



# RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

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April 6, 2007

Mr. Robert F. Corbin

Office of Oil and Gas Global Security and Supply  
Office of Fossil Energy, U.S. Department of Energy  
Forrestal Building, Room 3E-042, FE-34  
1000 Independence Avenue, SW  
Washington, DC 20585

Dear Mr. Corbin:

The Resource Development Council (RDC) is writing to express support for the 2009-2011 Cook Inlet LNG Export Extension Application filed jointly by ConocoPhillips Alaska Natural Gas Corporation and Marathon Oil Company. RDC also strongly supports the continued use of Cook Inlet natural gas by all industrial consumers, including Agrium, BP, and Tesoro Alaska.

RDC is a statewide business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism, and fisheries industries. RDC's membership includes Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

RDC members include all of the industrial and utility users of natural gas from Cook Inlet. These include ConocoPhillips and Marathon, but also Agrium, BP, and Tesoro Alaska, as well as Chugach Electric Association and Enstar. Many support companies that directly benefit from business with these companies are also members of RDC.

Two independent third-party studies have indicated the natural gas resource base in Cook Inlet is sufficient to meet local utility demand, in-state commercial uses, and the proposed export of 99 Bcf over the two years of this extension. Allowing the free market to work on distribution of the excess natural gas, especially in a stranded market, is therefore imperative to encourage future exploration.

The industrial facilities in Cook Inlet, including the LNG facility, support a number of good-paying jobs, both directly and indirectly. These jobs contribute to the local economy and help provide a good tax base for the Kenai Peninsula. In addition, these facilities contribute significant dollars to the state general fund revenues through both royalties and taxes.

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The amount of future exploratory and developmental drilling in Cook Inlet is significantly linked to a company's ability to market its gas. Competitive market forces must be the underlying factor regarding determinations on how to use excess natural gas. The application itself indicates additional investment in exploration and developmental drilling will likely transpire if approved. All current and future commercial and utility users could benefit by this investment.

In conclusion, I would like to reiterate RDC's support for ConocoPhillips' and Marathon's 2-year export extension application as well as the continued industrial and commercial use of natural gas by all Cook Inlet users. Thank you for the opportunity to submit comments.

Sincerely,

Jason W. Brune  
Executive Director