

Tom Lakosh
3301 Eureka Street, A 12 Anchorage, Alaska 99503
phone/fax (907) 563-7380 email: lakosh@gci.net
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Cathy P. Foerster Commission Chair
Alaska Oil and Gas Conservation Commission
333 West 7th Avenue, Suite 100 Anchorage, Alaska 99501
Sent via email to: Jody.Colombie@alaska.gov and samantha.carlisle@alaska.gov

Re: Consolidated Application for Amendment of Prudhoe Oil Pool Rule

The BP/Exxon application under consideration at today's public hearing should be rejected because the BPU operator must make the application as representative of all lessees who must agree on a future plan production that must be approved by DNR. ConocoPhillips clearly objects to the requested gas off-take volume and the unit lessees must first submit the proposed gas production plan through the unit operator to DNR under unit consensus rules and not as separate competing interests to AGOCC.

The proposed gas off-take amounts should similarly be rejected as they do not fairly consider new proposed uses of POP gas such as a local LNG plant in the planning stages and power production for the pipeline's Gas Treatment Plant or the pipeline compressors. The applicants should be required to document these other proposed uses in consideration of their higher value added and increased pressure drops on oil production fields.

The application should be rejected as it fails to provide the public sufficient information to insure their rights to maximum production of hydrocarbons on the unit. The information must minimally show that there is sufficient reinjection of CO₂ to maintain POP pressures for continuing oil production at maximum rates. Where the CO₂ available from the GTP falls far short of the gas removed from POP, the commission should require CO₂ capture and injection from all power production available in the area. The commission should also recommend applicants investigate advanced carbon capture and power production technology such as supercritical CO₂ turbines and/or post combustion CO₂ capture to insure that the lowest cost for EOR and pool pressure maintenance can be achieved. The CO₂ available from S-CO₂ turbines may be more effective for EOR given the higher pressures and temperatures that may be available from the turbine exhaust/heat recuperation system.

Where miscible injectants such as natural gas liquids used in conjunction with hot CO₂ have been shown to substantially enhance oil recovery, including recovery of under-produced heavy oils, the AGOCC should not approve this application unless and until the commission and the public can revisit the efficacy of CO₂ injection with the newly available NGLs from Point Thomson. Where applicants have previously failed to disclose or employ injection of available CO₂ from all sources to provide for maximum hydrocarbon production from state leases, the AGOCC must retroactively evaluate the value of lost production and assess fines to recuperate lessor's losses to date in addition to mandating maximum EOR using CO₂ and miscible injectants in the future.

The requested maximization of CO₂ capture and injection will not only improve production on state leases in the near term, but can set industry standards that could substantially reduce the carbon footprint of the gas and power production industries as a whole. These practices may help minimize or reverse climate change in Alaska to allow for longer drilling seasons and still greater annual oil production as is the mandate for the AOGCC. The AGOCC must definitively determine whether CO₂ capture and injection is a viable substitute for natural gas reinjection as it is clear that the natural gas off-take now has a viable market to produce value for the owner citizens of Alaska and new technologies for carbon capture from raw well gas and power production may drive the economics of gas off-take where CO₂ injection can be used to maintain pool pressures and enhance oil migration to production wells. The AGOCC must remain vigilant in its assessment of EOR opportunities going forward and demand that lessees adopt new CO₂ capture and injection technologies as they become commercially available as they may present a viable alternative for maintaining maximum hydrocarbon liquids and gas production consistent with lease provisions.

The public hearing process should be continued until the application can be amended to clearly show the public owners of the hydrocarbon resources that the maximum production of all leased hydrocarbon reserves will be maintained. The applicants' confidential submissions must be minimally redacted to preserve trade secrets while allowing a fair public review of the possible gas and oil production alternatives consistent with their constitutional rights and lessees obligations to extract hydrocarbon resources at their maximum sustainable rate. We should not be forced to leave oil in the ground to produce gas for sale where CO₂ can be economically captured from any, or all local sources and injected to maintain pool pressures and enhance oil recovery.

Sincerely, Tom Lakosh