

R. Pomeroy 11-20-96

NOV 25 1996

Memorandum

To: Regional Supervisor, Resource Evaluation
Attention: Frank Neary

From: Regional Supervisor, Field Operations

Subject: Geological Well Data Release Date

On November 20, 1996, our office released to the public the well data for Leases OCS-Y 0866 #1, Kuvlum #1, OCS-Y 0865 #1, Kuvlum #2, and OCS-Y 0866 #2, Kuvlum #3. The well samples for these wells can now be released to the Geologic Materials Center in Eagle River as soon as practicable.

~~cc: John W. Reader, Ph.D.
Department of Natural Resources
P.O. Box 72116
Eagle River, Alaska 99577-2116~~

bcc: OCS-Y 0866#1, 0866#2, and 865#1 6-C
Chron (area/cc/rd)
RPomeroy:rdp:11/21/96:Neary10.mem

UNITED STATES GOVERNMENT
MEMORANDUM

To: Regional Supervisor, Field Operations

Through: Supervisor, Rules, Orders, and Standards

From: Petroleum Engineer *Breitmeier 8/25/92*

Subject: Kuvlum Special PINC List and Critical Operations and Curtailment Plan (COCP) Questions

Completion of the Kuvlum Special PINC list has been held up pending receipt from the District Supervisor of information on the COCP. Approval of the Application for Permit to Drill (APD) was made contingent upon satisfactory answers to a number of important questions and needed clarifications on the COCP (see attachment 1). This request was made formally on August 7, 1992. ARCO replied with a fax transmission late on Friday, August 14, 1992 with the rig already on location. Several of the questions were not answered adequately; most notably, a request to supply a complete explanation of ARCO's kick tolerance policy for this well, which forms an integral part of the Kulluk alert system and information as to how they propose to collect information sufficient to calculate hazard time at least to Secure Time + 12 hours (Green Alert Status).

The Acting District Engineer and I have attempted, since receipt of this fax, to obtain this information through the District Supervisor, both by verbal and written request. To date we have still not received adequate information on either of these questions.

On the issue of kick tolerance, ARCO has provided a copy of Beaudril's kick tolerance policy which is, on the whole, acceptable. However, they explicitly state that "these calculations do not in any way, provide a substitute for sound engineering judgement." They do not indicate what this "sound engineering judgement" is based on if not these calculations. They also state that "Any final decision regarding alert levels and the impact of kick tolerance on alert levels will be made by the ARCO and Beaudril supervisors onsite." This, in effect, negates the COCP they have provided us. They claim that Beaudril's policy is flawed because it contains "numerous subjective assumptions." The Acting District Engineer and I have examined this policy in depth and find the few assumptions made both reasonable and not uncommon for any engineering calculation. The only safety factor amounts to less than 0.335 pounds per gallon.

It has further been communicated verbally to me by the District Supervisor that ARCO intends to continue drilling below a zero kick tolerance level. In the opinion of the Field Operations petroleum engineering staff, to do so would be irresponsible and a violation of both 30 CFR 250.50, requiring use of best and safest technology to control the well, and 30 CFR 250.54(a)(6), requiring a "safe margin between the mud weight in use and the equivalent mud weight at the casing shoe as determined in the pressure integrity

ARCO Alaska, Inc.
Post Office Box 100360
Anchorage Alaska 99510-0360
Telephone 907 276 1215



13 May 1993

Mr Rodney Smith
Field Operations
MMS
Anchorage

RECEIVED
Anchorage, Alaska

MAY 18 1993

REGIONAL SUPERVISOR
FIELD OPERATION
MINERALS MANAGEMENT SERVICE

Dear Rod,

Attached is the Final Report of "Kuvlum #1 Exploration Prospect Site Specific Monitoring Program" prepared by Coastal & Offshore Pacific Corporation for ARCO Alaska, Inc. (May 14, 1993).

For those who made them, we appreciate the comments which you provided on the Draft Final Report. Each was carefully taken into account in the preparation of this Final Report.

Marine mammal monitoring by COPAC at the Kuvlum exploration prospect will also be conducted ~~conducted~~ in summer/fall of this year. This is the first occasion on which a site specific monitoring effort will be carried out at the same Beaufort Sea location in successive years. The program objectives will therefore remain the same with the added expectation that, given adequate sighting data, even more robust statistical analyses on bowhead whale migratory patterns in the vicinity of an oil and gas exploratory operation can be performed.

Thank you for your interest in this scientific effort.

With best regards,

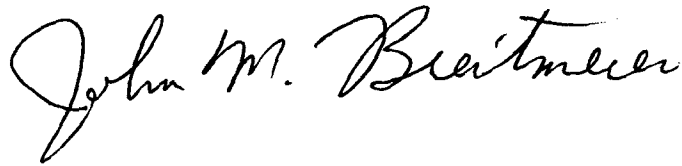
Bob Griffith
Senior Consultant--Environmental Sciences
Tel. (907) 265-1551

Attachment: Kuvlum #1 Final Report (2 copies)

test." Furthermore, approval of such a policy by this office would almost certainly constitute negligence and make us liable with the operator for any damages, deaths, or injuries, resulting from a blowout where kick tolerance was allowed to drop below zero.

For Hazard time calculations, ARCO has not demonstrated that they have the means to detect multi-year ice at a radius great enough to allow them pull back into casing, hang off, disconnect, and pull anchors, and still have the necessary 12 hours operating time to be in a green alert. Later in the well the Secure time alone may be more than 18 hours.

According to the APD approval letter, ARCO is not supposed to be drilling until these issues have been resolved. I hope this is the case.

A handwritten signature in cursive script, reading "John M. Breitmeier". The signature is written in dark ink and is positioned above the "Attachment" label.

Attachment

bcc: OCS-Y 0866 6A
Chronos(ros/cc)
ROS Supervisor
Author

JBreitmeier:final:d:nep:8/25/92
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