

**STATE OF ALASKA  
ALASKA OIL AND GAS CONSERVATION COMMISSION  
333 W. 7th Ave., Suite 100  
Anchorage, Alaska 99501-3539**

**Re: THE PETITION OF GREENPEACE, )  
INC., for Rehearing of Approval of )  
Permit to Drill No. 201-027 (API No. )  
50-029-22003-00). )**

**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 (which briefing could also address any additional considerations specific to this Permit to Drill No. 201-027). Having now considered the briefs filed by 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 the two matters 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, as supplemented by the following.

**I. North Slope Borough Coastal Management Program**

One of the claims Greenpeace made regarding Permit to Drill No. 200-211 concerns compliance with the Alaska Coastal Management Program ("ACMP"). Greenpeace has repeated that claim here but has added the assertion that the Commission "failed to comply with the North Slope Borough CMP Policy 2.4.4(b);(f)."

Greenpeace's reference to the North Slope Borough Coastal Management Program ("NSBCMP") is redundant, because the Northstar Development Project Final Consistency Determination encompasses consistency with the NSBCMP. "Standards of the ACMP include state standards found in regulations . . . and the enforceable policies of the local coastal districts. In this case, the North Slope Borough is the affected coastal district for the Northstar Project." Northstar Development Project Alaska Coastal Management Program Consistency Analysis at 1, copied as Appendix 1 to Order Denying Rehearing, Permit to Drill No. 200-211 (emphasis supplied). The NSBCMP policies identified by Greenpeace were specifically addressed in this Consistency Analysis, at 30-32. See Appendix A to this order.

**II. Other Alleged Errors**

In addition to the same substantive errors alleged in Greenpeace's petition regarding Permit to Drill No. 200-211, Greenpeace alleges here that the Commission has failed to protect freshwater from contamination and has failed to witness certain tests or operations. The petition does not specify, however, the nature of the alleged failure(s) concerning protection of freshwater or how such failures

might relate to the Commission's decision to issue Permit to Drill No. 201-027. As pointed out previously, the Commission is required under AS 31.05.090 to issue a requested permit to drill "unless the drilling of the well is contrary to law or a regulation or order of the commission, or unless the person is in violation of a commission regulation, order or stipulation pertaining to drilling, plugging or abandonment of a well." Protection of freshwater is an objective of several provisions of the Commission's regulations, but Greenpeace has not explained, nor is the Commission aware, how the drilling of the well in question would be contrary to any of those provisions.

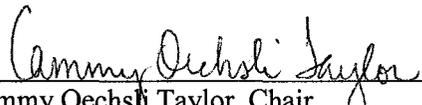
Similarly, even if it were true that the Commission failed to carry out certain inspections (and as far as the Commission is aware, the appropriate inspections have in fact been carried out), such failure would not retroactively invalidate a permit to drill that was necessarily issued before the occasion to perform the inspections could even arise.

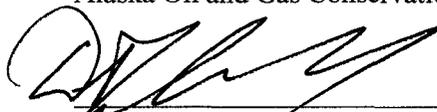
**NOW THEREFORE IT IS ORDERED:**

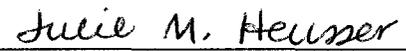
The petition for rehearing is **DENIED**.

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



  
Cammy Oechel 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 mailed to each of the following  
at their addresses of record: 5/9/01  
Wainwright/Feldman/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.