time.

The time delays associated with this stipulation are considerable. If an exploratory well took more than five months to complete, the process would be delayed at least seven months and most likely more, since there would be time required to startup the well before drilling could be resumed.

There has been much controversy over this stipulation. The USGS Anchorage field office has been opposed to this stipulation from the very beginning, due to the major delays it may cause in drilling and due to technical and safety reasons involved with suspending the well at the end of five months, leaving it, and re-entering it seven months later. The petroleum industry voices similar concerns. Many others support an even more limited drilling time. The stipulation will probably remain in its present form or become more restrictive in future arctic sales.

F.2.7 Stipulations in Future OCS Lease Sale

The past practice of including a number of stipulations in OCS lease sales which may apply to broad areas (such as the entire Gulf of Alaska or Arctic Alaska) is changing.

There is a trend toward inclusion of these stipulations into the general operating orders governing all Alaska OCS operations or the operating orders governing specific areas. The next sale in the lower Cook Inlet is expected to have fewer stipulations as many have been included in the operating orders for the area.

Whether the requirements are included as lease stipulations or operating orders, the burden on the operators remains the same. Operators believe that even if all present stipulations are included in operating orders, there will still be new stipulations. The future sales are to be held in areas of Alaska that pose even greater environmental, biological, social, and technical risks that will require more careful control over OCS operations.

F.3 DESCRIPTION OF AUTONOMOUS STATE PERMITS THAT MAY BE REQUIRED DURING OCS EXPLORATION IN ALASKA

F.3.1 Tidelands Permit

Activity Permitted: Any temporary or short-term use of State-owned tidelands and submerged lands.

Purpose: To allow the use of State-owned tidelands and to set standards that will protect and regulate the use of the land.

Legal Mandate: AS 38.05.330.

Issuing Agency: Alaska Department of Natural Resources, Division of Forest, Land and Water Management.

Requirements of Applicant: The applicant must submit a standard application form with a preliminary plan, information on the purpose of the proposed project, the method of construction, and the dates of the construction period. The Department of Fish and Game requires that the applicant obtain from it a letter of non-objection to the proposed use of the tidelands or submerged lands.

Agency Review: Once a complete application is received by the Department, it must act on the permit within 30 days. To act on the permit means that the

Department must send the applicant an acknowledgement of the receipt of the application, a statement as to its completeness, if incomplete a statement of what is missing, and a general statement that the Department is in the process of evaluating the permit application. If the Department does not act within the 30 day limit, an applicant can appeal to the Commissioner of the Department.

All applications are forwarded to the Department of Environmental Conservation and the Department of Fish and Game for their review and comments. They are allowed 15 days to comment upon the permit application. The duration of the permit is established at the discretion of the Division Director, but five years is a maximum.

Length of Time for Approval: Usually, it takes an average of 90 days to issue these permits, including the time for appeals, but it can take a much longer period of time if objections are raised.

Public Participation: No public notices are required, although the application can be advertised at the discretion of the Director. No public hearings are required:

Source of Information:

- Alaska Department of Environmental Conservation, Directory of Alaska Permits, 1979.

F.3.2 Miscellaneous Land Use Permit

Activity Permitted: Surface activities and the use of equipment on special State-owned land. The relevant activities and uses are specified in 11 AAC 96.010 and 11 AAC 96.020, respectively.

Purpose: To protect the natural environment and fish and game habitat of State owned land that has special resource value.

Legal Mandate:

AS 38.05.035 and AS 38.05.330.

Issuing Agency: Alaska Department of Natural Resources, Division of Forest, Land and Water Management.

Requirements of Applicant: In addition to the application form the following information is required of the applicant in order to evaluate the proposed activity's environmental impact:

- a map showing the general location of all activities and means of transportation for all equipment for which the permit is required
- a description of each proposed activity and type of equipment to be used.

Agency Review: Within 30 days of receipt of a proper application, the Director may give notice to an applicant that a personal or corporate surety bond is required. The bond must be filed before operations commence. Final action is then taken by the Director.

Length of Time for Approval: Final action is taken within 30 days of receipt of the application. If final action is not taken within that period, an applicant may proceed with the activity.

Public Participation: Public notices and hearings are not required.

Source of Information:

- Alaska Department of Environmental Conservation, Directory of Alaska Permits, 1979.

F.3.3 Special Land Use Permit

Activity Permitted: The placing of temporary improvements or equipment on State-owned land.

Purpose: To enable the State to give preference to land use that will be of the greatest economic benefit to the State and the development of its resources.

Legal Mandate: AS 38.05.330.

Issuing Agency: Alaska Department of Natural Resources, Division of Forest, Land and Water Management.

Requirements of Applicant: The applicant must submit a standard application form.

Agency Review: Once a complete application is received by the Department, it must send the applicant an acknowledgement of the receipt of the application, a statement as to its completeness, if incomplete, a statement of what is needed to complete it, and a general statement that the Department is in the process of evaluating the permit application. If the Department does not act within the thirty days, an applicant can appeal to the Commissioner of the Department.

All applications are sent to the Department of Environmental Conservation and the Department of Fish and Game for their review and comment. They are allowed 15 days to comment upon the application.

The duration of the permit is established at the discretion of the Division Director, but five years is a maximum.

Length of Time for Approval: Usually, it takes an average of 90 days to issue these permits, including the time for appeals, but it could take a much longer period of time if objections are raised.

Public Participation: No public notices are required, although the application can be advertised at the discretion of the Director. No public hearings are required.

Source of Information:

- Alaska Department of Environmental Conservation, Directory of Alaska Permits, 1979.

F.3.4 Discharge Into Navigable Waters Certificate

Activity Permitted: Persons requiring Federal licenses or permits for proposed activities that may result in a discharge into the navigable waters of Alaska need to obtain a certificate from the State.

Purpose: To protect the State's waters from becoming polluted.

Legal Mandate: U.S. Clean Water Act of 1977, Section 401.

Issuing Agency: Alaska Department of Environmental Conservation.

Requirements of Applicant: The applicant must submit the following:

- a letter requesting the certificate
- a copy of the permit application being submitted to the Federal agency.

Form 18-106, provided by the Department, may also be used as the application for the certificate.

Agency Review: A letter of application is submitted to the Department, which then publishes a notice in a local newspaper. There is a 30-day comment period beginning on the date the notice was initially posted. A hearing may then be held, at the discretion of the Department, no sooner than 30 days after the notice's publication. After considering the public comments, the Department will render its final decision on the certificate.

Length of Time for Approval: There are no statutory time constraints on the review process for this permit, or for other permits issued by this Department.

Public Participation: The public may submit written comments and participate in any hearings that are held.

Source of Information:

- Alaska Department of Environmental Conservation, Directory of Alaska Permits, 1979.

F.3.5 Right-of-Way and Easement

Activity Permitted: The construction of a road, trail, ditch, pipeline, drill site, log storage site, installation of telephones; or similar use or improvement of State land.

Legal Mandate: AS 38.05.036 and .330.

Issuing Agency: Alaska Department of Natural Resources, Division of Forest, Land and Water Management.

Requirements of Applicant: The applicant must submit an application form and a preliminary plan.

Agency Review: First, the Department is required to notify the following offices that an application has been filed:

- a local municipality or unincorporated village, if the site is within six miles of its borders
- the native regional corporation in the area, if the site is not within 6 miles of a local municipality
- the Alaska Department of Environmental Conservation
- the Alaska Department of Fish and Game.

In addition, the proposed action must be published for four consecutive weeks in a local newspaper. All of these agencies have 30 days to respond to the notice.

A decision on whether to grant a letter of entry to authorize the construction must be made within 45 days of the initial posting of a notice or the application process must be repeated. If any objections are made to the action, a public hearing must be held. When the construction is completed, and the Department has approved the as-built plans, it will grant the actual right-of-way.

Length of Time for Approval: If no objections are raised, approval can take 45 days from the date a notice is initially published. However, if objections are raised, it can take up to one year to obtain an approval for the construction.

Public Participation: Public notices are required. A public hearing must be held if objections are raised to the applications.

Source of Information:

- Alaska Department of Environmental Conservation, Directory of Alaska Permits, 1979.

F.3.6 Facilities and Vessels Handling Crude Oil and Petroleum Products Certificate of Risk Avoidance

Activity Permitted:

- Navigation of State waters by tank vessels
- Transfer of crude oil from an oil terminal facility of any size to a vessel, or from a vessel to a facility
- Storage of 10,000 barrels or more of refined petroleum products or their by-products at a Marina
- An oil terminal facility with a storage capacity of 25,000 barrels or more of refined petroleum products or their by-products, which transfers those products to or from a vessel, must also have a Certificate. A new law, passed July 1, 1980, lowers the limit to 10,000 barrels or more.

Purpose: To ensure that operators of oil terminals and tank vessels have satisfactory oil spill contingency plans and sufficient financial assets to compensate third parties for damages resulting from oil discharge.

Legal Mandate: AS 30.25.

Issuing Agency: Alaska Department of Environmental Conservation.

Requirements of Applicant: In addition to the application for the Certificate of Risk Avoidance the applicant must submit:

- an oil discharge contingency plan (unless the tank vessel carries only liquefied natural gas as cargo, or the terminal ships or receives only liquefied natural gas)
- proof of financial responsibility to compensate any loss for which recovery is permitted under AS 46.03.822 resulting from the unlawful discharge of oil from any certified vessel or terminal
- a completed data sheet on forms provided by the Department (Data for tanker vessels are reported on the form, "Petroleum Tankers in Alaska Trade" and data for terminals are reported on the form, "Oil Transfer and Handling Data")
- projection of the number of trips the tank vessel will make to or through the waters of the State until the expiration date of the certificate
- a statement that the tank vessel is in compliance with all applicable standards.
- a statement that the facility has adopted and fully implemented a Spill Prevention Control and Countermeasure Plan, through the Environmental Protection Agency, as required by 40 CFR Sec. 112.3 et seq.; unless the facility has been granted an extension under 40 CFR Sec. 112.3(4), in which case a copy of the extension authorization must be included with the application.

Applications must be signed upon oath or affirmation. The application must be submitted 60 days prior to operation.

Agency Review: On July 1, 1980 a new law was passed that supersedes the old "Oil Terminal Facilities" law. There are no regulations to support it as yet.

The Agency review procedure under the old regulations was strictly routine, being handled entirely by the Department.

Length of Time for Approval: Approximately one week if there are no problems; if there are problems, the time could extend to years.

Public Participation: Public notice is not required. Public hearings are held only if deemed necessary by the Department.

Source of Information:

- Alaska Department of Environmental Conservation, Directory of Alaska Permits, 1979.

F.3.7 Water Rights Permits

Activity Permitted: The construction of the necessary works for appropriating water and to commence disappropriation.

Purpose: To reserve the waters of Alaska for the beneficial uses of the people of the State.

Legal Mandate: AS 46.15.030-185.

Issuing Agency: Alaska Department of Natural Resources, Division of Forest, Land and Water Management.

Requirements of Applicant: The applicant must submit a standard application form and plans and specifications for any dam that may be built.

Agency Review: Once an application is filed, the Department will notify the Department of Environmental Conservation, the Department of Fish and Game, and all neighboring appropriators. In addition, a public notice is published in a local newspaper for 15 days. A 15-day comment period is given to all those notified. A public hearing is held only if there are objections to the proposed appropriation.

Water Rights Permits on the North Slope receive special scrutiny due to the scarcity of potable surface water in that area and the problems caused by permafrost which arise when using groundwater as a source.

Length of Time for Approval: It usually takes 3 to 4 months to process such an application.

Public Participation: The public may provide written comments or appear at a public hearing.

Source of Information:

- Alaska Department of Environmental Conservation, Directory of Alaska Permits, 1979.

F.3.8 Wastewater Disposal Permit

Activity Permitted: The disposal of wastewater in excess of 200 pounds per hour into or upon the waters or surface of the land of the State of Alaska or into a publicly operated sewerage system. Only the discharge of domestic sewage into a sewerage system does not need to be permitted.

Purpose: To prevent water pollution due to unsafe means of wastewater disposal in the State.

Legal Mandate: AS 46.03.090, .100, .110 and .720.

Issuing Agency: Alaska Department of Environmental Conservation.

Requirements of Applicant An applicant must submit:

- a completed application (Form 18-106), in duplicate
- descriptions of the process used and the disposal site
- certification of compliance with local ordinances
- any additional information on the environment and the facility that may be requested by the Department.

Applications are to be submitted 60 days prior to the commencement of operations. In those cases in which the Federal NPDES permit is required the procedural requirements for a State permit are waived and the NPDES permit is adopted as the required State permit.

Agency Review: Once a complete application is received, the Department will issue a public notice of the application and will also send a copy of the application to the following departments for their review and comments:

- the Department of Fish and Game
- the Department of Health and Social Services
- the Department of Commerce and Economic Development
- the Department of Natural Resources.

Public comments are accepted up to 30 days after the date of final publication. If the comments raise serious objections to the proposed project, a public hearing may be held; otherwise, the Department will proceed to make its final decision on the permit after considering the public and agency comments.

Length of Time for Approval: A minimum of 60 days is necessary; total time depends on the complexity of the project.

Public Participation: The Department publishes a notice in two consecutive issues of a local newspaper. Comments are accepted up to 30 days after the date of final publication. Public hearings are then held if demanded by public interest.

Source of Information:

- Alaska Department of Environmental Conservation, Directory of Alaska Permits, 1979.

F.3.9 Solid Waste Disposal Permit

Activity Permitted: The establishment, modification, or operation of a solid waste disposal facility.

Purpose: To control or eliminate the detrimental health, environmental, and nuisance effects of improper solid waste disposal practices.

Legal Mandate: AS 46.03.020-.100.

Issuing Agency: Alaska Department of Environmental Conservation.

Requirements of Applicant: An applicant is required to submit two completed "Solid Waste Disposal-Solid Waste Management Permit" application forms showing:

- detailed plans and specifications for the facility
- certification of compliance with local ordinances and zoning requirements
- a report detailing the proposed method of operation, population and area to be served, the characteristics, quantity and source of material to be processed, the use and distribution of processed materials, method of residue disposal, emergency operating procedures, the type and amount of equipment to be provided, and the proposed ultimate land use.

Agency Review: Once a complete application is received, the Department will issue a public notice of the application and will also send a copy of the application to the following departments for their review and comments:

- Department of Fish and Game
- Department of Health and Social Services
- Department of Commerce and Economic Development
- Department of Natural Resources.

Public comments are accepted up to 30 days after the date of final publication. If the comments raise serious objections to the proposed project, a public hearing may be held; otherwise, the Department will proceed to make its final decision on the permit after considering the public and agency comment.

Length of Time for Approval: A minimum of 60 days is required for approval. The process may take much longer in the case of a major project.

Public Participation: The public may submit comments on the application and participate in public hearings if they are held.

Source of Information:

- Alaska Department of Environmental Conservation, Directory of Alaska Permits, 1979.

F.3.10 Sand and Gravel Extraction Permit

Activity Permitted: The extraction of sand and gravel from State-owned lands. Sand and gravel is needed as a foundation base for construction activities and is a scarce commodity, especially on the North Slope.

Purpose: To establish an orderly process for selling gravel and sand.

Legal Mandate: AS 38.05-110.

Issuing Agency: Alaska Department of Natural Resources.

Requirements of Applicant: A letter requesting the sale at a particular site.

Agency Review: This permit is especially critical on the North Slope for use in exploratory drilling operations where the State owns most of the land used for gravel extraction. The action is considered a materials sale and is sold at public auction to the highest bidder. The successful bidder is then given the permit.

The application process proceeds as follows. First, the Department must notify the following entities:

- any local municipality or unincorporated village within six miles of the site
- the native regional corporation in the area, if the sale is not within six miles of a local municipality
- Alaska Department of Environmental Conservation
- Alaska Department of Fish and Game.

In addition, the proposed action must be published for four consecutive weeks in a local newspaper. All the above entities have 30 days to respond to the notice.

A decision must be made within 45 days of the initial posting of a notice or the entire operation must be repeated. If any objections are raised to the sale, a public hearing must be held. There are no legal time constraints on granting an approval or disapproval after a hearing.

Length of Time for Approval: It usually takes 3 to 8 months for the sale to take place, if there are no serious objections.

Public Participation: Public notices are required. A public hearing may be held if objections are raised to the application.

Source of Information:

- Alaska Department of Environmental Conservation, Directory of Alaska Permits, 1979.

F.4 DISCUSSION OF THE THREE ALASKA OCS LEASE SALES

F.4.1 Northern Gulf of Alaska (Sale 39)

The northern Gulf of Alaska sale was held in April, 1976. Twenty-four companies submitted 244 bonus with fixed royalty bids on 81 out of 181 tracts offered. The first well was spudded in September of 1976, approximately five months after the sale date. Eleven exploratory wells have been drilled so far, all of them dry holes, and the industry has little interest in further operations at the present time. The Gulf of Alaska is considered a hazardous area in which to operate, with severe storms and wave heights of up to one hundred feet. It is most often compared to the North Sea in terms of operating conditions.

The original call for nominations for the Gulf of Alaska sale was made in 1968, and the sale was scheduled for the first quarter of 1969. The Santa Barbara oil spill occurred during this time and the Secretary of the Interior cancelled all pending OCS sales. Subsequently, passage of NEPA required an EIS for the sale and it was not until four years later that it was rescheduled to be held in late 1975. When the sale was announced, it was vigorously opposed by the State of Alaska on the grounds of environmental concerns, social concerns and, at the time, the uncertainty of the State's role in sharing OCS revenue. The State sued the Federal government to halt the sale, along with the local community of Takutat and the Cordova Fishermen's Association. The State lost the suit and the sale could have been scheduled as planned, but the Secretary of the Interior granted the State a six month delay, primarily to allow the local communities some time to prepare and plan for expected impacts. Thus, the sale was held on April 13, 1976, nearly seven years after the original call for nominations.

Illustrative of the type of power the State can wield over OCS operations is the example of Yakutat, Alaska, a small community on the shore of the eastern Gulf that was the only feasible location to use as a staging area and support base for Gulf operations. The State and local governments could have caused considerable delays and operational problems for the operators in the Gulf simply by denying necessary land and tide land use permits needed for a support base. Because a compromise was reached and most of the negotiations occurred before the actual sale date, the incident did not significantly delay exploratory operations.

There are two principal permits with the potential to cause major delays in drilling that were required before exploratory drilling could commence. These are the "Authorization to Discharge" permit from the Environmental Protection Agency (EPA)¹ for drilling vessels and a final "Permit to Drill" permit from the U.S. Geological Survey (USGS). The EPA permit takes approximately six months to grant due to the extensive requirements of the permit process and the shortage of manpower to process the permit. Industry spokesmen indicate that this is an excessive amount of time to obtain approval and feel the permit process is a bottleneck for timely exploration of their leases. Also, if a vessel were not approved and rigs were in short supply, delays of up to a year could be foreseen, since operators would have to recontract with a new vessel and bring it to Alaska. The local EPA office is working on streamlining their operations by issuing general regulations for all drilling vessels, thus eliminating the permit entirely. It took the USGS approximately 30 days to issue the first permit. (The sale was April 13, the permit was applied for July 27, issued August 27, and drilling began September 1.) This could probably be considered an average time sequence in the permitting process for the Gulf sale.

The USGS "Permit to Drill" is issued only after all other permits are obtained and the stipulations attached to the lease are satisfied. The first permit to drill in the Gulf was issued four and one half months after the sale. It took the USGS only one month to issue the permit once the applicant submitted the required materials. Therefore, one might assume three and one half months were required to satisfy stipulations and other regulatory requirements that are prerequisites to the permit.

F.4.2 Lower Cook Inlet Sale (Sale CI)

The lower Cook Inlet sale was held on October 27, 1977. In all, 135 tracts were offered, with bids placed on 91 of them. Four bids were rejected. Two-thirds of the blocks were offered under the traditional cash bonus method and one-third were fixed cash bonus with royalty as the bid variable. The first well was spudded on July 7, 1978, approximately nine months after the sale. To date, there have been seven exploratory wells drilled, all dry holes. An eighth well is presently being drilled. The lower Cook Inlet is located just south of the State-owned waters of the prolific upper Cook Inlet

¹The EPA uses the same process for permitting discharges from vessels for all the lease sales in Alaska. A detailed application is made, using a materials approach to show the source of all discharges from each drilling vessel. EPA analyzed the application, the vessel is inspected in the field, and a permit is granted or not.

petroleum province, which contains several giant oil and gas fields. The lower Cook Inlet is in more protected waters than the Gulf of Alaska, but winter storms have clocked winds of over one hundred miles per hour, with heavy icing conditions.

Since the lower Cook Inlet is primarily an extension of the upper Cook Inlet, both geologically and physiographically, and the infrastructure for oil development was already in place, the State did not choose to oppose the lower Cook Inlet sale. However, the State had been in a jurisdictional dispute with the Federal government over who owned lower Cook Inlet ever since the discovery of oil in upper Cook Inlet. This dispute was one of the primary reasons that no leasing had taken place in the area prior to 1977. In 1975, a Supreme Court decision finally awarded the submerged lands to the Federal government. The area was then offered for lease and the sale scheduled for February 1977. When Cecil Andrus became Secretary of the Interior, he placed a moratorium on all OCS leasing, thus cancelling the sale. It was then rescheduled for October 1977. As discussed earlier, English Bay, a small native community located just east of the sale area, attempted to halt the sale in court at the last minute, based on environmental concerns involving potential loss of subsistence resources. The suit was settled out of court and the sale was not further delayed.

The same two major permits were required for the lower Cook Inlet sale as for the Gulf of Alaska sale. Conditions in Cook Inlet, however, were very different. Although EPA went through the same administrative process for the vessels in this sale, a more rigorous inspection process was instituted. This was due to the need for more stringent water quality control in lower Cook Inlet, where there are highly sensitive biological resources (primarily salmon, crab and shrimp) and a closed water circulation pattern. By the time of this sale, the owners of the drilling vessels recognized the time problems involved with the permitting process and, within a short time after the sale, twelve vessels applied for discharge permits, many apparently on speculation. This only compounded the problem for the understaffed local EPA office. As of this date, only three vessels have operated in the lower Cook Inlet. The permits took six, eight and eight and a half months to issue, and are a factor in the nine month delay in drilling. As in the Gulf of Alaska sale, the potential for major delays still existed if any vessel had been turned down for a discharge permit, although there were apparently more vessels available for this sale.

Prior to applying for the "Permit to Drill," operators had to satisfy eight lease stipulations, some of which undoubtedly contributed to significant delays in initial startup. The five most significant stipulations were:

- archaeological and cultural resource evaluation, as in the Gulf of Alaska sale
- a biological survey on a block-wide or site-specific basis, at the discretion of the oil and gas supervisor (this stipulation was invoked for all the exploratory wells and it caused considerable delay; see discussion below)
- the social/environmental training program for all personnel, including subcontractors, to inform each person of specific types of environmental, social and cultural concerns related to the individual's job
- a development plan was required which described the proposed method of transportation of production. (If oil were discovered, this stipulation could delay initial production while waiting for other discoveries to place pipelines, etc., in optimum positions.)
- a detailed "Notice of Support Activity" was required. In addition, a shallow hazards geophysical survey was required on a site-specific basis. The time taken to issue the "Permit to Drill" varied and ranged from one day to six months.

The actual timing of the sale may have had more to do with the delays than the actual administrative aspects of obtaining permits. The sale was held in the fall, and the stipulations required various geophysical and biological studies to be performed. Marathon Oil Company attempted to obtain the needed data during the winter months, but was unable to do so due to severe weather problems and lack of proper biological communities during the winter season. The company had to wait until late spring and begin the program from scratch. Marathon's first well was drilled in July, 1978, nine months after the sale. Phillips and ARCO, the other two companies who have drilled in the area, did not even attempt to begin gathering the data until early summer of 1978. The same problem may occur in the Shelikof Straits sale (just south of lower Cook Inlet), which is now scheduled for October, 1981. Weather problems are more severe in the straits, and environmental problems are at least equal to the lower Cook Inlet.

F.4.3 Beaufort Sea Sale (Sale BF)

The Beaufort Sea sale was held in December 1979. It was the first joint Federal/State oil and gas lease sale held in the nation. The State leased acreage within the three-mile limit, while the Federal government leased acreage just outside this limit. The bidding method for the Federal government was bonus bids with fixed sliding scale royalty. The State tracts were partially bid as per the Federal tracts, and partly as fixed cash bonus, fixed royalty with variable net profit bids. The highest net profit bids were in the ninety percent range. The first well has not yet been spudded in either the Federal or State tracts. The Beaufort Sea sale area lies 110 miles north of the Arctic Circle, in one of the harshest climatic areas in North America, and operating conditions are, consequently, severe. Temperature extremes to -60°F , winds of up to sixty miles per hour, and wind chill factors to -150°F can be encountered. Ice is present in the Beaufort Sea at least nine or ten months a year and frequently longer. Farther from shore, multi-year pack ice is present year-round. The Beaufort Sea sale area lies just offshore and to the east of the present Prudhoe Bay oil and gas field, which provides the necessary infrastructure for the area.

There is a major jurisdictional dispute between the State and Federal government in the Beaufort Sea area concerning ownership between the shoreline and the Barrier Islands, located about six miles offshore. The dispute is far from settled, but, after years of negotiating, it was decided to place all disputed tracts in escrow and hold the sale jointly in order to test this offshore area, which has high potential for future discoveries. Without this agreement, much of the area could not have been leased by either entity for many years.

An injunction was sought to halt the sale based on possible environmental and subsistence issues, primarily related to protection of whales, seals, shore birds and other marine life vital to the natives' subsistence diet. The injunction was not granted and the sale was allowed to occur on schedule. However, the judge enjoined BLM from issuing the leases, indicating that the suit had merit and that he would issue a final decision after the sale had been held. As a consequence, the Federal government withheld issuance of the leases on the Federal tracts and put the bid monies in escrow. The State issued their leases (there is a separate lawsuit pending against the State, but they were allowed to issue their leases). The decision reached by the court was that the Beaufort Sea EIS was inadequate and the judge ordered BLM to revise it. Presently, they are revising the EIS as well as appealing the decision. The appeal verdict is due shortly. If BLM wins the appeal, they intend to issue the leases immediately.

The Beaufort Sea leases contain twelve Federal stipulations, many of which have been mentioned for the other two sales. One other stipulation specific to this sale limits exploratory drilling and testing and other down-hole exploratory activities to the period between November 1 through March 31, leaving a five month drilling period. The industry indicates this will likely double the time usually necessary to complete an exploratory well. The other new stipulation is the prohibition of discharge of formation waters, drill cuttings and mud into marine waters on a case-by-case basis. No one is sure how much this may delay drilling; but the lack of transportation, and other infrastructure will cause some delay.

The timing of the Beaufort Sea sale would have also caused a delay, even without the lawsuit. The sale was held in December 1979, and drilling would not have been likely to begin before November 1980, due to drilling stipulations. Operators who have leased State tracts have elected to wait until November to drill.