



## KENAI PENINSULA BOROUGH

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June 10, 2006

JOHN J. WILLIAMS  
MAYOR

Mr. Ben A. Greene, PhD.  
Alaska Coastal Management Program  
Office of Project Management and Permitting  
550 West 7<sup>th</sup> Avenue, Suite 1660  
Anchorage, Alaska 99501

Subject: Escopeta North Cook Inlet (Offshore), Kitchen Prospect Exploration  
AK2006-0102OG

Dear Mr. Greene:

Kenai Peninsula Borough (KPB) Coastal District staff reviewed the above referenced project for consistency with KPB Coastal Management Program enforceable policies. The project involves drilling four exploration wells in the northeast Cook Inlet area in marine waters near Nikiski.

### Project Description and Scope

Escopeta, as operator, plans to drill four exploration wells in the marine waters on the East side of Upper Cook Inlet. Drilling operations will begin as soon as the necessary permits and approvals are available and an offshore drilling vessel/rig arrives in Upper Cook Inlet waters. Escopeta has contracted with Songa Drilling Pte. Ltd. To have the *Songa Tellus* independent-leg cantilever jack-up rig to be brought to Cook Inlet. The jack-up drill rig would operate in 45' to 120' of water at the four proposed well sites. To reduce hazards associated with winter sea ice, drilling activities would be conducted between April and early December. The rig would be leased to other industry operators from December through March or placed in a warm stack mode at an approved anchorage in Lower Cook Inlet. The jack-up rig will be supplied by aircraft and marine vessels from Nikiski. Three of the proposed Kitchen exploration well sites are located approximately 10 miles north of Boulder Point offshore near Nikiski on the Kenai Peninsula, approximately 18 miles north of the townsite of Kenai and 16 miles south of the village of Tyonek. The fourth Kitchen well site is located approximately 1.7 miles west of the shoreline near Nikiski.

The applicant will attempt to acquire seismic data through purchase but if the data cannot be obtained a contractor will be hired to conduct seismic studies.

## Findings

Kenai Peninsula Borough Coastal Management Program (KPBCMP) enforceable policy 2.3(a)(b)(c), Commercial Fishing, requires that to the extent feasible and prudent, all temporary and permanent developments, structures and facilities in marine waters will be sited and operated in a manner that does not create a hazard or obstruction to commercial fishing operations, that operators of oil and gas activities will inform commercial fishing interest of the schedule and location of development activities prior to initiation and exploration shall be scheduled and/or located to avoid interference with commercial fishing or subsistence activities.

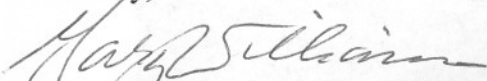
To conform to policy 2.3(a)(b)(c) the applicant warrants that the company has attended meetings with a variety of commercial and subsistence fishing interests and will maintain contact with them so the fishing groups are involved and aware of the project. This action on the part of the applicant and subsequent actions to, 1) avoid siting the exploration structure in locations important to fishing activities and 2) avoid conflict with commercial and fishing activity in its operations, will satisfy the requirements of the KPBCMP Commercial Fishing policy.

Kenai Peninsula Borough Coastal Management Program (KPBCMP) enforceable policy 12.9, Whale Migration and Feeding Areas, requires activities within or adjacent to coastal waters to avoid interfere with migration or feeding of whales. The applicant warrants that its exploration activities will be designed “to minimize any potential interactions with beluga whales”. The applicant warrants that the company will contact the Native Village of Tyonek and the Cook Inlet Marine Mammal Council and others and will work “to minimize any adverse effects on the availability of fish and wildlife for commercial and subsistence uses and to ensure that Escopeta’s operations have no negative effect on the quality of life for Alaskans”. These actions on the part of the applicant and the implementation of initiatives to avoid negative impact to whales will satisfy this requirement of the KPBCMP Whale Migration policy.

Kenai Peninsula Borough Coastal Management Program (KPBCMP) enforceable policy 5.9(a)(b)(c), Geophysical Surveys, requires that geophysical surveys will, to the extent feasible and prudent, be located, designed and conducted in a manner so that fish and wildlife populations, habitats and harvests will not be disturbed. Survey methods allowable are airguns, gas exploders or other sources that have been demonstrated to be harmless to fish and wildlife. Implementation of this alternative measure will be required should seismic activity become necessary in the conduct of exploration activities.

Thank you for the opportunity to comment.

Sincerely,



Gary Williams  
Coastal District Coordinator