

US Senate Energy Committee
BLM-Alaska Legacy Wells
Written Testimony
July 12, 2012 Meeting
Representative Charisse Millett

Chairman Bingaman, Ranking Member Murkowski, and members of the committee.

Thank you for the opportunity to communicate a message from the citizens of Alaska over their frustration on this 70-year-old problem and advocate for

A solution. With this committee's help I believe we can get the federal government to clean up its mess, and be good stewards of our land as their mission states.

During the 2012 Alaska legislative session I sponsored House Joint Resolution 29. It has been submitted to the Chair for this hearing. The resolution urges the Bureau of Land Management (BLM) to plug legacy wells properly and to reclaim the legacy well sites as soon as possible in order to protect the environment in the arctic. It passed the House unanimously; in fact, every member of the Alaska House of Representatives is a co-sponsor of this legislation. Attached to my written testimony is a copy of the Resolution. (Attachment 1)

From 1944 to 1982 the United States Navy and the United States Geological Survey drilled 136 wells in or near the National Petroleum Reserve-Alaska (NPR-A). NPR-A is part of the northern Arctic coastal plain that includes Prudhoe Bay, the Arctic National Wildlife Refuge (ANWR) and stretches all the way to the Northern Canada. These areas are all similar in biology, geography and oil and gas resource potential. Attached you will find a map of current map of current, relinquished and expired tracts for NPR-A, and a map of locations of the legacy wells. (Attachment 2)

The NPR-A was a test bed not just for oil and gas exploration practices in the Arctic, but also presented a significant opportunity to test Arctic-

engineering practices. Nearly every site has a variation on the surface and underground as different technologies were tried.

The BLM is now the custodian responsible for the surface and sub-surface property, including the custody of the abandoned wells, now referred to as the legacy wells. Secretarial Order Nos. 3071 and 3087 were issued in 1982. With the abolishment of the Conservation Division of the USGS in 1982, the NPR-A became under sole jurisdiction of the BLM.

Only sixteen of the 136 legacy wells have been properly plugged and abandoned. Of those sixteen 7 were plugged not by the BLM but by the North Slope Borough.

The remaining 120 wells are in various conditions of flagrant non-compliance. The drill sites, many of which are contaminated by wood, metal, plastic, glass and concrete debris are also littered with rusting barrels once filled with contaminants and may still be, we don't know.

Two of the 120 wells are currently, and may have been for 30 years leaking hydrocarbon gas into the atmosphere. Three other wells can no longer be found. One well is under a landslide at the edge of the Colville River, the same river that a bridge permit for a private operator was delayed for over five years due to environmental concerns.

Two others are at the bottom of lakes where remediation will be very difficult and expensive.

Allowing these unsafe and unsightly wells to litter Alaska wilderness while threatening wildlife and human safety and damaging the pristine arctic environment is unacceptable.

In June of 2001 an EPA pollution report was filled by the North Slope Borough (NSB) received a report that Simpson Well #31 was leaking crude oil from a private citizen. NSB confirmed this report on a site visit performed June 4, 2001. An estimate provided by North Slope Borough Officials indicates that there is 40 – 50 gallons of crude oil on the ground around the wellhead. On June 7, 2001, BLM was notified by the NSB and reported the situation to the NRC and ADEC. On June 8, a BLM Petroleum Engineer and Petroleum Engineering Technician visited the site and confirmed a minor leak. The master valve was not completely closed and the wellhead

was leaking at a swedge (pipe reduction coupling) above the master valve, and the master valve may be leaking. The total volume that has leaked from the well is unknown, but it was estimated that the well is leaking at a rate of about one gallon per day. This report went to 8 different people. The BLM responded, however, this well is 40 miles from Barrow and there is much human activity that takes place near Barrow in the form of subsistence hunting and fishing, There are many wells within the NPR-A that are only visited by wildlife and the sporadic visits to monitor the wells by the BLM. My worry and the worry of many Alaskans there are more wells like Simpson 31 that have, or are currently polluting the environment. I attached the full EPA report. (Attachment 3)

The legacy wells have been an issue for over 60 years. Many administrations have failed Alaskans, responsible operators, and by extension all Americans on this problem, however the current federal government has the opportunity to take action now and solve this problem. Lets stop the - out of sight out of mind mentality on this issue.

The federal government has received approximately \$9,400,000,000.00 from lease sales in the NPR-A and the outer continental shelf of the Alaska. Of that \$9.4 billion dollars there has not been one penny has been used to plug, abandon or reclaim legacy wells in NPR-A.

The State of Alaska cannot impose fines on the federal government like we would on our private operators for violating our State regulations, if we could the fines would exceed \$8,000,000,000.00. If the statute of limitations were waived, the fines would exceed \$40,000,000,000.00

While the Federal Government rightfully demands proper environmental stewardship on development in Alaska, and often uses administrative powers to delay or stop responsible development in the name of environmental protection. It turns a blind eye to its own festering environmental disaster. This hypocrisy outrages Alaskans, and should outrage all Americans. It adds insult to injury. Alaskans take pride in how we hold all developers to the highest environmental standards in the world, yet the federal government responsible for protecting America's lands is the worst offenders in Alaska.

Currently the federal government is rewriting the management plan for the NPR-A. It just finished the public comment portion. Amazingly enough the

Environmental NGO's submitted over a 1000 pages of comments stating they supported the most restrictive plan that would provide the most protection to the environment of the NPR-A. So it is ironic that not one of those NGO's has felt any similar urgency to come to the aid of cleaning up the damage already inflicted by the federal government's legacy wells. This goes to the fundamental question of why lands should be removed from potential exploration, when the true test is one of management. On this level, both the federal government and the environmental groups have misplaced their priorities.

The only media coverage on this problem has been from the local Alaska, in the media reports we get mixed messages from the local BLM. I have attached a few samplings so you can get the feel for the frustration Alaskans have over the inaction of the federal government (Attachment 4)

I have also included a link to an extensive data base of pictures of legacy wells, the BLM Legacy Well Summary Report; National Petroleum Reserve-Alaska – November 2004, and other pertinent documents:

<http://video.housemajority.org/index.php?dir=BLM+Legacy+Wells%2F>

Now for solutions: The Administration is planning more offshore Alaska and NPR-A lease sales. Lets take a portion of those revenues and plug those wells and clean up the waste left on the tundra around these legacy wells.

Upcoming planned lease sales in the NPR-A could target these legacy wells and as part of a lease agreement the leasee could as a condition of their lease take responsibility of remediation.

The Federal Government could hand over the land to the State of Alaska, and in State of Alaska ownership we would remediate the legacy wells.

The Alaska BLM receives about a million a year toward this clean up effort, the last three wells they remediated cost two million dollars each. At that pace my two-year-old grandson would only see half the sites properly contained in his lifetime. The rest would pollute into the next century.

I was in DC last spring admiring the monuments, the reflecting pool, the National Mall, "Americas front yard" and all the history this great District has

to offer. I came upon a beautification project managed by the Department of the Interior for the National Mall; it is \$250,000,000.00 project just to "spruce things up". I know the Department of the Interior has it's priorities, and respect that things here in DC need attention now and then, but I and many Alaskans are asking please - please clean up your mess in our "backyard" now before more wells are lost and the damage to the pristine Arctic worsens.

Lets help keep Alaska clean.

Thank you for your time and consideration.

Representative Charisse Millett