

Charles Hamel, 101 Quay Street, Alexandria, VA 22314  
 FAX MEMORANDUM TO:

June 27, 2006

John Norman  
 Chairman  
 AOGCC  
 Anchorage, Alaska  
 FAX 907-276-7542

Kurt Fredriksson  
 Commissioner  
 ADEC  
 Juneau, Alaska  
 FAX 907-465-5070

**SUBJECT: The past month's Prudhoe Bay multiple oil spills polluting the tundra**

Dear Chairman Norman and Commissioner Fredriksson:

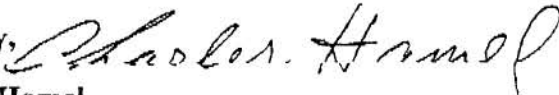
I understand your agencies have recorded and permitted 50 BP corroded crude oil production wells as leaking to the surface, for as much as a year. Oil accumulates in the well house cellars, to be occasionally sucked out by vacuum trucks. Some of the wells requiring well-cellar liners have leaked and are leaking into the surrounding gravel pads. As anticipated, during this early spring melt, high water levels flooded the cellars. No surprise! Water carrying the oil then flowed over the surface and through the gravel, reaching the interconnected tundra ponds.

Unlike the "corrosion" caused March GC-2 crude Spill, which, your agencies have defended as accidental, it appears your two agencies are complicit in permitting and concealing these spills. As they have been making their rounds, your agencies' on site Inspectors surely witnessed the oil and sheen accumulating on the tundra ponds adjoining these 50 wells over the past month.

It is assumed neither of your two agencies have any responsibility or concern for the migratory bird nesting areas nearby that are possibly impacted by the windblown oil and sheen. Likewise worker safety does not fall under AOGCC/ADEC responsibilities and/or concerns as well?

Incidentally, has Governor Murkowski been warned of the unsightly trash laden tundra, from the debris callously disposed of in the snow over the winter months by BP contractor companies? Your Inspectors must have advised you of the discarded trash revealed by the melted snow? The photos are appalling of the debris strewn tundra... callously discarded plastic sheeting, wood, plastic bottles, styrofoam, five gallon containers and such, being blown by the wind and visible from the gravel roadways. The Anchorage Daily News once featured BP's successful speed limit controls on its contractors. A great positive "Beyond Petroleum" puff piece! But today, ADN provides no mention nor photographs along those gravel roads of the accumulated oil sheen and trash to comfort the arriving birds. Why are the contractors permitted to be so out of control?

Some well cellar liners are capturing gas and fluids beneath the liners, causing concerns for the Operators entering the well houses. As the only Alaska State regulators with on site supervision, are you concerned? Don't you recognize BP's conduct as immoral? Reputable oil field petroleum engineers are aghast that you permit these leaking wells to go un-repaired. You should act responsibly on behalf of the public interest and order immediate remedial action.

Sincerely,   
 Charles Hamel

cc: Honorable John Dingell; Honorable George Miller; Honorable Frank Murkowski

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

**ALASKA OIL AND GAS  
CONSERVATION COMMISSION**

333 W. 7<sup>TH</sup> AVENUE, SUITE 100  
ANCHORAGE, ALASKA 99501-3539  
PHONE (907) 279-1433  
FAX (907) 276-7542

June 29, 2006

Charles Hamel  
101 Quay Street  
Alexandria, VA 22314

via Fax and Mail

Dear Mr. Hamel,

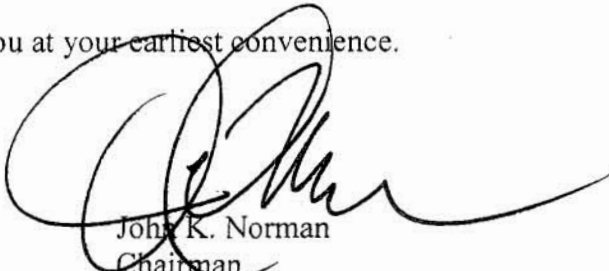
This acknowledges your letter of June 27, 2006 containing allegations of multiple oil spills polluting the tundra.

As you know some oil in a well house cellar is to be expected. As I understand it, your principal concern relates to oil that is either overflowing or leaking through well cellar liners into surrounding gravel pads.

So that we can quickly investigate your allegations, I will appreciate your providing me with specific information on the 50 wells which you assert have been leaking to the surface for as much as a year. Some leakage into well house cellars is common and does not in and of itself indicate a bad oilfield practice. That said however, we intend to thoroughly investigate your allegations and encourage you to provide as much specific information to us as possible.

If confidentiality of persons reporting leakage is a concern, you need not forward their names; however, we do need you to provide details on all leaking wells with compromised cellar liners as soon as possible, identified by pad and well.

We look forward to hearing from you at your earliest convenience.



John K. Norman  
Chairman

cc: Commissioner Kurt Fredriksson, ADEC  
Commissioner Mike Menge, DNR

# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION  
OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

410 Willoughby Ave., Ste 303  
Post Office Box 111800  
Juneau, AK 99811-1800  
PHONE: (907) 465-5066  
FAX: (907) 465-5070  
<http://www.dec.state.ak.us>

July 12, 2006

Charles Hamel  
101 Quay Street  
Alexandria, VA 22314

Dear Mr. Hamel:

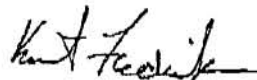
This letter is in response to your June 27, 2006 letter to Alaska Oil and Gas Conservation Commission (AOGCC) Commissioner John Norman and me. I concur with Commissioner Norman's June 29<sup>th</sup> response to your allegations. Without additional information to corroborate these assertions, the Department of Environmental Conservation (DEC) cannot begin an investigation.

DEC has not received any spill reports for the North Slope wells or reports of sheening on the tundra ponds adjacent to the wells. Nor has DEC received word of any wildlife impacts or worker safety issues caused by windblown oil from the wells.

I referred your comment regarding trash and debris on the tundra to my Solid Waste program staff who will look into this issue on an upcoming North Slope visit.

Thank you for forwarding your concerns. DEC is prepared to look into your allegations further, should you wish to provide specific information.

Sincerely,



Kurt Fredriksson  
Commissioner

cc: The Honorable Frank H. Murkowski, Governor  
The Honorable John Dingell, U.S. House of Representatives  
The Honorable George Miller, U.S. House of Representatives  
John Katz, Director of State/Federal Relations and Special Counsel, Office of the Governor  
John Norman, Commissioner, AOGCC

**Charles Hamel, 101 Quay Street, Alexandria, VA 22314**  
**FAX MEMORANDUM TO:**

**July 17, 2006**

**John Norman**  
**Chairman**  
**AOGCC**  
**Anchorage, Alaska**  
**FAX 907-276-7543**

**SUJECT: Follow-up to my June 27 FAX and response to your June 29 FAX**

**Dear Chairman Norman:**

**I question your audacity to request that I provide you specific locations and well numbers of the "wells leaking to surface". As we both know, my data is sitting in your commission offices. Also, the number of these leaking wells fluctuates as the three work-over rigs complete repairs, yet another well "leaks to the surface".**

**I submit that you are complicit for not ordering those wells that present the most danger to personnel and the environment shut-in until repaired. I further submit it is your responsibility toward the Alaska public's interest to oblige BP to budget more than three work-over repair rigs to properly maintain the production facilities... and adopt prudent oil field practices.**

**It is reported in the Alaska media that BP enjoyed \$2 billion windfall profits from their Alaska operations last year. Why didn't you and your oversight engineers oblige BP to share some of their windfall with the maintenance department, before a disaster occurs? Some of these wells suffer from communication between the inner annulus and outer annulus pipes down hole. Your staff can show you the file on the A-22 accident with similar identified IA and OA communication before it exploded and maimed for life Alaskan Don Shugak. (photos at [www.anwrnews.com](http://www.anwrnews.com))**

**Your attempt to lure me into providing data you already possess smacks as an attempt to identify who are the concerned sources. Is that your goal?**

**Sincerely,**



**Charles Hamel**

**cc: Honorable John Dingell, Honorable George Miller,  
Honorable Frank Murkowski, Honorable Ralph Eskimo,  
Honorable John Hennis**

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

## ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7<sup>TH</sup> AVENUE, SUITE 100  
ANCHORAGE, ALASKA 99501-3539  
PHONE (907) 279-1433  
FAX (907) 276-7542

July 17, 2006

Fax

Charles Hamel  
101 Quay Street  
Alexandria, VA 22314  
Fax: 703-549-0517

Dear Mr. Hamel,

This is in response to your fax of July 17, which indicates a need for me to clarify certain points for you.

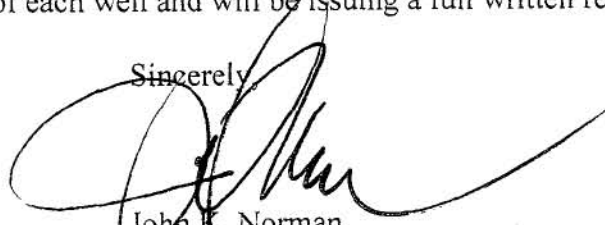
First, when wells are drilling, AOGCC receives daily drilling reports. Once a well goes into production we no longer get specific well reports on a regular basis except under special circumstances and even then not daily.

We do require operators to monitor pressures daily on all wells and to make the data available to us for inspection. We conduct random reviews of all data and look at specific wells if they exhibit any mechanical integrity concerns.

When I wrote you almost three weeks ago asking for more information, my letter was intended to get what we would need to identify the particular wells being complained about. Your refusal to be forthcoming with this information caused us to lose almost a week's time in getting our field investigation underway.

We are at this time conducting on-site inspections of the wells we have been able to identify that may have the possibility of leaks to the surface. Our data on these wells indicates they are in compliance with AOGCC requirements (two competent barriers and within annulus pressure limits). Nevertheless, we intend to conduct complete and thorough field inspections of each well and will be issuing a full written report.

Sincerely,



John K. Norman  
Chairman

Cc: The Honorable Frank H. Murkowski, Governor  
The Honorable John Dingell, U.S. House of Representatives  
The Honorable George Miller, U.S. House of Representatives  
John Katz, Director of State/Federal Relations and Special Counsel, Office of the  
Governor  
Kurt Fredriksson, Commissioner, DEC  
Mike Menge, Commissioner, DNR



## Alaska Oil and Gas Conservation Commission

333 West 7<sup>th</sup> Avenue, Suite 100

Anchorage, AK 99501-3539

Phone: (907) 279-1433

Fax: (907) 276-7542

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### Fax Transmission

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To: CHARLES HAMEL

Fax #: 703-549-0517

From: JOHN NORMAN

Date: 7/18/06

Phone #: 907 793-1221

Subject: RESPONSE TO FAX OF 7/17

Pages (including cover sheet): 3

Message:

FAX  
to Hamme  
mail to cc's

bcc DAN ✓  
Cathy ✓  
Ress ✓  
Lanny ✓

If you do not receive all the pages or have any problems with this fax, please call for assistance at (907) 793-1223.

Charles Hamel, 101 Quay Street, Alexandria, VA 22314  
FAX MEMORANDUM TO:

July 18, 2006

John Norman  
Chairman  
AOGCC  
Anchorage, Alaska  
FAX 907-276-7543

**SUBJECT: BP's approximately 500 GPB wells that are leaking internally**

Dear Chairman Norman:

I am perplexed by your July 17 FAX to "clarify points" to me. You appear to be out of touch with your in-house engineers and field inspectors who are constantly on site overseeing the Greater Prudhoe Bay (GPB) drilling pads. You seem to be totally uninformed by asking me to be more forthcoming with specifics that are readily at your finger tips, or at least in your offices.

As you know, besides the wells identified as leaking to surface, over 500 additional GPB wells are leaking internally, sub-surface. As concerns these sub surface leaking wells, your engineers know the cross-zoning fluids and gas travel and contaminate upper zones in areas these fluids and gas should not be. AOGCC surely recognizes that eventually these anomalies, if not addressed, could cause harm to the workforce and the environment.

Further it is known that in some instances holes in the corroded, rotten production tubing results in pressuring IAs and OAs... a dangerous safety issue for operators. Why is this acceptable to AOGCC and present BP management? The operators have to continually bleed off the pressure as it builds in the IAs and OAs to maintain safety. As for those wells with leaks in the threaded joints of the production tubing, a solution has yet to be achieved. Shouldn't Gas Lift valves downhole be replaced when identified as leaking? Wasn't this a factor in the A22 explosion that maimed Operator Don Shugak?

To protect the public's interests, what comprehensive repair program is AOGCC considering to impose on BP for these wells as their leaks migrate to the surface? Is AOGCC comfortable that BP only budgeted for merely three work-over rigs for all these hundreds of leaking GPB wells requiring remedial action?

Sincerely,



Charles Hamel

cc: Honorable John Dingell, Honorable George Miller,  
Honorable Frank Murkowski, Honorable Ralph Seekins  
Honorable John Harris



**Edward L. Morgan Consulting**  
PO Box 81585, Fairbanks, AK 99708

BY FAX – (703-549-0517)

August 12, 2006

Charles Hamel  
101 Quay Street  
Alexandria, VA 22314

Dear Mr. Hamel:

I have been asked, and am in the process of investigating allegations you forwarded on behalf of others in your June 27, 2006 fax memorandum (and subsequent related follow on faxes) to the Alaska Oil and Gas Conservation Commission (AOGCC). So far, I have spent ten days visually inspecting selected BP wells; talked to operators, supervisors, and support personnel; and have prepared a questionnaire which should be distributed shortly to BP and BP contactor Pad Operators, Drill Site Operators, Field Operators, and Well Tenders. The questionnaire has been designed to gather information relevant to the allegations while protecting the identity of respondents.

Before making a request for your assistance, it is only fair that I provide some information about me.

I am an independent consultant with no current direct ties to the oil industry, however until my retirement a year ago, I worked for Alyeska: first as consultant (with Little Harbor and Billie Garde) as the Employee Concerns Program Manager reporting directly to Bob Malone; and later, as an employee, I became the Fairbanks Administrative Manager and then the Ship Escort Response Vessel System (SERVS) manager.

Prior to working at Alyeska, I spent 28 years in the US Navy, mostly aboard or in support of submarines including assignments as Chief Engineer and Captain of a nuclear submarine, and as Captain of a navy surface ship. After retiring from the Navy, I worked as a contractor for the Department of Energy at Rocky Flats, Colorado, to assist in the clean up and remediation of plutonium and enriched-uranium contaminated process facilities.

I also worked as the Director of Employee Concerns for five nuclear electrical generating plants operated by Northeast Utilities that had been shutdown by the NRC (before my arrival) because of, among other things, the lack of a safety conscious work environment. With some invaluable assistance from Billie Garde and the Little Harbor team, we were able to re-establish confidence in the Northeast Utilities Employee Concerns Program.

My request to you is for your assistance in providing the information contained in this letter to those raising the allegations you forwarded to the AOGCC. My hope is that they will then be confident enough of my integrity to contact me directly or through you. Any

## **Edward L. Morgan Consulting**

specifics they might provide about the allegations would be very helpful to me in completing my investigation.

I am particularly interested in knowing the reason why they came to you instead of their supervisor or other reporting avenue. Was it fear of retaliation, frustration that previous reporting had been ignored, or for some other cause? It would also be very helpful if they could provide specific well or pad ID's where they observed the reported occurrences. Of the over 2000 BP operated wells, only 76 were inspected by the investigation team. Wells chosen likely included some or all of the 50 referenced in your fax but there is no way to know for sure.

If the concerned individuals do not wish to contact me directly and are members of the group to which the above survey is directed, they can respond to me through the survey. If they are not, then I can forward my questions to you to send to them in a manner that will guarantee their anonymity.

Thank you in advance for taking a few moments of your valuable time to read this letter. If you have any questions please feel free to contact me at your convenience.

Sincerely,

Ed Morgan

Summary of telephone conversation between Mr. Hamel and me in response to my fax:

- Mr. Hamel believed that I was not the author of the above letter and that it had been drafted on my behalf by a mutual acquaintance.
- Mr. Hamel declined to provide any additional information about the allegations or to assist in establishing a communications channel with the concerned individual(s). He stated that he lacked trust in anyone working for the AOGCC or BP.
- He also stated that the AOGCC was not acting in the best interests of Alaskans and that he was in the process of testify "on the hill" about matters that would soon become public.
- The entire conversation lasted less than 10 minutes.