

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
OFFICE OF THE COMMISSIONER

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July 18, 2007

U.S. Environmental Protection Agency
Environmental Appeals Board (1103B)
Attn: Clerk of the Board Eurika Durr
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460-0001

Re: OCS Appeal No. 07-01
In re: Shell Offshore, Inc. Kulluk Drilling Unit and Frontier Discoverer Drilling Unit,
OCS Permit Nos. R10OCS-AK-07-01 and R10OCS-AK-07-02

Dear Ms. Durr:

This letter expresses our agency's support for the Environmental Appeals Board's (EAB) expedited consideration of the North Slope Borough's petition for review of the above-referenced permits.

The Alaska Department of Environmental Conservation has responsibility for protection of Alaska's environment. As the EAB schedules the appeal process, we ask that you consider the following.

From our perspective, the process employed by the U.S. Environmental Protection Agency (EPA) in developing the permits included good opportunity to identify and consider issues of concern. In fact, EPA considered and responded to a number of issues raised by our department and others. Because some of the issues raised in the appeal are now familiar as a result of their being raised earlier, the parties should be prepared to articulate their positions without the need for extensive additional preparations.

We confirm the significant constraints, costs and complexity of planning and undertaking an operation of this sort in an area as remote as the Beaufort Sea, and that small delays could well result in the loss of an entire field season. If the permit is upheld, expedited review of the appeal could preserve the potential that drilling can proceed this season.

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We see no reason to dispute Shell Offshore, Inc.'s statements it will incur significant economic harm if this drilling season is lost and that an expedited review schedule could lessen the potential for needless impacts.

We would not be urging expedited review in this matter if we believed it would compromise the fairness or thoroughness of your review. We respect the EAB appeal process and the need for your careful consideration of every appeal. We are not attempting to argue the merits of the appeal. Thank you for considering our views.

Sincerely



Larry Hartig
Commissioner

cc: Christopher Winter, Crag Law Center, Attorneys for the North Slope Borough
Elin Miller, Regional Administrator, Region 10, EPA