

KENAI LOOP GAS FIELD
PARTLY UNDER THE KENAI AIRPORT

One rock. Two readings.

The state backed the one
with the data.

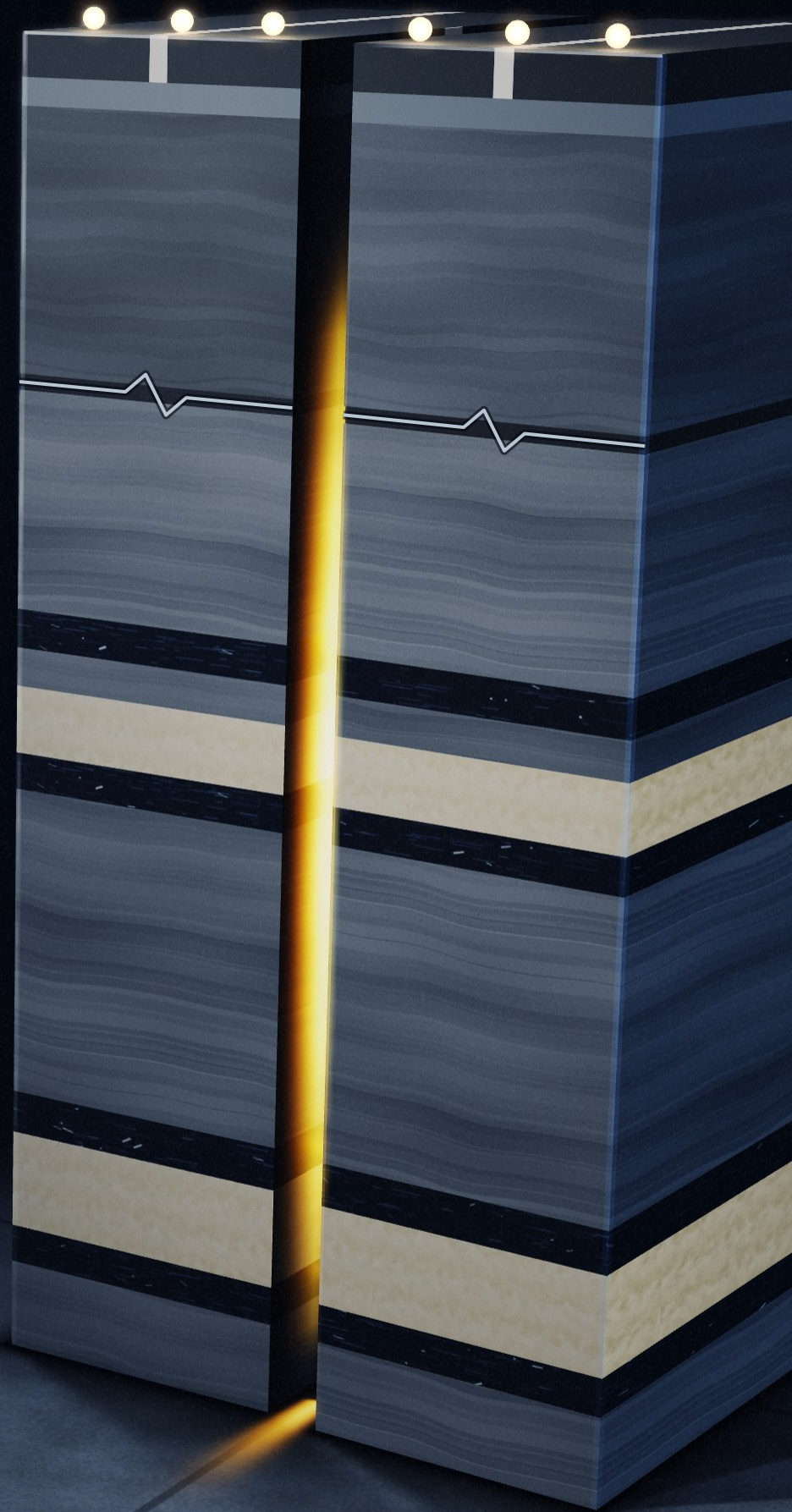
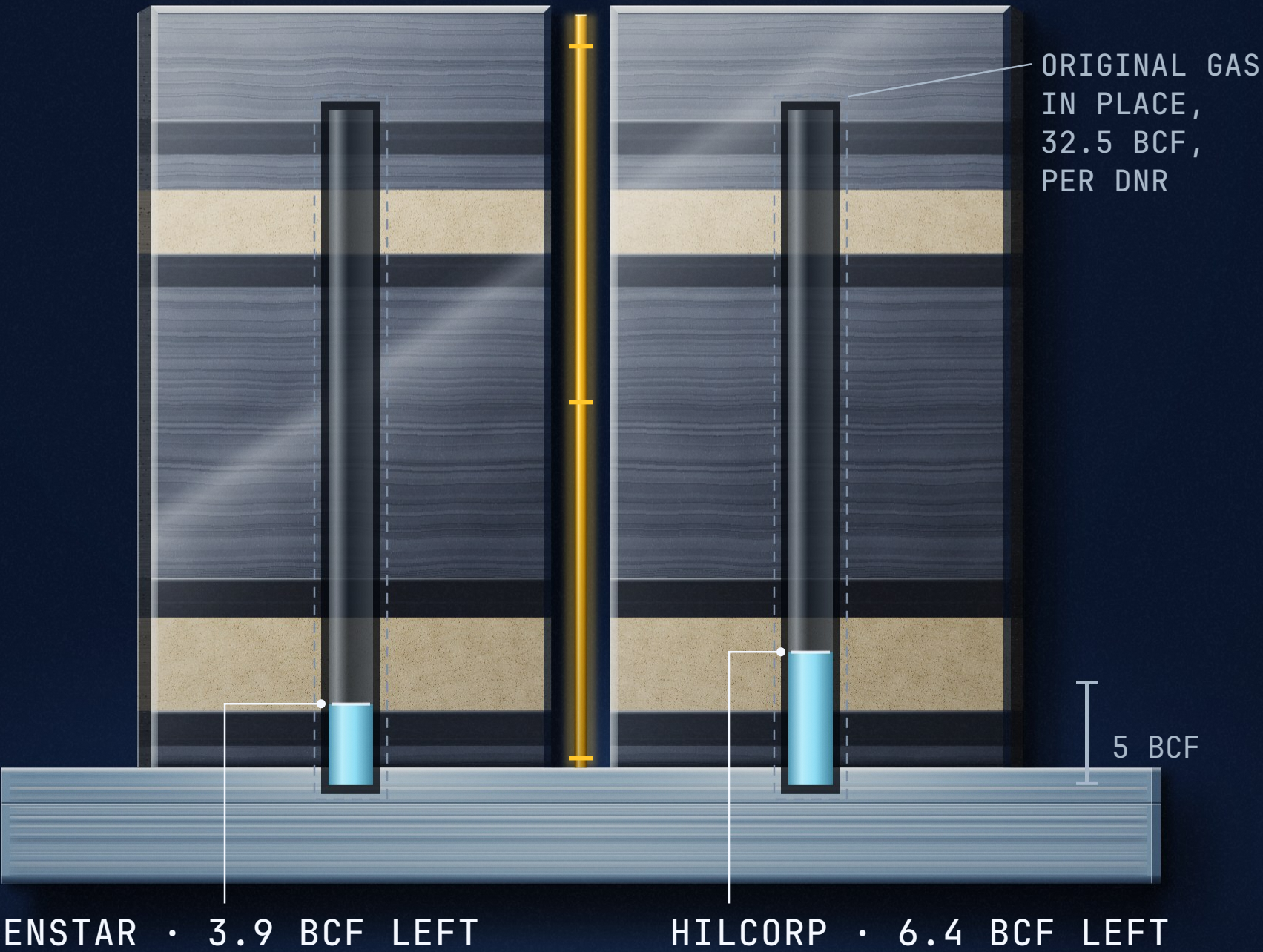


ILLUSTRATION • INTERVAL TO SCALE, OVERBURDEN BROKEN

DNR PRELIMINARY FINDING • OCTOBER 13TH

Same reservoir. Two estimates of the gas left.

ENSTAR put the gas left at 3.9 Bcf.
Hilcorp said 6.4. The state found
ENSTAR's figure more reliable and
favors ENSTAR's storage lease.



8,600 TO 10,500 FEET BELOW SEA LEVEL

Two sands, sealed in coal.

The gas sits in the pores of these sands. The state and the City of Kenai each claim that pore space.

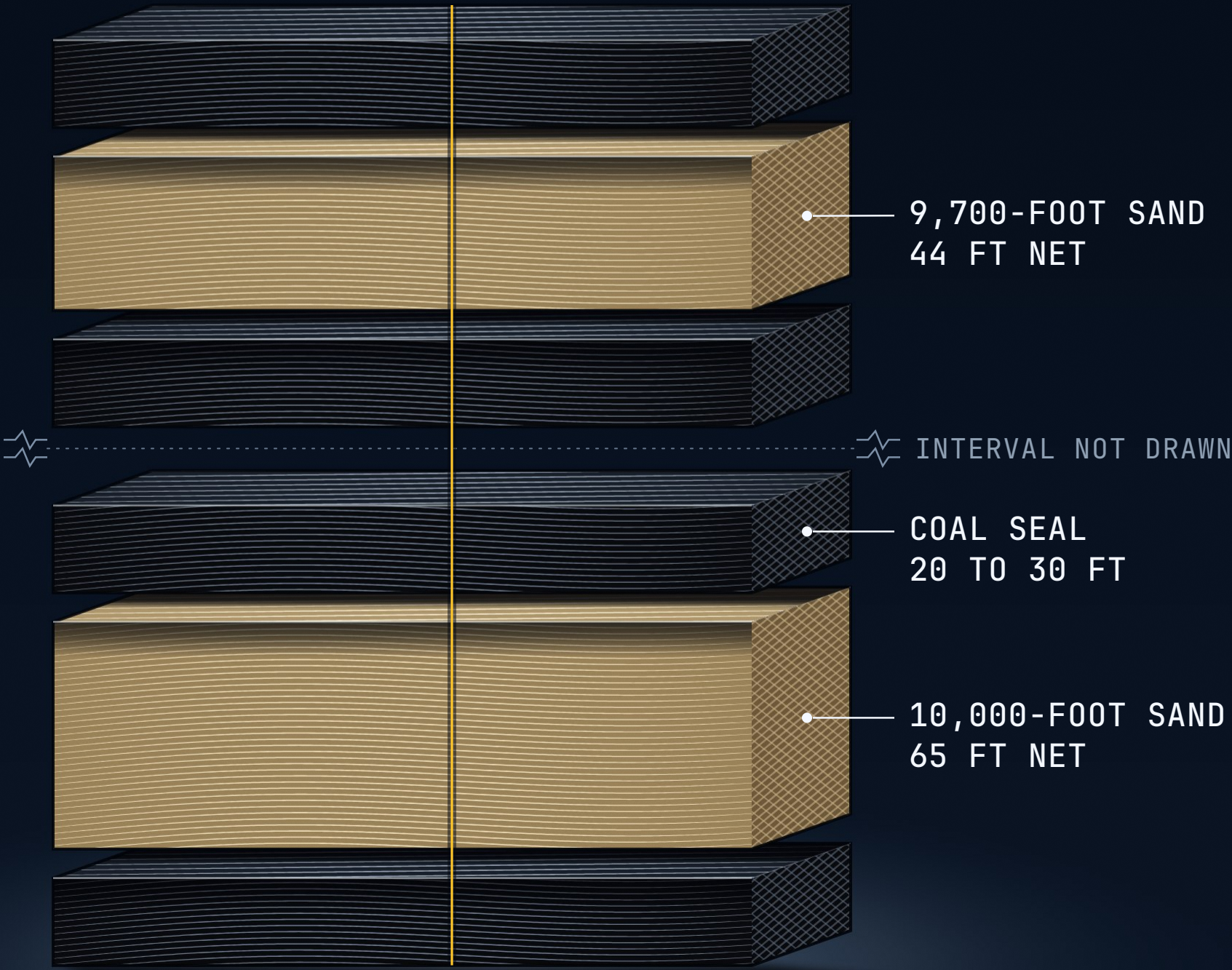
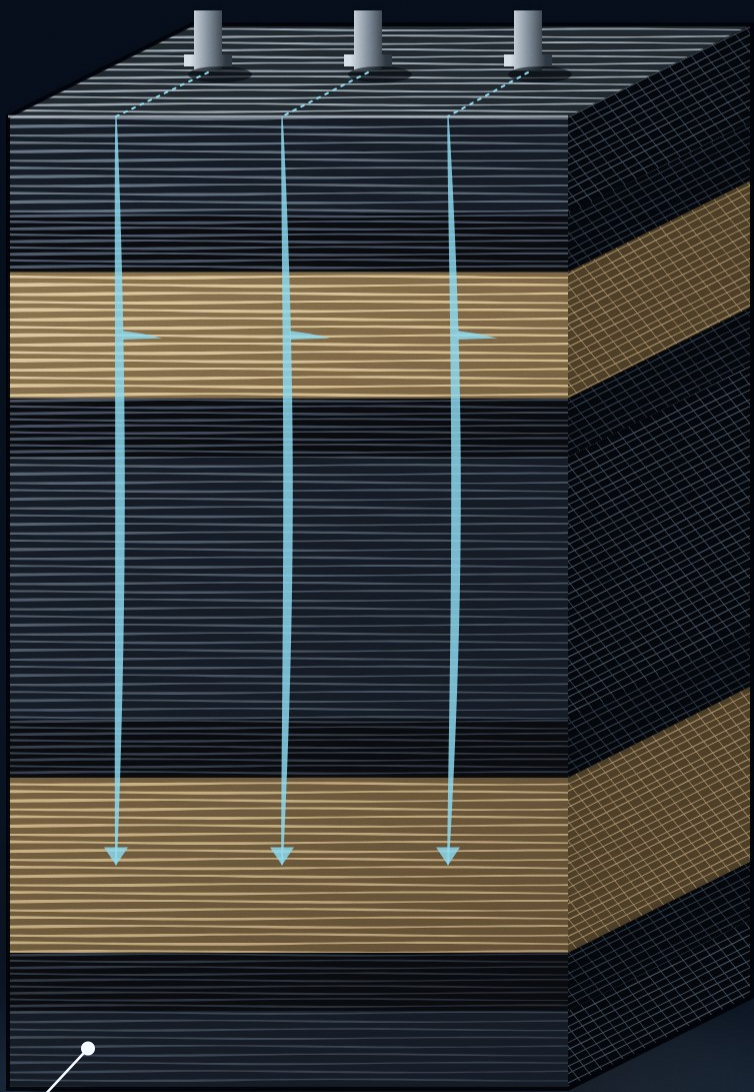


ILLUSTRATION • LAYERS EXPLODED, THICKNESS TO SCALE

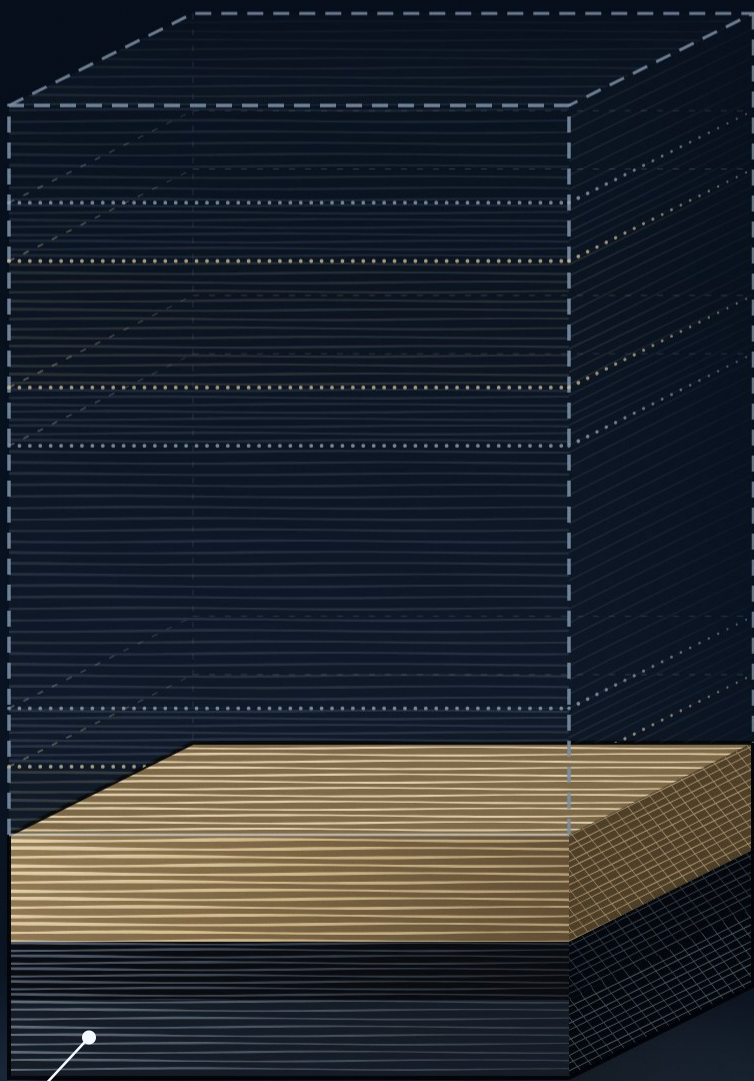
WHAT EACH APPLICANT HANDED OVER

The state judged what each company showed it.

ENSTAR gave DNR a dynamic reservoir model.
DNR says Hilcorp provided about one quarter of the requested data and no model. Hilcorp couldn't comment before Alaska Public Media's story.



ENSTAR
DYNAMIC RESERVOIR MODEL



HILCORP • ABOUT ONE QUARTER
OF THE DATA, PER DNR

ILLUSTRATION • HILCORP HALF DRAWN SOLID
IN PROPORTION TO THE DATA PROVIDED, PER DNR

FROM THE STATE'S PRELIMINARY FINDING

Two plans for one field.

	ENSTAR	HILCORP
WELLS	three existing, up to six more	four new
PEAK RATE	150 MMscf a day at nine wells, roughly 30% at first	20 to 30 MMscf a day
TOP PRESSURE	5,395 psi	3,000 psi
WORKING GAS	about 20.5 Bcf, about 8 Bcf cushion	28 to 33 Bcf claimed, later "significantly reduced," never amended
STATE ACRES	about 500	about 1,330
DEAL WITH THE LESSEE	agreement with AIX	none
NONE OF IT IS BUILT • NOTHING IS LEASED YET		

**ENSTAR says it could fall 18 days
short of gas this winter,
depending on temperatures.**

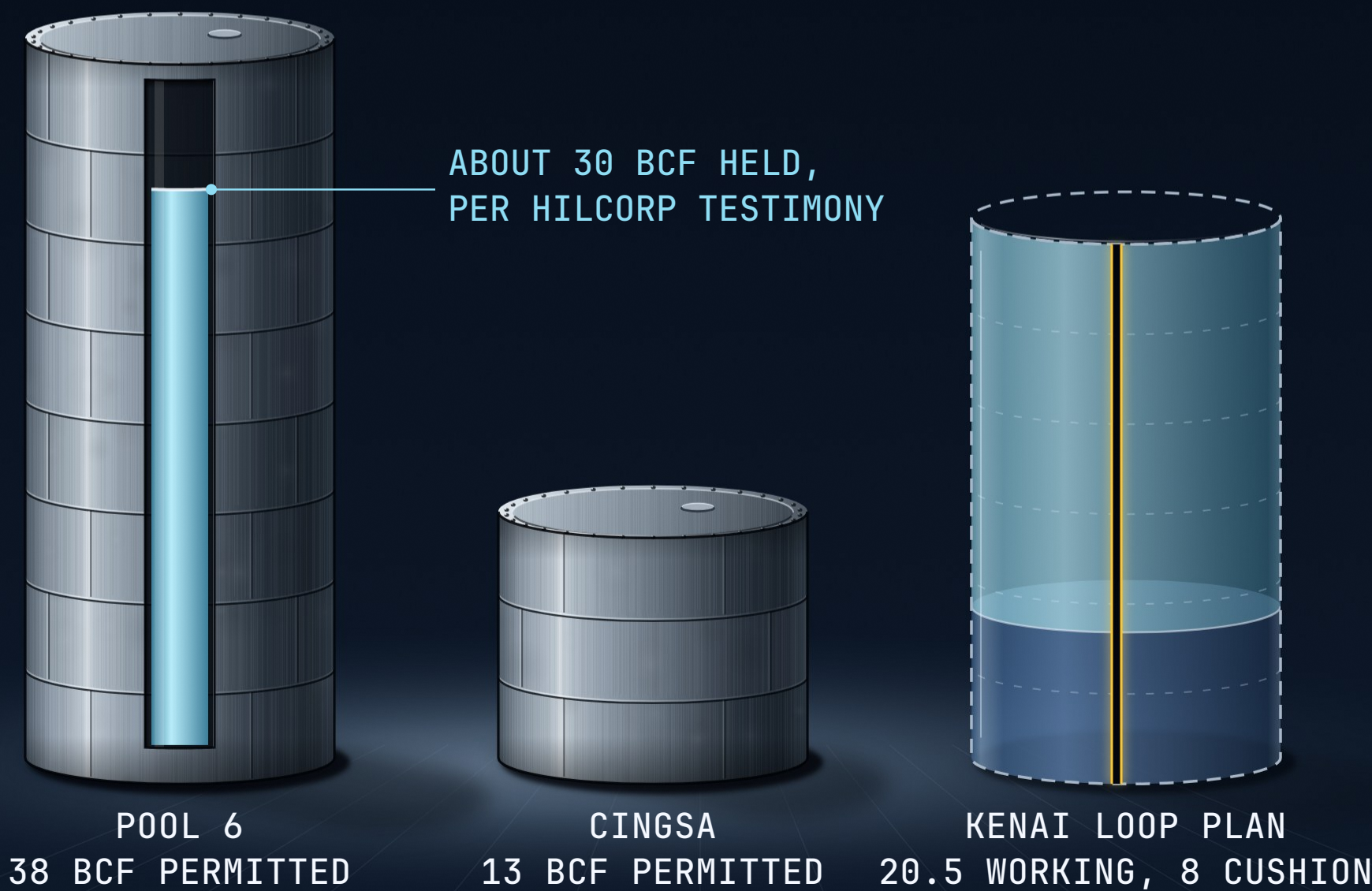
PER ALASKA PUBLIC MEDIA • NO LEASE IS FINAL YET

WHY A THIRD STORAGE FIELD

Cook Inlet peaked at 196 Bcf in 2006. In-state demand is about 70 now.

DNR projects production below demand in the early 2030s. Hilcorp told legislators nearly all of the roughly 30 Bcf it holds in Pool 6 is committed to ENSTAR.

AS MANY AS 15 DATA CENTER PROPOSALS IN ALASKA, PER ALASKA PUBLIC MEDIA NO SOURCE TIES ONE TO KENAI LOOP



INSIDE THE 10,000-FOOT SAND

The model reads the rock. It can't read the deed.

DNR asserts the state has clear authority over the pore space. Kenai's city manager wrote that the city owns it, citing Pioneer Law, and warned of "conflicting leases."

STATE · CLEAR AUTHORITY, PER DNR

CITY OF KENAI · PIONEER LAW OPINION

ILLUSTRATION · SAND GRAINS MAGNIFIED

Comment to DNR by 5 p.m. November 13th.

The finding is preliminary. The Director decides after reading the comments.

