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DEC moves on Escopeta's air quality permit to use jack-up to drill Inlet wells

Alan Bailey

The Alaska Department of Environmental Conservation has announced its intention of issuing an air quality permit to Escopeta Oil and Gas Corp. for the operation of a jack-up drilling rig in four offshore locations in northeast Cook Inlet.

According to ADEC, Escopeta has requested limits on the hydrogen sulfide concentration in flare gas and limits on the daily and annual consumption of flare gas. Written comments from the public on the proposed permit have to reach ADEC by 5:00 p.m. on Aug. 31, the agency said.

Escopeta and partner Centurion Gold need the permit for its proposed exploration drilling at its Kitchen projects, offshore the Kenai Peninsula in 70 feet of water close to the Kenai industrial complex north of Nikiski. Kitchen and East Kitchen are east of the Middle Ground Shoal field where XTO Energy is doing additional development work to improve on the 12 million barrels of reserves it bought from Shell Oil in 1998.

Company working prospect for 12 years

Escopeta has been working on the Kitchen prospect for almost 12 years and is very optimistic about finding oil and gas.

"In our Kitchen prospects alone we think we have 1.7 billion barrels of oil and 7.5 tcf of gas in un-risked, in-house reserves — 450 million barrels and 2.5 tcf at East Kitchen and 1.3 billion barrels and 5 tcf at Kitchen," Escopeta President Danny Davis told Petroleum News recently

But drilling the prospects requires a jack-up rig.

In early July Escopeta obtained a Jones Act exemption to bring the Songa

Offshore Tellus jack-up from the Gulf of Mexico to Alaska on Hong Kong-based Coscol (HK) Investment & Development Co.'s 520-foot-long Tai an kou heavy lift vessel. The rig will head to Alaska in December, so that drilling can start at East Kitchen in March, Davis said.

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