

FROM THE DESK OF
NELS ANDERSON, JR.

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AOGCC

June 1, 2012

Ms. Cathy P. Foerster, Commissioner
Alaska Oil and Gas Conservation Commission
333 W 7th Avenue, Suite 100
Anchorage, Alaska 99501-3539

Re: Meeting with British Petroleum to discuss possible use of propane from North Slope operations

Dear Ms. Foerster:

I have learned that Harold Heinze is still involved in finding ways to use unused propane on the North Slope. Back in 2007, I was informed that there was a possibility that this unused propane could be used to lower the cost of energy in many of our communities in Alaska. It would take an agreement from the operators of the North Slope fields to release unused propane.

As Alaska Energy Advisor to Governor Murkowski, I felt that it would be a good idea to pursue this possibility to help bring lower cost energy to Alaskans.

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I met with Mike Harper, former Deputy Director of the Alaska Energy Authority and Harold Heinze, former CEO of the Alaska Natural Gas Development Authority to set up an appointment to meet with BP to explore the idea of using propane that was going unused on the North Slope.

I am not certain of the exact date of that meeting between the three Alaska state officials and two British Petroleum executives regarding the use of unused propane from North Slope operations.

I believe the meeting I refer to occurred in January, 2007.

The three Alaska state officials were Mike Harper, former Deputy Director of the Alaska Energy Authority; Harold Heinze, former CEO of the Alaska Natural Gas Development Authority, and Nels Anderson, Jr., former Alaska Energy Advisor to Governor Murkowski and Governor Palin. We met with two BP executives to discuss the use of propane for in-state use of unused propane in North Slope operations. I do not remember the names of the BP executives.

Alaska's villages are in crisis because of the high cost of fuel. ANGDA was looking for ways and

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means to address that issue with the possible use of propane that was going unused in BP's North Slope operations.

I never did learn of any results of that meeting. The two BP executives said they would get back to us.

I am not sure if that ever happened.

If I can pin down the date of the meeting and find the names of the two BP executives, I will pass them on.

Best regards,


Nels Anderson, Jr.

Former Alaska Energy Advisor

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cc: Harold Heinze