

April 9, 2007

07-GEN-037

Mr. Robert Corbin  
Natural Gas Regulatory Activities Manager  
U.S. Department of Energy  
Office of Oil & Gas  
Global Security and Supply, Office of Fossil Energy  
Room 3E-042  
1000 Independence Ave., SW  
Washington, D.C. 20585

Dear Mr. Corbin,

Peak Oilfield Service Company has 200-300 employees at any given time working on the Kenai Peninsula. Last years Kenai payroll exceeded 10MM dollars and approximately 25% was derived from our work to perform LNG Facility Maintenance, Facility upgrades and a scheduled turnaround.

Based on the above info we believe the Kenai LNG plant export license extension is extremely important to our company and the energy security of Southcentral Alaska. Specifically, the continued operation of the plant provides the following positive contributions:

- ◆ The LNG plant generates over \$70 million per year in wages, taxes, royalties and local spending supporting 60-100 jobs at any time.
- ◆ The LNG plant provides gas supply stability providing our utilities during periods of peak demand on cold days or when disruptions occur in the gas supply system and is the only current alternate.
- ◆ The LNG plant drives investment in the development of natural gas resources.
- ◆ There are proven supplies therefore the exportation only helps local economy in the Cook Inlet is substantial. There is little doubt that the known and potential gas resources in Cook Inlet are sufficient to meet

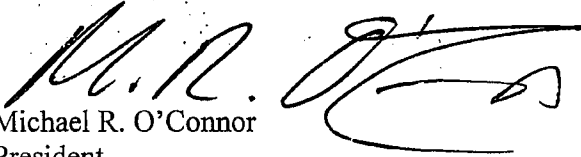
local needs for the foreseeable future as well as the export volumes requested by ConocoPhillips and Marathon.

- ◆ Preservation of the LNG plant can be converted into a regasification facility should the need ever arise.
- ◆ There is no utility market demand for the gas planned for export in the 2009 to 2011 timeframe. If the gas cannot be exported, it may be shut-in which would likely result in lost reserves and reduced deliverability. Should permit not be issued, the plant shut down would strand gas possibly forever.

Peak Oilfield Service Company and its 200-300 employees believe the continued operation of the Kenai LNG plant is in the best public interest. I respectfully request that the Department of Energy approve the LNG export license extension as requested by ConocoPhillips and Marathon.

Sincerely,

**PEAK OILFIELD SERVICE COMPANY**



Michael R. O'Connor  
President



Bennett W. Cleveland  
Vice President, Kenai Operations