

## **Cook Inlet Energy, LLC**

### **Operational Update**

### **February 15, 2013**

# Vision and Commitment

- **Responsibly develop oil & gas reserves**
- **Create jobs and help bolster the local economy**
- **Use best available technology**



# Company Snapshot

- **An Alaska created E&P company, headquartered in Anchorage**
- **Employ ~80 people in the Cook Inlet (including contractors)**
- **Currently producing 1,200 BOE/D**
- **Total acreage position 753,466 acres**
- **Reserves:  $1P + 2P + 3P = 53$  MBOE (4-2012 RED Reserve Report)**
- **Upside: Many identified oil & gas prospects**
- **Own two drilling rigs**
- **Own & operate ~47 miles of onshore/offshore pipelines**

# Company Assets

- Osprey Platform
- Kustatan Production Facility
- West Foreland Gas Facility
- West McArthur Production Facility





# Current Operations on Osprey Platform

- New 2,000 HP drill rig
- 2 new gas workovers: RU-3 & RU-4
- Preparing to start RU-2 sidetrack
- ~13 new wells identified
- Plan to spend ~\$50MM in 2013





# Current Operations on WMRU Facility

- Developments wells identified -
  - Well design & engineering, planning underway
  - One gas well sidetrack
  - Three new oil wells
- Plan to spend ~\$20MM on WMRU in 2013





# Gas Exploration

- Olson Creek
- Otter
- Susitna



# Work Force

- **Strive to hire local personnel**
- **Strive to use local contractors & vendors**
- **Rely on dozens of contractor & vendors to support our operations**
- **Vendors from a wide variety of disciplines**





# Projects

- **Work-over, drill oil & gas wells onshore / offshore**
- **Resource evaluation**
- **New seismic**
- **Tank cleaning, modifications**
- **Pipeline inspections**
- **Piping & tank expansions**
- **New pipelines (design & engineering)**



# Trans-Foreland Pipeline

- **25 miles offshore, 5 miles onshore**
- **90,000 bopd maximum capacity**
- **Eliminates risk of business interruption from volcanic activity and ice conditions**
- **Lowers transportation costs**
- **Prolongs life of fields**
- **Eliminates need to store oil near Mt. Redoubt**
- **Eliminates need for over-water oil transfers**
- **Reduces oil tanker traffic in Cook Inlet**



# Trans-Foreland Pipeline Right of Way





