

# straight talk



*Alaska Oil and Gas Association*

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## Cook Inlet Lease Sale Attracts Apache

On June 22, the State of Alaska held its annual area-wide Cook Inlet lease sale, with results the state has not seen in almost two decades. High bids totaled \$11 million for 616,690 acres.

Acquiring more than 80 percent of the acreage offered for leasing was independent Apache Corporation, which made its first appearance in Alaska after obtaining 300,000 acres in August 2010. Apache’s first leases in Alaska were on Alaska Mental Health Trust lands. Apache joined the Alaska Oil and Gas Association (AOGA) shortly after obtaining its first Alaska leases.

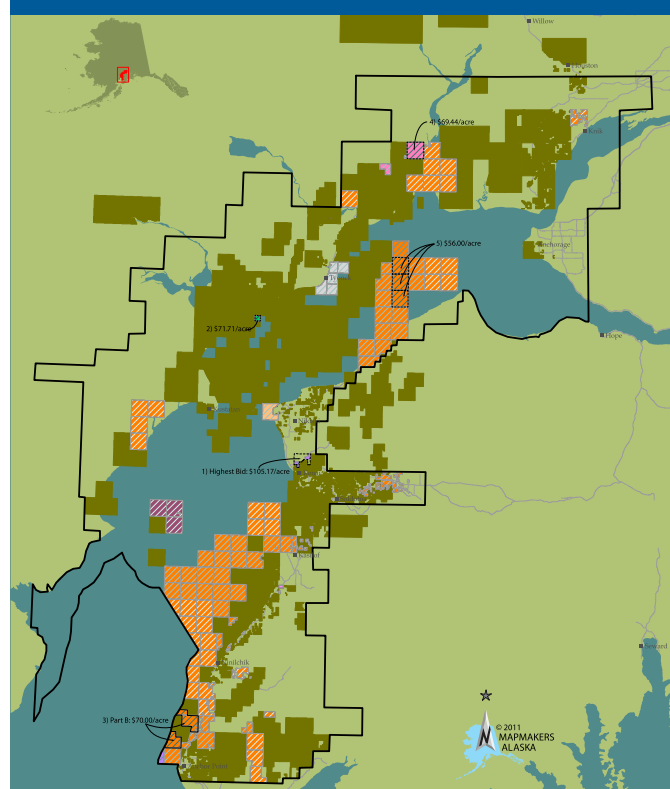
***“It’s potentially a rejuvenation, a renaissance, for the Cook Inlet, not only deep oil targets but shallow gas plays on the way down.”***

**– Bill Barron, director of DOG**

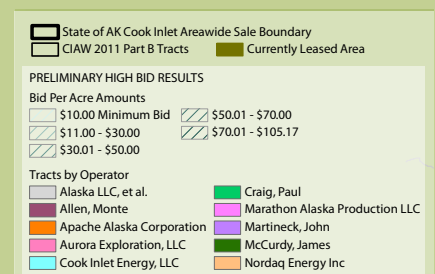
During this last lease sale, the company spent almost \$9 million in securing the leases to approximately 500,000 acres of state land in the Inlet. After the state’s Division of Oil and Gas (DOG) is able to complete the title work on the tracks that were offered for bid, the final acreage count will be smaller.

“We have identified what we think is a neglected province that would benefit from the application of modern technology,” Apache Vice President of Exploration and new ventures (and AOGA Board member) John Bedingfield said.

*continued on page 2*



**Preliminary Results for the Cook Inlet 2011 Area-wide Lease Sale**



**Information**

# BP Statistical Review Turns 60

In June 2011, BP released its annual Statistical Review of World Energy, which outlines the current world energy picture. The review was started in 1951 as an internal document to educate the company with the latest data on global energy markets.

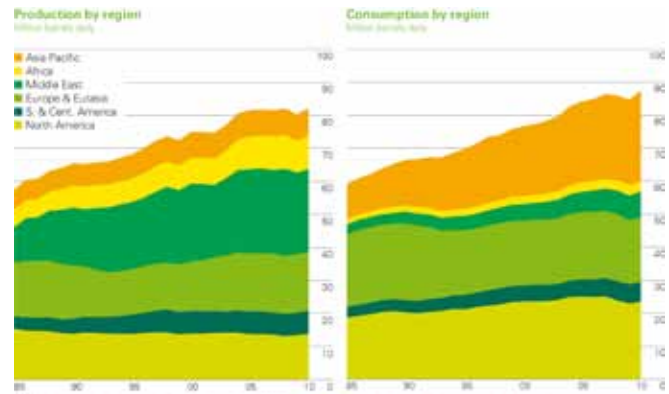
Today, the review is no different, but it has become a leading source of information for the public as it offers an analysis of primary energy markets, consumption, reserves, and more for the key energy sectors; oil, natural gas, coal, nuclear, hydroelectricity and renewable.

Mark Finley, BP’s general manager of global energy markets came to Alaska in June to present the results of the annual review to lawmakers at a House Resources Lunch and Learn in Anchorage and other interested groups and officials.

This year’s analysis showed that world primary energy consumption grew by 5.6% in 2010, which was the largest increase in percentage terms since 1973. China is the world’s largest energy consumer at 20.3%. Oil remains the world’s leading fuel, at 33.6% of global energy consumption.

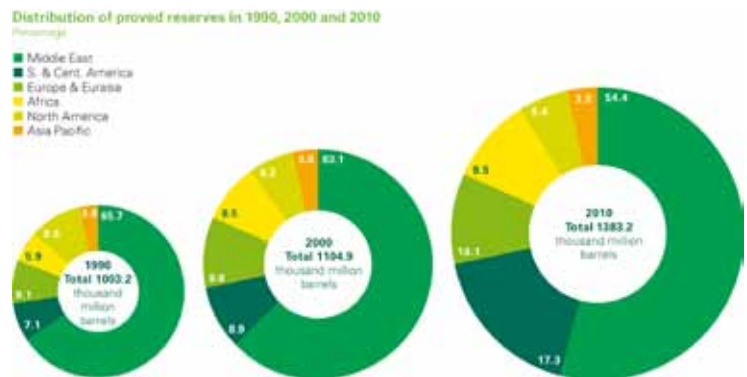
For more information and for detailed charts about the review, visit: [www.bp.com/statisticalreview](http://www.bp.com/statisticalreview).

## Oil production/consumption by region



World oil production increased by 1.8 million bbl in 2010; growth was broadly-based, with increases in all regions except Europe & Eurasia. Moreover, growth was broadly split between OPEC and non-OPEC countries. World oil consumption increased by 2.7 million bbl; growth was above average in all regions, although Asia Pacific countries accounted for the majority (54%) of global consumption growth.

## Distribution of proved oil reserves



### Cook Inlet Lease Sale Attracts Apache continued

“We think there is potential for quite a prize in the Cook Inlet.”

“It’s potentially a rejuvenation, a renaissance, for the Cook Inlet, not only deep oil targets but shallow gas plays on the way down,” said Bill Barron, director of DOG.

Apache is in the process of obtaining the necessary permits to allow for seismic testing this fall. “We hope to do year-round seismic in the Cook Inlet,”

said Lisa Parker, a contractor for Apache and life-long Alaska resident.

The State hopes that following the seismic testing, great things will materialize. “You’ve got seismic programs that will take place. You’ve got exploration drilling programs, delineation wells to be drilled, infrastructure to be built, tie into existing infrastructure,” Barron said. “All of that is good jobs for the Cook Inlet and the Peninsula.”



## Environment

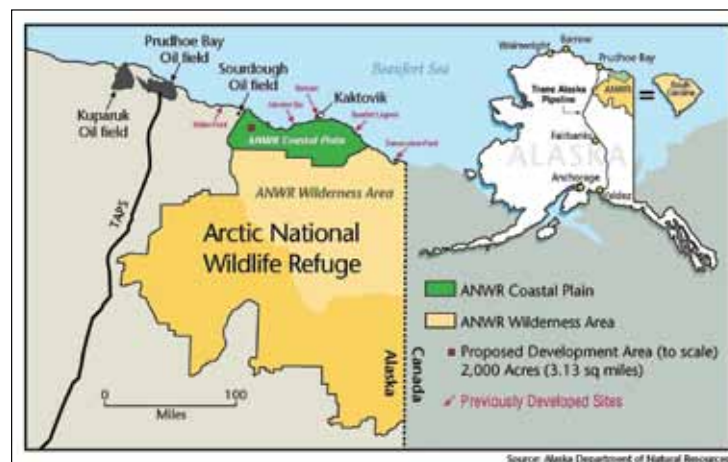
# ANWR Debate Surfaces Again

AOGA urges Alaskans to comment on the Draft Comprehensive Conservation Plan (CCP) and Draft Environmental Impact Statement (EIS) for the Arctic National Wildlife Refuge released Aug 12 by the U.S. Fish and Wildlife Service (FWS). The draft plan contains six alternatives for management of the refuge during the next 15 years, ranging from the continuation of current practices to the potential designation of three additional wilderness areas, including the Coastal Plain (or “1002 area”) and four additional wild and scenic rivers. The Service did not identify a preferred alternative in the draft plan.

Though a formal wilderness designation requires an act of Congress, the FWS manages recommended wilderness “in a way that protects the wilderness character of the area.” Should it select one of the alternatives that recommends designating the Coastal Plain as wilderness in the Final CCP/EIS, this could severely hamper any future efforts to open the Coastal Plain for oil and gas development. Polling during the last 20 years has consistently shown that more than 70 percent of Alaskans support opening the Coastal Plain to oil and gas development. AOGA urges Alaskans to once again express their support to FWS during the comment period on the draft plan.

### Comment Today!

Public comments will be accepted through Nov. 15. A copy of the draft plan and additional materials are available on the Arctic Refuge website at <http://arctic.fws.gov/ccp.htm>. ♦



## Community Meetings on ANWR

### Anchorage:

- Open House at US Fish and Wildlife Service Regional Office, 3:00–9:00 p.m., September 20, 2011
- Public Hearing at Wilda Marston Theater, 3:00–9:30 p.m., September 21, 2011

### Fairbanks:

- Open House at Pioneer Park Civic Center, 3:00–9:00 p.m., August 24, 2011
- Public Hearing at Carlson Center, 3:00–9:30 p.m., October 19, 2011

### Arctic Village:

- Arctic Village Community Hall, 5:00–9:00 p.m., August 30, 2011

**Fort Yukon:** Meeting information to be announced

**Kaktovik:** Meeting information to be announced

**Venetie:** Venetie Community Hall, 5:00–9:00 p.m., September 1, 2011

## On the Job

# Jason Brink

Jason Brink never imagined himself living in Alaska, but when the opportunity came up in 2001, he jumped on it. As a senior drilling engineer for eni Petroleum, Jason is responsible for well design, cost, planning, material procurement, drilling procedures and execution of the drilling program. He also tracks day-to-day rig operations to ensure the plan is executed efficiently.

Jason grew up in New Orleans and attended Louisiana State University, majoring in petroleum engineering. His career since college has been in the oil field industry, focused on workovers and drilling.

He worked for another drilling operator on the North Slope until a friend told him about an opening at eni. It was an easy decision for Jason as he'd heard great things about eni from fellow drillers, and he was soon working for them as a Senior Drilling Engineer.

Living in Alaska has been a great experience for Jason and his family. He met and married his wife, Carmen, in New Orleans. They have two daughters and a son: 3-year-old Lily, 2-year-old Jason Jr., and 1-year-old Avery.

Raising kids in Alaska is very different than his upbringing in Louisiana, Jason says. "We love taking the kids for walks and hikes throughout Alaska and showing them the beautiful scenery." Jason and Carmen take lots of pictures and talk about the area they're in so the kids learn a little bit while they're having fun. Jason also wants to make sure the kids grow up knowing how to take care of themselves when they're out in the Alaska wilderness. While his summers are spent fishing and hiking with his family, he loves snowmachining in the winter.

Working for eni has been a great experience for Jason. Eni in Alaska is a small drilling group, which means they can get things done quickly and efficiently.

"I can honestly say that I am proud to be a part of this project [Nikaitchuq] from the start of drilling



Jason enjoys vacation time with his family.

operations. The drilling team has been very successful in this drilling campaign," he says. eni has been present in Alaska since August 2005, following the acquisition of 103 leases from Armstrong Oil & Gas in the North Slope. Since then, eni's portfolio in the region has grown to 140 leases (including federal Outer Continental Shelf). Jason works on the Nikaitchuq field, located offshore of the North Slope. It is eni's first development project in Alaska and has recoverable reserves estimated at approximately 220 million barrels of oil. The field is being developed through some 52 wells (approximately half will be production wells and half will be injection wells), about one third of which are drilled from onshore and the remainder drilled from an offshore artificial drill site. ♦

**Community**

# Tanana Valley State Fair Turns 80

For the past 80 years, the Tanana Valley State Fair (TVSF) has been held in early August in Fairbanks. To help commemorate this significant milestone, TVSF Executive Director Randi Carnahan wanted to celebrate in a massive way by having a birthday cake for all fair-goers on opening day.

AOGA enthusiastically signed onto this idea, and sponsored the work of the University of Alaska Fairbanks Community and Technical Kitchen at Hutchison High School. Under the direction of instructor Luis Martinez, about a dozen chefs and students from the Midnight Sun Chefs Association worked for days making and decorating 30 square feet of sheet cakes.

“AOGA was pleased to support this great idea,” stated Marilyn Crockett, AOGA Executive Director. “The chefs and students did an amazing job. I’m not sure I’ve ever seen that much birthday cake in one place.”

“Thanks for getting our opening day off to such a great start! We want you to know how very much we appreciate what you did for us,” said Carnahan.



Kara Moriarty stands with two of the bakers of the massive birthday cake, including instructor Luis Martinez.

Kara Moriarty, AOGA Deputy Director, was on hand to help cut and distribute the cake to 1,000 residents.

AOGA will also be at the Alaska State Fair for the third year in a row.

Crockett continued, “We enjoy giving back to the communities in Alaska as the success of the state and the industry go hand in hand.” ♦

**People**

## New AOGA Board Member



Wade D. Hutchings is the Alaska Asset Team Manager for Marathon’s Alaska operations. He assumed this assignment in August. His previous assignment was the Technical Excellence group in Marathon’s Upstream organization. In that role, he

oversaw many of the company’s programs for career development, knowledge sharing and quality assurance for engineers and geoscientists.

Hutchings has also held Marathon positions of planning manager for Worldwide Exploration,

subsurface manager of the Gas Assets Team in the North America Production Operations group, team lead Angola Block 32 and team lead Gulf of Mexico Regional team, both in the Worldwide Exploration organization. Hutchings joined Marathon in 2000 as a geologist in the Gulf of Mexico Exploration group.

Hutchings is a native of Utah and holds a bachelor’s degree in geology from Brigham Young University and a master’s in geology from the University of Texas at Austin. He resides in Kenai, Alaska with his wife and four children, and is actively involved in youth sports, Boy Scouts and church-related activities. ♦

## Alaska Oil and Gas Association

The Alaska Oil & Gas Association (AOGA) is a nonprofit trade association that represents the majority of oil and gas exploration, production, transportation, refining and marketing activities in Alaska.

**Our mission is to foster the long-term viability of the oil and gas industry in Alaska.**

Learn more about the issues facing the largest economic driver in the Alaska economy at [www.aoga.org](http://www.aoga.org). Sign up for our newsletters, and follow us on Facebook and Twitter for the latest information on the oil and gas industry in Alaska.

Contact information: 907-272-1481 or [info@aoga.org](mailto:info@aoga.org)



AOGA staff, left to right: Marilyn Crockett, Kate Williams, Kara Moriarty and Tamara Sheffield.

**Our member companies:** Alyeska Pipeline Service Company; Anadarko Petroleum Corporation; Apache Corporation; BP Exploration (Alaska) Inc.; Chevron; eni petroleum; ExxonMobil Production Company; Flint Hills Resources, Alaska; Marathon Oil Company; Petro Star Inc.; Pioneer Natural Resources Alaska, Inc.; Shell Exploration & Production Company; Statoil; Tesoro Alaska Company; and XTO Energy, Inc.

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