


WEST COAST REGIONAL CARBON SEQUESTRATION PARTNERSHIP
westcarb.org

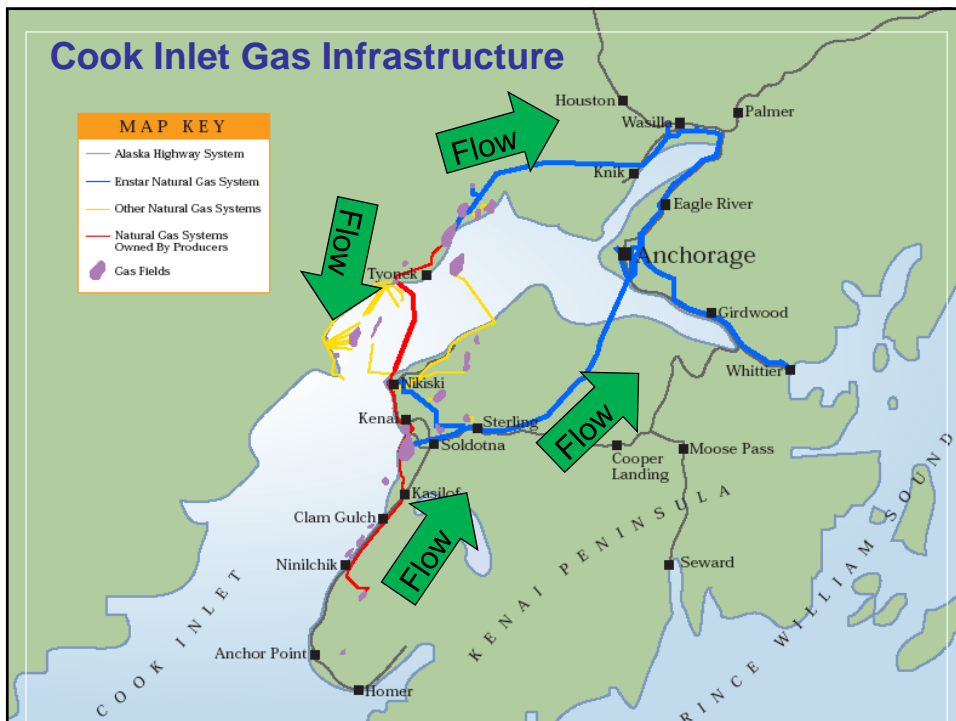



WESTCARB Annual Business Meeting

Cook Inlet Gas Storage

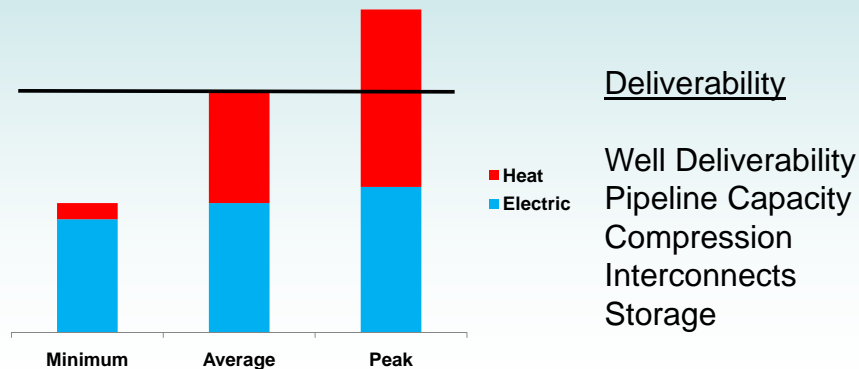
Alan Dennis
Royalty Manager
State of Alaska Dept. of Natural Resources
Division of Oil and Gas
alan.dennis@alaska.gov

Anchorage, AK
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Why Store Natural Gas?

Cook Inlet Daily Gas Demand



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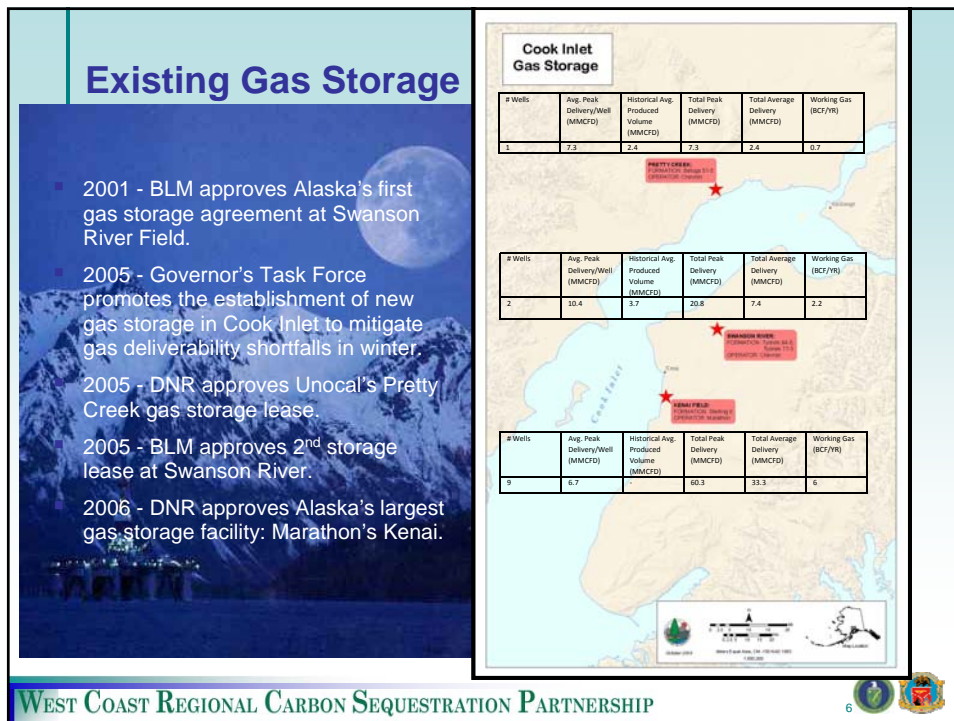
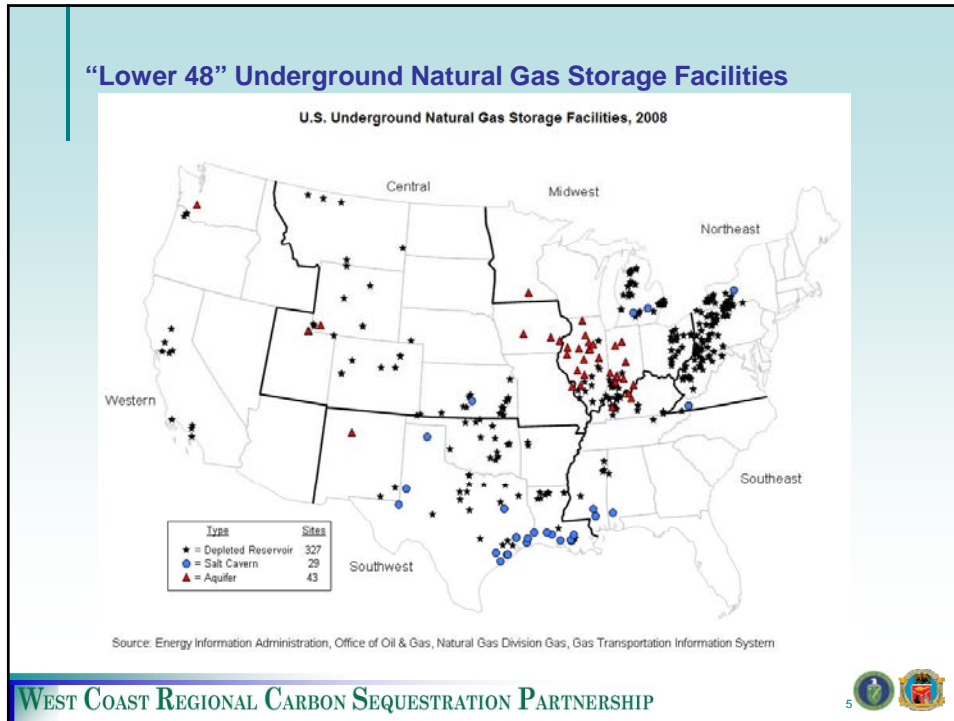


Types of Reservoir for Storage

- Gas is stored underground in salt caverns, depleted oil and gas reservoirs and aquifers.
- In Alaska, gas has only been stored underground in depleted oil and gas reservoirs.
- Best candidates for storage are:
 - Reservoirs with tank-like characteristics, distinct structure, evidence of depletion, and no communication with aquifer support
 - Not completely depleted, some residual gas saturation remaining
 - Strategically located

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Alaska Gas Storage Regulatory Framework

Statutory - AS 38.05.180(u)

Regulatory - Title 11 Alaska Administrative Code

AOGCC

Oil and Gas leases exclude storage right other than for conservation or EOR

Storage rights have been added to oil and gas leases, must not interfere with operations

Storage continues existing oil and gas lease

Right to store limited to specific reservoirs

Storage Lease Provisions

Annual Storage Development Plan

Native Gas Royalty

Fees

Plan of Operations Permit and Bonding

Storage Limitation

Required Operations

Gas Measurement and Reports

Alaska Oil & Gas Conservation Commission

AOGCC Storage Injection Order
Underground Storage Regulations 20 AAC 25.252
Ensure Protection of Drinking Water Sources
Demonstration of Mechanical Integrity
Well Integrity and Confinement
Maximum Reservoir Pressure
Performance Monitoring and Reporting

Greenhouse Gas Storage Leases

Getting on board
How will Cap & Trade or GHG tax work?
Build on and improve existing regulatory and statutory framework for gas storage to adapt to CO₂ sequestration
Reservoir Suitability
Proximity to GHG source
EOR value?