From the President by Eric Dompeling, SolstenXP  

From the President by Eric Dompeling, SolstenXP eric.dompeling@solstenxp.com

Our January Forum was held at BP this past month. The speaker was Bret Chambers, Exploration Manager at Great Bear. Bret was standing in for Ed Duncan, President & CEO of Great Bear, who had some personal issues to deal with in Texas and could not make the meeting.

If you missed the presentation, you missed a great one! Possibly the future of Alaska oil and gas in a concise, well thought out presentation of the leasehold and the development potential. With 2 wells to drill this winter and 1 well this coming summer, the exploration program is picking up where it left off in 2012. Bret covered the conventional oil opportunity in the upper sandstone, which has the potential for ~50M barrels recoverable. Then went on to talk about the potential within the Shale’s both pre and post LCU. He spoke of the comparison to the Texas Eagleford Shale in the Shublik Shale in geology with a ~6 billion bbl recoverable opportunity in the leasehold.

This month’s lunch meeting could prove to be very interesting: The Operators Forum has always proven to be a popular event, don’t forget to RSVP early to make sure you get to hear from our speakers this year.

There are many changes in the world of Low Oil Prices. Alaska is already feeling the impact of those price changes in the State budget and in decreased optimism for short term opportunities.
We have 4 speakers; 2 independent producing companies that represent interests on the North Slope and Cook inlet. In addition, we also have 2 Major global producers, who operate two of the largest fields in North America. All four companies have different perspectives and business drivers. They plan to provide us an overview of their organizations 2015 plans.

Volunteer to serve on the 2015-16 Steering Committee NOW!

The Alaska Chapter of AADE is currently seeking individuals interested in serving on the steering committee. The AADE is comprised of volunteers who are active participants in the decision making process of the Alaska Chapter. Involvement by our members is crucial to providing a continued relevant forum of practical drilling technology to those employed in, or interested in, the drilling industry.

The steering committee provides the direction of the local chapter through active participation at Board meetings, Lunch meetings as well as fund raising event planning and management.

The AADE Alaska Chapter Nominating Committee is currently searching for persons interested in serving on the Steering Committee for a two (2) year term beginning in August 2015. Board participation is not limited to Drilling Engineers or Operating Companies. In order to maintain an active vibrant Chapter, a diverse group of participants is desired and encouraged.

Please contact and current member of the Alaska AADE Chapter or Mary Endacott: Mary.Endacott@bp.com to have your name placed on the 2015-16 ballot for Steering Committee consideration.

MEMBERSHIP Renewal and Prepaid lunch purchase

It is time to renew your AADE Membership for 2015 - The membership is $20 for the calendar year

Pre-paid Lunches for the calendar year equates to $175.00 for 8 lunches for the price of 7.
With the prepaid lunch is a guaranteed reservation throughout the year.

Registration:  https://www.123signup.com/register?id=yzsf
American Association of Drilling Engineers  Antitrust Policy

Background
The antitrust laws of the United States were enacted to prevent companies, or groups of companies, from engaging in unfair trade practices. One aspect of these laws deals with companies working together to restrict competition (collusion). Industry associations, by nature, call for companies to work together on various issues. It is not illegal for competitors to work together, unless in doing so they are restricting competition within a given industry. Because of this, various government bodies that are charged with enforcing the antitrust laws keep careful watch over industry organizations such as the American Association of Drilling Engineers ("AADE"). That is why it is important that all AADE meetings be conducted to avoid even the appearance that members have done anything improper. It is the responsibility of each member to avoid raising improper topics for discussion.

REMEMBER: Both your company and you as an individual can be prosecuted for violations of antitrust laws. A conviction for violating antitrust law may result in stiff fines for the association and its individual members and their employers, jail sentences for individuals who participated in the violation, a consent decree under which the association must operate or a court order disbanding the association.

Antitrust Policy
It is the policy of AADE to comply fully with all federal and state antitrust laws and neither AADE nor its facilities or systems may be used by any member for any improper or unlawful purpose. Those participating in AADE activities at all levels, including work groups, project teams, steering committees, etc., need to proceed with caution to ensure against inadvertent violations of federal and state antitrust laws.

Agendas, minutes or other records of all meetings must be kept on file at AADE to document the topics discussed. The following topics should be strictly avoided in all discussions at AADE (a reminder will be read at the start of each meeting in the form of the attached statement):

Regarding your company's and/or your competitors:
Do not discuss current or future leasing or drilling plans that are not public record or unannounced.
Do not discuss any internal or confidential information on oil prices or forecasts.
Do not discuss confidential or proprietary leasing or drilling procedures or processes.
  - Do not discuss leasing terms.
  - Do not discuss controlling sales, leases or allocating properties.
  - Do not discuss future leasing strategies.
  - Do not discuss capacity or production forecasts.

Regarding your company's and/or your competitors' selection of their suppliers:
  - Do not discuss refusing to deal with any company or supplier.
  - Do not discuss strategies or plans to award business or remove business from a specific company.
  - Do not discuss terms of sale of supplier contracts, supplier performance, or supplier bid rounds.

Regarding your company's and/or your competitors' trade secrets:
  - Do not discuss trade secrets or confidential information of your company or any other member.
Student Section News

The Student section of AADE at UAF, will be sending representatives to the AADE National Technical Conference and Exhibition for the April meeting again this year. They are currently working on abstracts for additional student involvement. The Alaska Chapter is providing reimbursement for travel to the conference again this year.

AADE Monthly Forum – Save the date

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>03/18/15</td>
<td>Contractors Forum  BP Atrium Conference A,B&amp;C Presentations from; TBA</td>
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<tr>
<td>4/15/15</td>
<td>April: Forum</td>
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<tr>
<td>5/15/15</td>
<td>MAY: Fin Feather or Fur Food Festival</td>
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<tr>
<td>5/20/15</td>
<td>May: Forum</td>
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</table>

The Knowledge Box is a traveling exhibit showcasing the many aspects of the oil and gas industry. The KBOX includes teacher resources, hands-on activities and interactive lessons correlated to State and National Science Standards. This educational curriculum follows the line with other national initiatives such as “Project Learning Tree”, “Project Wild”, and “Project Wet”. With forestry, wildlife, and water resources covered, and education guide covering energy is a natural fit for the next national initiative - particularly an education guide that would cover all aspects of energy including engineering issues. The curriculum would be for all grade levels.

Contact Dallas Rhodes, AADE National Representative for further information.
AADE National Technical Conference and Exhibition - April 8-9, 2015

AADE Members,

The American Association of Drilling Engineers National will host a Technical Conference and Exhibition covering subjects considered to be improvements and innovations in drilling operations. This conference will be of interest to major and independent operators, service companies, drilling contractors, equipment and materials manufacturers. The conference will be held at the Henry B. Gonzalez Convention Center, San Antonio, Texas on April 8-9, 2015.

If your company is interested in participating in the event as a sponsor or an exhibitor, please use the link below to register.


For questions, please contact:

Arnold Garcia- Sponsors
arnoldg@novadirectional.com

Chip Olds - Sponsors
chipo@stabildrill.com

Sharon Sedwick - Chair
Sharon@gategueardservices.com

Lisa Mainz - Exhibitors
lmainz@aeaicc.com

Rooms may be booked at:
Hyatt Regency San Antonio Riverwalk
123 Loyosa St.
San Antonio Texas 78205
210-222-1234
Code: American Association of Drilling Engineers

Registration Information Coming Soon!
For further information contact:
American Association of Drilling Engineers - Houston Chapter
Phone: 281.293.9800
Email: houston@aade.org
http://www.aade.org

PO Box 107 | Houston TX  77001-0107
Registration Powered by 123Signup
Tips From the State of Alaska
By: Guy Schwartz - guy.schwartz@alaska.gov  907.793.1226

Permitting Statistics  (as of January 31, 2015)
   Permits to Drill:  2014 - 23          2015 - 24

Well Integrity for Hydraulic Fracturing.
I have been getting a few stimulation sundries in since the new Hydraulic Fracturing regulations (20 AAC 25.283) have officially gone into effect (January 7th 2015). One consistent issue that comes up is not providing explicit details of how the fracturing string/tubing and inner annulus (IA) will be pressure tested before the actual pumping of the job.

The fracturing string must be tested to 110% of the expected maximum differential injection pressure. The procedure should include; the pressure the inner annulus (IA) will be tested to, whether the IA pressure will be held, while the tubing is pressure tested, in order to achieve the required differential pressure. **There is no regulation stating what pressure the IA has to be tested to.**

It is permissible to bleed the IA pressure down to zero in order to reduce the value needed for the tubing test. Of course, during the stimulation the IA will be held at a specified pressure (state IA holding pressure in procedure), in order to maintain a safe differential pressure and to monitor for any leaks in the tubing string.

Regulation 20 AAC 25.283(f) says in effect that, during a stimulation treatment, all of the annuli in a well must be monitored and a pressure relief valve must be used in the **annulus immediately adjacent** to the fracturing string. The pressure relief setting for the relief valve should take into account the condition and the pressure rating of the affected casing and other well components.

If, due to well deviation, it is not practical to test the entire fracturing string then a variance must be requested and an alternative plan proposed in order to ensure the tubing and IA integrity.

There are several good sundry templates on our website that can be used as reference to generate your fracture stimulation sundry 10-403 application.

Send me an email guy.schwartz@alaska.gov and I can direct you to the latest example to follow.

Please share this column with others in your organization.
<table>
<thead>
<tr>
<th>OFFICERS</th>
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<tbody>
<tr>
<td><strong>PRESIDENT</strong></td>
<td>Eric Dompeling</td>
<td>264-6107</td>
</tr>
<tr>
<td><strong>1ST VP – PROGRAMS</strong></td>
<td>Stephen Lauper</td>
<td>952-0445</td>
</tr>
<tr>
<td><strong>2ND VP – MEMBERSHIP</strong></td>
<td>Gary Eller</td>
<td>263-4172</td>
</tr>
<tr>
<td><strong>SECRETARY</strong></td>
<td>Mark Fairbanks</td>
<td>273-4741</td>
</tr>
<tr>
<td><strong>TREASURER</strong></td>
<td>Tom Rawlins</td>
<td>263-3787</td>
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<tr>
<td><strong>NATIONAL REP</strong></td>
<td>Brandon Barnes</td>
<td>230-7990</td>
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<tr>
<th>STEERING COMMITTEE</th>
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<tbody>
<tr>
<td>Mary Endacott</td>
<td>BP - Past President</td>
<td>564-5111</td>
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<tr>
<td>Lowell Crane (2nd yr.)</td>
<td>BP</td>
<td>564-5111</td>
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<tr>
<td>Candice Burke (2nd yr.)</td>
<td>Tikigak</td>
<td>230-3816</td>
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<tr>
<td>Bob Coolidge (2nd yr.)</td>
<td>BP</td>
<td>564-5776</td>
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<tr>
<td>Jacob Thompson (2nd yr)</td>
<td>BP</td>
<td>564-5579</td>
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<tr>
<td>Dallas Rhodes (1st yr)</td>
<td>MI-Swaco</td>
<td>360-7607</td>
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<tr>
<td>Trevor Hyatt (1st yr)</td>
<td>BP</td>
<td>564-4627</td>
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<tr>
<td>Jesse Salyer (1st yr)</td>
<td>Baker Hughes</td>
<td>267-3464</td>
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<tr>
<td>Garret Staudinger (1st yr)</td>
<td>BP</td>
<td>564-4242</td>
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<tr>
<td>Cody Rymut (2nd yr)</td>
<td>Student Chapter Liaison - BP</td>
<td>564-5111</td>
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<thead>
<tr>
<th>UAF STUDENT SECTION OFFICERS</th>
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<tbody>
<tr>
<td>Cliff Enochs</td>
<td>President</td>
<td></td>
</tr>
<tr>
<td>Ron Burgett II</td>
<td>Secretary</td>
<td></td>
</tr>
<tr>
<td>Scott Begins</td>
<td>Treasurer</td>
<td></td>
</tr>
<tr>
<td>Shirish L. Patil</td>
<td>Faculty Advisor – UAF</td>
<td><a href="mailto:slpatil@alaska.edu">slpatil@alaska.edu</a></td>
</tr>
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AADE Meeting News  (Please post in Coffee Rooms)

Date:       Wednesday, February 18, 2015

Speaker:   BPXA, ConocoPhillips, Cook Inlet Energy and Hilcorp,

Topic:      THE OPERATORS FORUM - An overview of the Alaska Oil and Gas industry from a drilling perspective

Time:       11:30 A.M. – 1:00 pm

Place:      BP Conference Rooms A,B & C
            900 East Benson

Cost:       $25 for all members before 1/16
            $30 after 1/16

Attendance limited to 80 people

Reservations:  AADE.org > Alaska

To register for any other event, click on calendar in 123signup and you will see a list of active events.