

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

Commission Business

1. The Commission held its monthly Public Meeting on the 4th August.
2. The Commission issued Industry Guidance Bulletin No. 10-003 which provides guidance to standardize the type of information to be reported when BOPE is used to prevent the flow of fluids from a well.
3. The Commissioners were interviewed by the independent investigator of a “whistle blower” allegation.
4. The Commissioners held general information meeting with visiting management of Apache Corp.
5. A drilling consultant shared his findings and insights to the root causes behind the Gulf of Mexico disaster with the Commissioners and staff petroleum engineers.
6. Commissioner Foerster began work on the Technology sub-group of the National Petroleum Council committee writing a requested report for the Department of the Interior titled “Prudent Development of North America’s Natural Gas and Oil Resources”.
7. Commissioner Foerster met with an operator to discuss remediation of their suspended wells.
8. Commissioner Foerster met with an operator to discuss increased off-take of one of their fields.
9. Commission staff provided information to the Commissioner of the Department of Environmental Conservation to aid in their preparation for their public comments at the meeting on drilling in the Alaska OCS held on the 26th of August in Anchorage.
10. Commissioner John Norman and Special Assistant Jody Colombie attended the B.O.E.M.R.E. OCS drilling public comment meeting held the 26th of August in Anchorage.
11. The Commission’s summer intern gave a report on his summer project.

Orders

1. The Commission issued Conservation Order No. 631 which placed designated Townships in the Kenai Peninsula and Matanuska-Susitna Boroughs under Commission Regulations for drilling, completion, and production of Underground Coal Gasification exploration and production wells drilled below a depth of 500 feet TVD.
2. The Commission issued Conservation Order No. 632 granting a spacing exception for the Armstrong Cook Inlet, LLC North Fork Unit 32-35 gas exploration well in the North Fork Unit, Kenai Peninsula Borough, Alaska.

3. The Commission issued Conservation Order No. 633 granting a spacing exception for the Armstrong Cook Inlet, LLC North Fork Unit 14-25 gas exploration well in the North Fork Unit, Kenai Peninsula Borough, Alaska.
4. At the request of ENI Petroleum, the Commission issued Conservation Order No. 634 granting an exception to the spacing provisions of 20 AAC 25.055 (a)(3) allowing the drilling and completion of the Nikaitchuq Unit No. OP12-01 development oil well.
5. The Commission issued Administrative Approval 2B.052 approving ConocoPhillips Alaska Inc. (CPAI)'s request for an administrative approval to continue water injection in KRU 2D-02 (PTD 1841520).

Regulatory Activities Completed / Continuing

1. Commission Geothermal regulations have been made permanent and have been filed by the Lieutenant Governor, with an effective date of September 30, 2010.
2. The new Commission SVS regulations have been submitted to the Attorney General's Office in Juneau.
3. Amendments to AS Title 31 are being reviewed.
4. Regulations concerning annular disposal are being revised.
5. A request from ADEC for updates on SRPS status for several North Slope and Cook Inlet wells is being reviewed.
6. A review of safety assessment of BOPE in Alaska was completed.
7. A request for diverter waiver for Oliktok Point development drilling is being reviewed.
8. A request for the Minke well GOR waiver is being reviewed.
9. The data from the C.I.R.I. UCG project are being reviewed.
10. The Commission is reviewing applications for the drilling of four (4) geothermal test wells near Mt. Spurr.
11. The Commission is reviewing an application for storage injection of gas in the Cannery Loop area.
12. The Gulf of Mexico blowout is continuing to be studied to ascertain if Alaska regulations regarding well construction and well control need to be strengthened.
13. A Commission senior petroleum engineer traveled to Houston, TX to witness the testing of the blind/shear ram equipment intended for use on BPX's Liberty project.

Projects Completed / Continuing

1. Commission staff continues to update the web published Statistical Report.
2. Commission staff is working on the web published Statistical Report to make it ADA compliant
3. Twenty Two (22) Well histories and 2375 digital well logging/data files were released to the public.

4. 870 GigaBytes of Well logging/analysis data was delivered to the public.

Permitting and Rig Activity

1. Drilling Permit Approvals (August) – 16
2. Rig count – 16; North Slope – 12; Cook Inlet – 2; Naknek - 2 (Geothermal well); (Down one from last month)
3. Total Permit/Sundry Applications and Sundry Reports to date:
401's = 125; 403's = 272; 404's = 424; 407's = 189; Total 1010.