

## **GAS DISPOSITION**

The AOGCC requires operators to report gas disposition on a monthly basis, accounting for all gas produced. During 2004, 3,668.9 billion cubic feet (Bcf) of gas were produced; of that 85.6% was re-injected, 7.0% was flared, vented or used as pilot/purge gas, and 7.4% was sold. The volume flared or vented at each facility must be grouped into three categories: less than or equal to 1 hour, greater than 1 hour, and the remaining 7.0% was flared, vented or used as pilot/purge. [Pilot gas is defined as the gas routed to a safety flare to maintain an ignition source. Purge gas is used to maintain forward flow and a positive pressure in the safety flare]. During 2004, a total of 6.53 BCF of gas was reported as flared or vented from oil and gas facilities in Alaska, representing an increase of 2.35% compared to 2003. Flaring and venting of natural gas accounts for 0.18% of the total gas produced in Alaska.

Total gas flaring or venting during 2004 can be broken down as follows:

- Less than or equal to 1 hour: 1.00 BCF (15.3% of 2004 total)
- Greater than 1 hour: 1.38 BCF (21.1% of 2004 total)
- Pilot/purge: 4.15 BCF (63.6% of 2004 total)

Gas is also used for operations and lease purposes. Included in this category is gas used for fuel (rigs and facilities), commissioning new facilities, pigging, and assist gas used in preventing black smoke during flaring. During 2004, operations and lease use accounted for 238.9 BCF of gas, approximately 6.5% of the total gas produced. The operations use of gas during 2004 represents a slight decrease (2.3%) compared with 2003. There were no significant operational startups or new facility operations that contributed to the gas flaring and usage.

The Commission reviews the volume of gas flared to determine if there has been waste.

## **ARCTIC SLOPE FLARING AND VENTING**

Arctic Slope operations account for 5.46 BCF of the total gas flared or vented during 2004, categorized as follows:

- Less than or equal to 1 hour: 0.54 BCF (9.9% of 2004 total)
- Greater than 1 hour: 1.12 BCF (20.5% of 2004 total)
- Pilot/purge: 3.8 BCF (69.6% of 2004 total)

Arctic Slope flaring and venting increased 4.8% during 2004 compared to 2003. During 2004, repairs resulted in a significant decrease of flaring at Northstar Island (down 59% compared to 2003 volumes).

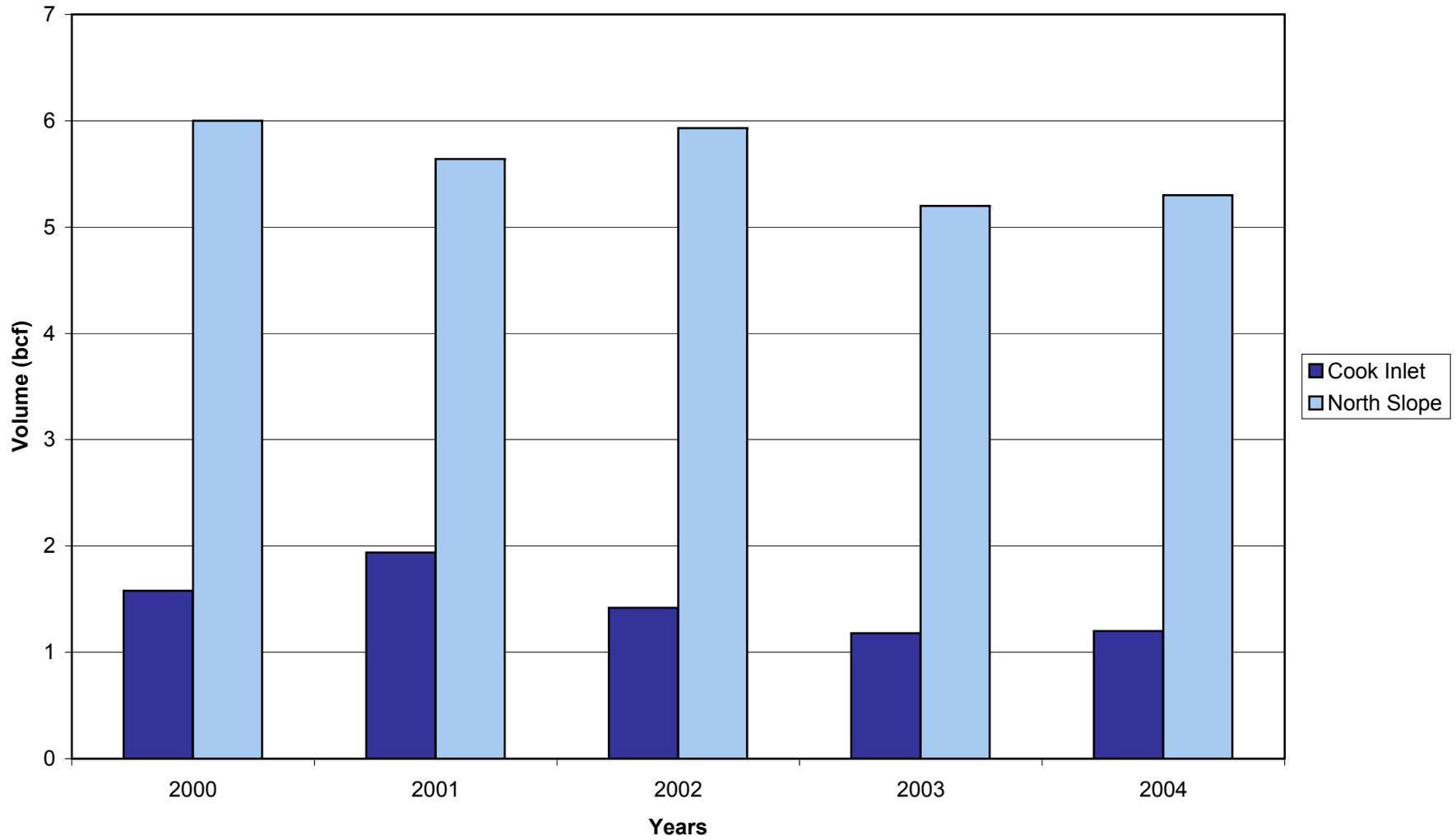
## **COOK INLET BASIN FLARING AND VENTING**

Cook Inlet Basin operations account for 1.07 BCF of gas flared or vented during 2004, categorized as follows:

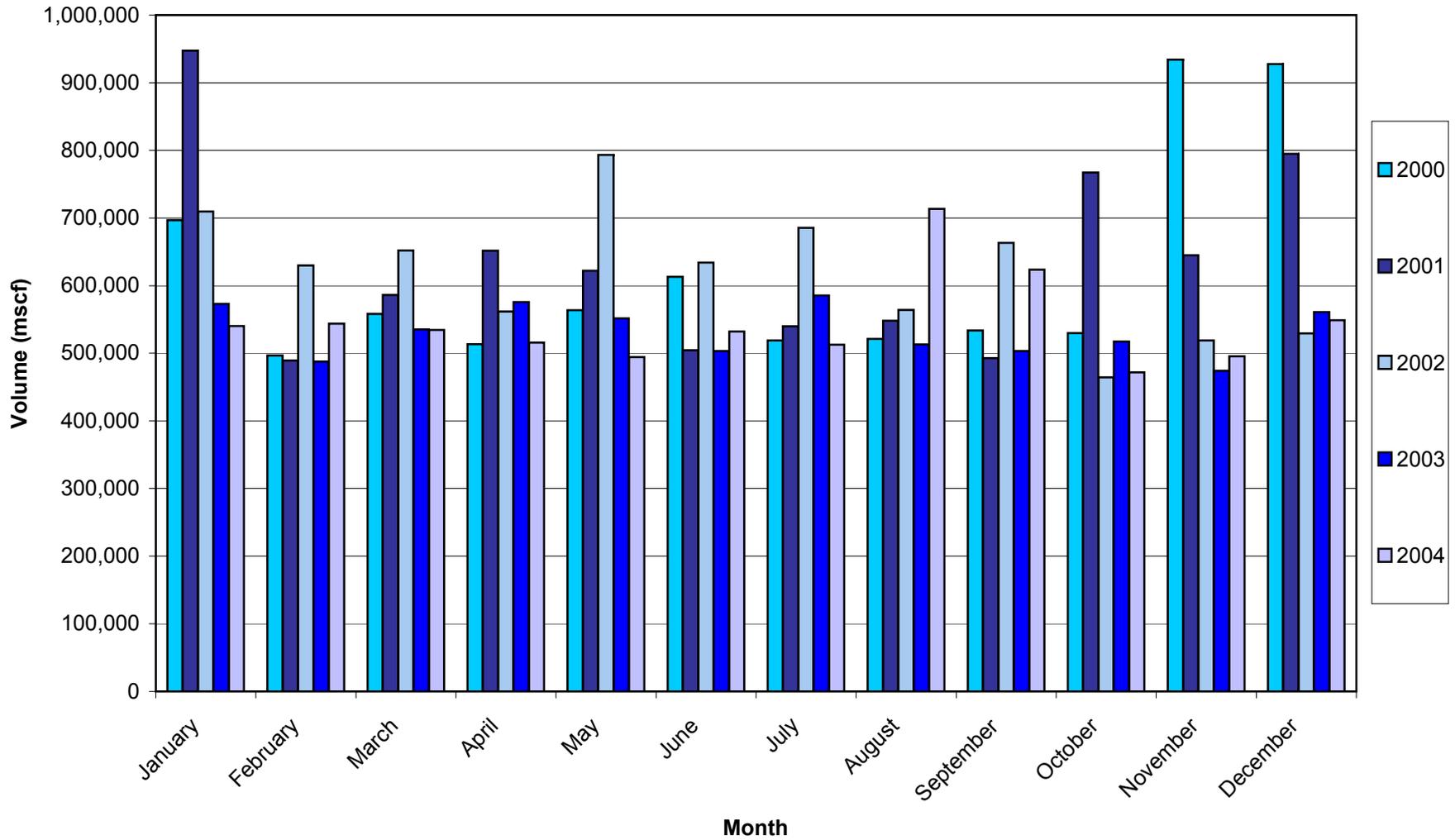
- Less than or equal to 1 hour: 0.46 BCF (43% of 2004 total)
- Greater than 1 hour: 0.26 BCF (24% of 2004total)
- Pilot/purge: 0.35 BCF (33% of 2004 total)

Cook Inlet Basin flaring and venting decreased 11.3% during 2004 compared to 2003, driven primarily by the 19% decrease in gas flared by facilities for periods greater than 1 hour. Notable decreases in gas flaring occurred at the Granite Point field platforms and facilities (Anna, Bruce, GP, TF-AB, TF-GP and LEX TF), which decreased by 65%; at Middle Ground Shoal (44% decrease), and at Swanson River (54% decrease).

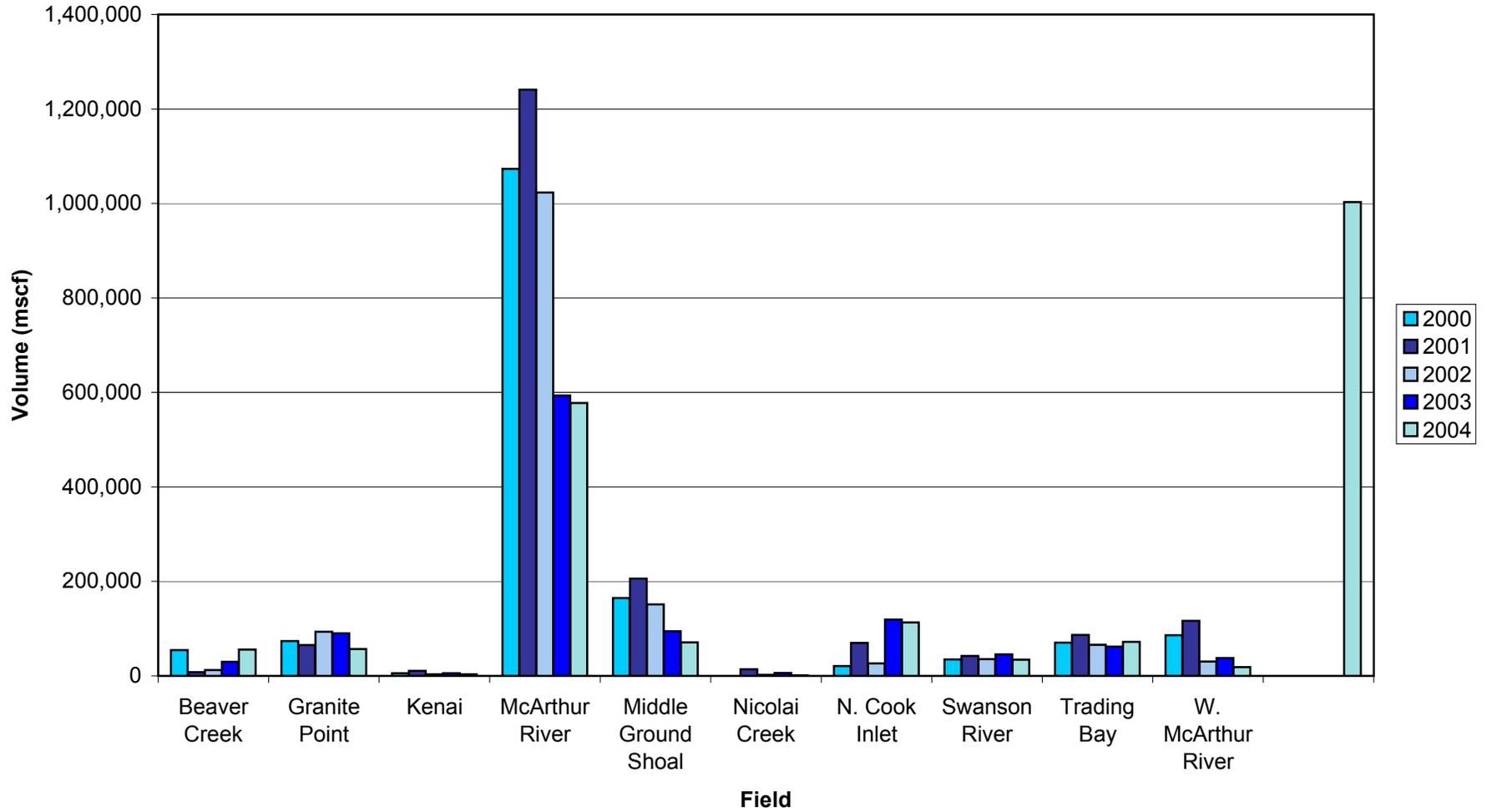
**Statewide Vent & Flare  
2000-2004**



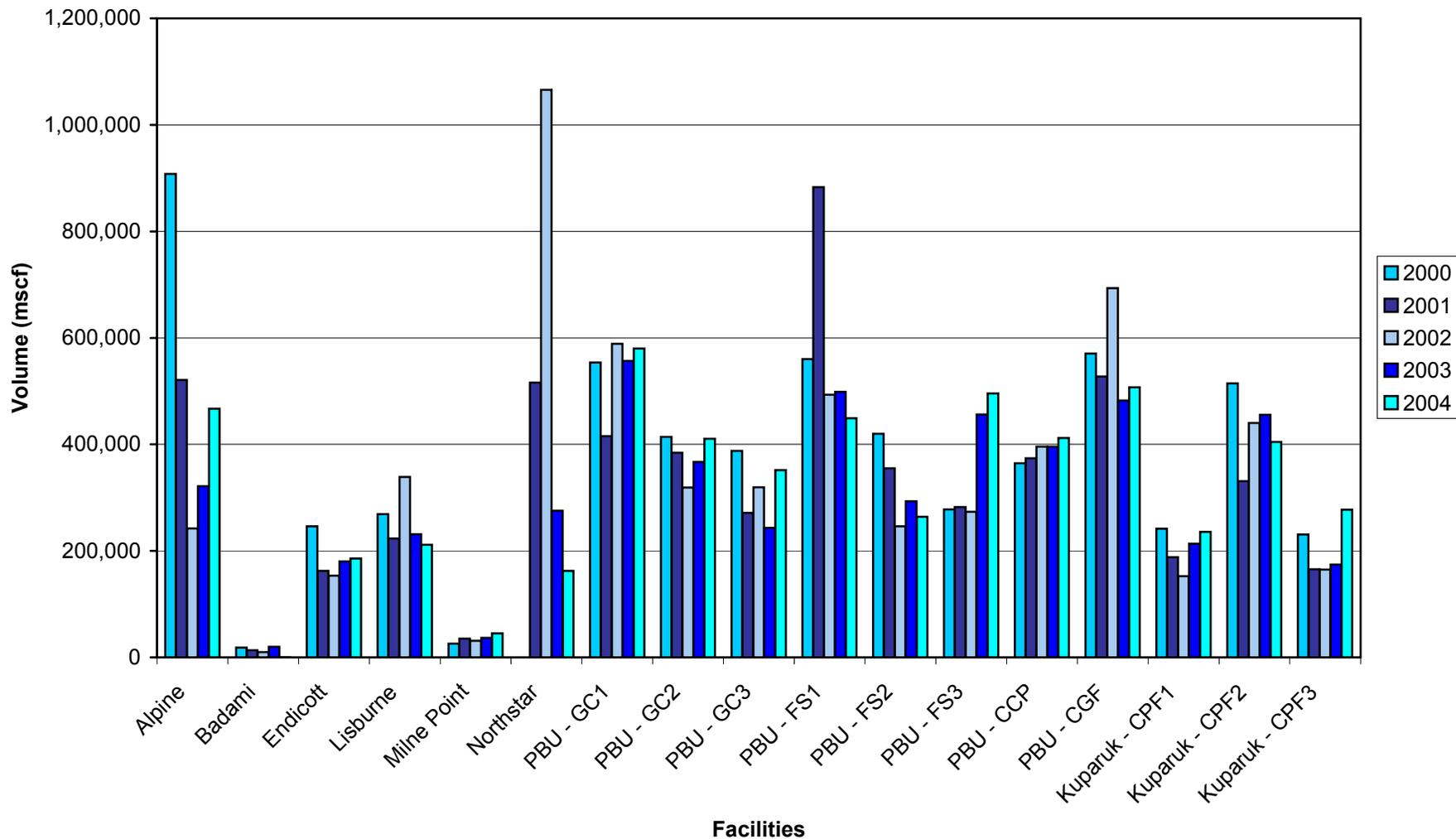
### Monthly, Statewide Vented and Flared Volumes 2000-2004



**Cook Inlet Vented and Flared  
(Including Pilot and Purge)  
2000-2004**



**North Slope Vented & Flared by Processing Facility  
(Including Pilot & Purge)  
2000-2004**



**2004 GAS DISPOSITION: COOK INLET**

<u>Operator</u>	<u>Facility</u>	<u>Sold</u>	<u>Reinjected</u>	<u>Lease Operations</u>	<u>Other (Shrink)</u>	<u>Flare &lt; 1 Hr</u>	<u>Flare &gt; 1 Hr</u>	<u>Pilot / Purge</u>	<u>TOTAL</u>
AURORA GAS LLC	Albert Kaloa	437,750	0	1,330	0	0	0	0	439,080
MARATHON OIL C	Beaver Creek	8,208,933	0	73,534	0	0	54,358	1,320	8,338,145
CONOCOPHILLIPS	Beluga River	57,433,091	0	183,858	0	0	686	0	57,617,635
AURORA GAS LLC	Deep Ck Happy Valley	285,053	0	2,216	0	0	11,669	0	298,938
UNION OIL CO OF	GP Anna Platform	0	522	388,773	0	2,059	1,954	2,562	395,870
UNION OIL CO OF	GP Bruce Platform	0	0	161,751	0	209	2,154	2,562	166,676
UNION OIL CO OF	GP GP Platform	0	0	417,284	0	7,821	11,897	7,267	444,269
UNION OIL CO OF	GP TF Anna/Bruce	3,942	0	22,230	0	0	0	0	26,172
UNION OIL CO OF	GP TF Gran Pt Prod Fac (Plat)	0	0	50,803	0	0	0	0	50,803
UNION OIL CO OF	GP TF LEX Plant	125,937	0	108,253	-3,144	12,210	670	7,180	251,106
UNION OIL CO OF	Ivan River	1,637,003	0	33,842	0	0	0	0	1,670,845
MARATHON OIL C	Kenai	26,834,418	0	1,039,540	-247,938	3,138	0	0	27,629,158
MARATHON OIL C	Kenai CLU	10,705,471	0	55,697	0	0	0	0	10,761,168
UNION OIL CO OF	Lewis River	359,442	0	8,667	0	0	0	0	368,109
AURORA GAS LLC	Lone Creek	1,743,375	0	39,115	0	0	650	0	1,783,140
XTO ENERGY INC	MGS A Platform	0	0	268,649	0	0	28,900	12,811	310,360
UNION OIL CO OF	MGS Baker Platform	0	0	0	0	0	0	0	0
XTO ENERGY INC	MGS C Platform	0	0	75,517	0	0	10,736	18,301	104,554
UNION OIL CO OF	MGS Dillon Platform -SMGS	0	0	0	0	0	0	0	0
AURORA GAS LLC	Moquawkie	750,855	0	13,897	0	0	0	0	764,752
AURORA GAS LLC	Nicolai Ck North	943,845	0	38,346	0	280	288	0	982,759
MARATHON OIL C	Ninilchik Falls Creek	4,864,298	0	3,059	0	563	3,567	0	4,871,487
MARATHON OIL C	Ninilchik G Oskolkoff	3,685,374	0	3,426	0	2,043	10,923	0	3,701,766
MARATHON OIL C	Ninilchik S Dionne	3,787,432	0	6,404	0	0	0	0	3,793,836
CONOCOPHILLIPS	North Cook Inlet	40,099,206	0	1,107,803	0	77,026	24,539	11,363	41,319,937
EVERGREEN RES	Pioneer	0	0	0	0	0	796	0	796
UNION OIL CO OF	Pretty Creek	651,580	0	6,454	0	0	0	0	658,034
FOREST OIL COR	RS Kustatan	18,441	0	141,051	0	17,016	3,428	31,869	211,805
UNION OIL CO OF	SR Swanson River LEX	2,175,730	750,501	1,323,710	158,696	11,180	10,235	12,838	4,442,890
MARATHON OIL C	Sterling	296,396	0	3,346	0	0	0	0	299,742
UNION OIL CO OF	Stump Lake	0	0	0	0	0	0	0	0
UNION OIL CO OF	TB Onshore Facility MRF	23,572	0	577,835	35,937	2,314	36,324	9,147	685,129
UNION OIL CO OF	TBF Monopod	0	0	147,987	0	13,929	0	40,188	202,104
MARATHON OIL C	TBF Spark NTBU	17,044	0	10,387	0	0	0	0	27,431
MARATHON OIL C	TBF Spurr NonUnit	0	0	0	0	0	0	0	0
UNION OIL CO OF	TBU Dolly Varden Platform	0	0	875,925	0	148,155	890	9,814	1,034,784
UNION OIL CO OF	TBU Grayling Platform	42,093	0	2,729,230	0	109,720	0	73,200	2,954,243
UNION OIL CO OF	TBU King Salmon Platform	0	0	1,132,708	0	38,409	2,805	2,196	1,176,118
UNION OIL CO OF	TBU MRF Monopod	0	0	125,997	0	4,112	0	13,719	143,828
UNION OIL CO OF	TBU Steelhead Platform	26,671,756	0	1,721,836	0	9,849	39,848	75,246	28,518,535
FOREST OIL COR	W Foreland	1,014,991	0	9,599	0	0	0	0	1,024,590
FOREST OIL COR	W McArthur River	47,811	0	91,177	0	154	694	17,754	157,590
MARATHON OIL C	Wolf Lake	72,764	0	619	0	0	0	0	73,383
<b>COOK INLET</b>	<b>TOTALS (MCF)</b>	<b>192,937,603</b>	<b>751,023</b>	<b>13,001,855</b>	<b>-56,449</b>	<b>460,187</b>	<b>258,011</b>	<b>349,337</b>	<b>207,701,567</b>

**2004 GAS DISPOSITION: NORTH SLOPE**

<u>Operator</u>	<u>Facility</u>	<u>Sold</u>	<u>Reinjected</u>	<u>Lease Operations</u>	<u>Other (Shrink)</u>	<u>Flare &lt; 1 Hr</u>	<u>Flare &gt; 1 Hr</u>	<u>Pilot / Purge</u>	<u>TOTAL</u>
BP EXPLORATION	Badami	0	0	78	0	0	0	403	<b>481</b>
NORTH SLOPE BO	Barrow	168,038	0	1,698	0	0	0	0	<b>169,736</b>
CONOCOPHILLIPS	Colville River Unit	0	39,636,081	5,096,809	0	0	216,430	250,488	<b>45,199,808</b>
BP EXPLORATION	DIU Endicott	2,690,688	117,796,597	11,745,684	0	19,291	46,207	120,414	<b>132,418,881</b>
CONOCOPHILLIPS	KRU CPF 1	135,097	32,353,816	10,244,693	0	44,772	22,908	167,832	<b>42,969,118</b>
CONOCOPHILLIPS	KRU CPF 2	395,086	63,770,180	8,647,060	0	145,789	38,812	220,187	<b>73,217,114</b>
CONOCOPHILLIPS	KRU CPF 3	9,862	0	8,908,466	0	6,281	91,904	179,053	<b>9,195,566</b>
BP EXPLORATION	Milne Point Central	214,086	8,033,146	3,397,915	0	18,717	18,242	8,060	<b>11,690,166</b>
BP EXPLORATION	Northstar	0	104,220,561	0	0	62,116	100,205	0	<b>104,382,882</b>
BP EXPLORATION	PBU CCP/FFGU	42,085,270	2,537,510,094	72,056,926	0	16,411	0	395,472	<b>2,652,064,173</b>
BP EXPLORATION	PBU CGF B	30,265,358	119,847,602	39,086,921	10,419,802	51,545	152,564	303,094	<b>200,126,886</b>
BP EXPLORATION	PBU FS 1	0	0	9,047,227	0	20,216	120,077	309,022	<b>9,496,542</b>
BP EXPLORATION	PBU FS 2	0	0	9,064,591	0	10,971	22,645	230,319	<b>9,328,526</b>
BP EXPLORATION	PBU FS 3	0	0	11,311,704	0	20,508	50,921	424,318	<b>11,807,451</b>
BP EXPLORATION	PBU GC 1	0	0	11,230,345	0	70,787	26,667	482,416	<b>11,810,215</b>
BP EXPLORATION	PBU GC 2	0	0	7,010,043	0	11,225	72,793	326,516	<b>7,420,577</b>
BP EXPLORATION	PBU GC 3	0	0	6,082,945	0	29,017	116,696	205,992	<b>6,434,650</b>
BP EXPLORATION	PBU Lisburne Prod (GrPtMcArea)	1,394,977	117,405,851	12,910,759	1,465,511	11,818	22,710	177,013	<b>133,388,639</b>
NORTH SLOPE BO	Walakpa	1,238,083	0	7,390	0	0	0	0	<b>1,245,473</b>
<b>NORTH SLOPE</b>	<b>TOTALS (MCF)</b>	<b>78,596,545</b>	<b>3,140,573,928</b>	<b>225,851,254</b>	<b>11,885,313</b>	<b>539,464</b>	<b>1,119,781</b>	<b>3,800,599</b>	<b>3,462,366,884</b>
<b>STATE</b>	<b>TOTALS (MCF)</b>	<b>271,534,148</b>	<b>3,141,324,951</b>	<b>238,853,109</b>	<b>11,828,864</b>	<b>999,651</b>	<b>1,377,792</b>	<b>4,149,936</b>	<b>3,670,068,451</b>