

The Alaska Driller

The Newsletter of The American Association of Drilling Engineers
Anchorage, Alaska Chapter - PO Box 93538 Anchorage, AK 99509-3538

AADE AK Chapter MISSION

To provide the forum for the dissemination of practical drilling technology to those employed or interested in the drilling industry.

A.A.D.E. Monthly Forum

When: Wednesday – May 20, 2015

RSVP by EoB
Mon 5/18/15

Time: 11:30-1:00

Where: BP Atrium level Conference Rooms A,B&C
900 East Benson Blvd.

Speaker: Carl Diller, Northern Solutions

Topic: Innovative Equipment Solutions
Rigless Quick Connect Liner System

Reservations: **RSVP via 123 Signup**

<https://www.123signup.com/register?id=pgzcv>

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

Our meeting in April focused on improvements being made to shear ram blowout prevention equipment. The presenters from NOV; Scott Gooding, V.P. of Business Development and Chris Johnson, Director Of Engineering, Pressure Control, introduced us to the improvements being tested in BOPE to incorporate a lower pressure requirement and a more effective system for centering the pipe in the Bop Shear ram will be installed in future equipment versions. Overall a very effective presentation of continued improvement within the industry to mitigate loss of well control. Thank you gentlemen for the presentation. Additional information can be found at:

http://www.nov.com/Segments/Rig_Systems/Offshore/Drilling_Pressure_Control/Blowout_Preventers/Ram_Blowout_Preventers.aspx

We have a lot going on this month. We will announce the awards of the **2105 Scholarship program**. We had 50+ applicants for the Scholarships. Thanks to our very conscientious scholarship committee for taking the time to review all the applications and making recommendation for the awards.

We also have the **Fin Feather or Fur Food Festival** logistics process well underway. The committee's have been very active in getting the process started early, so that we have another great event for everyone to enjoy. We currently have 17 Cooking Teams signed up, with room

for a few more. As well as volunteer opportunities and Sponsorships. There is more information enclosed at the end of the newsletter for those interested in Cooking or Sponsoring, or if you are just interested in helping put on the event. We expect great weather and an extraordinary gastronomic experience.

Enclosed in the newsletter is information about the **Petroleum Professional Engineer Exam** for those interested in getting their Alaska petroleum professional certification. The application **Deadline is July 15, 2015.**

The **SPE lunch meeting this month is on May 14th.** Registration for the lunch meeting and the **SPE Golf tournament (June 19, 2015),** are enclosed.

This May 20th lunch meeting will be the final meeting for this season. We will take our normal summer hiatus to allow us all to more fully enjoy the things that the State of Alaska has to offer. We will start again in September. Enjoy the summer!

EVENTS COMING IN THE FALL – Save the date

9/11/15

AADE Sporting Clays, Grouse Ridge

9/15/15

September Forum: AK-LNG, an update on the LNG Project

The enclosed is a reminder to the AADE Speakers and Membership that we abide by this policy at all times!

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.

2015 Petroleum PE Exam Requirements and Prep Course

Application Deadline: July 15, 2015

Requirements to take the 2015 Petroleum PE Exam are noted below. The exam is offered only once a year (October 30, 2015). Application should be made to the State of Alaska Board of Registration for Architects, Engineers and Land Surveyors (AELS). Submit a complete typed application to the board's Juneau office at least 14 days prior to the August 2015 Board meeting. Even better submit application in time for the AELS Boards scheduled May 2015 meeting; **May 7-8 2015**.

See: <http://commerce.alaska.gov/dnn/cbpl/ProfessionalLicensing/BoardofArchitectsEngineersandLandSurveyors.aspx>

Contact:

Sarena Hackenmiller (Licensing Examiner) at (907) 465-2540 or sarena.hackenmiller@alaska.gov

Alaska application requirements to take the Petroleum Engineer PE Exam:

- Degree – An engineering, math or science degree Professional work experience – At least four years of professional petroleum engineering work experience. The time required may be longer depending upon the degree and school accreditation.
- Verification of Experience – The work experience claimed must be verified by a Licensed Petroleum Engineer. Please submit the Professional Experience section of the application to the Licensed Petroleum Engineer and have them send it directly to the AELS board.
- EIT – Pass the Fundamentals of Engineering Exam (FE) – Verification required. (FE may be waived if you have 20 years professional experience that can be verified by Licensed Petroleum Engineers.)
- Successful completion of an Arctic Engineering course (you may take Arctic Eng. course after PE exam)
- Successful completion of the Jurisprudence questionnaire:
http://commerce.state.ak.us/dnn/Portals/5/pub/AELS_Jurisprudence_Questionnaire.pdf

Prior to approval for PE exam, the AELS board must receive by July 15th:

- Completed and notarized application: <http://commerce.alaska.gov/dnn/portals/5/pub/ael4085.pdf>
- An official transcript sent to the AELS board directly from college or university.
- Application fees as specified. (\$100 application fee and \$250 registration fee)

Sign up for PE Exam:

- NCEES approval – After receiving the AELS board authorization to take the PE exam, apply to the National Council of Examiners for Engineers and Land Surveyors (NCEES) for the exam. Candidates will pay exam fees directly to NCEES after authorization for taking the exam is approved by the AELS board.
<http://ncees.org/exams/state-pages/alaska-exam-registration/>

2015 PE Review Course Offered:

Petroleum PE Exam Review Courses offered in Anchorage: **Winrock Engineering Inc.** will be offering a Petroleum PE Review course in Anchorage from September 14-18th, 2015 (location TBD). For more information contact: Winrock Engineering, Inc. P. O. Box 42296, Oklahoma City, OK, 73123

Phone: (405) 822-6761.

Website: www.winrockengineeringinc.com

Email: bingwines@cox.net.

Tips From the State of Alaska

By: Guy Schwartz - guy.schwartz@alaska.gov 907.793.1226

Permitting Statistics (as of March 31, 2015)

Permits to Drill:	2014- 36	2015- 51
Sundry Notices:	2014- 122	2015- 119

Hydraulic Fracturing Treating String Pressure Test

Since the new Hydraulic Fracturing regulations (20 AAC 25.283) have come out there have been many questions with regard to pressure testing the fracturing string. This is a follow up to my tips letter from January 2015 on the same subject.

For consistency; the maximum pressure used to calculate the tubing test pressure should be based on your frac pump trip pressure (*Not modeled surface treating pressure or the pressure relief value for the surface treating lines*). By regulation 20 AAC 25.283(d) & (f) the surface treating line and inner annulus (IA) will also have pressure relief devices. Pump trip pressure will minimize a pressure spike during an early screen out that may be higher than the modeled treating pressures.

The actual tubing pressure test value is still 110% of the maximum differential so you are able to subtract whatever pressure you are holding on the inner annulus.

(Pump trip pressure – held IA pressure) x 110% = Fracture string test pressure.

The chart below shows these values for a twelve stage stimulation. In this case the GORV is the surface line safety pressure relief valve and the PRV is the relief valve on the inner annulus.

So in this case: (8400 psi – 3500 psi) x 110% = 5390 psi (tubing test pressure with 0 psi on the IA)

	HELD IA Pressure (PSI)	IA PRB (PSI)	GORV (PSI)	Pump Trip Pressure (PSI)
Stages 1-4	3500	3700	8800	8400
Stages 5-8	3500	3700	8800	8400
Stages 9-12	3500	3700	8800	8400

The complete Hydraulic Fracturing regulations in PDF can be found at:

http://doa.alaska.gov/ogc/frac/03_02_Hydraulic%20Fracturing%20Proposed%20Regulations.pdf

Please share this column with others in your organization. As always, contact an AOGCC representative with any questions.

2014-2015 Alaska BOARD OF DIRECTORS

OFFICERS

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Cody Rymut (2 nd yr)	Student Chapter Liaison - BP	564-5111

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Ron Burgett II	Secretary	
Scott Begins	Treasurer	
Shirish L. Patil	Faculty Advisor – UAF	slpatil@alaska.edu

AADE Meeting News (Please post in Coffee Rooms)

Date:	Wednesday, May 20, 2015
Speaker:	Carl Diller, Northern Solutions
Topic:	Innovative Equipment Solutions Rigless Quick Connect Liner System
Time:	11:30 A.M. – 1:00 pm
Place:	BP Conference Rooms A,B & C 900 East Benson
Cost:	\$25 for all members before 5/18 \$30 after 5/18
	Attendance limited to 60 people
Reservations:	AADE.org > Alaska https://www.123signup.com/register?id=pgzcv

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

Other News:

The AADE is preparing for the 13th Annual Fin, Feather, or Fur Food Festival (F^5) to be held Friday, May 29th from 2:30 to 7pm at Unique Machine.

Thank you once again to Unique Machine for allowing us to use their facility to host this event. We appreciate their continued support!!

Since 2004, AADE has awarded \$99,000 in scholarships to deserving college and high school students, and donated \$98,450 to local food charities including Downtown Soup Kitchen, Kid's Kitchen, and Beans Café. The F^5 event raises over \$20,000 annually which allows AADE to continue and help the local community. This is not possible without the generous support by sponsors and cooking teams. We sincerely hope that you will consider contributing to this worthy cause.

Ways to get involved!

- ✓ Sponsorship
- ✓ Cooking Teams (limited availability)
- ✓ Tickets to the Event
- ✓ Volunteer

Go to the AADE Website **AADE.org > Alaska**

or use the following links on 123 Signup

Registration URL:	https://www.123signup.com/register?id=yhdpc
Information Page URL:	https://www.123signup.com/event?id=yhdpc
Change Registration URL:	https://www.123signup.com/change?id=yhdpc
Event Attendee Directory URL:	https://www.123signup.com/eventdirectory?id=yhdpc

13TH ANNUAL
AADE FIN, FEATHER OR FUR FOOD FESTIVAL

*Door Prizes!
ATV Raffle!*



Great Food!

Friday, May 29 | 2:30-7pm
Event Held at Unique Machine
8875 King Street

**JOIN US FOR SOME ALASKA WILD DELICACIES WHILE SUPPORTING
CONTINUING EDUCATION AND LOCAL FOOD CHARITIES**

*Support a Good
Cause!*

Tickets \$20 Includes Food and Beverage
(Kids 12 & Under Free)

\$30 at the door (if not sold out)

*Fun for
Everyone!*

Contact us for Details

Candice Burke 907.230.3816 cburke@tikigaq.com

Michelle Steward 907.331.3676 michelle.steward@cenergyintl.com

Garret Staudinger 907-440-6892 Garret.Staudinger@bp.com



2015 SPONSORSHIP OPPORTUNITIES
13TH ANNUAL FIN FEATHER FUR FOOD FESTIVAL

*Don't Miss out on this great Event!
Support Continuing Education and our local
Food Charities.*

Event Sponsor \$3000

- 25- Event Tickets
- 25- 2015 Commemorative Lapel Pins
- Logo on All Commemorative Merchandise
- Logo on Event Banner

*Thank you to Arctic Branding &
Apparel for being our Event Sponsor!*

Sourdough Sponsor \$2000

- 20- Event Tickets
- 20- 2015 Commemorative Lapel Pins
- Company Name on Commemorative Merchandise
- Logo on Event Banner

Alaskan Sponsor \$1000

- 10- Event Tickets
- 10- 2015 Commemorative Lapel Pins
- Company Name on Commemorative Merchandise
- Logo on Event Banner

Cheechako Sponsor \$500

- 5- Event Tickets
- 5- 2015 Commemorative Lapel Pins
- Company Name on Commemorative Merchandise
- Logo on Event Banner

Cooking Teams \$250

- 6- Event Tickets
- 6- 2015 Commemorative Lapel Pins

Event Tickets \$20ea

- Includes Food & Beverage
- Kids 12 & Under Free
- \$30 at the Door (if not sold out)

EVENT DETAILS!
Friday, May 29 | 2:30-7pm
Event Held at Unique Machine
8875 King Street

Contact Garret Staudinger for Details
Garret.Staudinger@bp.com

SPE Luncheon

Topic: Alaska's Oil Prices, Taxes & North Slope Gas

SPE Lecturer: Roger Marks

Place: Conference Rooms A,B,C, BP Building 900 E. Benson Blvd. Anchorage, AK 99508

Date: Thursday, May 14th, 2015

Time: 11:30am–1:00pm

Cost: \$25 with an RSVP by Tuesday, May 12th, at noon OR \$30 at the door without an RSVP.

RSVP: <http://www.spealaska.org/events/56/alaskas-oil-prices-taxes-north-slope-gas/>

Abstract:

The recent decline in oil prices is attributable to a multiplicity of factors, including increased oil production, slow economic growth in Europe and China, the strong dollar, and geopolitics. Similar events in the mid-1980's caused a significant recession in Alaska. However, there are differences between the Alaska economy then and now. Nevertheless, should low oil prices endure the Alaskan economy is likely to contract. At current prices and costs the economics of North Slope oil production are marginal, and some production is losing money. Any increase in the oil production tax (SB 21) would add to these losses. Some have expressed concern regarding the tax's credit structure. However, what are called "credits" are integral to providing a reasonable tax structure within the entire context of the tax. The prospects for commercializing North Slope natural gas are economically challenging. Worldwide competition to sell LNG into the Asian market, relative to demand, is ever increasing. The fall in oil prices has spilled over into LNG prices there, as well. Most other competing supplies are at tidewater, and do not require a costly pipeline. There are also political issues that need to be addressed. These include fiscal stability, and the resolution of several fiscal details. Any potential project sponsor must have the balance sheet capable of assuming the cost and market risks, while committing to pay a reasonable long-term price for the gas to the producers.

Biography:

Since 2008 Roger Marks has had a private consulting practice in Anchorage, specializing in petroleum economics and taxation. His clients have included the State of Alaska Legislature, federal government, local municipalities, University of Alaska, oil and gas explorer/producers, pipeline companies, investment bankers, and private equity firms. Between 1983 and 2008 he was a senior petroleum economist with State of Alaska Department of Revenue Tax Division, where he was responsible for fiscal development, including statutory and regulatory design, economic and commercial assessment, analysis of international competitiveness, and oil and gas valuation. Marks has also been responsible for analysis of North Slope gas commercialization, including economic valuation, international competitiveness, pipeline financing, taxation, and tariff design. Between 1977-1983 he was a petroleum economist with United States Geological Survey, conducting resource evaluation of unleased acreage on the Alaska federal Outer Continental Shelf, and design of bidding systems. Marks has lived in Anchorage since 1979. He has degrees in financial economics and accounting from Brown University and the University of Maryland. He is a member of the United States Association of Energy Economics, the American Economic Association, and the American Law and Economics Association, and has published on Alaska petroleum taxation in the Journal of Petroleum Technology, OPEC Review, Journal of Energy Finance and Development, Oil & Gas Financial Journal, Journal of Economic Issues, and Journal of Legal Issues and Cases in Business.

29th Annual SPE Golf Tournament



Come Celebrate our 29th year of fun!!

Friday, June 19th, 2014

7 AM Shotgun Start

Anchorage Golf Course on O'Malley

\$175 per person

IT'S MORE THAN GOLF

- Networking
- Terrific Prizes
- Get out of the office on a Friday!
- Breakfast and great BBQ lunch provided

Register and pay @

<http://www.spealaska.org/events/55/2015-spe-golf-tournament/>

Sponsorships Available

Questions? - Contact:

Jeremy Albright at 646-9355 / jalbright@welltec.com