

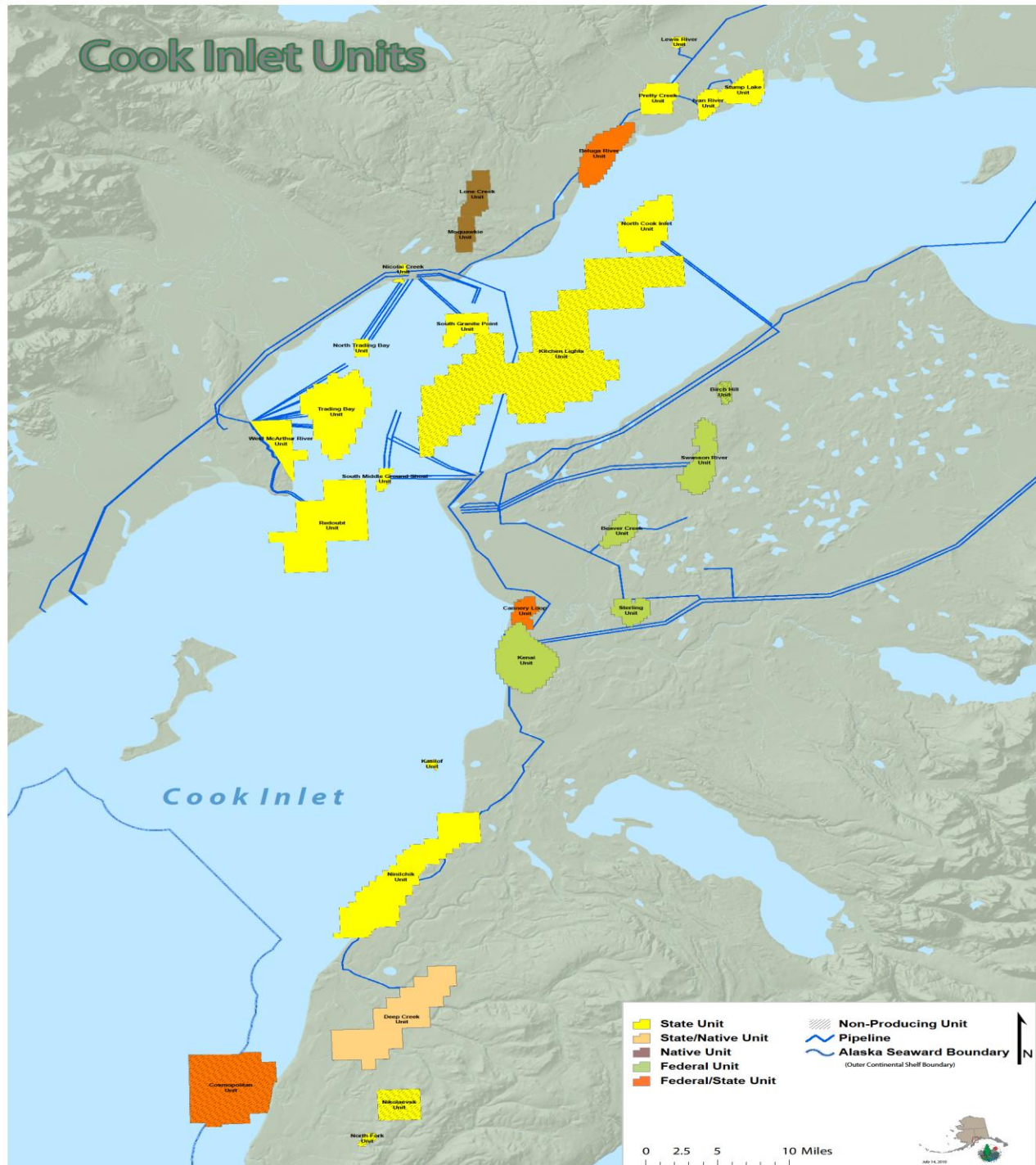


# **AOGA Legislator Seminar**

January 6, 2011

**Marathon** 

# Cook Inlet Units

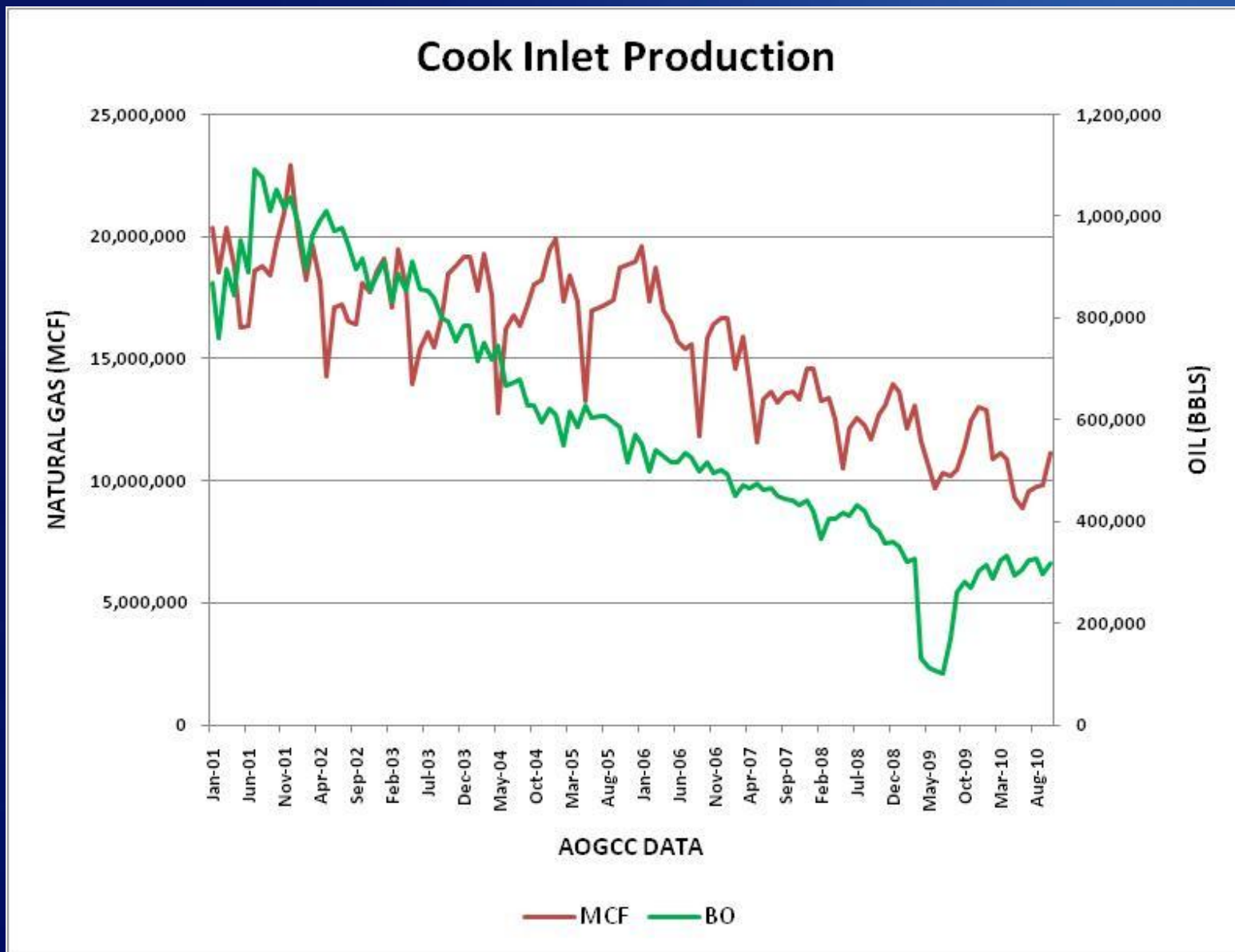


State Unit	Non-Producing Unit
State/Native Unit	Pipeline
Native Unit	Alaska Seaward Boundary (Outer Continental Shelf Boundary)
Federal Unit	
Federal/State Unit	

0 2.5 5 10 Miles

July 14, 2010

# Production



# Cook Inlet

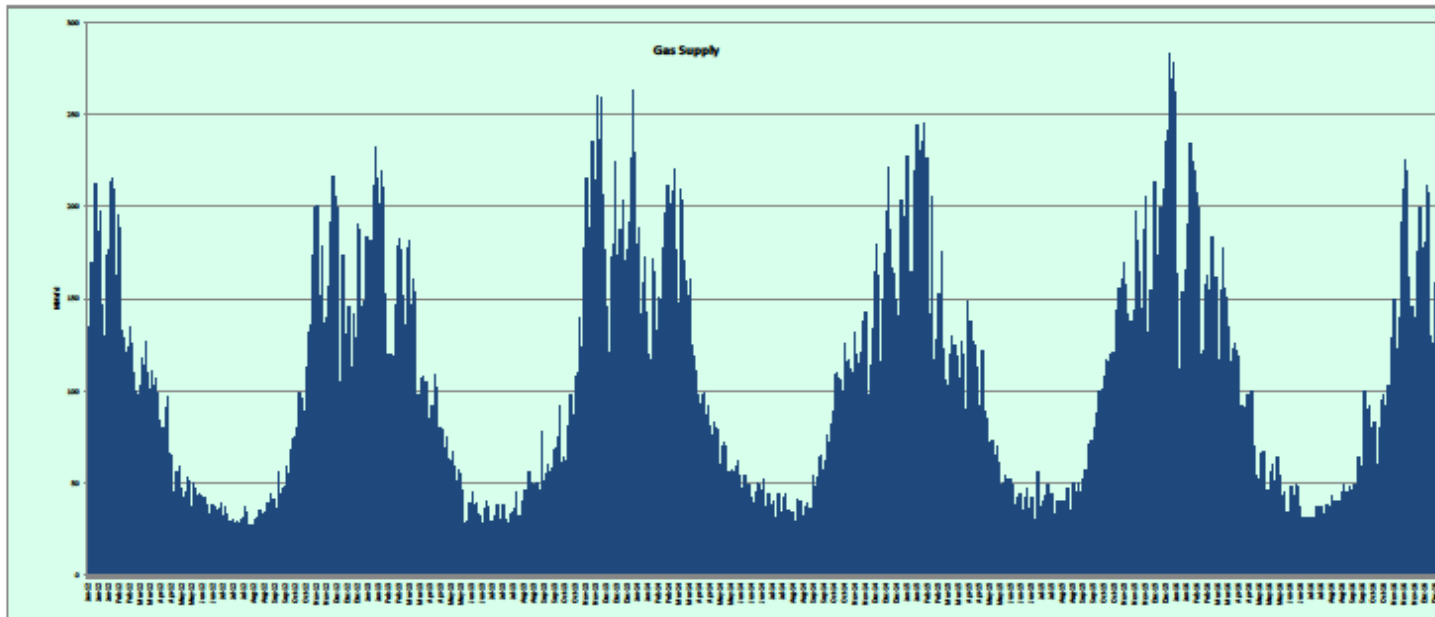


- ◆ **Essentially closed market with few players**
- ◆ **Annual supply/demand is approaching equilibrium**
- ◆ **Gas Deliverability is at risk**
- ◆ **Portfolio of aging reservoirs**
- ◆ **Sales contracts all have unique terms and levels of service**
- ◆ **Few storage projects have been developed for proprietary use**

# Estimated NG Utility Demand

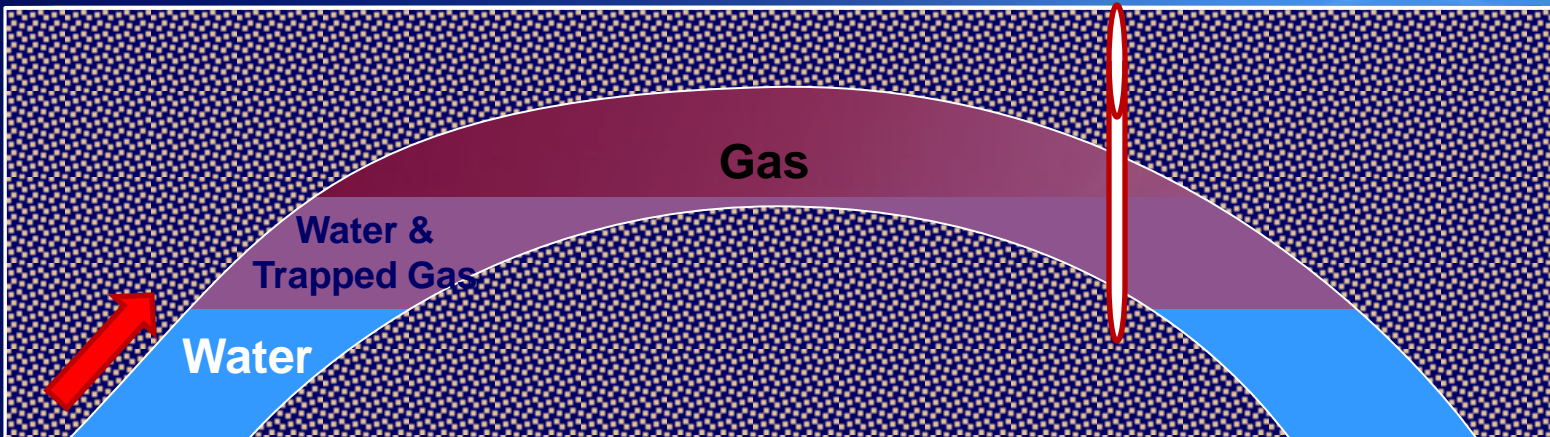
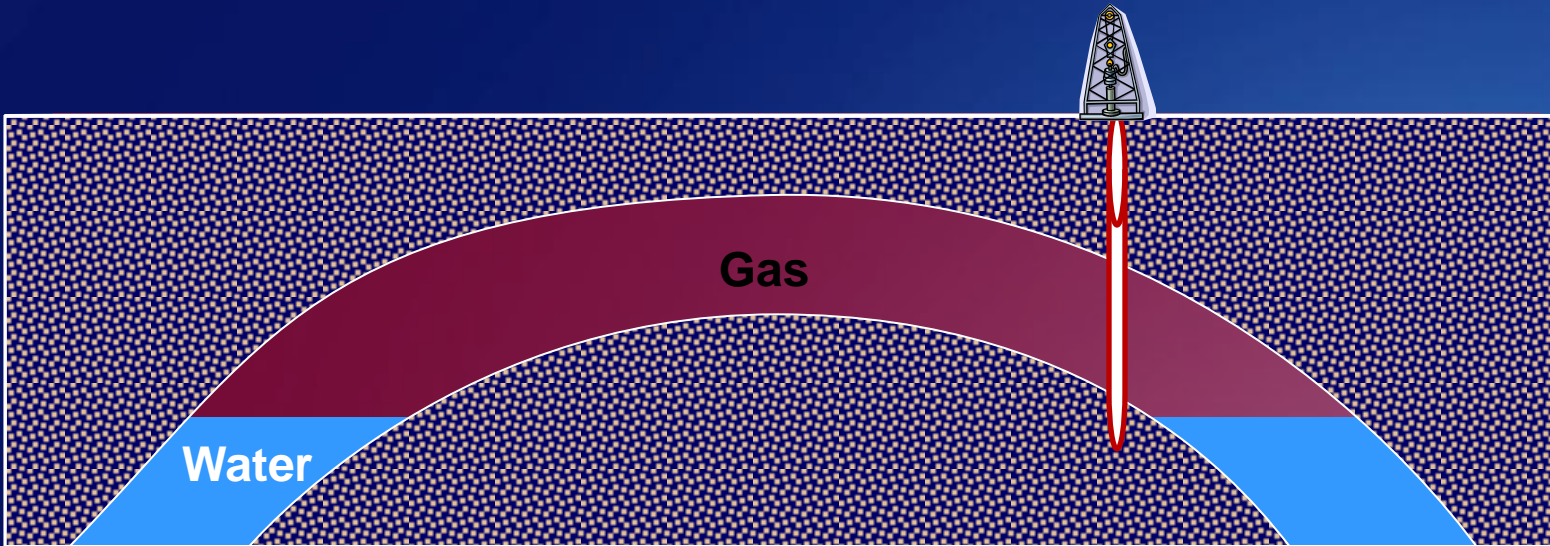


ENSTAR 5 Year Historical Projected for 2012-2016



Docket No. U-10-51

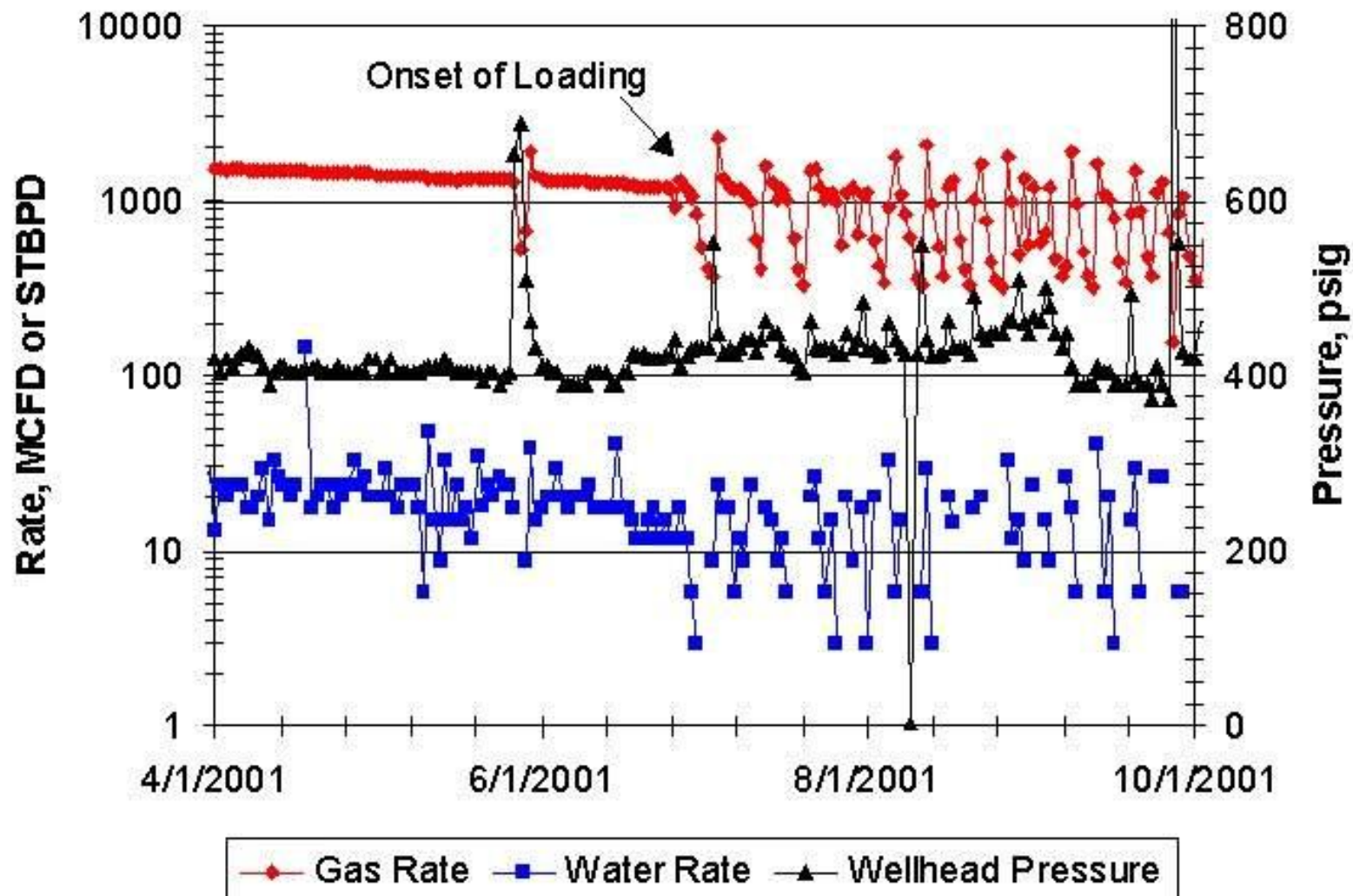
Exhibit MS-7, Page 1 of 1



Encroaching water can cause multiple problems:

- Loss of recoverable gas
- Premature loss of wells
- Higher operating expenses

# Loaded Well Performance



# Operations in Cook Inlet



- ◆ Safety is at the forefront of operations
- ◆ Companies strive to achieve safe, clean and reliable operations
- ◆ Recent effort on contingency planning is positive
- ◆ Legislation passed Cook Inlet tax credits in 2010 to incentive investment
- ◆ Supply and demand balance will remain challenged

## Questions?



**END**