

**STATE OF ALASKA**  
**ALASKA OIL AND GAS CONSERVATION COMMISSION**  
**333 West 7<sup>th</sup> Avenue**  
**Anchorage, Alaska 99501**

Re: THE APPLICATION OF Cook Inlet ) Docket SIO-12-01  
Natural Gas Storage Alaska, LLC to ) Storage Injection Order No. 9.001  
amend the date that the annual )  
performance report is due. ) Cannery Loop Field  
 ) Cannery Loop Unit  
 ) Sterling C Gas Storage Pool  
 )  
 ) December 7, 2012

**IT APPEARING THAT:**

By a letter received November 2, 2012, Cook Inlet Natural Gas Storage Alaska, LLC (CINGSA) requests administrative approval to amend Rule 8 of Storage Injection Order No. 9 (SIO 9) to change the date the annual report evaluating the performance of the storage injection operations is due from March 15<sup>th</sup> of each year to May 15<sup>th</sup> of each year.

**FINDINGS:**

1. CINGSA is the operator of the Sterling C Gas Storage Pool (Storage Pool) in the Cannery Loop Unit.
2. Rule 8 of SIO 9 requires submittal of an annual performance report that includes material balance calculations and a summary of well performance data to provide assurance of continued reservoir confinement of the gas storage volumes.
3. CINGSA plans to shut the wells in the Storage Pool in twice a year to collect static bottomhole pressure data. These shutdowns are planned to coincide with the maximum (estimated to occur during late October or early November) and minimum (estimated to occur in mid to late April) storage volumes during the year.
4. CINGSA's customers expect to have access to their stored volumes of natural gas throughout South Central Alaska's heating season. Shutting in the Storage Pool to collect static bottomhole pressure data during this time would prevent CINGSA's customers from having access to their stored gas and may adversely affect gas supplies in South Central Alaska.

**CONCLUSIONS:**

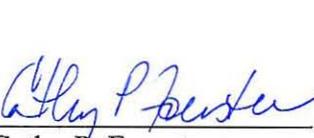
1. Submitting an annual storage injection operations performance report that is based on reservoir pressure data that is 6 months or more old will make it a less useful piece of information than if it included current pressure data.
2. Shutting in the Storage Pool during periods of peak demand to collect reservoir data may adversely affect natural gas consumers in South Central Alaska.

3. Scheduling the submittal of the annual storage injection operations performance report around the annual injection and withdrawal cycle of the Storage Pool makes more logical sense than submitting a report with outdated information or requiring the Storage Pool to be shut in during periods of potentially peak demand.
4. Amending Rule 8 of SIO 9 to change the reporting deadline from March 15<sup>th</sup> to May 15<sup>th</sup> of each year is consistent with sound engineering and geoscience principles and will not result in waste or jeopardize correlative rights of adjoining or nearby owners.

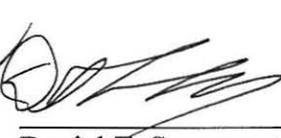
**NOW THEREFORE IT IS ORDERED:**

CINGSA's November 2, 2012 application to amend Rule 8 of SIO 9 to revise the due date for the annual storage injection operations performance report from March 15<sup>th</sup> to May 15<sup>th</sup> of each year is hereby approved. All other provisions of SIO 9 remain in full force and effect.

**DONE** at Anchorage, Alaska and dated December 7, 2012.

  
Cathy P. Foerster  
Chair, Commissioner

  
John K. Norman  
Commissioner

  
Daniel T. Seamont, Jr.  
Commissioner



**RECONSIDERATION AND APPEAL NOTICE**

As provided in AS 31.05.080(a), within 20 days after written notice of the entry of this order or decision, or such further time as the AOGCC grants for good cause shown, a person affected by it may file with the AOGCC an application for reconsideration of the matter determined by it. If the notice was mailed, then the period of time shall be 23 days. An application for reconsideration must set out the respect in which the order or decision is believed to be erroneous.

The AOGCC shall grant or refuse the application for reconsideration in whole or in part within 10 days after it is filed. Failure to act on it within 10-days is a denial of reconsideration. If the AOGCC denies reconsideration, upon denial, this order or decision and the denial of reconsideration are **FINAL** and may be appealed to superior court. The appeal **MUST** be filed within 33 days after the date on which the AOGCC mails, **OR 30** days if the AOGCC otherwise distributes, the order or decision denying reconsideration, **UNLESS** the denial is by inaction, in which case the appeal **MUST** be filed within 40 days after the date on which the application for reconsideration was filed.

If the AOGCC grants an application for reconsideration, this order or decision does not become final. Rather, the order or decision on reconsideration will be the **FINAL** order or decision of the AOGCC, and it may be appealed to superior court. That appeal **MUST** be filed within 33 days after the date on which the AOGCC mails, **OR 30** days if the AOGCC otherwise distributes, the order or decision on reconsideration. As provided in AS 31.05.080(b), "[t]he questions reviewed on appeal are limited to the questions presented to the AOGCC by the application for reconsideration."

In computing a period of time above, the date of the event or default after which the designated period begins to run is not included in the period; the last day of the period is included, unless it falls on a weekend or state holiday, in which event the period runs until 5:00 p.m. on the next day that does not fall on a weekend or state holiday.