AOGA
Legislator Seminar

January 6, 2011
Cook Inlet Production

AOGCC DATA

MCF

BO
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

Gas Supply

Docket No. U-10-51

Exhibit M5-7, Page 1 of 1
Encroaching water can cause multiple problems:
- Loss of recoverable gas
- Premature loss of wells
- Higher operating expenses
Loaded Well Performance

Onset of Loading

Rate, MCFD or STBPD

Pressure, psig


Gas Rate
Water Rate
Wellhead Pressure
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