DEC urges continuation of drilling limit

By Linda Lord-Jenkins
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No more than 75 days should be added to the drilling restrictions imposed on Beaufort Sea exploratory oil operations, according to the Alaska Department of Environmental Conservation.

That recommendation came in a report released last week by DEC Commissioner Ernest Mueller who said he agrees that despite the low probability that a major blowout will occur, increased drilling activity will increase the chances of some form of damage to the Beaufort Sea.

Department of Natural Resources Commissioner John Katz is expected to rule by March 1 on extending seasonal drilling restrictions in the Beaufort. Those restrictions, implemented two years ago and up for review this year, limit drilling activity to the winter hard-ice periods from Nov. 1 to March 31.

The restrictions were imposed to give scientists time to study the effect of drilling on the bowhead whale which migrates to the Beaufort through the drilling area, and to give the oil industry more time to develop better technological capabilities to clean up oil spills.

It was felt that cleaning up spilled oil during the hard ice period is easier than that in broken ice times and doesn't cause as much potential harm to the bowhead and other ocean life.

The DEC report to Katz stated that "year round drilling would substantially increase the number of small, incidental spills from routine operations. Such chronic pollution poses a substantial threat to overall habitat quality, particularly when evaluated in conjunction with current spill response capabilities."

Mueller submitted several alternatives which will be discussed in a DEC public hearing on the matter in Anchorage this week.

His report didn't give a preferred alternative but did include estimates on the cost of that alternative to the state's share of oil revenues.

Those alternatives are:

* Retaining the current restrictions which state consultant Dames and Moore estimated could cost the state up to $505 million in lost revenues because of increased oil industry drilling costs.

* Increasing the drilling season from the current six months to eight-and-one-half months with prohibitions on drilling during break-up and freeze-up. Drilling would be allowed from Nov. 1 to May 15

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Brower says necessary studies haven't been completed to make decision

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and from July 15 to Sept. 15. An estimated $187 million in revenues would be lost to the state with this alternative.

* Allowing year-round drilling inside the Barrier Islands and a Nov. 1 to Aug. 31 season for drilling outside the islands where ice conditions are more hazardous. This also would cost the state $187 million.

*Scrapping all drilling restrictions which would have no adverse financial impact on state revenues.

Despite the fact that the drilling restrictions were imposed to wait for more scientific data on the effects of drilling on the bowhead whale, this decision may still be made without receiving that data, according to a statement by North Slope Borough Mayor Eugene Brower.

In a written statement to Katz, Brower objected to the proposed lifting of seasonal restrictions because many essential studies on the bowhead have not been completed.

One crucial study to the matter, being conducted by the National Marine Fisheries Service (NMFS), was overdue in November and its completion date has not yet been set, said Brower. He also said that NMFS officials in Seattle had refused to give the North Slope Borough a copy of the draft copy of the study despite the Borough's request under the National Freedom of Information Act.

That study was being conducted in conjunction with the proposed offshore oil lease sale in the Diapur Field and analyzes the impact of Outer Continental Shelf operations on endangered whales.

Other studies which are not available in final form include a 1981 report on the "Behavior Disturbance Response, and Feeding of the Bowhead Whales in the Beaufort Sea," and a report on "Aerial Surveys of Endangered Whales in the Beaufort Sea, Chukchi Sea and Northern Bering Sea," a report on "Tissue Analysis of Endangered Whales on the Beaufort Sea," and the "Effects of Oil on the Feeding Mechanisms of the Bowhead Whale."

The studies "constitute the majority of ongoing scientific research" on the effects of oil activities on the bowhead, and shouldn't be left out of any study on seasonal restrictions, Brower's statement said.

He also pointed out that the drilling restrictions were imposed to protect a whole range of summer ecological components which are numerous during the summer months. He also quoted a Bureau of Land Management report on a lease sale in the St. George Basin which states that "present knowledge of the petroleum-related activity and its relationship to cataceans is insufficient to predict the magnitude of many unavoidable adverse impacts on endangered whales that may be associated with the proposed sale."

Brower disputed an oil industry contention that risk of oil spills are extremely low by quoting from an Alaska Department of Fish and Game memorandum from 1980 which stated that 17 blowouts in exploratory Outer Continental Shelf wells had occurred from 1971 to 1978. "The blowout rate for all wells drilled in the U.S. OCS waters, which was reported as one for each 500 holes drilled during 1953-1971, increased to one for each 250 holes drilled during 1971-78. Moreover, an analysis of the 1971-78 statistical base indicates that the blowout rate has continued to increase between 1971 and 1978."

One reason given for this apparent increase in blowouts, according to Brower's research is that increased drilling activity results in more people with less experience being hired on wells. Quoting from a National Academy of Sciences report on safety and offshore oil, the report states "the rise of blowouts will increase unless the industry can compensate for inexperience."

Brower also disputed the oil industry contention that a seasonal restrictions cause economic hardship to the industry when he quoted National Petroleum Council data which indicates that a Beaufort Sea well takes 100 days to drill while the Nov. 1 to March 31 season provides a 151 day season.

He also quoted an internal ADF&G memo which states that it costs $700 to $1,500 per day to leave a rig on an artificial island over the summer for a total of about $300,000 per season or less than one percent of the total cost of the drilling operation.

"Thus, the economic hardship to the oil industry of the seasonal drilling restriction is not significant especially when it is weighed against the tremendous environmental benefits gained by the avoidance of an oil spill during the open water season."