



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL



August 27, 2012

Harry A. Baij  
Department of the Army  
U.S. Army Engineer District, Alaska  
Regulatory Division  
P.O. Box 6898  
Joint Base Elmendorf-Richardson, Alaska 99506-0898

Re: Timeline for Issuance of Record of Decision (ROD) for the Point Thomson Project (POA-2001-1082-M1)

Dear Mr. Baij:

In addition to comments submitted today from the State of Alaska in regard to the U.S. Army Corps of Engineers (Corps) Public Notice of Application for Permit for the Point Thomson project (POA-2001-1082-M1), we—the State of Alaska and North Slope Borough—are writing to jointly express our concern over the potential delay in issuance of the Record of Decision (ROD) for the Point Thomson project.

The Corps has recently informed State officials that the Record of Decision (ROD) may not be issued on the Corps' previous target date of September 21, 2012. The State of Alaska has consistently expressed serious concerns at all levels of the federal government about not meeting target dates and further delaying the issuance of the ROD.

As you are well aware, there have been previous federal delays that have delayed first production of gas condensate from Point Thomson from 2014-2015 to 2015-2016. This one-year delay of bringing Point Thomson online has unfortunately cost hundreds of jobs and new production into the Trans-Alaska Pipeline System (TAPS)—something Alaska and our country desperately need.

Point Thomson is the largest undeveloped oil and gas field in Alaska. Timely completion of the ROD is important to keep Point Thomson on schedule for development—in particular, to enable construction to begin this winter. As part of its settlement of a long-standing dispute with the State, the field operator, ExxonMobil, has committed to first production of gas condensate from the field no later than the winter of 2015-2016. The project is expected to sustain 600 to 700 jobs and peak employment of 2,400 jobs. It will increase TAPS throughput and provide an important impetus to large-scale commercialization of North Slope natural gas.

The North Slope Borough and the State have already made significant progress toward permitting the project. The North Slope Borough has approved the Point Thomson Master Plan and rezone ordinance, which is a major milestone in acquiring local permits for the project. The majority of State permits and authorizations can be processed independently of the Corps' ROD and Section 404 Clean Water permit. The State is prioritizing the issuance of approximately 100 State permits and authorizations that are required to bring the Point Thomson project online and will begin issuing these permits next month.

However, the delayed issuance of the Corps permit could delay any State permit decision that is contingent upon the Corps 404 permit. For example, the Corps cannot issue a final permit decision until the Alaska Department of Environmental Conservation (DEC) issues a certificate of reasonable assurance under Section 401 of the Clean Water Act. Again, we hope the Corps can issue the ROD and 404 permit on time in order to prevent any delays in issuing State authorizations.

Given our concern over continued delayed federal permit decisions, we are encouraged to learn the Corps has recently expressed dedication to issuing the ROD on the original September 21<sup>st</sup> target date. We hope this remains the case. The State of Alaska and North Slope Borough hope the Corps can issue the ROD and 404 permit on time in order to prevent any further delays.

We look forward to continuing to work with the Corps to see the successful permitting of the Point Thomson project.

Sincerely,



Daniel S. Sullivan  
Commissioner  
Alaska Department of Natural Resources



Charlotte Brower  
Mayor  
North Slope Borough

cc:

Colonel Lestochi, U.S. Army Corps of Engineers, Alaska District  
Randy Ruaro, Deputy Chief of Staff, Office of the Governor  
Kip Knudson, Director of State and Federal Relations, Office of the Governor  
John Moller, Senior Rural Affairs Advisor, Office of the Governor  
Jake Adams, Chief Administrative Officer, Mayor's Office, North Slope Borough  
Thomas Crafford, Director, Office of Project Management and Permitting, Department of Natural Resources  
Sara Longan, Large Project Manager, Office of Project Management and Permitting, Department of Natural Resources