



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue
Seattle, WA 98101

Reply to
Attn Of: OWW-130

JUN 24 2007

Certified Mail – Return Receipt Requested

Bill Britt
Alaska Team Lead, HES
Chevron
909 West 9th Ave.
Anchorage, Alaska 99501

Nina Hutton
Vice President – EH&S
XTO Energy
810 Houston Street
Fort Worth, Texas 76102

RE: Cook Inlet NPDES General Permit (AKG-31-5000)

Dear Mr. Britt and Ms. Hutton:

The purpose of this letter is to provide further clarification on the issues that you presented in your June 15, 2007 letter to the U.S. Environmental Protection Agency (EPA) regarding the Cook Inlet Oil & Gas NPDES General Permit, NPDES Permit No. AKG-31-5000 (Permit). As you know, on June 20, 2007, EPA met with Chevron and XTO to discuss the issues presented in the June 15th letter. Based on the discussions during the June 20th meeting, EPA is providing the following clarification:

Issue 1: 4000 Meter Exclusion Zone Concern

In your June 15th letter and during the June 20th meeting, you expressed concern that the existing shore-based facilities and some of the existing platforms may be discharging within the 4,000 meter exclusion set forth in Section I.C.3.b of the Permit. EPA would like to clarify that it did not intend for this exclusion to include existing facilities. In fact, the Permit establishes effluent limits for these existing facilities. Moreover, in EPA's Permit authorization letters, dated May 25, 2007, EPA granted discharge authorizations to the existing facilities.

Issue 2: Sampling Produced Water and Other Streams Before Commingling

During the June 20th meeting, you expressed concern over whether the companies could combine different produced water waste streams from different platforms at a shore-based facility. The Permit does not prohibit the combination of different produced water waste streams. Sections II.A.10, II.C.3., and Footnote 1 to Table 7A, however, require that sampling of produced water occur prior to commingling of the produced water waste stream with any other waste stream.

Issue 3: Sampling of Directly Discharged Deck Drainage

In your June 15th letter, you requested clarification on what "once per discharge event" means in Sections II.C.1 and II.C.2 of the Permit. Table 2 in Section II.C.1 requires a visual monitoring for free oil. Additionally, Footnote 1 requires a Static Sheen Test when the discharge of deck drainage occurs during broken, unstable or stable ice conditions. Section II.C.2 of the Permit is a separate requirement that requires the discharger to conduct a Static Sheen Test once per discharge event if the discharges are processed through an oil-water separator. Under this Permit, "once per discharge event" means the period of time between when a flow is initiated and when it ceases.

Issue 4: WET Testing of Miscellaneous Wastewater Discharges

Flocculent

You requested clarification on whether or not flocculents are considered "chemical additives" or "treatment chemicals" as those terms are used in the Permit. For purposes of this Permit, EPA does not consider flocculent as a chemical additive or treatment chemicals subject to Section II.F.3.

Trigger Levels

You requested further clarification on the meaning and purpose of the whole effluent toxicity (WET) trigger levels. Further, during the June 20th meeting, you expressed concern that these trigger levels can be implied to be effluent limits.

The Permit at Section II.F.4 establishes the WET trigger levels. These are not permit limits. Instead, these levels are trigger values that could require additional testing, as explained in Response #8 of EPA's Response to Comments document. Exceeding a trigger level is not a violation of the Permit. Rather, a violation of the Permit would occur if accelerated WET testing as set forth in Permit Sections III.A.7 and III.A.8, are not performed once the trigger level is exceeded.

Please note that this requirement is supported in the Alaska Department of Environmental Conservation's (ADEC) Final Clean Water Act (CWA) Section 401 Certification, which states, "This certification approves the use of WET (whole effluent toxicity) testing and trigger levels to monitor the potential impacts of these discharges to aquatic life in Cook Inlet. Whole effluent toxicity shall be expressed in Toxic Chronic Units (TU,) required in 18 AAC 70.020(b)." Furthermore, the Final Certification states, "DEC's primary concern this permit cycle is to determine any additional toxicity from these miscellaneous discharges from facilities covered by this permit. Targeted WET testing with trigger levels and inventories of chemical/biocide additives will provide the information necessary to evaluate the need for effluent limits in the next permit cycle. These trigger levels are based on the dilution factors obtained from DEC's draft 401 certification."

Issue 5: Ammonia Testing Requirements

EPA has addressed this issue in a Permit Modification, dated June 27, 2007

Issue 6: Accuracy of Produced Water Limits

As you requested during the June 20th meeting, EPA has provided the spreadsheets that support EPA's calculations of the Permit limits for produced water.

Please feel free to contact me at (206) 553-7151 or Hanh Shaw of my staff at (206) 553-0171 if you have any questions regarding this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Gearheard", written over a light gray rectangular background.

Michael F. Gearheard, Director
Office of Water & Watersheds

cc: Sharmon Stambaugh – ADEC
Mike Stahl – ConocoPhillips Alaska, Inc.