

STATE OF ALASKA  
ALASKA OIL AND GAS CONSERVATION COMMISSION  
333 W 7th Ave., Suite 100  
Anchorage, Alaska 99501

Petition of Greenpeace, Inc., )  
for Rehearing of Approval of Permit to Drill No. 201-041 )  
(API No. 50-029-23005-00) (Northstar Unit 29) )  
)  
)  
\_\_\_\_\_ )

May 9, 2001

**ORDER DENYING REHEARING**

In its Order Granting Rehearing for Limited Purpose and Denying Request for Stay, the Commission stated that it would first consider whether Greenpeace, Inc. ("Greenpeace") has the right to apply for rehearing of the Commission's approval of an application for a permit to drill and would then proceed accordingly. The Commission stated that it would base its determination on any briefing filed by Greenpeace and BP Exploration (Alaska) Inc. ("BP") in the similar matter of Permit to Drill No. 200-211 and on any supplemental briefing filed here. (No supplemental briefing was filed.) Having now considered the briefs of Greenpeace and BP, the Commission declines to rule on what might be called the "standing" issue but instead denies rehearing on the merits.

Because the petitions and the issues in this matter and in the matters of Permit to Drill No. 200-211 and Permit to Drill No. 201-027 are identical in almost all material respects, the Commission's decision here is based on the reasons set out in the attached Order Denying Rehearing in the matter of Permit to Drill No. 200-211 and the attached Order Denying Rehearing in the matter of Permit to Drill No. 201-027, as supplemented by the following.

I. ACMP, EIS, Permitting, and UIC Analysis

One of the claims Greenpeace made regarding Permit to Drill Nos. 200-211 and 201-027 concerns compliance with the Alaska Coastal Management Program ("ACMP"). Greenpeace repeats that claim here but also separately asserts that the Commission has permitted wells to be drilled "that have not been analyzed as part of the ACMP . . . process." In its previous orders the Commission pointed out that drilling wells under the Northstar Development Project has already been found to be consistent with the ACMP and that no further ACMP review is required. Greenpeace's additional assertion here merely repeats its earlier allegation in different words and is fully addressed by the Commission's order in Permit to Drill No. 200-211.

Greenpeace also asserts that the wells "have not been analyzed as part of the . . . EIS process." As a factual matter an environmental impact statement on the Northstar Development Project was prepared by federal agencies, but that is beside the point. The Commission has no authority to deny a permit to drill on the ground that the proposed well has not been analyzed as part of an EIS process. Nor may a permit to drill be denied for lack of what Greenpeace vaguely terms "appropriate federal and state permitting analysis," as long as the requirements of AS 31.05.090 have been met.

Greenpeace further asserts that the Commission has permitted wells to be drilled "with no . . . UIC analysis." This presumably refers to the underground injection control program implemented through 20 AAC 25.402 and related regulatory provisions. Under 20 AAC 25.402, Commission

authorization to inject fluid must be obtained before injection occurs, not before a well is drilled. There is no requirement for a "UIC analysis" in order to obtain a permit to drill.

II. Public Comment on "Spare Well"

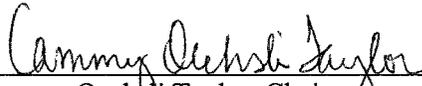
Finally, Greenpeace states: "There has been no ability of the public to comment on NS 29 because it was noted as a spare well." The Commission does not understand the reference to "spare well," but such designation is immaterial in any event, because the same review and approval process applies to all permits to drill, and in no case does that process include public notice and comment prior to permit issuance. This issue was addressed at length in the Commission's order in Permit to Drill No. 200-211, where the Commission concluded that the legislature did not intend the issuance of permits to drill under AS 31.05.090 to be subject to advance notice to members of the public.

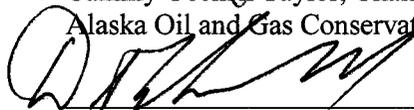
**NOW THEREFORE IT IS ORDERED:**

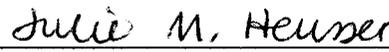
The petition for rehearing is **DENIED**.

**DONE** at Anchorage, Alaska, this 9th day of May 2001.



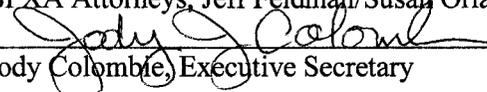
  
\_\_\_\_\_  
Cammy Oechli Taylor, Chair  
Alaska Oil and Gas Conservation Commission

  
\_\_\_\_\_  
Daniel T. Seamount, Jr., Commissioner  
Alaska Oil and Gas Conservation Commission

  
\_\_\_\_\_  
Julie M. Heusser, Commissioner  
Alaska Oil and Gas Conservation Commission

I certify that on May 9, 2001, a copy of the above was mailed to each of the following at their addresses of record:

Nancy S. Wainwright  
BPXA Attorneys, Jeff Feldman/Susan Orlansky

  
\_\_\_\_\_  
Jody Colombe, Executive Secretary

This decision is the final order of the Alaska Oil and Gas Conservation Commission. Any Appeal to Superior Court must be brought within 30 days from the date that this decision is mailed or otherwise distributed.