

COOK INLET EXPLORATION MILESTONES

Bill Van Dyke

Division of Oil and Gas

September 20, 2006

Oil & Gas Cook Inlet Milestones: 1800's - 1940's

1800's:

**Oil Seeps documented
along Gulf of Alaska**

Early to Mid 1900's:

**The search for Oil
continues**

*Oil claims
staked at
Katalla
1896*

**Oil:
Katalla
1902**

*Shallow well
drilled in
Anchorage
1920*

*Oil claims
staked on
Iniskin Pen.
at Oil Bay
1890's*

*Wells drilled on
Iniskin Penn.
at Dry Bay
1902*

*First well
spudded on
Iniskin Penn.
at Oil Bay
1898*

*Shallow well
drilled in
Chickaloon
1928*

*Further exploration
on AK Peninsula,
Iniskin Peninsula, &
Gulf of Alaska, with
no commercial success
1920's - 1940's*

*Alaska lands
withdrawn from
leasing due
to oil glut
1910*

*Alaska lands
reopened
for leasing
1920*

1800's

1890's

1902

1910

1920

1930 - 1949



The Early Years



APRIL- INISKIN WELL -1941
FLOWING 47 GR OIL -1800 #

Oil & Gas Cook Inlet Milestones: 1950-1959

Early 50's:

Federal acreage limit per company changes from 15,360 acres to 100,000 acres

Focus shifts to the Kenai peninsula

Sterling Highway Completed 1951

Mid 50's:

Promoting & brokering leases in C.I. takes off

AK Gulf Oil #1 near Knik, AK & Rosetta #1 near Houston, AK drilled 1955

Richfield & Marathon file for Swanson River Leases (71,000 acres) & Unocal files for leases North of Kenai (200,000 acres) 1953 - 1954

Richfield, Marathon, & Unocal combine leases to form Swanson River 1955

Late 50's:

Leasing rush in Southern AK, 100 companies active & 18MM acres under lease

**Oil:
Swanson River
1957**

**Gas:
Kenai Gas Field
1959**

Chevron buys 50% of ARCO's interest in C.I. for \$30MM (\$204MM in today's \$) 1957

Alaska Statehood 1959
1st state offshore Lease Sale in C.I. 1959

1950 1951 1952 1953 1954 1955 1956 1957 1958 1959

Oil & Gas Cook Inlet Milestones: 1960-1969

Early 60's:

Exploratory drilling activity explodes

Mid 60's:

Placement of offshore

**production platforms begins
Exploratory drilling peaks in 1966
Development drilling peaks in 1968**

*Moon Landing
1969*

**Gas:
West Fork
1960**

**Gas:
Beluga River
& North C.I.
1962**

**Gas:
Beaver
Creek
1965**

**Gas:
Ivan
River &
Nicolai
Creek
1966**

**Gas:
3 Mile
Creek
1967**

**Oil:
Prudhoe
Bay
1968**

**Gas:
Sterling &
Falls Creek
1961**

**Oil & Gas:
Granite
Point &
Trading Bay
1965**

**Oil:
Redoubt
Shoal
1968**

*Nikiski LNG
begins
exporting
to Japan
1969*

**Oil:
Middle
Ground
Shoal
1962**

**Oil:
McArthur
River
1965**

**Oil:
Starichkof
(Cosmopolitan)
1967**

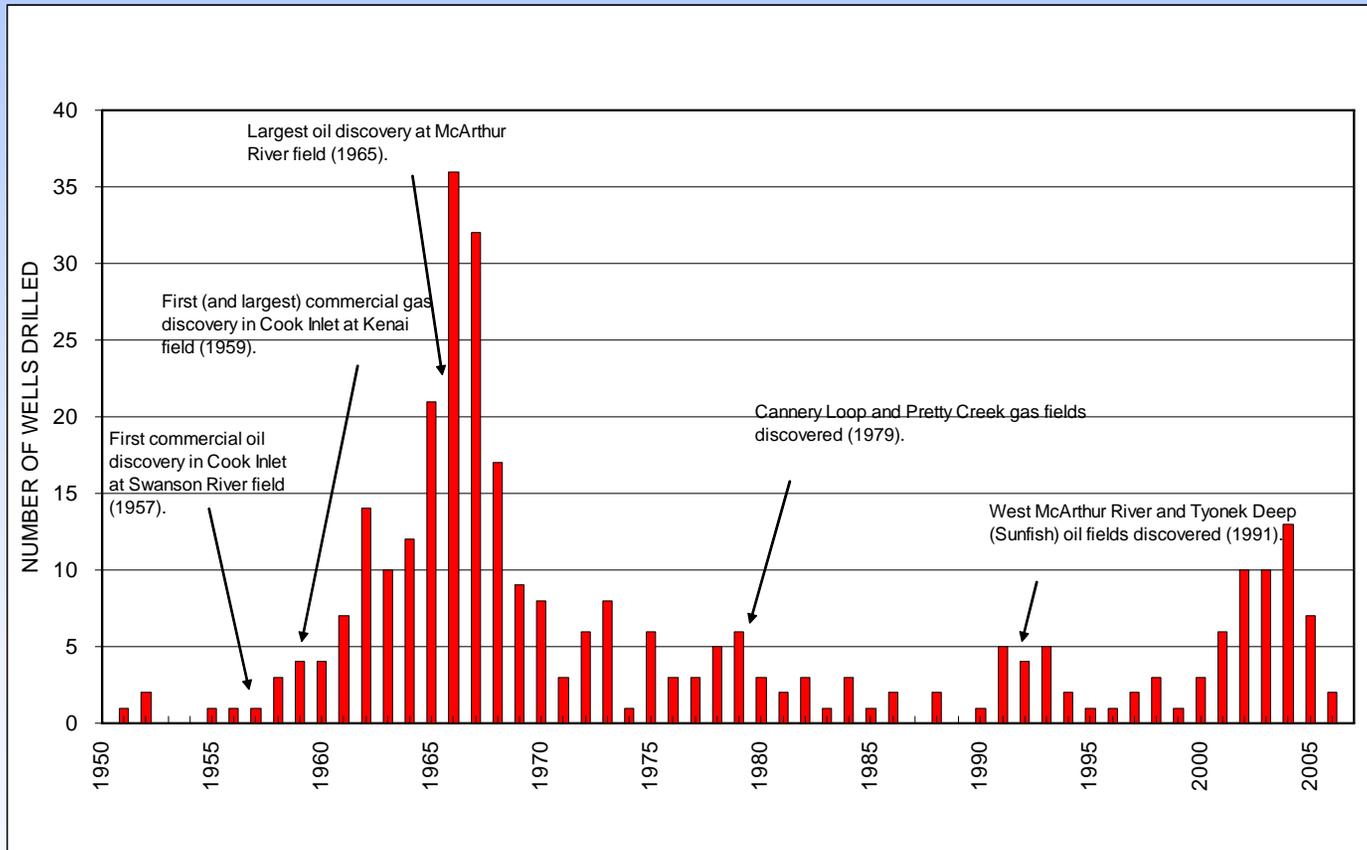
Kenai Gas Field production begins 1960
Swanson River Oil Field production begins 1961

Chevron opens C.I. refineries 1963

Unocal fertilizer plant starts operation 1968
Tesoro refinery begins operation 1969

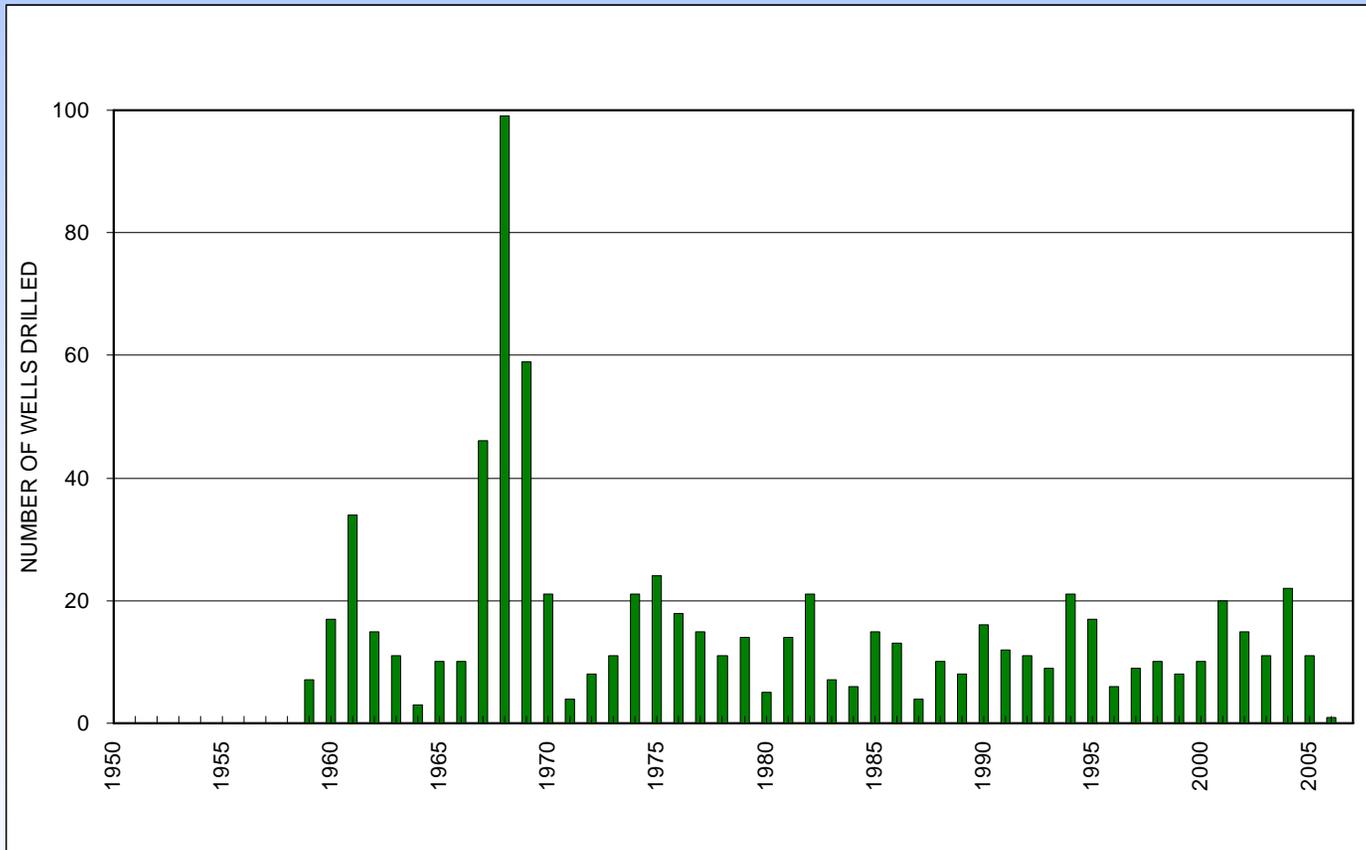
1960 1961 1962 1963 1964 1965 1966 1967 1968 1969

Cook Inlet Exploration Wells 1950-Present



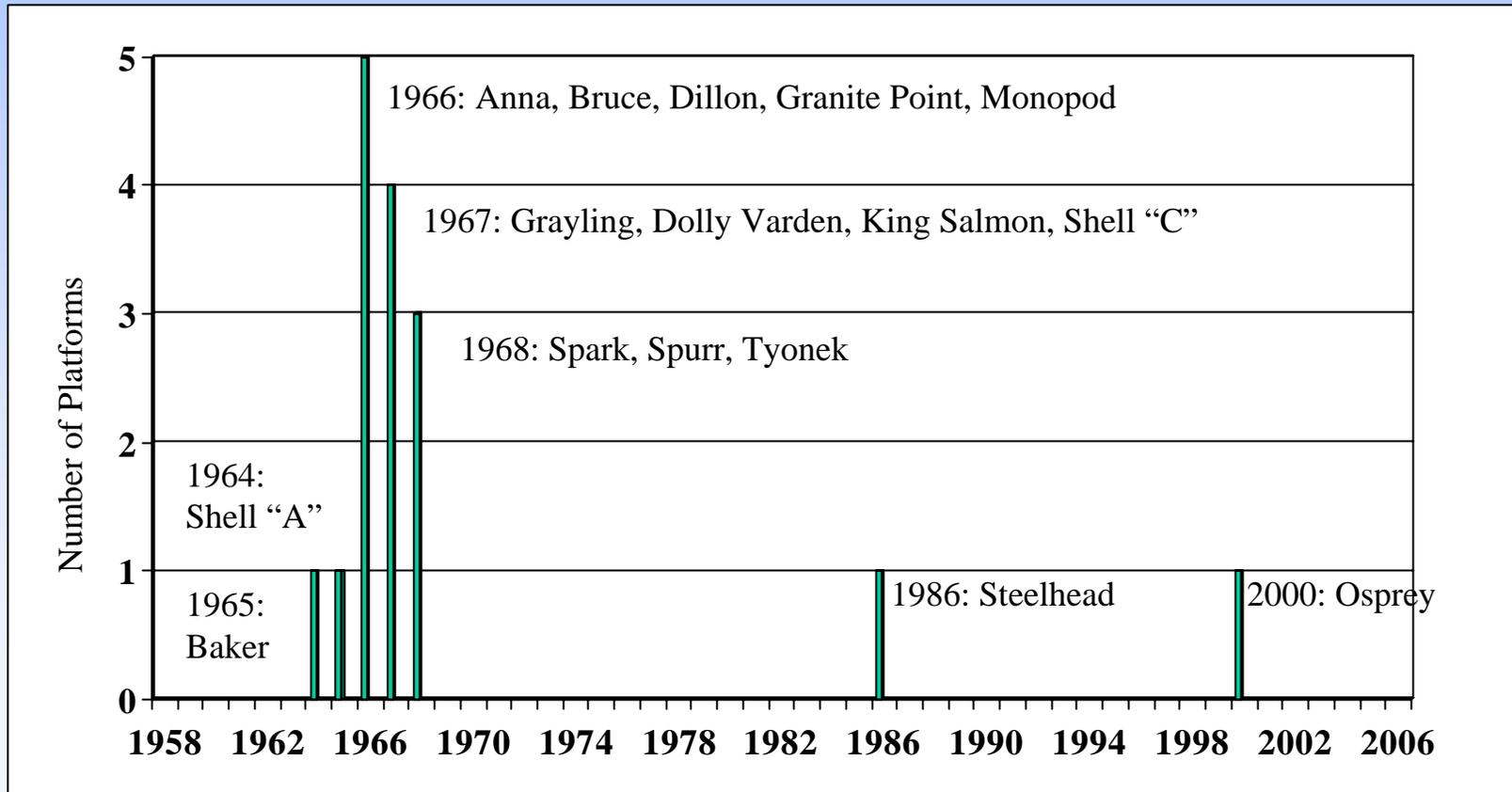
Cook Inlet Development Wells

1950-Present



Cook Inlet Oil & Gas Platforms

1958-Present



**Baker
platform**

Cook Inlet



**Monopod
platform**

Cook Inlet



Oil & Gas Cook Inlet Milestones: 1970-1989

Early 70's:
Exploration in
Gulf of Alaska -
Federal OCS

*C.I. Oil
peaks at
225,000 b/d
1970*

*ANCSA
gives AK
natives
44MM acres
and \$962MM
in cash
1971*

Late 70's:
Gas exploration increases as new
LNG and iron ore reduction
projects are considered

*TAPS
completed
1977*

**Gas:
Lewis River
1975**

*Tesoro constructs
a pipeline from
Nikiski refinery
to Anchorage
airport & port
1976*

*Permanent
Fund
established
1976*

**Gas:
Stump Lake
1978**

*Unocal
fertilizer
plant at
Nikiski
expanded
1978*

Early 80's:
Exploration in
lower Cook Inlet -
Federal OCS,
Upper C.I. at Kalgin Isle.,
Fire Isle., and S.R.S.

**Gas:
Cannery Loop
& Pretty Creek
1979**

**Gas:
Wolf Lake
1983**

*Legislature
decrees
state to
receive all
Seismic data
shot on it's lands
1981*

Mid to Late 80's:
Recession - Oil price
crash and state spending
cut; 1 in 10 jobs
dissappear from
AK workforce

*Valdez
oil spill in
Prince
William
Sound
1989*

*Marathon
installs
Steelhead
platform
1985*

*Natural Gas
prices
deregulated
1989*



1970

1975

1980

1985

Oil & Gas Cook Inlet Milestones: 1990-1999

1990's:

Anadarko partners with ARCO
 Union Texas partners with CIRI
 Forcenergy partners with Stewart,
 DANCO, Marathon, and Unocal

Gas:
Lone Creek
1998

Oil:
West McArthur River
1991

Oil:
Sunfish (Tyonek Deep)
1991

Union Texas
explores
CIRI land
1994

C.I. gas peaks
at 223 bcf / year
1996

Nikiski LNG
plant export
license
extended
10 years
1999

Ocean Energy
succeeds
Unocal as
operator of
Pioneer
Unit in
MatSu coalbed
methane project
1990

ARCO continues
SCI and Sunfish
drilling campaign
(science driven)
1993

Petro Star builds
Valdez refinery
1992

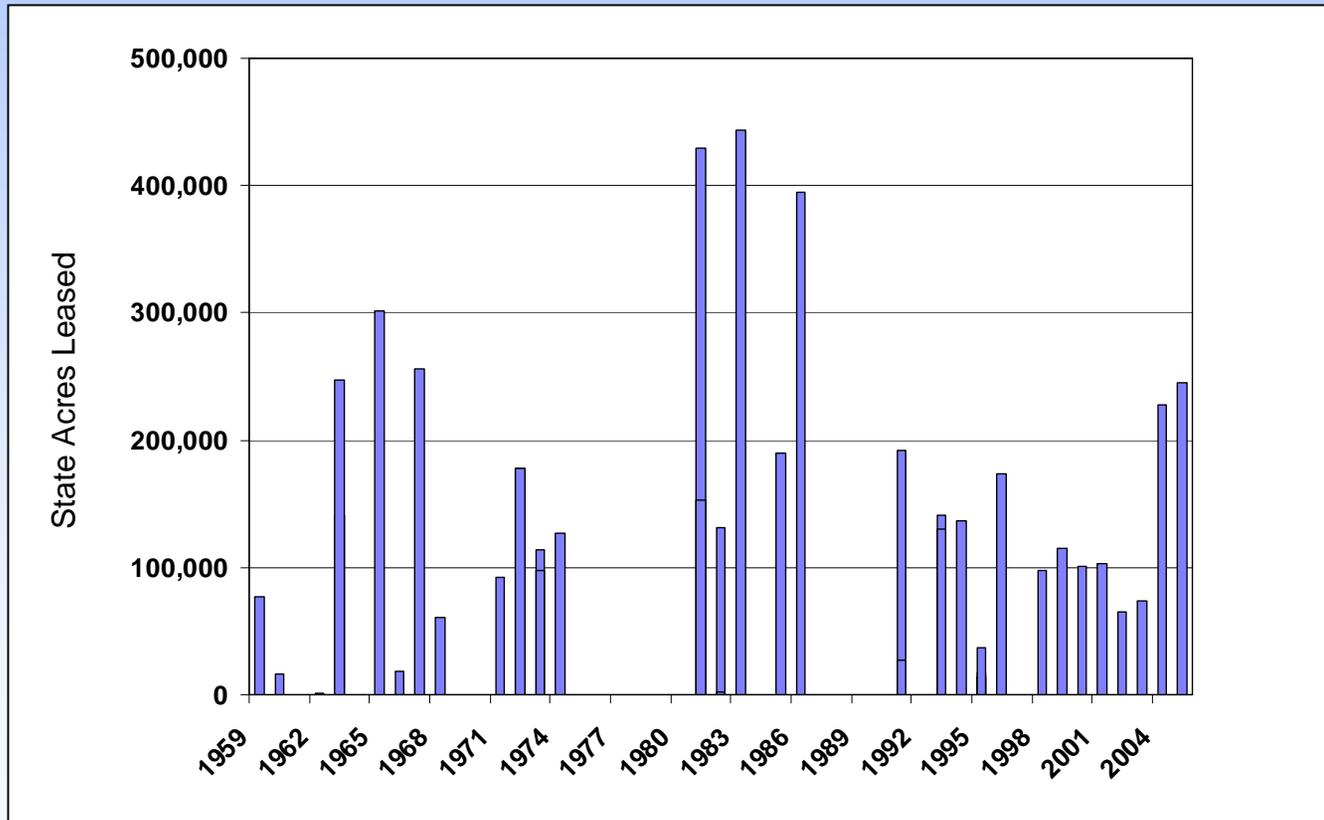
State starts
Areawide leasing
1996

Cross Timbers
(now XTO
purchases Shell's
interest in
Middle Ground
Shoal Field
1998

1990 1991 1992 1993 1994 1995 1996 1997 1998 1999

Cook Inlet – State Acres Leased

1959-Present



Oil & Gas Cook Inlet Milestones: 2000-2006

Focus shifts to L.K.P -
Aurora, Stormcat, Pelican, Escopeta,
Rutter & Wilbanks, Benchmark, Geopetro enter C.I.

Gas:
Ninilchik
2000

*Seven natural gas
exploration wells
drilled in C.I.
2001*

Gas:
Happy Valley
2003

Gas:
**Kasilof
Gas Field**
2004

*Osprey
Platform set
at Redoubt Shoal
2000*

*Evergreen
succeeds
Ocean
2001*

*Production begins
Redoubt Shoal
2002*

*Agrium
buys
Unocal
fertilizer
plant at
Nikiski
2000*

*BP's Gas
to Liquids
plant begins
operating
in Kenai
2001*

*Dillion & Baker
platforms shut in
2002*

*Aurora buys last
of Anadarko's
C.I. assets
2002*

*Alaska Stranded
Gas Development
Act reauthorized
2003*

*Escopeta
begins
permit of
Kitchen
Prospect
2006*

2000

2001

2002

2003

2004

2005

2006

Cook Inlet Exploration Wells 1950-Present

