



09.22.2015

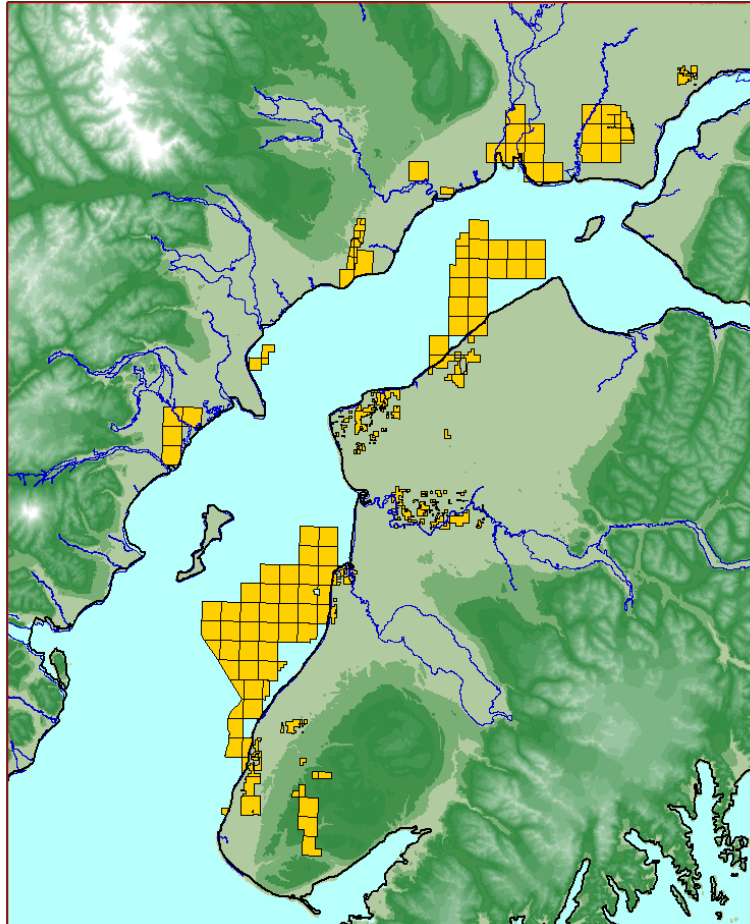
SENATE OIL & GAS TAX CREDIT WORKING GROUP

JOHN L. HENDRIX — APACHE CORPORATION, ALASKA

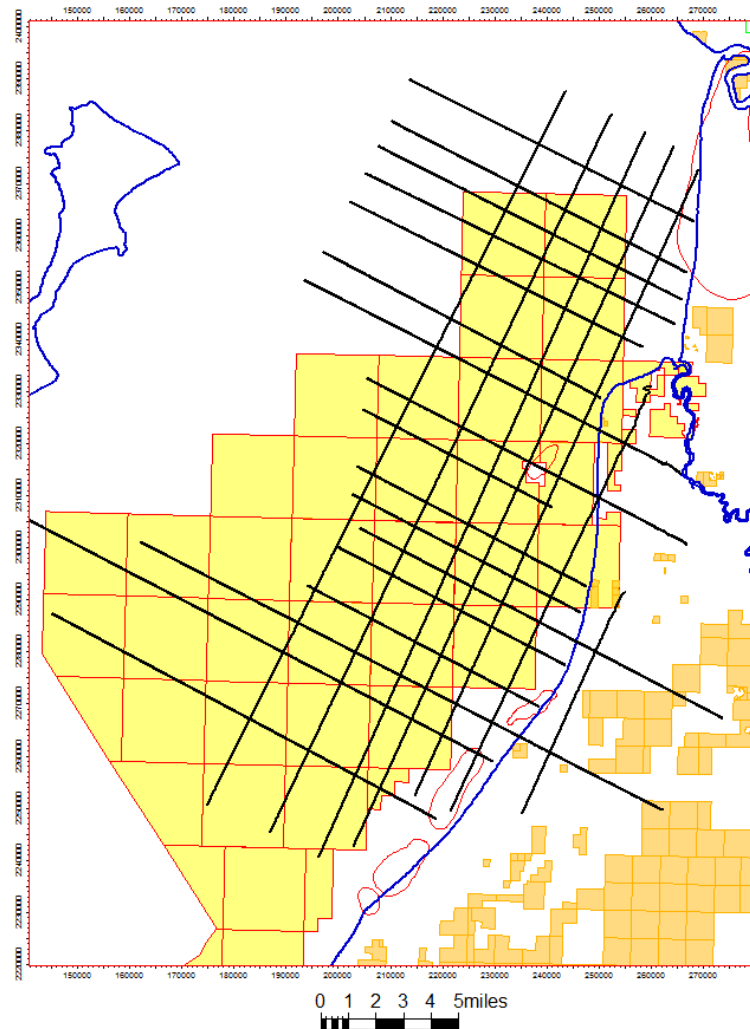
APACHE ALASKA – EXPLORING COOK INLET

- I. 2010 purchase of existing leases
- II. 2011 acquisition of significant acreage
- III. Seismic
 - I. nodal technology
 - II. environmentally friendly
 - III. 2011 – 2014: 1,100 miles of data
 - I. Partners – CIRI, TNC, NNA, NVT, Salamatof
 - II. Data sharing – State of Alaska, University of Alaska, partners
- IV. Drilling & prospects
- V. Future of tax credits

APACHE ALASKA – COOK INLET STATE LEASES



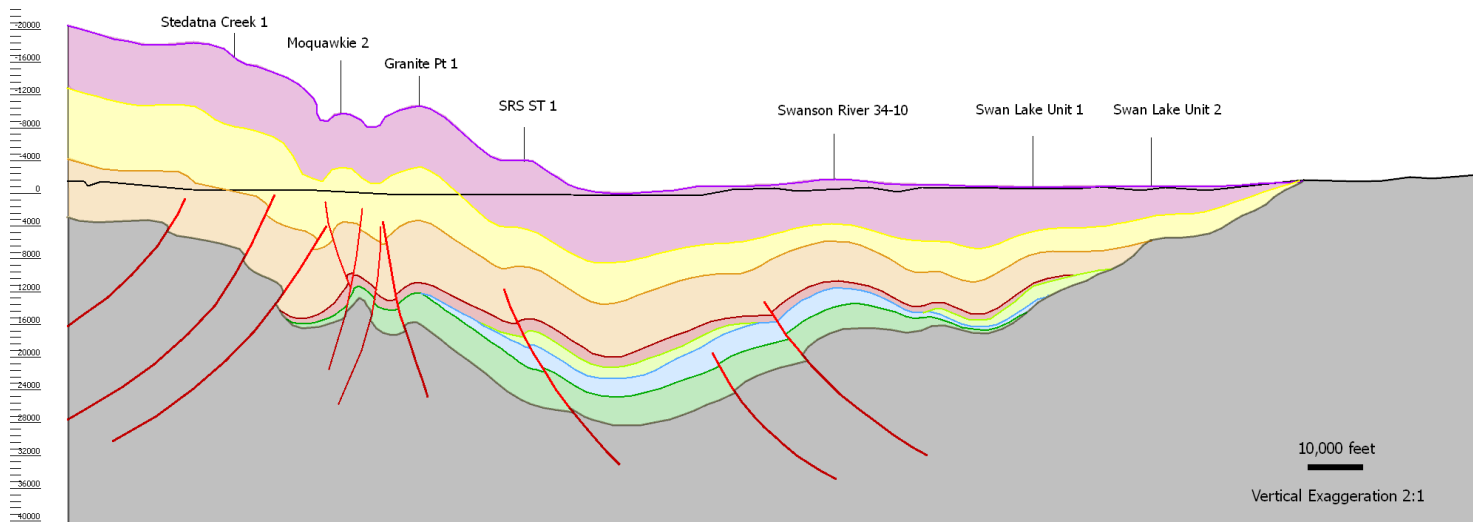
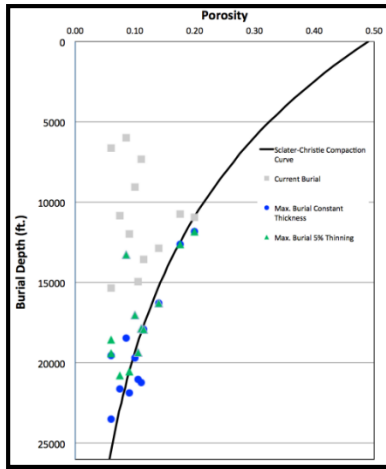
TYPICAL SEISMIC LAYOUT



BASIN ANALYSIS

- ▶ Objectives:
 - ▶ improve understanding of controls on reservoir properties
 - ▶ define limits of mature of source rock and hydrocarbon migration pathways
- ▶ Structural restorations to quantify uplift and erosion
- ▶ Petrophysical estimates of maximum burial depth (sonic velocity)
- ▶ Burial history modeling calibrated to vitrinite reflectance and temperature
 - ▶ reservoir diagenesis and source rock maturity

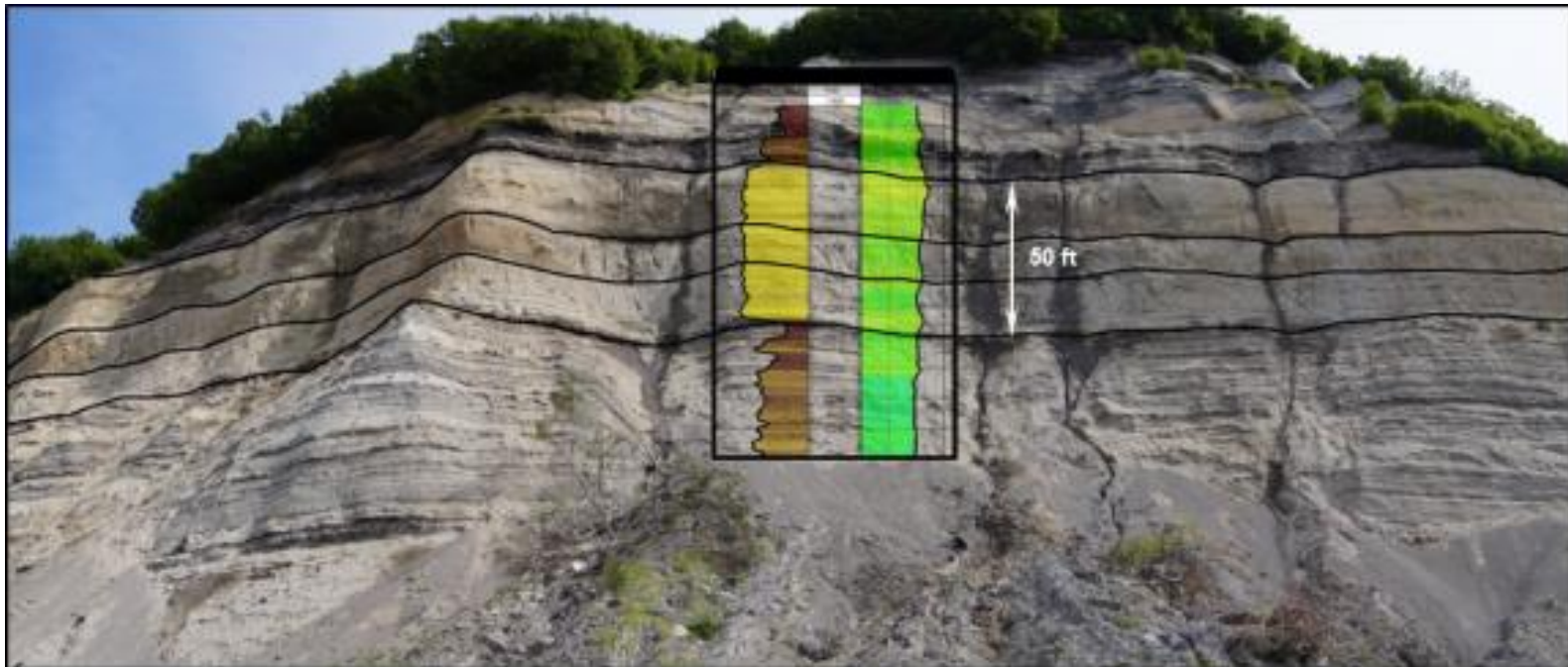
BASIN ANALYSIS (CONTINUED)



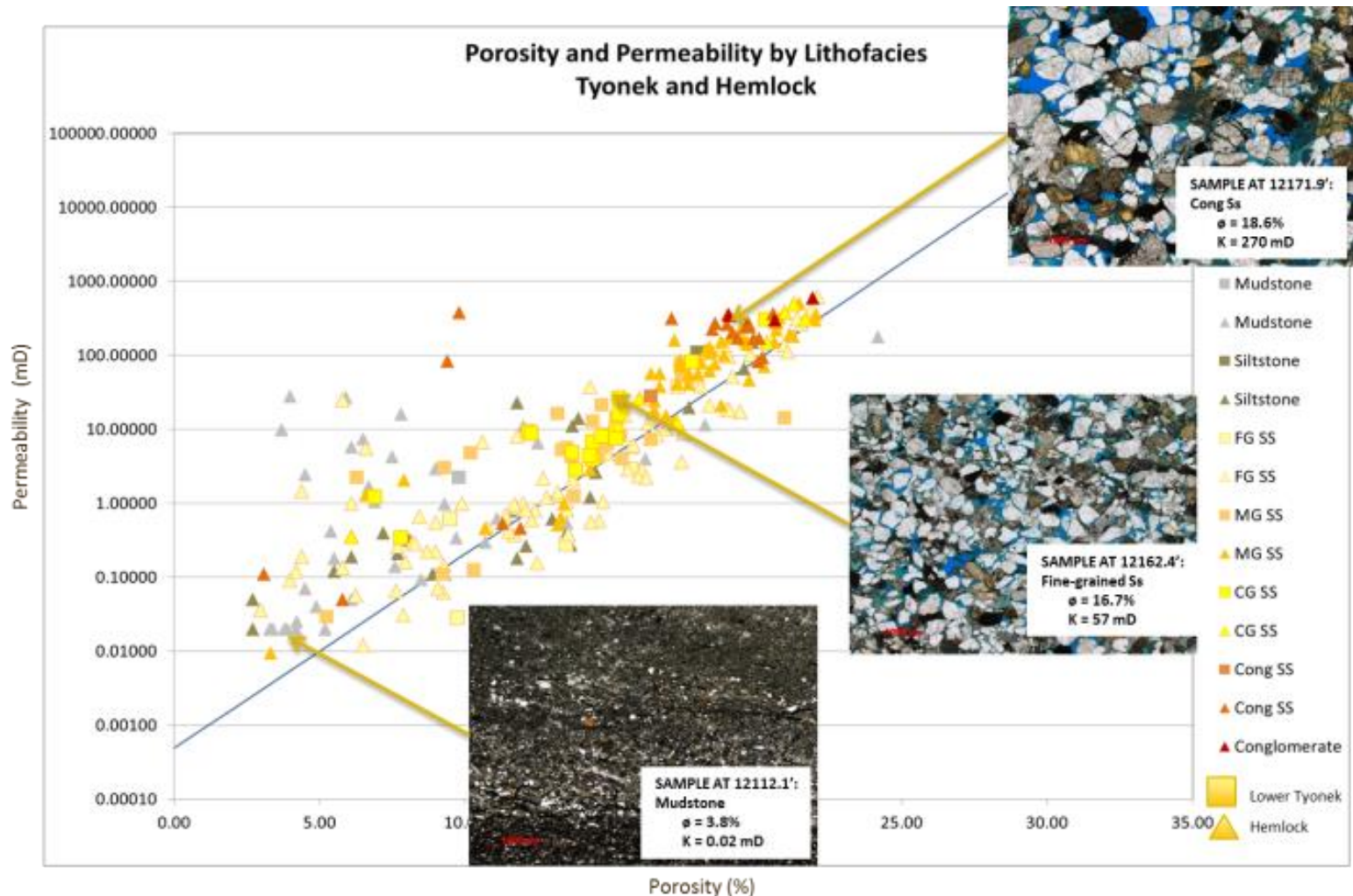
REGIONAL RESERVOIR STUDIES

- ▶ Predictive regional reservoir maps are complete for the Hemlock and Tyonek formations, Beluga and Sterling evaluations are in progress
- ▶ Reservoir productivity (porosity, permeability, capillary properties)
 - ▶ outcrop, core, and petrophysical analyses correlated to production
- ▶ Depositional framework, sand prediction
 - ▶ well log correlation, chemostratigraphic correlation, and palynology (chronostratigraphy)
- ▶ Basin analysis
 - ▶ impact of burial and uplift, diagenesis

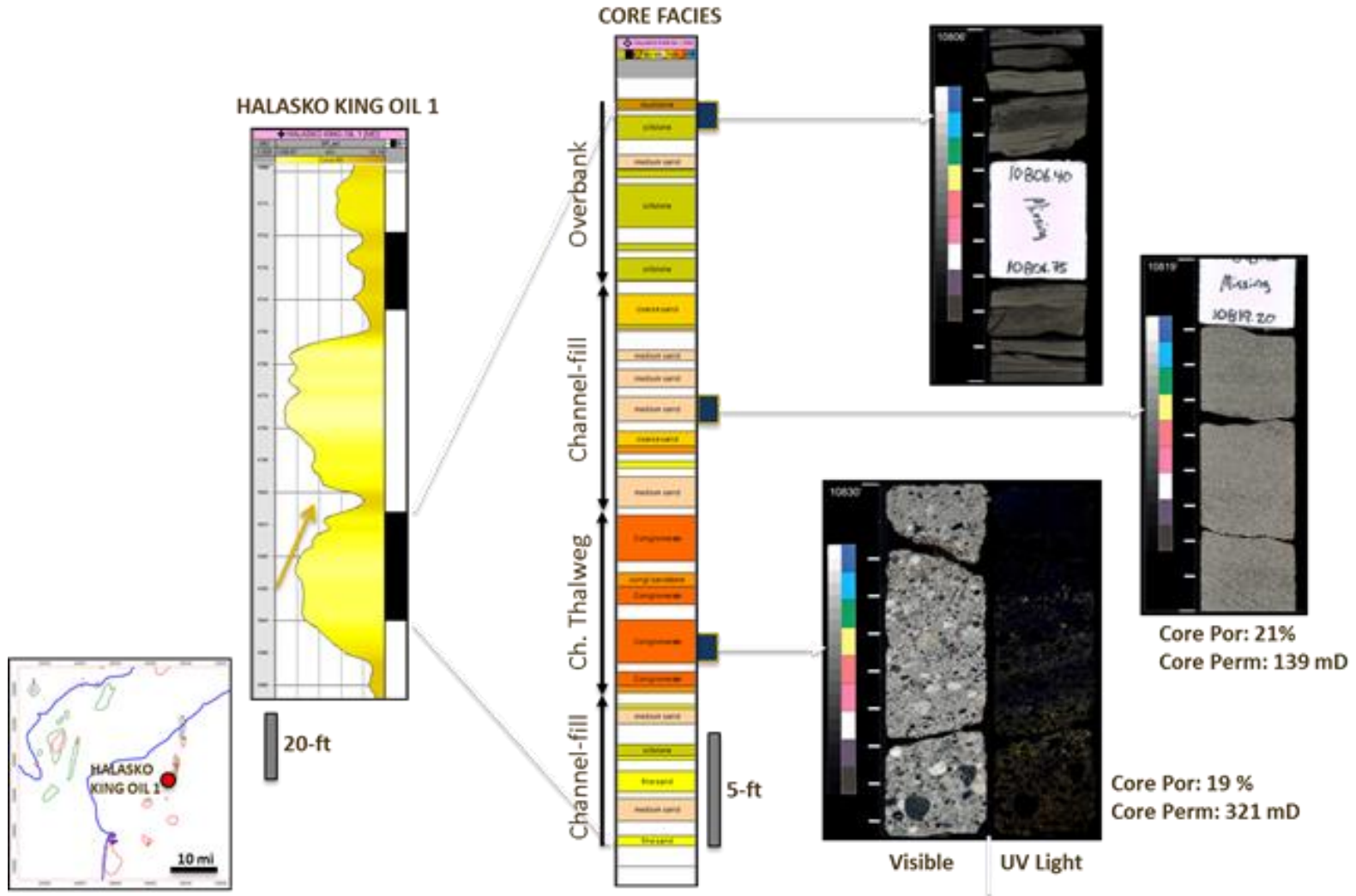
REGIONAL RESERVOIR STUDIES (CONTINUED)



REGIONAL RESERVOIR STUDIES (CONTINUED)



REGIONAL RESERVOIR STUDIES (CONTINUED)



FUTURE OF TAX CREDITS

- ▶ Should tax credits continue to exist?
- ▶ Does the process need any adjustments?
- ▶ Specific recommendations:
 - ▶ existing programs
 - ▶ new programs
 - ▶ repurchase rules