

**Monthly Summary**  
**Alaska Oil and Gas Conservation Commission**  
**June 1 to June 30, 2011**

**Commission Business**

1. The regular Public Meeting of the Alaska Oil and Gas Conservation Commission was held on Wednesday, June 1<sup>st</sup>.
2. The Commissioners met with Yukon Territory, Canada, oil and gas officials regarding gas line, gas storage, and offshore issues.
3. Commissioner Seamount discussed STO issues with DOA.
4. Commissioner Foerster and senior staff received a presentation on BP's Cold Heavy Oil Production System.
5. Initial Startup meeting was held with ENI to review the recent start of heavy oil production from the Nikaitchuq Unit (Schrader Bluff). Discussions included a review of current production, facility performance, upcoming drilling plans and actual reservoir performance vs expected performance.
6. The Commission started working with the D.O.A. and landlord on plans to move into adjacent space in the Commission's current building. Current tenant will vacate July 1, 2011 and space will be ready for occupancy by the Commission 60-90 days thereafter.
7. The Commission has been coordinating with the National Energy Board of Canada (NEB) concerning measures that may be needed to avoid loss of well control when drilling in Arctic waters.
8. Commission Chair Seamount gave a presentation to the AADE about what the AOGCC does, historical drilling activity in Alaska, recent modifications to AOGCC regulations, and response to the Macondo blowout.
9. The Commissioners met with Bill Baron, the new Director of the Department of Natural Resources, Division of Oil and Gas.
10. Commissioners Norman and Foerster attended Statistical Review of global energy trends and forecasts presented by BPX.
11. The Commissioners and staff have completed interviewing candidates for the vacant Natural Resources Tech position.
12. Senior Commission staff participated in a review of Colorado's hydraulic fracturing program and regulations.
13. The Commission responded to a request for information about Prudhoe Bay gas off take allowable for a proposed interstate natural gas pipeline project.
14. Commissioners Seamount and Foerster represented Governor Parnell at the 2011 mid-year meeting of the Interstate Oil and Gas Compact Commission at Bismarck, North Dakota.
15. Commission staff attended a USGS update on results of their reserve study of Cook Inlet.

**Orders**

1. At the request of Marathon Oil Company, the Commission issued Administrative Approval No. DIO 25.001 changing the 2 year Mechanical

Integrity Test (MIT) interval to a 4 year test interval for the Sterling Unit 43-09 (1630110) well.

2. At the request of BP Exploration (Alaska), Inc. (BPXA), the Commission issued Administrative Approval CO207A.002 and Administrative Approval AIO4E.038 granting a 5 year extension to the Lisburne Gas Cap Water Injection (GCWI) Pilot Project.
3. By application Union Oil Company of California (Union), requested authority for the injection of natural gas into the IRU 44-36 well for the purpose of underground storage of natural gas. The Commission issued Storage Injection Order No. 11 authorizing the injection.
4. The Commission issued CO 432D.010, CO 406B.010, CO 430A.009, CO 435A.008, CO 456A.008, 443B.001, CO 562, 003, CO 569.002, and CO 605.001 at the request of Conoco Phillips to use MPM Multiphase Metering Systems for Well Testing and Production Allocation.
5. The Commission issued Aquifer Exemption Order No. 14 at the request of Union Oil of California (Union) exempting aquifers in the Beluga 71-3 strata, within the Ivan River Unit.
6. By its own motion, the Commission issued Conservation Order 649 regulating sustained casing pressures in development wells within the North Fork Unit.
7. At the request of BP Exploration (Alaska), Inc. (BPXA), the Commission issued Administrative Approval CO207A.002 and Administrative Approval AIO4E.038 granting a 5 year extension to the Lisburne Gas Cap Water Injection (GCWI) Pilot Project.

### **Regulatory Activities Completed / Continuing**

1. The application for the 2012 EPA UIC Grant was submitted.
2. Commission staff are reviewing the National Commission report on the Macondo oil spill.
3. Oooguruk – Torok pool rules are being reviewed-continuing.

### **Projects Completed / Continuing**

1. Commission staff continues to update the web published Statistical Report.
2. Two Thousand Five Hundred Seventy One (2,571) digital well logging/data files were released to the public.
3. Eight Hundred Eighty Seven (887) GigaBytes of requested data were delivered to the public.

### **Permitting**

1. Drilling Permit Approvals (June) – 13 ( Exp/Strat Test 3, Dev 10, Ser 0)
2. Rig count – 16; North Slope – 12; Cook Inlet – 3; Coal Core – 0; Geothermal - 1; (Up One from last month)
3. Total Permit/Sundry Applications and Sundry Reports to date:  
401's = 90; 403's = 201; 404's = 236; 407's = 133; Total 660.