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To: R10OCSAirPermits@EPA  
cc  
bcc  
Subject: Comments From ADEC on Shell Beaufort OCS Air Permit

The Alaska Department of Environmental Conservation (ADEC) would like to submit the following comments on the EPA's PSD Permit for Shell's OCS Activities in the Beaufort Sea and associated documents:

**Statement of Basis Document :**

Page 31, Section 2.9 - The final sentence is missing a word. The sentence should read:  
"Because the PTE for this project is greater than 100 tpy for several criteria pollutants, it is a major source under Title V and Part 71 and Shell must apply for an operating permit as provided in 40 C.F.R. § 71.5(a)(1)(i) within 12 months of first becoming an OCS source on its current leases in the Beaufort Sea."

Page 35, Section 3.2 - Under the heading **COA Regulations: Permit Revisions, Termination and Reissuance** the next to last sentence contains an apparent typographic error. The sentence should read:

*"The State of Alaska adopted this standard permit condition under 18 AAC 50.345(f) as part of the construction permit program ~~the~~ and this condition is included in State construction permits."*

Page 42, Section 3.3 - Under the heading **Prohibited Activities** does not appear to include exclusions that are detailed in the condition cited. Please consider changing the sentence to read:

*"Condition B.21 prohibits Shell from flow testing wells, flaring gas, storing liquid hydrocarbons recovered during well testing, or refueling any vessel (excluding the Discoverer, the Kvichak workboats, and Rozema Skimmer) refueling within 25 miles of the Discoverer while the Discoverer is an OCS source."*

Page 43, Section 3.3 - Under the heading **COA Regulations: Good Air Pollution Control Practice** the second sentence in the second paragraph should read:

*"The State of Alaska adopted this condition as a Standard Permit Condition II ( revised as of August 25, 2004) under 18 AAC 50.346(b) as part of the construction permit program and this Standard Permit Condition is included in State construction permits."*

Page 54, Section 3.5 - Paragraph two, sentence two -notes that Shell estimates that ice breaking capability in its lease holdings would only be required 38 percent of the time. This appears to reference information on forecast ice floe frequency and intensity forecasts based upon the data provided in Appendix L. In Shell's application, page 25, section 2.2, paragraph two, sentence three Shell states that ice breaker operations in the application are based upon the conservative assumption that ice is on location 38 percent of the season. It is not clear how the 38% figure was arrived at, since the data in Appendix L consists mostly of data collected in the months of September and October, while the implication elsewhere is that the season would start in July.

The context of this concern is that it appears that this forecast icebreaker usage is translated into a permit requirement in the EPA PSD permit as a limitation on the total fuel usage for the

two icebreakers. Under Section N for icebreaker #1, Section N.1 states “for a given drilling season” and other conditions under Section N list all operations as “in aggregate”. Given this language, it is not clear if this limitation on fuel usage is for the drilling season of July 1 to December 31 of each year or if it is an aggregate limitation on fuel usage during a given 12-month period as described in Section 3.3 Source-Wide Requirements- Duration of Exploration Operations on page 39 of the Statement of Basis document.

Page 55, Section 3.5 - Sentence five in paragraph two should read:  
Murmansk Shipping of Russia operates on vessel ~~vessels~~ - the Vladimir Ignatjuk.