

# STATE OF ALASKA

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*OFFICE OF PROJECT MANAGEMENT AND PERMITTING*  
**ALASKA COASTAL MANAGEMENT PROGRAM**

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July 25, 2007

Faye W. Sullivan, Permitting & Regulatory Affairs Supervisor  
Chevron  
909 West 9th Avenue, P.O. Box 196247  
Anchorage, AK 99519-6247

**Subject: Chevron/UOCC Lewis R. (SFSGR) A-Pad Compressor Install & Facilities Upgrade**  
State ID NO. AK2007-0701 OG  
**Start of 50-day ACMP Review**

Dear Ms. Sullivan ~

The Office of Project Management and Permitting received the Coastal Project Questionnaire and consistency certification, applications, and supporting information you submitted for the proposed project. OPMP is coordinating a review for consistency with the Alaska Coastal Management Program (ACMP) (AS 46.40). This letter initiates the State of Alaska review of this proposed project under the schedule and process described in State regulations (11 AAC 110).

**Project Description**

Union Oil Company of California (Union Oil), proposes to install new modular gas processing facilities at the Lewis River Unit (LRU) A Pad, located in the Susitna Flats State Game Refuge (SFSGR) on the west side of Cook Inlet approximately 19 miles northeast of Beluga, Alaska. The purpose of this project is to produce remaining gas reserves at the LRU well 1-A, and to increase natural gas production to meet ENSTAR West Side delivery requirements for 2007-2009.

The project consists of installation of four new pre-assembled modules, relocation of one heater module, installation of a new communications tower, and upgrades to existing facilities at LRU A Pad. In addition, a new communications module will be installed at

the existing Pretty Creek Unit gas processing site to facilitate relay of data and communications between Lewis River A Pad and Union Oil's Three Mile Creek offices near Beluga, Alaska.

Three new gas processing modules will be installed at LRU A Pad; a separator module, a glycol dehydration module and a compressor module. The separator module will include two separators within a heated enclosure. The dehydration module will include a contactor and a glycol reboiler (approx 80,000 btu/hr input) within a heated enclosure. The compressor module will include a two-stage compressor with a reciprocating, natural gas-fired engine in a heated enclosure. Modules will be heated with small, gas-fired catalytic heaters (approx 50,000 btu/hr per module). New communications modules will also be installed at LRU A Pad and at Pretty Creek Unit Pad. The communications modules will include electronics and communications equipment necessary to collect and transmit facility operational data. These modules are provided with an electric heating and cooling unit. A new 70 foot tall, free-standing communications tower will be installed at LRU A Pad to relay facility data to Pretty Creek and eventually to Union Oil's Three Mile Creek offices.

All new modules will be installed on pre-cast concrete planks. The planks will be recessed in the gravel pad and the modules will be bolted to the concrete planks. The pre-assembled modules will be tail-rolled off a truck, which will eliminate the need for a large crane and lengthy on-site assembly, and will substantially reduce construction noise and activity.

Existing site facilities will be upgraded. A new, heated well house will be installed. An existing line heater will be relocated from LRU C Pad to A Pad and reused. A new 65 Kw microturbine will be installed within the existing generator building. Site power and lighting will be upgraded as needed. The existing well heat string heater and propylene glycol storage tank will be reused. A new heat string pump and new piping will be provided. New produced water piping will be installed and connected to the existing produced water tank. A new blowdown vent stack for emergency shutdown and relief valve venting will be installed. The three existing buildings and the new well house will each be heated with small, gas-fired catalytic heaters (approx 56,000 btu/hr per building).

New underground gas piping, well heat string piping, power and communication cable will be installed between the well and the new separator module. All inter-module piping, power, data and communications cabling will be located on above-grade pipe/utility racks. The existing roadway to A Pad will be improved by the addition of gravel. No increase in road width is planned.

Union Oil proposes to barge the pre-assembled modules and related construction equipment and materials to the Beluga barge landing and truck the equipment and materials to the site. New modules will be tested at the factory prior to shipping. New pipe spools will be hydro-tested at the piping prefabrication workshop, consequently, Union Oil does not anticipate any additional water use will be required at the site. In the event that water is required onsite, water will be withdrawn from the permitted water

well on Lewis River D Pad and hauled to the site. Any excess water will be disposed through down-hole injection.

The onsite construction effort is scheduled to occur over a 5 month period between approximately August 1, 2007 and December 31, 2007. It is anticipated that the construction activities will be phased as indicated below. The delivery of the new modules is expected to occur about the end of October. The highest equipment activity would occur during and just prior to the placement of the new modules. A work crew of between 2 to 10 people will work 12 hours per day, 7 days per week, on an as needed basis, until the project is completed. No fuel storage will take place onsite during the construction period. Vehicles will be routinely fueled off site at Union Oil's Three Mile Creek offices in Beluga. Exceptions will be limited to refueling of portable equipment when in use on site during construction activities.

### Construction Schedule

**Phase 1** Aug. 1 – Sep. 15, 2007: Mobilization, Site Work & Existing Facilities Upgrades

- Place additional gravel on existing A Pad access road.
- Deliver materials to site.
- Relocate and make repairs to existing equipment to be reused.
- Excavate trench for new underground piping and cable.
- Install welded steel underground piping and power/communication cables between well house and modules.
- Upgrade existing site utilities between and within existing buildings: Includes fuel gas piping, heat string piping, site lighting, electrical wiring, instrumentation, and data communications systems.
- Install concrete foundation for communications tower (pre-cast or cement trucks).
- Install new 65 Kw microturbine in existing generator building.

**Phase 2** Sep. 16 – Oct. 31, 2007: Prepare site for new modules

- Install communications tower.
- Excavate pad for pre-cast concrete plank foundations.
- Place concrete plank foundations.
- Install pipe/utility rack with foundation and supports.
- Pre-install inter-module site piping and utilities.

**Phase 3** Nov. 1 – Nov. 30, 2007: Deliver, install and connect new modules.

- Deliver modules and accessories to site.
- Set modules in place.
- Connect piping, electrical, data, communication, etc. to new modules.

**Phase 4** Dec. 1 – Dec. 31, 2007: Start up & commissioning.

- Pre-start up verification.
- Startup and Commissioning activities.
- Demobilization.

### **Project Location**

Lewis River A-Pad is located within the Susitna Flats State Game Refuge in Western Cook Inlet, approximately 19 miles northeast of Beluga, Alaska: Section 2, Township 14 North, Range 9 West, Seward Meridian.

### **Scope of Project to be Reviewed**

The present review will determine if those proposed activities requiring the issuance of State of Alaska Department of Natural Resources / Division of Oil & Gas Lease Plan of Operations Approval; and Alaska Department of Fish and Game / Division of Sport Fish Special Area Permit would be consistent with the statewide standards of the Alaska Coastal Management Program at 11 AAC 112.200 - 11 AAC 112.990 and the enforceable policies of the Kenai Peninsula Borough Coastal Management District.

Recent legislation excludes activities from the consistency review that are subject to authorization by the Alaska Department of Environmental Conservation (ADEC) under the requirements described in 46.40.040(b). For such purposes, the issuance of the ADEC authorization determines consistency with the Air, Land and Water Quality Standard.

### **Review Process**

I distributed the packet of information you submitted to the following review participants: Alaska Department of Fish and Game, Division of Sport-Fish; Alaska Department of Natural Resources, Division of Oil & Gas; Alaska Department of Natural Resources, Division of Geological & Geophysical Surveys; Alaska Department of Natural Resources, Alaska State Historic Preservation Office; Alaska Department of Environmental Conservation; and the Kenai Peninsula Borough Coastal Management District. These review participants will be reviewing the proposal for consistency with the enforceable policies of the Alaska Coastal Management Program.

A notice has been sent to Post Offices in: Anchorage, Kenai and Tyonek, Alaska. Also the notice has been sent to the DNR website: [www.alaskacoast.state.ak.us](http://www.alaskacoast.state.ak.us). A copy of this review package is available for public inspection and copying at the OPMP office in Anchorage.

### **Authorizations**

The project must be found consistent with the ACMP before the following State and Federal authorizations may be issued:

- Alaska Department of Natural Resources (DNR), Division of Oil & Gas  
-- Lease Plan of Operations Approval
- Alaska Department of Fish and Game / Division of Sport Fish  
-- Special Area Permit

State agencies shall issue permits within five days after OPMP issues the final consistency determination that concurs with the applicant's consistency certification, unless the resource agency considers additional time to be necessary to fulfill its statutory or regulatory authority.

Please note that, in addition to their consistency review, State agencies with permitting responsibilities will evaluate this proposed project according to their specific permitting authorities. Agencies will issue permits and authorizations only if they find the proposed project complies with their statutes and regulations in addition to being consistent with the coastal program. Applicants may not use any State land or water without DNR authorization.

**Review Schedule**

OPMP is coordinating the consistency review of this project under a **30-day** review schedule. Review deadlines are as follows:

|                         |                                   |
|-------------------------|-----------------------------------|
| Request for Information | August 20, 2007                   |
| <b>Comment Deadline</b> | <b>August 23, 2007, 5:00 p.m.</b> |
| Proposed Response       | September 06, 2007                |
| Final Response          | September 12, 2007                |

**State review participants will evaluate this proposed project for consistency with the enforceable policies of the ACMP that include statewide standards in 11 AAC 112, and enforceable policies of the Kenai Peninsula Borough Coastal Resource District, with the exception of the Air, Land and Water Quality Standard (11 AAC 112.310). DEC will review any activities subject to DEC permits, certifications, approvals, and authorizations for consistency with 11 AAC 112.310. The issuance of the permits, certifications, approvals, and authorizations by DEC establishes consistency with 11 AAC 112.310 for those specific activities.** The public may also submit comments regarding the consistency of the project with the ACMP. Any comments concerning consistency with **11 AAC 112.310** must be submitted directly to DEC. Comments concerning consistency with all other standards and policies must be submitted to OPMP.

OPMP will give careful consideration to all comments. The proposed consistency determination will notify you of OPMP's concurrence with or objection to your certification. If OPMP objects, the consistency determination may include alternative measures required to make the proposed project consistent with the ACMP. You may choose to adopt the alternative measures, or propose other modifications that would achieve consistency for review participants and OPMP to consider.

By a copy of this letter I am informing the State and Federal agencies that the OPMP has begun its consistency review.

We encourage you to visit OPMP's web site for more information about the ACMP. The web site contains the State's consistency review regulations 11 AAC 110, the public

notice for this project, and other information. Please contact me at 269- 7474, or via email at: [ben\\_green@dnr.state.ak.us](mailto:ben_green@dnr.state.ak.us) if you have any questions.

Sincerely,



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Cc:

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Tammie Massie, DNR/ OHMP  
Matt Rader; Jeff High; John Easton, DNR, DOG  
Margie Goatley, ADNRP/DPOR/SHPO  
Patty Burns, DNR, Division of Geological & Geophysical Surveys  
Patricia Bettis, DNR, Water  
Fran Roche; Cynthia Espinoza; Lydia Miner; Bob Blankenburg; Gary Evans,

DEC

Barbara Mahoney, NMFS/NOAA  
Dianne Soderlund; Ted Rockwell; Colleen Burgh, EPA  
Mary Lynn Nation, USFWS  
Bob Shavelson, Cook Inlet Keeper