



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue, Suite 900
Seattle, WA 98101-3140

OFFICE OF
AIR, WASTE AND TOXICS

CERTIFIED MAIL RETURN RECEIPT
REQUESTED

JUL 29 2009

Ms. Susan Childs
Regulatory Affairs Manager, Alaska Venture
Shell Offshore Inc.
3601 C Street, Suite 1314
Anchorage, Alaska 99503

Re: Partial Incompleteness Determination for Outer Continental Shelf Pre-Construction Air Permit Application for the Frontier Discoverer Beaufort Sea Exploration Program.

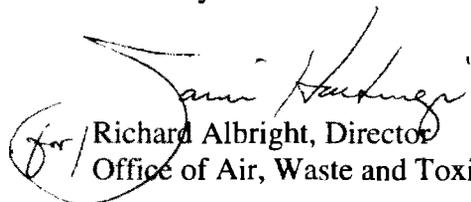
Dear Ms. Childs:

On May 29, 2009, U.S. EPA Region 10 received Shell Offshore Inc.'s (SOI) Outer Continental Shelf (OCS) Pre-Construction Air Permit Application for the Frontier Discoverer Beaufort Sea Exploration Program in the Beaufort Sea. We understand that the exploratory drilling activity will occur within and beyond 25 miles of the Alaska Seaward Boundary.

This determination is based on our preliminary review of the application received on May 29, 2009. We have not yet completed our review of the information relating to the air quality modeling, air impact analyses and sections of the application relating to the emission control technology review (Sections 4, 5, 6, 7 and 8 in the application). Therefore this determination does not address the completeness of those sections in the application. Based on our preliminary review of the permit application, we have determined that section 2: Project Description and Emissions and section 3: Regulatory Applicability of SOI's application to be incomplete. Pursuant to 40 CFR 124.3(c), we are listing the information necessary to make these sections of the application complete. Please refer to Attachment A for further details. Please submit the missing information by August 24, 2009.

If you have any questions, please contact Natasha Greaves at 206-553-7079.

Sincerely


for Richard Albright, Director
Office of Air, Waste and Toxics

Enclosure

cc Eric Hansen, Environ International Corporation
Mark Schindler, Octane, LLC
Jeffrey Walker, MMS-Alaska Region

Attachment A

EPA Air Quality Impact Analysis Comments on the Outer Continental Shelf Pre-Construction Permit Application Frontier Discoverer Beaufort Sea Exploratory Drilling Program Dated May 2009 and Received by EPA on May 29, 2009

1) GENERAL COMMENTS – PERMIT APPLICATION

- a) Pursuant to 18 AAC 50.205 – Certification, any permit application must include the signature of the responsible official for the permitted stationary source, followed by the statement “Based on the information and belief formed after reasonable inquiry, I certify that the statements and information in and attached to this documents are true, accurate, and complete.”

Please provide EPA with a permit application signed by the responsible official, followed by the required statement.

- b) EPA submitted an incompleteness determination to SOI, for the Frontier Discoverer Drill Vessel in Chukchi Sea on January 16 and March 12, 2009.

Please incorporate the relevant portions of the information SOI submitted in response to EPA’s incompleteness determinations for the Frontier Discoverer Drill Vessel in Chukchi Sea, in the Beaufort Sea permit application. This includes the updated emission inventory and any associated updates to the best available control technology, (BACT), modeling analyses, requested restrictions, etc.

2) PROJECT DESCRIPTION AND EMISSIONS – SECTION 2

- a) Shell has asserted that none of the requested restrictions on emission or operations are intended to be “Owner Requested Limits” under 18 AAC 50.225 for the purpose of limiting potential to emit and avoiding requirements. The annual emissions in Table 2-2 reflect both the proposed BACT and the requested restrictions and hence are better described as the proposed permitted (allowable) emissions and not the potential to emit of the OCS source.

Please provide a potential to emit inventory (tons per year) for all regulated NSR pollutants in order to document which pollutants exceed the significant emission rates for purposes of prevention of significant deterioration applicability.

- b) The permit application does not provide the annual emissions (Table 2-2) particulate matter (PM), municipal waste combustor (MWC) organics, MWC metals, MWC acid gases, and ozone depleting substances.

Please amend Table 2-2 to include the annual emissions for PM, MWC organics, metals, and acid gases, and ozone depleting substances.

3) REGULATORY APPLICABILITY – SECTION 3

- a) The permit application did not describe all of the applicable corresponding onshore regulations that have been incorporated, or proposed to be incorporated, into 40 CFR Part 55 Appendix A. See 74 Fed. Reg. 9180 (March 3, 2009). For example, 18 AAC 50.070 – Marine Vessel Visible Emission Standards or 18 AAC 50.080 – Ice Fog Standards may apply.

Please amend the permit application and address how SOI will comply and document compliance with 18 AAC 50.070 and 18 AAC 50.080.

- b) Table 3-1: Significant Emission Rates did not identify the significant emission rate threshold and the Frontier Discoverer and Fleet emission limit for MWC organics, metals, and acid gases, and ozone depleting substances.

Please amend the permit application to include the significant emission rate threshold and the Frontier Discoverer and Fleet emission limit for MWC organics, metals, and acid gases, and ozone depleting substances

4) BACKGROUND CONCENTRATIONS – SECTION 6

- a) Ambient PM_{2.5} data from the Wainwright site is not representative of background concentrations at the eastern Beaufort Sea drilling locations.

Please amend the permit application to include, at a minimum, 4 months of quality assured ambient PM_{2.5} monitoring data from a site representative of background concentrations in the Beaufort Sea or, alternatively, at least 4 months of quality assured monitoring data that represents a conservative estimate of background PM_{2.5} concentrations in the Beaufort Sea.