

Monthly Summary
Alaska Oil and Gas Conservation Commission
March 1 to March 31, 2010

Commission Business

1. Commissioners Norman and Foerster provided technical input to the Department of Revenue for a proposed bill that may amend Title 43.
2. Commissioner Foerster testified before the House Finance Committee.
3. Commissioner Norman provided input on issues related to proposed legislation involving Geothermal Development, Gas Storage, and Incentives for Oil and Gas Exploration.
4. Commission approved and sent to the DNR a non-binding MOU for AOGCC occupancy of space in the new Geological Materials Center.
5. Commissioner Norman is working on various topics preparing for the April meeting of Ground Water Protection Council (GWPC) National Board to be held in Denver, Colorado.
6. Commission Chair Seamount and Commissioner Foerster attended the National Energy Conference in Washington, D.C. Members from twenty one state legislatures were in attendance. While at the conference, Commission Chair Seamount gave a talk on the NARUC Moratoria Study to the Energy Council. Chair Seamount and Commissioner Foerster met with Senators Murkowski and Begich and Congressman Young. Chair Seamount also met with John Katz, Governor Parnell's Director of State/Federal Relations in the State's Washington, D.C. office.
7. Commissioner Norman met with Kevin Banks, the Director of the Division of Oil and Gas to discuss the Senate Resources Geothermal bill.
8. Commissioner Norman gave a talk to the Alaska Association of Professional Landmen describing the work of the Commission.

Regulatory Activities Completed / Continuing

1. The Spill Response Plan Standards (SRPS) review for Unocal's Birch Hills well has been completed.
2. Senior staff reviewed Aurora Gas LLC's storage injection order application for Nicolai Creek Unit 2 well, Cook Inlet.
3. The Commission issued Conservation Order 627 in conformance with 20 AAC 25.215(b) at the request of Aurora Gas LLC to allow commingling production within the exploratory well Nicolai Creek 11, Cook Inlet.
4. Senior staff reviewed Unocal's storage injection application for the Ivan River Unit 44-36 well, Cook Inlet.
5. The Spill Response Plan Standards (SPRS) for an additional well is being reviewed by legal.
6. The Conservation Order for the requested expansion of the Orion Pool is being reviewed by legal.
7. Certain suspended exploratory wells are being evaluated for oil and/or gas indicators.

8. A public hearing was held concerning Aurora Gas LLC's storage injection order application for Nicolai Creek Unit 2 well, Cook Inlet.
9. A public hearing was held on the Commission's proposed repeal and readoption of 20 AAC 25.265, "Well Safety Valve Systems". Commission staff, the public, and industry testified on the record, which was left open until March 30, 2010 to allow time for written responses to Commission questions.
10. The Commission held a public hearing on the proposed revision to 20 AAC 25.215, so that wells that are used for injection into two or more pools are given the same level of scrutiny currently given to wells that are used for commingled production.
11. The Commission, in accordance with Rule 9 of Area Injection Order 02B.000, issued Administrative Approval AIO 2B.047 granting a Conoco Phillips, Inc. request to continue water injection in the KRU 2K-18 well, Kuparuk River Oil Pool.
12. The Commission has revised its regulations dealing with suspended well requirements in 20 AAC 25.110(n). (Effective date April 15, 2010).
13. Senior staff is evaluating geologic data for a proposed Disposal Injection Order involving the South Barrow 15 well in the East Barrow Field, North Slope.
14. The "Gas Only" determination for the S. Barrow, E. Barrow and Walakpa Gas Fields is currently being reviewed by legal.
15. On March 25, 2010 the Commission held a public hearing on the operator's application for gas storage injection in the Ivan River Unit well, IRU 44-36. The operator withdrew its application just prior to the start of the hearing and a statement to this effect was read into the hearing record.
16. Senior staff has begun the review of an Annular Disposal application for the Colville River Unit CD3-124 well.
17. On March 27, the Commission held a hearing on an application from the operator to utilize multiphase metering for the Liberty project. The hearing focused on the technical merits of the proposed multiphase metering system. The hearing record will remain open until April 5, 2010 to allow the operator to submit additional requested information.

Projects Completed / Continuing

1. Senior staff are continuing a geology review as to the hydrocarbon potential of the Mt Spurr area.
2. Commission staff continues work on the Annual Report.
3. Senior staff attended a meeting at the DNR with LINC Energy on their underground coal gasification (UCG) process and plans.

Permitting and Rig Activity

1. Approvals (March) – 14
2. Rig count – 18; North Slope – 15; Cook Inlet – 2; 1 Naknek (Geothermal well); (No change from last month)
3. Total Documents to date: 401's = 44; 403's = 92; 404's = 148; 407's = 62; Total 346.

