



COURTESY REPSOL

Substructure of Nabors Rig 9ES stopped Feb. 1 on 2M Pad on its way to Repsol's K-1 drill site at 51 degrees below zero (ambient temp). Rig got under way Feb. 2 when weather warmed up to a balmy minus 22 Fahrenheit.

## Extreme cold hinders North Slope winter exploration drilling

Record breaking cold in northern Alaska has interfered with North Slope exploration programs, eating into the already short window of January to mid-April for winter drilling.

The majority of ice roads being constructed for this year's winter exploration season are in the western coastal region. Due to a lack of adequate snow cover, the area wasn't opened for off-road tundra travel until Dec. 23, although mobilization and pre-packing of ice roads with tundra-approved off-road vehicles began around Dec. 1, depending on the location.

### Repsol still plans 9 wells

With temps dropping below minus 40 Fahrenheit in January, the most active explorer, Repsol E&P USA, lost several days to extremely low temperatures, putting some activities on hold or slowing them down. Nonetheless, Repsol allowed for down time in its schedule, and is still within the window to get its targeted nine wells from four ice pads completed this winter.

Because the North Slope Borough restricted the number of rigs Repsol could operate at one time from four to three, the

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## Enstar acquired by AltaGas as part of \$1.1B Semco purchase

Enstar Natural Gas Co., Southcentral Alaska's natural gas distribution company, is on its way to becoming part of a Canadian energy infrastructure business, Calgary-based AltaGas Ltd.

AltaGas said Feb. 1 that it will pay more than \$1.1 billion for natural gas businesses in Alaska and Michigan. Its acquisition of Semco Holding Corp. includes Semco Energy Inc. in Port Huron, Mich., Enstar Natural Gas and an interest in Cook Inlet Natural Gas Storage Alaska LLC.

Semco bought Enstar in 1999 from Houston-based Ocean Energy Inc., which had acquired it in March of that year when it merged with Seagull Energy Corp., which had purchased Enstar in 1985.

AltaGas said the transaction is subject to customary approvals, including regulatory approvals from the Michigan Public Service Commission, the Regulatory Commission of Alaska and expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The regulatory process is expected to take some six months, putting close of the acquisition in the third quarter.

"AltaGas' vision is to be a leading North American energy infrastructure company. This acquisition continues the successful execution of our growth strategy," said David Cornhill,

see **ENSTAR ACQUISITION** page 22

### EXPLORATION & PRODUCTION

## Taking Cosmopolitan

Buccaneer and partner swashbuckle their way to another Cook Inlet prospect

By ERIC LIDJI

For Petroleum News

**B**uccaneer Energy Ltd. is taking a stab at the Cosmopolitan prospect.

The Australian independent and BlueCrest Energy II, LP, a privately held energy company out of Fort Worth, Texas, announced Feb. 2 that they have purchased two leases at the offshore Cook Inlet prospect from Pioneer Natural Resources Alaska Inc. and plan to start developing the oil and natural gas resources as soon as this year.

Although Pioneer surrendered the majority of its acreage in the area when it terminated the former Cosmopolitan unit in January 2011, the company kept two leases with wells certified as capable of producing in paying quantities, ADL 384403 and ADL 18790.

*"As a more advanced project with an existing well and some infrastructure already in place, Cosmo provides nearer term oil and gas production potential than our two other Cook Inlet offshore projects, which will still be developed in parallel." —Buccaneer Director Dean Gallegos*

Through the deal, scheduled to close on March 30, BlueCrest would acquire a 75 percent interest in those leases and Buccaneer would acquire the remaining 25 percent.

The companies did not disclose the financial terms of the deal.

Buccaneer sees the acquisition as a way to

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### GOVERNMENT

## 'One project, one review'

Harper, cabinet ministers promise to modernize major resource project assessments

By GARY PARK

For Petroleum News

**T**he Canadian government will introduce measures "within months" to expedite regulatory reviews of major energy and mining projects, preventing a repetition of the prolonged Mackenzie Gas Project or MGP process and the current stonewalling by opponents of Enbridge's Northern Gateway pipeline.

Prime Minister Stephen Harper and Natural Resources Minister Joe Oliver delivered pledges in almost simultaneous speeches that both legislative and regulatory changes will be needed to establish what Oliver said will be "definitive timelines from start to finish on the regulatory process."

*For now, the Northern Gateway circus is wending its way through villages, towns and cities in northern British Columbia and Alberta, stopping in eight communities with nine more scheduled up to mid-April.*

They were joined by Environment Minister Peter Kent, who said the government is determined, during a "time of great economic turbulence" to set "realistic timelines ... to cultivate conditions that encourage responsible, sustainable investment."

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### GOVERNMENT

## Different perspectives

Industry, environmentalist sides of OCS development debate exchange views

By ALAN BAILEY

Petroleum News

**A**s Shell edges toward drilling in the Alaska Arctic outer continental shelf, or OCS, the stakes are high in the standoff between the proponents of offshore development and those who view the Arctic seas as an unduly risky venue for oil drilling at present.

But what are the perspectives of people on different sides of the OCS development debate? At the Seminar Group's Permitting Strategies in Alaska seminar on Jan. 19 a Shell executive and a leading environmental attorney exchanged views on this difficult issue.

*Shell has established a joint science program with the North Slope Borough, allowing North Slope communities to participate in decisions over what science needs to be done.*

### Government policy

Susan Childs, sustainable development manager for Shell in Alaska, told the seminar that Shell's participation in lease sales for the Beaufort and Chukchi seas since 2005, and the company's expenditure of about \$4 billion on its Alaska OCS program, followed U.S. government policy decisions

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