

Alaska Oil and Gas Conservation Commission

Cathy Foerster, Chair

Gas Offtake Allowables

Prudhoe Bay:

Before: 2.7 BCF/day, but
not really

Now: 3.6 BCF/day

Pt Thomson:

Before: No offtake
allowable in place

Now: 1.1 BCF/day

Bottom Line: Sufficient offtake to meet the currently-proposed project needs

AOGCC Responsibilities

- Protect human safety
- Protect fresh ground waters
- **Prevent waste**
- **Encourage greater ultimate recovery**
- Protect correlative rights

Encourage Greater Ultimate Recovery

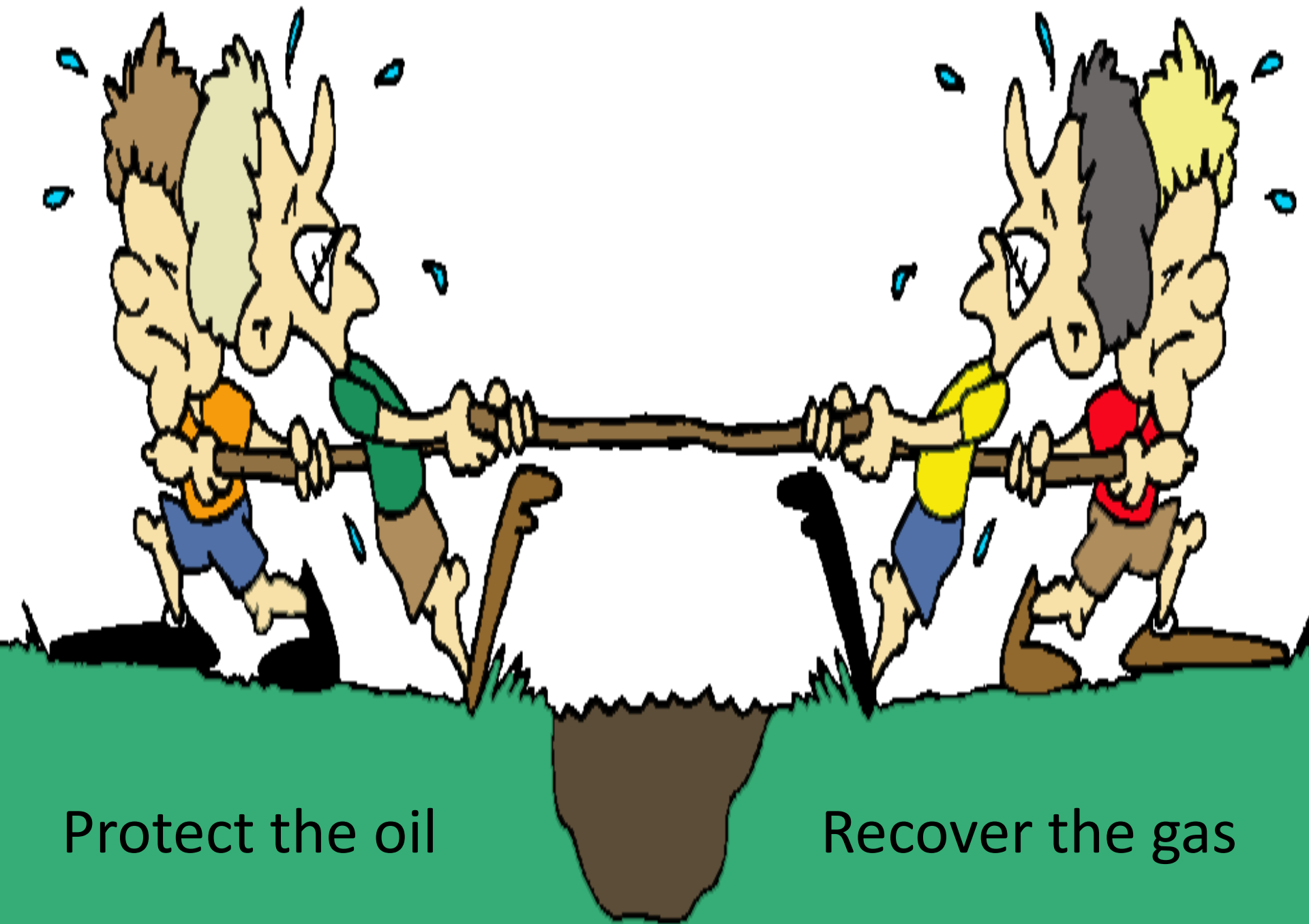
- Prudhoe Bay
 - 22 trillion cubic feet of gas
- Pt Thomson
 - 6 trillion cubic feet of gas



Prevent waste

- Prudhoe Bay
 - 2.5 billion barrels of oil
- Pt Thomson
 - 200 million barrels of condensate





Protect the oil

Recover the gas

Timing is
Everything



Summary of the Rulings

- Prudhoe Bay
 - Offtake allowable increased to 3.6 BCF/day on an annual average
 - In 5 years BP must provide report of oil recovery acceleration activities and results
 - CO2 injection for EOR authorized, based on positive study results
 - CO2 disposal authorization outside AOGCC jurisdiction
- Pt Thomson
 - Offtake of 1.1 BCF/day allowed
 - Prior to MGS, Exxon must demonstrate that cycling isn't feasible