

Monthly Summary
Alaska Oil and Gas Conservation Commission
January 1 to January 31, 2011

Commission Business

1. The monthly public meeting of the Commission was held on the 5th of January in the Commission hearing room. During the meeting, Hawk Consulting presented the results of their investigation into whistleblower complaints concerning Oooguruk operations.
2. Commission Chair Seamount, Commissioner Foerster, and Commissioner Norman met with Marcia Davis, the outgoing Deputy Commissioner of the Department of Revenue and Bruce Tangeman, the incoming Deputy Commissioner of the Department of Revenue.
3. The Commission held a public hearing on the 10th of January to hear testimony concerning ENI US Operating Company's application for an Area Injection Order for the Nikaitchuq Field, North Slope.
4. The twenty six (26) member Energy, Resources, and Environmental Transition Team, of which Chairman Seamount is a member, presented their recommendations to Governor Parnell.
5. Commissioner Foerster testified to the House Resources Committee via telephone.
6. The Commission sent a letter to the E.P.A. denying its attempt to assert authority over an aquifer exemption the Commission approved for a Cook Inlet gas storage project.
7. Commissioner Norman spoke about The Gulf of Mexico Oil Spill and Implication for Alaska at the fifth annual Seminar on Permitting Strategies in Alaska. The seminar was held at the Anchorage Hilton.
8. Commissioner Foerster participated in an invitation-only Society of Petroleum Engineers technology summit in Houston, Texas, titled "Hydraulic Fracturing: Ensuring Ground Water Protection".
9. Representatives from the DOE and USGS gave a presentation on their Methane Gas Hydrate research being conducting on the North Slope, Alaska.

Orders

1. In accordance with Rule 9 of Area Injection Order 4E.000, the Commission granted BP Exploration (Alaska) Inc. ("BPXA")'s request for administrative approval to continue water injection in the PBU 04-10 (PTD 1760420) well..
2. Pursuant to BP Exploration (Alaska) Inc. (BPXA)'s request dated December 16, 2010, the Commission canceled Administrative Approval AIO 4E.031.
3. Pursuant to BP Exploration (Alaska) Inc. (BPXA)'s request dated December 16, 2010, the Commission canceled Administrative Approval AIO 4E.003.
4. Pursuant to BP Exploration (Alaska) Inc. (BPXA)'s request dated December 16, 2010, the Commission canceled Administrative Approval AIO 3.027.

5. The Commission issued Administrative Approval Area Injection Order 10B.009, granting the request of BP Exploration Alaska, Inc (“BPXA”) to allow the continued water only injection in the MPU MPF-13 (PTD 1950270) well.
6. In accordance with Rule 9 of Area Injection Order 4E.000, the Commission granted BP Exploration (Alaska) Inc. (“BPXA”)’s request for administrative approval to continue water injection in the PBU 09-32 (PTD 1811180) well.
7. The Commission has issued Conservation Order No. 642 allowing BP Exploration (Alaska) INC, as operator of the Prudhoe Bay Unit, to pump produced crude oil (upstream of Pump Station 1) into development wells for later production. This emergency Order will expire 14 days after issue unless an extension is agreed to as provided by 20 AAC 25.539 (c) (2).
8. The Commission at the request of Cook Inlet Energy has issued Administrative Approval Enhanced Recovery Injection Order 3.002 extending the expiration date of waterflood operations authorized in Enhanced Recovery Injection Order No. 3 to a new expiration date of December 31, 2013.
9. The Commission at the request of ENI US Operating Co., Inc has issued Administrative Approval CO 639.001 qualifying a multiphase metering system for well testing at the Nikaitchuq Field, Nikaitchuq Schrader Bluff Oil Pool.
10. The Commission issued Area Injection Order No. 36 at the request of ENI US Operating Co. Inc, allowing the injection of fluids for enhanced oil recovery in the Nikaitchuq Schrader Bluff Oil Pool.
11. Upon the request of BP Exploration (Alaska) Inc, the Commission issued Conservation Order No. 642A, granting a two week extension to Conservation Order No. 642.

Regulatory Activities Completed / Continuing

1. Commission staff completed the SRPS for the Nordaq Energy, Inc Shadura #1 well.
2. Commission staff are reviewing the recently received Application for Rehearing concerning the issuing of Storage Injection Order No. 9.
3. Commission staff are reviewing the National Commission report on the Macondo oil spill.
4. Senior staff met with P.S.I.O. staff to discuss regulatory regime differences.
5. Senior staff have met with USCG, Buccaneer and Escopeta to coordinate Cook Inlet jackup rig inspections and plans.

Projects Completed / Continuing

1. Commission staff continues to update the web published Statistical Report.
2. Fourteen (14) well histories and One thousand one hundred seventy six (1,176) digital well logging/data files were released to the public.
3. Four Hundred eighty nine (489) GigaBytes of Well logging/analysis data were delivered to the public.

Permitting

1. Drilling Permit Approvals (January) – 13 (Exp/Strat Test 1, Dev 7, Ser 5)
2. Rig count – 11; North Slope – 11; Cook Inlet – 0; Coal Core – 0; Geothermal - 0; (Down 1 from last month)
3. Total Permit/Sundry Applications and Sundry Reports to date:
401's = 15; 403's = 26; 404's = 16; 407's = 20; Total 77.