

Monthly Summary
Alaska Oil and Gas Conservation Commission
September 1 to September 30, 2010

Commission Business

1. The Commissioners met with William Reilly, co-chairman, and Fran Ulmer, member of the seven member National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling.
2. The monthly public meeting was held on the 1st of September. Testimony about the earthquake risk to gas storage facilities was given by a member of the public.
3. The Commission continues to review reports on causes of the Deepwater Horizon Gulf of Mexico oil spill.
4. Commission Chair Seamont testified at the State Joint Senate House Resources gas storage hearing.
5. Commissioner Norman met with members of the World Trade Council to discuss oil and gas regulations and opportunities in Alaska for foreign companies.
6. Commissioner Foerster addressed a joint meeting of the Society of Petroleum Engineers and the American Association of Drilling Engineers.
7. A public hearing was held on September 14th for a spacing exception for the LINC Lea #1 well. A LINC representative made a presentation and a representative from CIRI asked questions concerning correlative rights. LINC agreed to show geologic data for the well to a technical representative for CIRI. The hearing was continued until September 20th. The hearing reconvened on September 20th and CIRI representatives withdrew their objection to the spacing exception.
8. Commission Chair Seamont attended an Energy Council meeting in Mississippi. Attendees discussed lessons learned from the Gulf of Mexico disaster with an eye to potential changes in state statutes and regulations.
9. Commissioners Seamont and Foerster attended a State Senate Resources Committee hearing on the State's preparedness to prevent and respond to a well control incident. Commission Chair Seamont testified to the Committee on the Commission's regulatory framework as it pertains to blowout prevention.
10. Commission professional staff attended a meeting of the Groundwater Protection Council in Pittsburgh, PA.
11. Commissioner Foerster met with PSIO representatives to provide feedback on their plan for completing the Alaska Risk Assessment.
12. Commissioner Foerster provided input to McKinsey Consulting to augment their efforts to assist BOEMRE (previously MMS) in its restructuring.
13. Commissioner Foerster participated in teleconferences with members of the National Petroleum Council who are writing a report for the Department of Energy on responsible gas and oil development in the 21st century.

Orders

1. At the request of BP Exploration (Alaska) Inc. the Commission cancelled Administrative Approval AIO 1.008.
2. At the request of BP Exploration (Alaska) Inc. the Commission cancelled Administrative Approval AIO 4E.019.
3. The Commission revised Administrative Approval AIO 7.2 allowing Union Oil Company of California (UNOCAL) to increase the allowed disposal volume in wells MGS State 17595 16 and MGS State 17595 17.
4. The Commission issued Administrative Approval, Area Injection Order 9.007, Revised , requiring XTO Energy to install engineering controls on the outer annulus of the MGS C24-23 (PTD 1681070) well.
5. The Commission issued Administrative Approval, Area Injection Order 9.008 granting XTO Energy's request to continue water injection in the MGS A33-14 (PTD 1670680) well.
6. The Commission issued Conservation Order No. 635, granting Aurora Gas, LLC a spacing exception to drill and complete the Nicolai Creek Unit No. 10 development gas well.
7. The Commission issued Administrative Approval, Area Injection Order 02B.054 approving the request of Conoco Phillips Alaska Inc. to continue water injection in the KRU 1L-05 (PTD 1841230) well.
8. The Commission issued Administrative Approval, Area Injection Order 02B.055 approving the request of Conoco Phillips Alaska Inc. to continue water injection in the KRU 2V-05 (PTD 1831760) well.
9. The Commission issued Administrative Approval, Area Injection Order 02B.056 approving the request of Conoco Phillips Alaska Inc. to continue water injection in the KRU 1Y-08 (PTD 1830620) well.
10. The Commission cancelled Administrative Approval, Area Injection Order 02B.021 at the request of Conoco Phillips Alaska Inc. Area Injection Order 02B.021 allowed water injection in the KRU 3B-01 (PTD 1850560) well.

Regulatory Activities Completed / Continuing

1. The Commission is reviewing applications for the drilling of geothermal test wells near Mt. Spurr.
2. The Commission is reviewing an application for storage injection of gas in the Cannery Loop area.
3. The data from the CIRI UCG project, Cook Inlet, are being reviewed – continuing.
4. In response to concern of a member of the public, Commission staff is researching any seismic risk associated with storage injection of gas in the Cannery Loop area.

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 One Well histories and 2395 digital well logging/data files were released to the public.
4. 415 GigaBytes of Well logging/analysis data was delivered to the public.

Permitting and Rig Activity

1. Drilling Permit Approvals (September) – 20
2. Rig count – 16; North Slope – 12; Cook Inlet – 3; Geothermal - 1; (No Change in the total from last month)
3. Total Permit/Sundry Applications and Sundry Reports to date:
401's = 148; 403's = 330; 404's = 522; 407's = 212; Total 1212.