

The Alaska Oil and Gas Conservation Commission (AOGCC)



Our Role in North Slope Gas Commercialization

What we do at the AOGCC

- Quasi-judicial State regulatory agency
- Regulate drilling and production for oil & gas
- **Prevent hydrocarbon waste**
- Protect correlative rights
- **Promote greater ultimate recovery**
- Manage Class II UIC program of the EPA
i.e., Protect underground fresh water

AOGCC website: www.aogcc.alaska.gov

Key Regulatory Language

- AS31.05.030(b): The commission shall investigate to determine whether or not waste exists or is imminent ...

Key Regulatory Language

- 20 AAC 25.990(45): “oil well” means a well that produces predominantly oil at a gas-oil ratio of 100,000 scf/stb or lower, unless on a pool-by-pool basis the commission establishes another ratio.

Key Regulatory Language

- 20 AAC 25.240(a): An oil well may not be produced if the gas-oil ratio of the well exceeds the original solution gas-oil ratio of the crude within the producing pool by more than 100 %.

Key Regulatory language

- 20 AAC 25.240(c): The commission will, in its discretion, grant exceptions to the limitation in (a) of this section ... only after application, notice, and an opportunity for public hearing in accordance with 20 AAC 25.540.

North Slope Gas Sources

- Prudhoe Bay
- Pt Thomson
- New Gas Exploration

Prudhoe Bay

- The gas is being used to maximize oil recovery
 - Pressure maintenance
 - Preventing gas cap shrinkage
 - EOR
- The NGLs are also being exported to other fields to increase recovery there
- The gas may have future use for producing heavy and viscous oil

Prudhoe Bay Gas Commercialization

- 20 AAC 25.240(c): The commission will, in its discretion, grant exceptions to the limitation in (a) of this section ... only after application, notice, and an opportunity for public hearing in accordance with 20 AAC 25.540.
- Three questions:
 - When?
 - How much?
 - What mitigating steps to minimize losses?

Pt Thomson

- Gas condensate reservoir
- By our definition, an oil field
- How do we prevent oil losses?
 - Condensate-rich gas cap
 - Thick, viscous oil rim

Gas Exploration

- Prudhoe Bay and Pt Thomson have 34 TCF of gas.
- We need more gas to keep a gas line full long term.
- You tend to find gas fields where you find oil fields.
- We must encourage new exploration on the North Slope for gas.

AOGCC View of LNG