

Cook Inlet oil infrastructure review moves into second phase

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Two years after a major gas line in Cook Inlet leaked millions of cubic feet of methane into the water, the citizen agency charged with monitoring oil and gas activity is assembling a panel of experts to review information related to the region's aging industry infrastructure.

The Cook Inlet Regional Citizens' Advisory Council took on a project to conduct a risk assessment for the area's oil and gas facilities about a year after Hilcorp, the operator of the leaking pipeline, announced in April 2017 that the leak had been stopped.

The leak, which drew international attention, began in December 2016; the company said ice conditions made it too difficult to dive down and repair the line at the time.

Later investigation indicated a rolling boulder — about 3 feet by 10 feet long, according to the Alaska Department of Environmental Conservation — at the bottom of the Inlet had damaged the line, which delivered dry natural gas to a production platform.

The assessment included taking an inventory of existing infrastructure and its structural integrity. With funding from the Kenai Peninsula Borough and the Alaska Department of Environmental Conservation as well as its own dollars, CIRCAC began the first phase of a review in May 2018 and, on March 15, announced that it would move into its second phase.

The CIRCAC and its sister organization in Prince William Sound were created by Congress after the March 24, 1989, Exxon Valdez disaster that spilled nearly 11 million gallons of crude oil.

The second phase involves an expert panel of independent experts: Dr. Christopher Dash, James Howell, Andrew Kendrick, Christopher Myer and Dr. Shirish Patel. All five are pipeline safety experts, and four have direct Alaska experience, according to a March 15 announcement from CIRCAC.

“Myers has an intimate knowledge of Cook Inlet oil and gas operations, while Howell and Dash have worked on pipeline safety in other parts of Alaska,” the announcement states. “Kendrick has consulted on risk management and safety for pipeline projects throughout the country, and

Patil spent 30+ years teaching and studying petroleum engineering at the University of Alaska Fairbanks prior to moving to a similar role in Saudi Arabia.”

Tim Robertson, the co-owner of Nuka Research and Planning Group, the contractor managing the project for CIRCAC, said the operators are still reviewing the information gathered in the inventory but that part of it should be publicly available by the end of the month.

“It’s going to put out by a website, and that website should be live by the end of the month,” he said. “There is a second level of the inventory, which is a little more proprietary for the operators.”

Most of Cook Inlet’s oil infrastructure dates back to the 1960s, when the oil boom began there in earnest. Companies in the succeeding years patched and repaired platforms and pipelines there, handing them off to newcomers as each successive company sold its interest in the Inlet.

Hilcorp, which bought into the inlet in 2012, controls and operates the majority of Cook Inlet’s infrastructure, with Marathon Petroleum operating the former Tesoro refinery in Nikiski and Cook Inlet Energy, Furie Operating Alaska and BlueCrest Energy operating units of their own.

Robertson said one of the challenges of assembling the inventory so far has been the sales between companies. Nuka Research previously worked on a pipeline risk assessment for the North Slope, where the infrastructure has mostly been built by the current operators.

In Cook Inlet, assets have been bought and sold multiple times over the years and records of maintenance have not been easily available. The operators have been helpful where they can, but they’re often busy and sometimes may not have the records themselves, he said.

“Recent information is really, really good, but if you go back beyond about 1995, it’s really fuzzy,” he said. “Likewise, we’ve had some variability in repairs. Again, that’s been really hard information to find out in some cases.”

The panel members have already met via teleconference and will meet face-to-face in Anchorage on May 8, Robertson said. This will also be a chance for the public to participate and gather more information about the infrastructure in Cook Inlet. CIRCAC plans to announce the details of the meeting in the future.

So far, the timeline has been going about as Nuka expected, Robertson said. There have been some delays because of hiccups in obtaining funding from the state and because of the schedules with operators — including the Nov. 30 earthquake that rattled Southcentral Alaska.

Moving into the second phase, Nuka is planning for the experts to spend the next month reviewing the information before meeting in May to discuss it. They will then provide feedback, which Nuka will review before the panel meets again around August or September, he said.

Right now, they don't have a prescribed set of deliverables they expect from the panel. They may take a different form than the North Slope pipeline review's recommendations did, Robertson said.

"We certainly want the expert panel to take ownership of their recommendations," he said.

"They're all members of the industry ... some from a worldwide perspective, others from a Cook Inlet perspective. They all understand the industry. We aren't putting any bounds on recommendations at this point. I think at this point, they'll be looking at best practices and information gathering."

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