Petroleum news

page 3 AGDC responds to requests that FERC stay, rehear AKLNG order

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BLM rule relaxation rejected by federal district court on appeal

The federal District Court for the Northern District of California has upheld appeals by environmental organizations against the Bureau of Land Management rule, issued in 2018, rescinding much of the Waste Prevention Rule, issued in 2016 by the Obama administration. The 2016 rule instigated regulations strictly limiting the venting and flaring of methane from oil and gas operations on federal lands. Methane is a particularly potent greenhouse gas.

The 2018 BLM rule came as part of the Trump administration's efforts to roll back what it characterized as overburdensome regulations that unnecessarily impede industrial activity.

Among other provisions, the 2016 rule prohibited the venting of methane, except under a narrowly specified set of

see BLM RULING page 11

Carbon capture takes flight, forecast intake exceeded at facility

JASON KENNEY

A trail-blazing venture in Alberta to remove carbon dioxide from the atmosphere is setting a global standard after only five years in operation and drawing praise from one-time sceptics such as Alberta Premier Jason Kenney.

The Quest carbon capture and storage, CCS, project at Shell Canada's Scotford refining complex near Edmonton has already passed a milestone of sequestering 5 million metric tons — five times initial projections and the equivalent of removing 1.25 million cars from the road.

see CARBON CAPTURE page 8

Final two participants named to Railbelt Reliability Council seats

The implementation committee of the Railbelt Reliability Council has named the final two representatives, Chris Rose, executive director of the Renewable Energy Alaska Project, and Jerry Rust, former president and current special assistant to the chairman at Northwest Power Pool. Both occupy unaffiliated seats. The RCC board has a representative from each of the six Railbelt utilities and six independent members representing other stakeholders. The Regulatory Commission of Alaska and the state's Regulatory Affairs and Public Advocacy Section each have a non-voting seat.

The independent members include two representatives from

see RRC SEATS page 8

Average ANS crude volumes for July edge back toward April levels

Average daily North Slope production volumes posted by the Alaska Department of Revenue's Tax Division continue to edge up in July, from 450,343 barrels per day on July 1 to a high of 498,562 bpd on July 17. The average for the month so far, on July 20, the last day for which data was posted when this story was written, was 487,908 bpd.

ANS volumes, which started the year at an average of 514,887 bpd in January, have been impacted by Alyeska Pipeline Service Co. prorations, April 24 through May 22, and more strongly by a 100,000 bpd cut in Alaska production announced by ConocoPhillips on April 30, set for June, with ramp down to begin in late May. The company said June 30 that it expected to begin restoring Alaska production in July.

see CRUDE VOLUMES page 12

EXPLORATION & PRODUCTION

Talitha a go

Pantheon to drill 2020-21winter exploration well followed by Alkaid producer

By KAY CASHMAN

Petroleum News

PAT GALVIN

Pantheon Resources, owner of Great Bear and its North Slope oil and gas assets, is planning to drill an exploration well in its Talitha prospect this coming winter. Adding Pantheon's well, Talitha 1, to 88 Energy's two wells will bring the number of Alaska North Slope exploration wells in the 2020-21 off-road season to three; or as many as seven if ConocoPhillips resumes its delayed exploration program.

The Talitha well will be followed by a development well at Pantheon's Alkaid project sometime in the next year. The timing of Alkaid drilling is subject to the outcome of current farm-out discussions.

The new Alkaid well has the potential to be completed as a producer via the "installation of an Early Production Unit facility," Pat Galvin, Pantheon's chief commercial officer in Alaska, told Petroleum News in a July 22 email.

The company is in the process of applying for two new units, one at Talitha and one at Alkaid, he said.

Alkaid has the advantage of being located along

see PANTHEON WELL page 12

FINANCE & ECONOMY

Chevron strikes first!

$13B acquisition of Noble Energy largest US oil deal since COVID-19 crash

By STEVE SUTHERLIN

Petroleum News

Chevron's July 20 announcement of a $13 billion deal to acquire Noble Energy is a sign that Chevron sees better times ahead for oil and gas demand, and for energy prices.

The transaction is the largest U.S. energy deal since oil prices were decimated to historic lows in April, due to the COVID-19 pandemic and its deflating effect on worldwide demand for petroleum — particularly in transportation fuels.

The deal represents a substantial acceleration of the process of consolidation, where weaker players and their assets are acquired in down markets by those with stronger balance sheets, a time-worn

While oil prices are recovering from the depths of April, prices have been moderated by concerns over new outbreaks of COVID-19 in portions of the United States and elsewhere, thus asset prices remain subdued.

element of market recoveries in the highly cyclical oil and gas industry.

Uncertainty in the market may have delivered Chevron with a bargain. While oil prices are recovering from the depths of April, prices have been

see CHEVRON DEAL page 10

FINANCE & ECONOMY

Seizing opportunities

Alberta First Nations participating in abandoned well cleanup, sands development

By GARY PARK

For Petroleum News

The growing pace of Indigenous equity stakes in energy projects is quickening in Western Canada, with one First Nation in Alberta gearing up to develop an oil sands project and another confident it can gain an ownership stake in the Trans Mountain pipeline expansion.

In addition, two Indigenous-owned service companies have been named to lead a cleanup effort at abandoned oil and natural gas well sites in Alberta — one on Enoch Cree Nation land near Edmonton and another working at "orphan well" sites across Alberta.

Meanwhile, after 20 years of sitting on an oil sands lease, the Fort McKay First Nation in northeastern Alberta has decided the timing is now ripe to develop its land, confident there will be a continuing global appetite for crude and that market conditions will improve over the years.

Fort McKay Chief Mel Grandjamb said the world-wide shift to renewable energy sources puts pressure on his community to take advantage of its lease while it can.

Alvaro Pinto, the nation's newly appointed chief executive of oil sands development and sustainability, will develop the next phases of the Moose Lake oil sands project to enlarge Fort McKay's existing eight mines and three in-situ

see WELL CLEANUP page 10

PIPELINES & DOWNSTREAM

Preservation plan set for Kenai LNG Plant

Trans-Foreland will document changes at plant, working within constraints of critical energy/electric infrastructure information

By KRISTEN NELSON
Petroleum News

Trans-Foreland, owner of the dock and liquefaction facility at Nikiski — the Kenai LNG Plant — has proposed adding a new boil-off-gas booster compressor unit and related equipment to facilitate import of liquefied natural gas to cool down existing LNG storage tanks and associated facilities. (See stories in Petroleum News beginning in issue of May 5, 2019.)

Federal, state and local approvals are required, including authorization from the Federal Energy Regulatory Commission under Section 3 of the Natural Gas Act, Trans-Foreland owner Tesoro Alaska Co. said in a June 15 letter to the Alaska State Historic Preservation Office and FERC. The federal authorization requirement triggered a review under the National Historic Preservation Act requiring federal agencies to take into account impacts on historic properties, defined as cultural resources listed or eligible for listing on the National Register of Historic Places.

Tesoro Alaska said Trans-Foreland and Marathon Petroleum Corp. "have fulfilled their commitment to provide a 'historic preservation plan'" covering the optimized cascade technology and machinery at the Kenai LNG Plant.

"The Plan is intended to address the AK SHPO's concern that the addition of new elements, or the removal of existing elements will adversely effect the eligibility of the Kenai LNG Plant for listing on the National Register of Historic Places (NRHP) while also complying with the confidentiality directives issued by FERC as part of Critical Energy/Electric Infrastructure Information … procedural rules."

Eligible for listing

Tesoro said Environmental Resources Management did a survey and recommended that the Kenai LNG Plant was eligible for listing on the NRHP for historic significance in development of the oil and gas industry in Alaska and for the groundbreaking design of its optimized cascade technology and machinery.

ERM said it believed the facility would still be eligible for listing with the proposed changes.

The Alaska State Historic Preservation Office disagreed, believing they changes would adversely affect the NRHP eligibility of the facility, and proposed that the optimized cascade technology and machinery be documented with drawings to the standards of the Historic American Engineering Record.

But ERM said machinery and technology at the Kenai LNG Plant "is subject to confidentiality directives issued by the FERC" under rules governing procedures "for submitting, designating, handling, sharing, and disseminating CEII submitted to or generated by the FERC."

The optimized cascade technology and machinery at the plant have been designed as CEII, are exempt from mandatory disclosure under the Freedom of Information Act and may not be made available where public disclosure of information or records is required.

To satisfy AK SHPO's desire to document the machinery and technological process, while acknowledging the confidentiality requirements of CEII, a plan has been developed to document prior to modification, change or removal of optimized cascade machinery/technology.

Trans-Foreland/Marathon will consult with FERC and AK SHPO for any actions that would modify, change or remove a portion of the facility's optimized cascade machinery/technology, and if it is determined the proposed action would affect NRHP eligibility, then a plan will be developed and approved by FERC and AK SHPO to document prior to any changes. ●

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contents

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● NATURAL GAS

AGDC responds to rehearing, stay requests

Alaska Gasline Development Corp. 'corrects misstatements and mischaracterizations of the record' included in rehearing requests

By KRISTEN NELSON
Petroleum News

The Alaska Gasline Development Corp. has responded to requests for rehearing from the Matanuska-Susitna Borough and a request for rehearing and stay of the Federal Energy Regulatory Commission's order on the Alaska LNG Project from the Center for Biological Diversity and Earthjustice on behalf of Chickaloon Village Traditional Council, Northern Alaska Environmental Center and Sierra Club (see story in June 28 issue of Petroleum News).

In a July 17 filing AGDC said the motion for a stay from the Center for Biological Diversity et al "should be denied as moot" because under FERC's regulations issuance of authorization to proceed with construction is precluded until the time for a rehearing request has passed or FERC has acted on the merits of the rehearing request.

AGDC said it wouldn't try to respond to all the arguments made by the Center for Biological Diversity, but would respond to what it characterized as "overbroad and unsupported claims" that FERC had done an inadequate analysis and to a few issues where the record and/or the law was "mischaracterized."

AGDC noted the time spent in preparing the more than 55,000 pages of data in the application and the more than 45,000 pages of responses to 1,910 data requests from FERC during the review process and said the "contention that FERC has not properly examined potential impacts of the project and identified appropriate mitigation measures is not an accurate portrayal of the extensive analysis performed by its Staff and reflected in the FEIS."

AGDC noted the time spent in preparing the more than 55,000 pages of data in the application and the more than 45,000 pages of responses to 1,910 data requests from FERC during the review process and said the "contention that FERC has not properly examined potential impacts of the project and identified appropriate mitigation measures is not an accurate portrayal of the extensive analysis performed by its Staff and reflected in the FEIS."

Some specific issues

AGDC said one issue raised by the Center, the contention that FERC did not explain how an 806-mile mainline pipe could release only 272 tons per year of fugitive CO2 equivalent emissions while the one-mile Prudhoe Bay line is estimated to release 29 tons per year, was based on an argument that there was a "linear correlation" between the length of the pipes and emissions.

AGDC said FERC explained that the potential for fugitive emissions is based on a number of factors, with "no direct linear correlation between pipeline length and fugitive emissions" because those emissions "occur from unintended leaks where gas can escape," and the opportunity for such unintended leaks is greater from a one-mile line with gas entering and leaving at each end than emissions potential per mile of a long mainline "that has substantially fewer connections, inlets, outlets or other components where gas can escape."

AGDC said FERC used guidance from the Interstate Natural Gas Association of America to estimate potential leak emissions, methodology which "uses the length of the pipeline, assuming cathodic protection, along with the number of metering stations to estimate the annual fugitive emissions."

AGDC also discussed a contention that FERC understated acres of wetlands that may be impacted, noting that FERC addressed reasons for different estimates reported by AGDC to FERC and to the U.S. Army Corps of Engineers, including differences in how FERC and the Corps count permanent vs. temporary impacts; that FERC addresses waters of the U.S. and Cook Inlet crossing estuarine acreage separately; that the Corps permit excludes ice road and ice pad acres from totals; and that the Corps permit is based on a preliminary jurisdictional determination of wetlands within the project footprint area.

AGDC said FERC did not ignore the differences but reviewed them and concluded the differences "would not change its conclusion regarding impact significance."

Other issues which AGDC addressed include dredging impacts and upstream and downstream indirect impacts.

Matanuska-Susitna Borough

AGDC said the Matanuska-Susitna Borough continues to challenge several aspects of FERC's analysis of the relative merits of siting the liquefaction facility at Nikiski rather than at Port MacKenzie and said it would not address the borough's continued disagreement with FERC's conclusion.

AGDC did address the borough's contention that if the liquefaction facility was sited at Port MacKenzie gas could be delivered through Enstar's system by reversing the flow of the Beluga Pipeline.

FERC said in the FEIS that it didn't have information on the "feasibility or practicality" of that approach.

AGDC said the borough attached to its request for rehearing one page from a 2016 Regulatory Commission of Alaska hearing in which the president of Enstar said the company "is able to reverse the flow of the Kenai Pipeline System and has often transported gas for industrial users from the Beluga Field through Anchorage to Nikiski."

AGDC said information from a hearing four years ago "falls way short of establishing that ENSTAR can deliver the quantities of gas that the project contemplates to the Kenai Peninsula."

The borough's "reliance on this tidbit of testimony when it has had several years to demonstrate the viability of its suggested alternative is itself telling," AGDC said, and called FERC's conclusion that there is no information on the record on the feasibility of the borough's proposed alternative of serving the Kenai Peninsula "continues to be correct."

AGDC also said the borough "misconstrues the facts concerning air emissions."

FERC found there would be more emissions with a Port MacKenzie site because of the increased distance vessels would need to travel to reach Port MacKenzie.

The borough argues these increases are offset by decreased emissions from a shorter pipeline to Port MacKenzie, "based on their analysis of associated pipeline compression changes," AGDC said.

While the line to Port MacKenzie would be shorter, the same number of compressor stations would be required, AGDC said, so there is no offset. ●

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● EXPLORATION & PRODUCTION

US rig count shows continued downward trend, now at 253

By KRISTEN NELSON
Petroleum News

The Baker Hughes' weekly U.S. oil and gas drilling rig count for July 17 showed a continuing drop, down five from the previous week to 253 and down 701 from 954 a year ago.

Each week in the last 11 the count has set a new record for low number of rigs, 374 rigs on May 8 of this year; 339 rigs on May 15; 318 on May 22; 301 on May 29; 284 on June 5; 279 on June 12; 266 on June 19; 265 on June 26; 263 on July 2; 258 on July 10; and 253 for the current week. The Houston oilfield services company has issued a weekly rig count since 1944. Prior to this year, the low was 404 rigs in May 2016.

Baker Hughes said 180 rigs targeted oil, down one from the previous week and down 599 from a year ago, while 71 targeted gas, down four from the previous week and down 103 from a year ago. There were two miscellaneous rigs active, unchanged from the previous week and up by one from a year ago.

Twenty-three of the holes were directional, 215 were horizontal and 15 were vertical.

Alaska count unchanged

New Mexico (50) and West Virginia (6) were each up by a single rig from the previous week.

Rig counts were unchanged for Alaska (3), California (4), Colorado (5), North Dakota (10), Oklahoma (10) and Wyoming (1).

Louisiana (30) and Pennsylvania (21) were each down by one rig from the previous week.

Ohio (6) was down by two rigs while Texas, with the most active rigs at 104, was down by three.

Baker Hughes shows Alaska with three active rigs July 17, down by seven from a year ago.

The rig count in the nation's most active basin, the Permian (124), was down by one rig from the previous week, and down by 316 from a count of 440 a

see **RIG COUNT** *page 6*

CORRECTIONS

Eni Nikaitchuq North

In the July 19 edition of Petroleum News in the story titled "Eni trying again in 2022," this sentence, "As a result of its partner's decision not to participate in NN-02, Eni applied for and received from BOEM a suspension of operations for an additional two year period, or until April 2022" was incorrect. It was BSEE, the U.S. Bureau of Safety and Environmental Enforcement, that gave Eni the two year suspension of operations for Nikaitchuq North drilling.

Mustang cold shut-down

In the July 19 edition of Petroleum News in the story titled "Mustang sale postponed," this sentence, "The field was offline for the entire month of December and has remained so, being officially put in warm shut-down mode in May while late payment and financing issues were resolved" should have read, "The field was offline for the entire month of December and has remained so until the process of putting it in cold shut-down commenced in early April."

In the same story this sentence, "Payment must be made at the time of sale in cash or by cashier's check" should have read, "Payment must be made at the time of sale in cash or by cashier's check. Or AIDEA, the original beneficiary, may enter a credit offset bid consisting of sums due it under the deeds of trust and notes."

● PIPELINES & DOWNSTREAM

Michigan wants Enbridge to pledge funds for liability

By JOHN FLESHER
Associated Press Environmental Writer

Michigan sought a written pledge from Enbridge Inc. July 17 to cover costs that would arise if oil were to leak from its dual pipelines that extend across a channel linking two of the Great Lakes, although the Canadian pipeline company said it had already made such a promise.

Department of Natural Resources Director Dan Eichinger asked Enbridge to carry $900 million of liability insurance and set aside about $1.88 billion in additional assets for use as needed in the event of a catastrophic spill.

The twin pipes run along the bottom of the 4-mile-long Straits of Mackinac, which connects Lake Huron and Lake Michigan. They make up one segment of Enbridge's Line 5, which carries oil and liquids used in propane between Superior, Wisconsin, and Sarnia, Ontario.

Enbridge says the underwater section, laid in 1953, is in good condition and has never leaked. Environmental groups and Democratic officials including Gov. Gretchen Whitmer contend it is a hazard that should be shut down, which Attorney General Dana Nessel is seeking in a lawsuit pending in state court.

New pipe planned

Enbridge negotiated a deal with former Republican Gov. Rick Snyder's administration in 2018 to decommission the twin pipes after replacing them with a new pipe that would be housed in a tunnel to be drilled beneath the straits. The company plans to begin construction next year and is seeking state and federal permits.

The agreement with Snyder included a pledge to hold the state financially harmless for any damages from a Line 5 spill. But the deal was signed by Enbridge Energy Company Inc., a subsidiary of Enbridge Inc., which is based in Calgary, Alberta. Enbridge Energy is the corporate successor of Lakehead Pipe Line Co., which received a state easement to place the pipes in the straits 67 years ago.

In his letter to the parent company, Eichenger said Enbridge Energy doesn't have the resources to cover costs of a major spill. A state-commissioned report last year found that Enbridge Inc. is not legally bound to abide by financial pledges made by its subsidiary in 1953, he said.

The report noted that the chief executive of one Enbridge subsidiary had testified in 2018 at a Minnesota hearing on different pipeline that Enbridge, Inc. is "not contractually obligated to stand behind the indemnity agreements of a subsidiary."

"As recent events have reminded us, we must get these pipelines that transport crude oil out of the Great Lakes as soon as possible," Eichinger said in a statement. "In the meantime, Enbridge must provide full financial assurance to the people of Michigan that the company will meet its obligations in the event there is a spill or some other disastrous damage to the Great Lakes."

Temporary shutdown in June

A state judge ordered a temporary Line 5 shutdown in June after Enbridge reported damage to a steel anchor holding a section of one pipe in place. The judge later allowed oil to resume flowing through the other underwater pipe.

In a statement, Enbridge said it "pledges to take full responsibility for the cleanup of any incident in Michigan or anywhere along our pipeline system."

Spokesman Ryan Duffy said one of the agreements signed with the Snyder administration included a provision that "the Enbridge entity or entities that own and

see **ENBRIDGE PLEDGE** page 6

GOVERNMENT

ND regulators reject mandatory oil cuts

North Dakota regulators on July 7 rejected imposing mandatory production cuts on the oil industry.

Both Texas and Oklahoma rejected similar proposals this year as oil prices fell during the coronavirus pandemic. The three-member North Dakota Industrial Commission decided unanimously to dismiss the idea following a lengthy hearing in May.

Both Texas and Oklahoma rejected similar proposals this year as oil prices fell during the coronavirus pandemic.

Many oil producers and tribal mineral owners from the Fort Berthold Indian Reservation opposed mandatory production cuts, The Bismarck Tribune reported.

"Let's let the private sector hammer out some of these things and where government can assist and intervene we'll do so, but it's probably best if we don't go down this road," state Agriculture Commissioner Doug Goehring said. Goehring sits on the commission along with Gov. Doug Burgum and Attorney General Wayne Stenehjem.

State regulators have imposed production cuts before, in the 1950s and 1960s during the early days of North Dakota's oil industry. But since then, the industry has grown much more complex, State Mineral Resources Director Lynn Helms said. But regulators still have the authority to declare oil as a "waste" if prices get low, and effectively require that oil producers curtail their output.

Many Bakken producers, as well as the North Dakota Petroleum Council, asked the state to let the market decide.

—ASSOCIATED PRESS

EXPLORATION & PRODUCTION

ND sees steepest production drop on record

North Dakota oil and gas production plunged about 30% May, as oil companies idled wells and halted drilling plans after prices collapsed due to the coronavirus.

The Department of Mineral Resources reported July 17 the state produced an average of 858,000 in May, down from 1.2 million barrels in April.

North Dakota's natural gas production also fell from 81.3 billion cubic feet in April to 59.7 billion cubic feet in May.

The May tallies are the latest figures available and represent the sharpest monthly drop on record.

There were 12,809 wells producing in May, down from 15,474 in April.

North Dakota had 17 drill rigs operating in May, down from 35 in April. There were 10 drill rigs operating in the state July 17.

—ASSOCIATED PRESS

GOVERNMENT

New Mexico crafting methane rules

New Mexico stands to have some of the most expansive rules for addressing methane and other emissions from the oil and gas industry after many meetings with industry experts and environmentalists, state officials said July 21.

Policymakers with New Mexico's energy and environment agencies say they have combined what has worked well in other states with some new ideas to craft a set of regulations that will mandate significant emissions reductions by the end of 2026.

The proposed regulations appear to offer a higher level of reduction than in other states and would apply more broadly to existing and new sources, officials said during a briefing on the proposal.

The public has time to comment before regulators with the Environment Department and the state Energy, Minerals and Natural Resources Department hammer out the final rules.

Proposed rules by the energy agency deal with waste due to venting and flaring in oilfields. The draft rules released by the environment department target oil and natural gas equipment that emit volatile organic compounds and nitrogen oxides. Officials say regulating these emissions also will result in reducing methane emissions.

There also are incentives for companies to find and fix leaks within their systems, and the state would be able to collect revenues on vented and flared gas, which could benefit public schools to the tune of millions of dollars a year.

Operators would need to reduce their waste by a fixed amount every year to achieve an ultimate gas capture rate of 98% by December 2026. There would be fewer requirements for those with less potential for emitting pollution, while operators with the greatest emissions would face greater scrutiny.

Environment Secretary James Kenney said his goal is to keep New Mexico's ozone problem from getting worse and therefore avoid federal sanctions.

—ASSOCIATED PRESS

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ENBRIDGE PLEDGE

operate Line 5, or the parent companies" of such entities, would "maintain in force financial assurance mechanisms that meet or exceed" $1.88 billion.

That figure came from an independent analyst's estimate of costs from a worst-case spill in the straits. Enbridge said it disagreed with the report's methods and conclusions but would keep that sum of money available to deal with a spill if needed.

"Since we already have an agreement with the State of Michigan to provide these assurances, if the State would like to sit down and discuss our financial assurances, we would be happy to do so," the company said.

The Chippewa Ottawa Resource Authority, which represents Native American tribes with fishing rights in the straits area, backed the state's request for an airtight promise from Enbridge's parent company.

"The Straits is more than a waterway; said Bryan Newland, chairman of the Bay Mills Indian Community. "They are a place of ongoing significance to the way of life of for the Tribes since time immemorial." ●

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RIG COUNT

year ago.

Baker Hughes has issued weekly rig counts for the U.S. and Canada since 1944 and began issuing international rig counts in 1975.

The U.S. rig count peaked at 4,530 in 1981. This week's count of 253 is a new low, surpassing lows set in the previous 10 weeks. Prior to that the previous low was 404 rigs in May 2016. ●

Contact Kristen Nelson at knelson@petroleumnews.com

UTILITIES

INTERIOR GAS UTILITY

Two LNG storage tanks are moved from Fairbanks to North Pole.

IGU moves LNG storage tanks to North Pole

The Interior Gas Utility has announced that it is moving two liquefied natural gas tanks from Fairbanks to North Pole as part of an initiative to make natural gas available to households and businesses in the North Pole area. The move of the tanks, which will enable the storage of LNG in North Pole, comes as part of the Interior Energy Project, an Alaska Industrial Development and Export Authority project to bring increased supplies of affordable natural gas to Fairbanks and its surrounds.

A previous phase of the IEP involved constructing an initial gas distribution pipeline network in North Pole. The LNG storage facility under construction will make possible a supply of gas through that network. The two tanks for the facility became available after IGU completed a new 5.25 million-gallon LNG storage facility in central Fairbanks at the end of last year. The tank in Fairbanks, while storing gas for use in the city, will also act as backup storage for North Pole.

"The movement of the storage tanks is an exciting major milestone in providing North Pole residents the ability to 'breathe easier' with clean, natural gas," said IGU General Manager Dan Britton.

The LNG is produced at IGU's Titan plant, near Point Mackenzie on the Cook Inlet. A decision on whether to expand that plant has been deferred as a consequence of economic uncertainty associated with the COVID-19 pandemic. However, the greatly expanded LNG storage capacity in Fairbanks will enable the warehousing of summer-produced LNG, thus enabling the supply of gas to more customers in Fairbanks and North Pole.

"When we look back at where we were a year ago compared to where we are now, we are greatly encouraged that, even with the turmoil of COVID-19, we are able to continue to move forward with bringing access of cleaner burning natural gas to our community for both Fairbanks and North Pole homes and businesses," said Steve Haagenson, chair of the IGU board.

—ALAN BAILEY

EXPLORATION & PRODUCTION

Donkel challenges production suspensions

Daniel K. Donkel, who holds overriding royalty interests in leases at the Redoubt and West McArthur River units, is appealing the June 4 approvals of suspensions of operation and production for the units by the Alaska Department of Natural Resources' Division of Oil and Gas (see story in June 14 issue of Petroleum News).

The units are operated by Cook Inlet Energy, a Glacier Oil & Gas Corp. company.

In its May 28 applications for the suspensions, Glacier cited low oil prices and a lack of demand as reasons for the suspensions, which are requested through April 30, 2021.

Donkel, through attorneys Bankston Gronning Brecht, has appealed the division's decisions to DNR Commissioner Corri Feige, citing a lack of supporting evidence for the requests by the operator, and questioning the reasons Glacier cites for the suspension.

The appeal also said public comment was not solicited by the division and that neither Donkel, nor to his knowledge any other royalty interest owners, aside from the state, were notified prior to the division's decision.

The state has a royalty interest of 12.5% in all the leases in both units.

Deducting the state's royalty, CIE, the 100% working interest owner, has a royalty interest at the five Redoubt leases ranging from 79.3% to 83.4%.

There are combined overriding royalty interests of 4.1% to 8.2%.

At the three West McArthur River leases, deducting the state's royalty, CIE has royalties of 75% to 85.8%; combined overriding royalty interests total 1.7% to 12.7%.

In addition to questioning oil price and demand as reasons for the suspension, the appeal said there is no evidence the division considered potential harm to the reservoirs from shutting in the wells.

Donkel is asking that the suspension be stayed pending review of possible impact to the reservoirs and "full disclosure to all interested parties and a meaningful opportunity to be heard."

In April, the last month for which the Alaska Oil and Gas Conservation Commission shows a full month of production from the units, Redoubt averaged 1,676 barrels per day and West McArthur River averaged 374 bpd.

—KRISTEN NELSON

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CARBON CAPTURE

The cost of running Quest, which draws its CCS from the oil sands, is about 35% less than originally forecast in 2015, while downtime has been less than 1% a year.

Shell has carried what it has learned from Quest, built at a cost of C$1.3 billion with C$745 million from the Alberta government and C$120 million in federal funds, to other CCS projects around the world, including the recently sanctioned Northern Lights project in Norway, along with Total and Equinor as partners.

In 2017, a majority block of Quest was purchased by Canadian Natural Resources Ltd. as part of its blockbuster C$12.7 billion deal that included the bulk of Shell's oil sands assets in Alberta and the Scotford Upgrader, which converts raw oil sands bitumen into synthetic crude for refining.

> *"Carbon capture and storage is working and Quest is a model facility that others are learning from across the globe to scale up CCS." —Alberta Premier Jason Kenney*

Shell explores more CCS projects

Shell is also exploring the possibility of building more CCS projects in Alberta. Quest development and opportunity planner Sarah Kassam said the operation allows Shell to lower carbon intensive projects at Scotford.

"We see that as a pathway to decarbonizing our industry and supporting energy transition," Kassam said.

She said a reservoir below the upgrader stores the carbon dioxide with greater ease than had been initially expected.

Kassam said that if Quest could be replicated savings could be about 30% below the anticipated operating costs of about C$40 per metric ton of stored CO_2, while the cost of building a new facility could be C$80 per mt, compared with the initial estimate of C$120 per mt.

In 2014, the Alberta government spent C$1.4 billion in two CCS ventures, including Quest — spending that accounted for 10% of world investment in CCS.

But Rachel Notley, leader of the socialist New Democratic Party that won government in 2015, insisted CCS was too expensive for her administration and, instead, introduced a strongly opposed carbon levy in an effort to reduce emissions.

Kenney, after ousting the NDP regime last year, dumped the Notley carbon tax in favor of a new program that lowered the taxation rate while shelving his earlier doubts about CCS.

"Carbon capture and storage is working and Quest is a model facility that others are learning from across the globe to scale up CCS," he said earlier in July.

Energy Minister Sonya Savage said Quest's milestones are a "perfect example of how the use of game-breaking technology will enable Alberta to build on our existing energy foundation and pave the way for emerging sectors to grow and prosper."

—GARY PARK

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RRC SEATS

independent power producers, one member representing consumer interests, a representative from the Alaska Energy Authority and two non-affiliated members.

The Legislature enabled formation of the RRC, an electric reliability organization, and updated the Regulatory Commission of Alaska's authority with Senate Bill 123, passed and signed by the governor this spring.

This followed signing in December of a memorandum of understanding for formation of the RRC by the six Railbelt utilities. The RCC will mandate reliability standards, administer rules for open access to the grid, conduct Railbelt-wide system planning and investigate the economic value of security constrained economic dispatch for all or part of the system.

> *The implementation committee, now that it has all of its members, will develop bylaws and other foundational documents to define and stand up the RCC, the group said in a July 20 release.*

The implementation committee, now that it has all of its members, will develop bylaws and other foundational documents to define and stand up the RCC, the group said in a July 20 release.

"It is the goal of the RRC to then apply to become the Electric Reliability Organization (ERO) for the Railbelt electric system as defined in recent legislation, Senate Bill 123," the group said.

"The Railbelt Reliability Council is a historic agreement and offers a chance for meaningful participation from a wide variety of stakeholders to address much-needed planning issues along the grid," said Veri di Suvero, the consumer advocacy member of the IC's selection committee. "The RRC will be a critical body for a region-wide approach to ensuring the best energy decisions for consumers."

In addition to defining and enforcing electric reliability standards, coordinating joint planning through an integrated resource planning process and ensuring consistent interconnection protocols for utilities, independent power producers and other grid users, RCC will work with the RCA to develop a cost sharing methodology for assets with a regional benefit and will identify and facilitate implementation of effective ways for the Railbelt electric system to reduce electricity costs for ratepayers.

—KRISTEN NELSON

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Oil Patch Bits

Diamond Grid USA welcomes John Horjes to its team


JOHN HORJES

Diamond Grid USA & Diamond Grid Canada announced July 20 the appointment of John Horjes to executive director of the businesses to facilitate ongoing expansion targets. Horjes will lead the establishment and expansion of the Diamond Grid product into the USA and Canadian markets — two regions which have been identified as key areas of focus for Diamond Grid.

Horjes is well credentialed in business management and strategy, hailing from a strong background of business development, investment banking and mergers and acquisitions of key businesses. Horjes said that he is excited to be joining Diamond Grid, a global market leader in surface stabilization and erosion control systems.

"Diamond Grid is a unique and innovative product with inimitable strength characteristics. The concept is simple, but the applications are boundless and there's a lot of excitement within the mining, agricultural, construction and landscaping sectors in response to it. Diamond Grid offers the cost savings, easily solves erosion issues and makes construction of paving and hardstand areas a breeze. Its application as an alternative to traditional concrete formwork is saving customers time and significant costs. It is great to have the opportunity to work with a product that services everyone from large scale industrial customers to DIY's."

Diamond Grid's Managing Director Ben Kirkup said that Diamond Grid is on track for another solid year of business growth globally despite economical disruptions.

For more information visit http://www.diamondgrid.com.

Alaska Marine Lines celebrates 40 years

As reported by Lynden News July 15, Alaska Marine Lines celebrates its 40th anniversary this year! That is 40 years we've been privileged to serve our amazing customers and local communities, 40 years side-by-side with the most wonderful, hard-working people in the barge industry and 40 years of experience fine tuning our service and reach to offer the largest fleet of equipment in Alaska, the company said.

In 1980, Lynden acquired the assets of Southeast Barge Lines from Western Towboat, Trucano Construction and Jim Harper and Southeast Alaska Barge Lines was established. "This began the long and productive partnership between Lynden and Western Towboat that we still enjoy today," said Alaska Marine Lines President Kevin Anderson.

COURTESY ALASKA MARINE LINES

Two years later, Southeast Alaska Barge Lines was renamed Alaska Marine Lines. In 1985, as Foss Alaska Lines withdrew from Southeast service and Pacific Western Lines curtailed its service, Alaska Marine Lines purchased selected assets from those barge carriers and added many employees who are still with the Lynden companies today including Executive Vice President Alex McKallor. Also that year, service partner Arrowhead Transfer headed by Gordie Harang began providing services to Alaska Marine Lines in Southeast Alaska.

Looking back, Anderson said some of the biggest changes have been in equipment. "We've gone from 20-foot containers to 40's, then 48's and now 53's, and forklifts with a capacity of 55,000 pounds that can now lift 120,000 pounds," he said. "The first barge was 130 feet long with a 1,000-HP tug. Today we have 420-foot barges towed by tugs with 5,000-HP."

In 2019, Alaska Marine Lines expanded its service area to include Arctic villages like Kaktovik to better serve customers statewide and this year has expanded its fleet with the purchase of two cargo barges.

"As we celebrate four decades of business, I'd like to honor the dedicated and talented employees, past and present, who have contributed to our success," Anderson said. "We now service every major coastal region in Alaska. I look forward to seeing what the new decade will bring."

Editor's note: Some of these news items will appear in the next Arctic Oil & Gas Directory, a full color magazine that serves as a marketing tool for Petroleum News' contracted advertisers. The next edition will be released in September.

Companies involved in Alaska's oil and gas industry

All of the companies listed above advertise on a regular basis with Petroleum News

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WELL CLEANUP

operations, which benefit the community's 12 companies that service the oil industry, employ more than 1,400 people and have generated up to C$500 million in annual revenue

Pinto declined to estimate how much crude Moose Lake reserves could yield beyond saying his community aims to be a leader in resource development, while balancing that "in a better environmental way than is being done today."

He hopes to deliver a firm proposal by the end of this year to the Fort McKay chief and council, laying out information on what assessments are needed for the project to proceed.

Trans Mountain project

In line with indications from the Canadian government, Treaty Six First Nations Grand Chief Billy Morin said he expects an early announcement from Prime Minister Justin Trudeau on an ownership position for Indigenous communities in the Trans Mountain project, TMX.

Two years ago, at a groundbreaking ceremony for TMX, the Enoch Cree Nation announced a C$6 million investment to develop equipment stockpile sites

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CHEVRON DEAL

moderated by concerns over new outbreaks of COVID-19 in portions of the United States and elsewhere, thus asset prices remain subdued.

"This is an attractive transaction that strengthens Chevron's performance … through high-quality, cash-producing assets that are complementary to Chevron's global portfolio and capabilities … low-cost proved reserve and resource additions … and achievable synergies that we expect to drive accretive financial metrics and enhance our flexible capital program," Mike Wirth, Chevron chairman and CEO said in the July 20 conference call.

Based on Noble's proved reserves at year-end 2019, the transaction will add approximately 18% to Chevron's year-end 2019 proved oil and gas reserves at an average acquisition cost of less than $5 per barrel of oil equivalent, and almost 7 billion barrels of risked resource for less than $1.50 per boe, Chevron said.

Chevron, pending approval of Noble shareholders and regulators, is set to acquire all outstanding shares of Noble in an all-stock transaction valued at $5 billion, or $10.38 per share — 0.1191 shares of Chevron for each Noble share based on Chevron's closing price on July 17.

The total enterprise value, including debt, of the transaction is $13 billion.

Building on strength

Noble's debt load very likely was a catalyst for its management to enter the Chevron agreement.

Noble entered 2020 with long term debt of about $7.4 billion. Seven months ago, Noble sported a market capitalization of about $12 billion, but as of July 22, its market cap stood at $5.26 billion.

Chevron's market cap on July 22 was over $170 billion, and its long term debt totaled only $23.6 billion at year end 2019.

Chevron has weathered the downturn well compared to other oil companies.

Chevron stock has bounced back from its coronavirus low share price by 76% to $91 on July 22, from $51.60. By contrast, Exxon stock moved from an April low of $30 to $43.61 on July 22, a 45% gain.

"Chevron (is) taking advantage of its strong relative performance versus the U.S. exploration and production companies and capitalizing on the downturn to buy into some high-quality assets," said Anish Kapadia, head of London-based independent oil and mining advisory Palissy Advisors.

With the Noble deal, Chevron will bolster its 2 million-acre position in the Permian Basin, picking up 92,000 largely contiguous and adjacent acres.

Chevron also will gain new acreage in the DJ Basin of Colorado, "a proven de-risked unconventional basin that ... gives us another piston in the unconventional engine," Wirth said.

The company will take over an operation of a natural gas project in the Eastern Mediterranean.

"Anchored by the Leviathan and Tamar assets, and supported by offtake agreements from Israel, Egypt and Jordan, these assets are expected to generate strong cash flow for decades," Wirth said, adding that Chevron will get a total of six exploration blocks in Egypt and a discovered resource opportunity in Cyprus.

In West Africa, Chevron will acquire an established position in Equatorial Guinea, "with opportunities to continue to monetize resources through existing regional capacity," he said.

The Equatorial Guinea assets lie between Chevron's existing operations in Angola and Nigeria.

Holdings and history in Alaska

Chevron has a history in Alaska, with experience in the Cook Inlet basin as well as on the North Slope.

In the 254,235 acre Prudhoe Bay unit, Chevron U.S.A. holds a 1.16%. interest, according to the Alaska Division of Oil and Gas.

The division reported in April that ConocoPhillips Alaska transferred a working interest of 4.9506% in 13 Kuparuk unit Beaufort Sea and North Slope leases (or parts of leases) to Chevron U.S.A., including Nuna leases ConocoPhillips recently acquired and absorbed into Kuparuk. A 4%-plus royalty interest was also transferred from ConocoPhillips to Chevron as part of the transaction, which ConocoPhillips said was part of a December sale to Chevron. Chevron holds a 4.95% working interest in the Kuparuk River unit.

Chevron also holds a 11.11% working interest in the Duck Island unit.

Chevron bought Unocal in 2005 and holds a 1.3561% interest in the Trans Alaska Pipeline System through its subsidiary Unocal Pipeline Co.

Chevron has unique access to valuable geological data regarding the Arctic National Wildlife Refuge.

Operator Chevron and BP were partners in the KIC No. 1 well, which was drilled in 1986 and remains the only well in the 1002 Area of ANWR.

Chevron is also part of a consortium of companies that have access to vintage 2D seismic data in ANWR, along with Anadarko, BP, ConocoPhillips, ExxonMobil, Hess, Marathon, Murphy, Oxy, Shell and Total.

Congress has mandated that two 400,000-acre lease sales be held in the 1002 Area by the end of 2024. ●

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BLM RULING

circumstances. Limits also applied to the flaring of methane.

In Alaska the rule applies to oil and gas operations on federal land, particularly in the National Petroleum Reserve-Alaska, where there are active programs of oil exploration and development. However, in Alaska, including on federal land, the Alaska Oil and Gas Conservation Commission and the Department of Environmental Conservation enforce strict rules aimed at preventing the wastage of hydrocarbon resources and the avoidance of air pollution. Those rules include a prohibition of methane flaring or venting, other than in small volumes for specific allowed purposes.

Numerous problems

In upholding the appeals against BLM's 2018 rule, rolling back much of the 2016 rule, the District Court cited numerous problems that, the court said, emanated from BLM's failure to provide an adequately reasoned explanation for changing a rule that had been issued just two years earlier, and from a failure to comply with obligations under the National Environmental Policy Act.

"Together we are increasing the speed, scale, and impact of our actions to address climate change, as the world aims for net zero emissions as early as possible." —Oil and Gas Climate Initiative

"Instead, in its zeal, BLM simply engineered a process to ensure a preordained conclusion," the judge wrote in the court order upholding the appeals.

For example, the judge found significant inconsistencies in what BLM considered to be waste from oil and gas operations, with inconsistencies both within the new rule and between the rule and other BLM regulations. The judge also questioned the manner in which BLM had considered the costs of compliance with the regulations, and the agency's argument that in the 2016 rule it had exceeded its own statutory authority.

"While the executive branch holds the power to issue executive orders, an agency cannot flip-flop regulations on the whims of each new administration," the judge wrote.

Moreover, unlike the 2016 rule, the new rule does not address the issue of public welfare in relation to the need to curb venting, flaring and leaks resulting from increased oil and gas production, the judge wrote. For various reasons, the development of the new rule failed to comply with the Administrative Procedures Act. And, under the terms of the National Environmental Policy Act, BLM should have prepared an environmental impact statement for the rule changes, and not just an environmental assessment, the judge wrote.

Oil and Gas Climate Initiative

Meanwhile on July 16 the Oil and Gas Climate Initiative, a consortium of oil and gas companies supporting reduced methane and carbon dioxide emissions, including several oil majors, announced new targets for reducing the carbon intensity of their operations. Emissions targets take into account methane and carbon dioxide emissions from upstream oil and gas exploration and production activities, including emissions associated with imported electricity and steam.

Meanwhile on July 16 the Oil and Gas Climate Initiative, a consortium of oil and gas companies supporting reduced methane and carbon dioxide emissions, including several oil majors, announced new targets for reducing the carbon intensity of their operations.

"Encouraged by the progress we have made towards our target on methane intensity, we have come together to reduce by 2025 the collective average carbon intensity of our aggregated upstream oil and gas emissions," the consortium said. "Together we are increasing the speed, scale, and impact of our actions to address climate change, as the world aims for net zero emissions as early as possible."

—ALAN BAILEY

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WELL CLEANUP

for the pipeline.

"We are proud of the relationship we have built with Trans Mountain," Morin said, adding it laid the groundwork for "eventual aboriginal ownership of the pipeline."

He made his forecast of an expanded Enoch Cree role earlier in July while attending an announcement by Alberta Premier Jason Kenney on aboriginal participation in a Site Rehabilitation Program, SRP, which includes C$1 billion commitments by both the Alberta and Canadian governments to start cleaning up and rehabilitating property at 91,000 inactive wells.

Some sites date back to 1950s

Morin said remediation work on sites that were abandoned as far back as the 1950s could not happen without the program, describing the undertaking as "unprecedented collaboration" by government, First Nations and industry.

The effort will be led by Backwoods Energy Services (owned by the Alexis Nakota Sioux Nation) and Western Petroleum Management (also an Indigenous-owned company). They have gained approval to tackle 55 and 257 sites respectively under the SRP, which will release funding in increments of C$100 million.

Kenney said he is confident "we will see many more Indigenous companies and employees getting back to work and many more sites getting cleaned up across Alberta," all stemming from his government's creation last year of the Alberta Indigenous Opportunities Corp.

Indigenous Relations Minister Rick Wilson said the aboriginal participation in energy projects is "a game changer for Indigenous businesses and communities" whose response to the program has been "overwhelmingly positive" which could result in the establishment of "economic powerhouses."

Alberta Energy Minister Sonya Savage said C$69 million in contracts has so far been distributed among 140 companies through the SRP which is expected to create 5,300 jobs. ●

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PANTHEON WELL

the Dalton Highway and trans-Alaska oil pipeline which "could expedite low cost early production," Galvin said.

"Pantheon is speaking to a number of parties about partnering to jointly exploit and develop both of these projects," he said.

Pantheon owns 89.2% of the Talitha project and 100% of the Alkaid project.

Talitha offsets old ARCO well

The Talitha project contains "three mutually exclusive and independent geological formations with different reservoir trap geometries, qualities and risk profiles," Galvin said. All of which were penetrated and confirmed to be oil bearing in the Pipeline State No. 1 well drilled by ARCO, predecessor to ConocoPhillips, in 1988, which the new Talitha 1 well will offset.

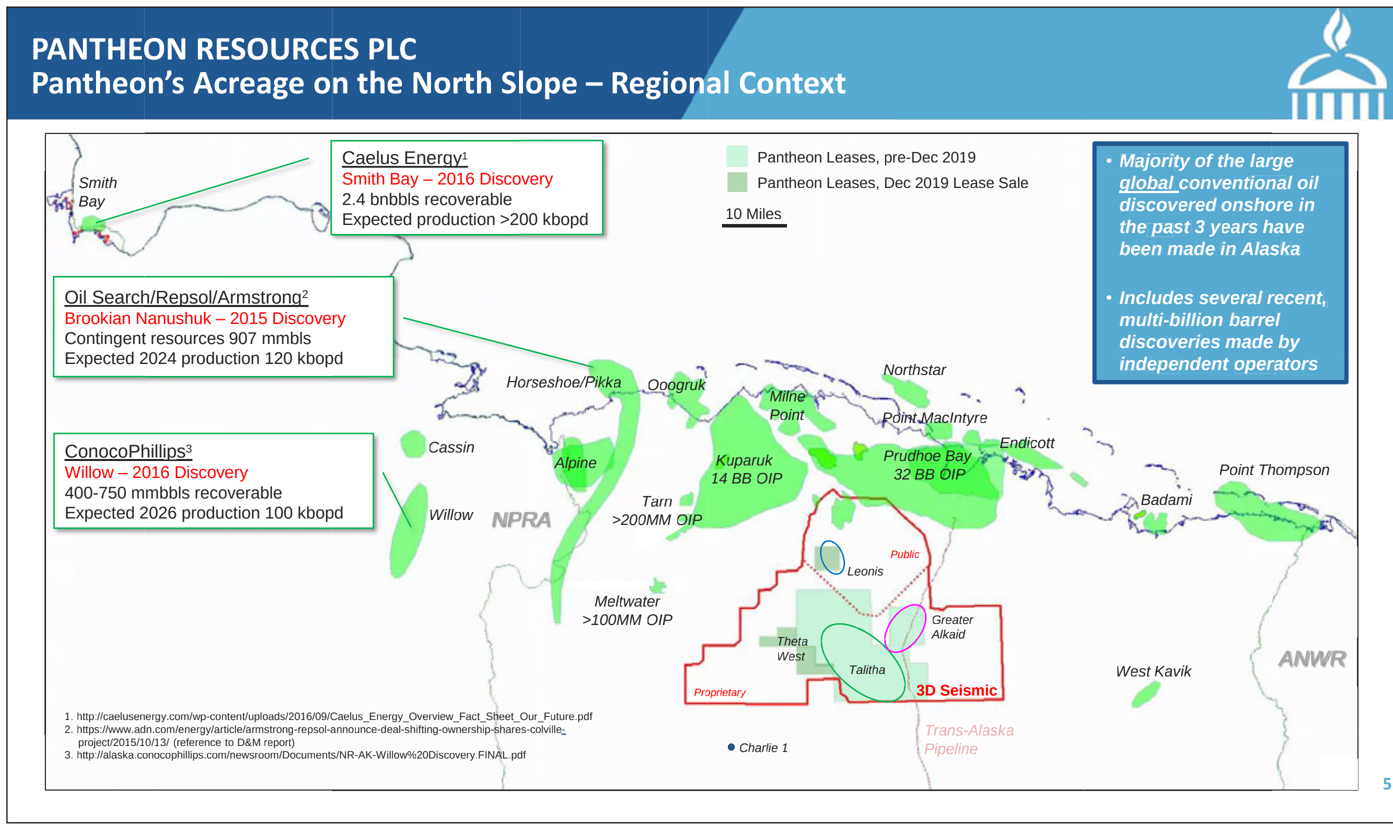
In late March, Pantheon announced that it had completed its analysis of the shallowest of these three horizons, the "Shelf Margin Deltaic," a Brookian aged reservoir, which it estimated to contain 1.8 billion barrels of oil in place with a P50 technically recoverable resource of 483 million barrels of oil, which were "significantly higher" than pre-analysis expectation, Galvin said.

The two deeper zones at Talitha, the Brookian Slope Fan System and the Kuparuk "also offer significant potential," with the company due to complete its analysis of the Kuparuk and provide resource estimates "in the near future," he said.

Two new pads along Dalton

The April 26 issue of Petroleum News reported that Pantheon (in Great Bear's name) had begun permitting for two pads along the Dalton Highway, as well as filed a major amendment application for its oil discharge prevention and contingency plan.

The oil discharge prevention and contingency plan was approved under the Great Bear Petroleum Operating name in early 2017.



The Alaska Department of Environmental Conservation said in an April 17 public notice that the company's existing plan addresses year-round exploration drilling from sites approved for all season drilling and winter-only exploration drilling from ice pads connected to North Slope infrastructure via the Dalton Highway and ice roads.

The major amendment the company submitted would add two new locations to the plan — the Alkaid and Phecda road pads, as well as updating maps and figures and response planning standards to increase oil storage tank capacity from 400 barrels to 600 barrels and to increase the summer drilling response planning standards from 1,000 barrels per day to 5,500 bpd for 15 days, totaling 82,500 barrels.

There is no date given for pad construction.

Four wells drilled to date

Pantheon/Great Bear has drilled four wells off the Dalton highway to date — three are plugged and abandoned (Alcor 1, Merak 1 and Winx 1) and one well, Alkaid 1, is suspended.

In actuality, Winx 1 was drilled by 88 Energy subsidiary Accumulate Energy Alaska, although permitting was submitted under Great Bear's name.

The Alcor and Merak wells were drilled in 2012, Alkaid was drilled in 2015 and re-entered and flow tested in 2019; Winx was drilled in 2019.

In its DEC application Pantheon said the pads would be constructed of timber rig mats, "in some cases supplemented with existing gravel pads." The pads would be 400 by 400 feet and would support all season drilling.

The suspended Alkaid well is some two and a half miles west of the Dalton Highway and northwest of the Phecda Road Pad site. That well was drilled from an ice pad.

Pantheon said after the well was flow tested in 2019 that it confirmed a new Brookian light oil discovery just west of the Dalton Highway. The company also said it viewed the nearby Phecda prospect as an appraisal well for the Alkaid discovery, rather than a standalone well.

Aggressive bidding at lease sale

The state of Alaska drew 56 bids on 56 tracts in the North Slope areawide sale Dec. 11, with Great Bear taking 17 tracts on 27,840 acres for $849,094. The company was second only to Oil Search in the number of tracts it won.

"The new leases are strategically positioned in two areas contiguous or adjacent to our current acreage on our northern and southwestern boundaries," Pantheon said in a Dec. 12 statement, noting it had a competitive advantage given it "owns the proprietary 3D seismic which covers the leases," and had technical work completed in recent months. ●

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CRUDE VOLUMES

The Alyeska prorations affected all producers, with a 10% cut, estimated at 50,000 bpd, beginning April 24, increased to 15% on May 8, reduced to 5% on May 15 and lifted May 22. Alyeska prorates production in reaction to inventory volumes at the Valdez Marine Terminal, market conditions and tanker scheduling.

ANS average volumes fell steadily through the first part of the year, averaging 509,837 bpd in February, 502,250 bpd in March, 490,252 bpd in April, 427,676 bpd in May and 393,387 bpd in June.

Price drop

The ConocoPhillips production cut was a reaction to the drop in demand due to COVID-19 and the resulting steep drop in oil prices.

The ANS West Coast average spot price by month, as posted by the Tax Division, bottomed this April at $16.54 per barrel, dropping from $65.48 in January to $54.48 in February and $33.21 in March.

By May, the ANS average price was $28.21 per barrel and by June it was at $41.78, still well below recent prices. In 2019 the lowest monthly average was $60.40 per barrel in January of that year; in 2018 the lowest per barrel price was $66.20 per barrel in February of that year.

ConocoPhillips said its Alaska cuts would come from the Kuparuk River and Colville River units, and the drop in production in those areas was evident — even though the Tax Division merges Kuparuk production with Nikaitchuq and Oooguruk — with Kuparuk going from an average of 129,353 bpd in March, to 121,933 bpd in April, 89,150 bpd in May and 66,282 bpd in June, before climbing again in July to an average, as of July 20, of 128,026 bpd.

The division reports the Colville River unit as Alpine and its satellites, and production there went from 59,320 bpd in January to 55,716 bpd in April, 41,539 bpd in May and 21,815 bpd in June, before rebounding to an average of 51,358 per day as of July 20.

—KRISTEN NELSON

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