



ENERGY ASSURANCE DAILY

Tuesday Evening, September 17, 2013

Major Developments

Week of Heavy Rain Disrupts Gas and Oil Production in Colorado

Xcel Energy Moving Towards Restoration and Reconstruction Mode September 17

A week of heavy rain has disrupted oil and natural gas production in Colorado, several companies said on Monday, and Xcel updated the impact to its natural gas and electricity customers.

- **Anadarko Petroleum Corp.** said September 17 it shut facilities due to the floods in the Wattenberg Field in the Niobrara shale formation in the Denver-Julesburg (DJ) Basin. The company reported that it has shut-in approximately 250 tank batteries out of a total of 2,535 in the field; approximately 670 operated wells out of approximately 5,800; and approximately 20 miles of pipeline out of more than 3,200 miles total. In addition, four of the company's 13 operated production rigs in the field have ceased operations due to road access. Currently, processing and compression has not been impacted, and the majority of completions crews are working; though, future work will be delayed until road repairs and conditions allow for equipment transport.
- **Encana Corp.** said September 17 that 99 wells shut due to flooding in Colorado had returned to service, but nearly 300 remained shut in. The company, which operates more than 1,200 wells in the DJ Basin, had begun inspections and was working with maintenance and production teams to repair and mitigate effects from the storm.
- **PDC Energy, Inc.** said September 17 that it suspended production from a limited number of wells in its Wattenberg Field operations beginning last Friday due to wide-spread flooding and extensive road closures in Weld County, Colorado. The Company expects to return the majority of suspended wells to production this week. PDC operates approximately 2,300 vertical and 80 horizontal wells in the Wattenberg Field. The Company does not expect any significant drilling or completion delays.
- **Young Gas Storage Company, Ltd.** declared a force majeure September 16 as flooding exposed the company's line 59A leading to the Young Gas Storage facilities. The line has been taken out of service for safety precautions while inspections are conducted. Young Gas Storage has a capacity of 6 Bcf.
- **Colorado Interstate Gas (CIG)** unit declared force majeure on a natural gas lateral pipeline leading to the Tritown delivery point after it became exposed. The line was taken out of service for safety precautions while inspections are conducted. .
- **Xcel Energy** said September 17 that the company is moving from an emergency response phase into a restoration and reconstruction mode. Crews continue to work around-the-clock to monitor lines, assess their status, repair damaged facilities and maintain natural gas and electric service to customers. This morning approximately 4,600 customers, primarily in the hard-hit areas of Boulder County and Lyons, were without natural gas. Xcel has been able to restore electricity service to customers as waters recede. There are currently 517 customers without electricity—275 in the city of Boulder and 242 in Greeley.

Reuters, 18:08 September 16, 2013

<http://investor.pdce.com/releasedetail.cfm?ReleaseID=790976>

<http://www.reuters.com/article/2013/09/17/energy-encana-colorado-idUSL2N0HD1DZ20130917>

<http://ebb.cigco.com/ebbmastertpage/Notices/NoticesAutoTable.aspx?code=CIG&status=Notice&name=CriticalNotices&sParam1=0088&sParam3=8941&sParam14=D&details=Y>

<http://ebb.cigco.com/ebbmastertpage/Notices/NoticesAutoTable.aspx?code=YGS&status=Notice&name=Critical%20Notices&sParam1=0467&sParam3=6339&sParam14=D&details=Yhttp://www.anadarko.com/media/Pages/FlashRelease.aspx?apcflash-id=2>

http://www.xcelenergy.com/About Us/Energy News/Emergency Notices/Floods in the Front Range and Northern Colorado?utm_medium=vj-social&utm_campaign=2013_xe_safety&utm_source=facebook.com&utm_content=sept. 16 colorado flood update

Electricity

Update: Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Ramped Up to 75 Percent by September 17

The unit restarted on September 15 after going offline on September 8 when the plant's feedwater system developed a small leak, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Petroleum

Update: BP Reports FCCU Back in Production at Its 413,000 b/d Whiting, Indiana Refinery September 16

BP Plc reported the fluidic catalytic cracking unit (FCCU) was back in normal production on Monday at its Whiting, Indiana, refinery, according to sources familiar with operations. The FCCU, an alkylation unit, and a reformer were shut on September 10 due to a malfunction.

Reuters, 16:18 September 16, 2013

Update: HollyFrontier Resumes Normal Operations at Its 52,000 b/d Cheyenne, Wyoming Refinery September 16

HollyFrontier Corp. said on Monday it has resumed normal operations at its Cheyenne, Wyoming, refinery.

The company had restored power at the refinery following a small outage which led to flaring on September 3.

Reuters, 14:16 September 16, 2013

Philadelphia Energy Restarts Alkylation Unit at Its 335,000 b/d Philadelphia, Pennsylvania Refinery September 5

Philadelphia Energy Solutions restarted an alkylation unit after planned maintenance at the Point Breeze section of its refinery in Philadelphia, Pennsylvania, on September 5, according to a notice from the state regulators. The company had reported that it shut an alkylation unit for repairs on September 3, according to a filing with state regulators.

Reuters, 15:32 September 13, 2013

Natural Gas

DCP Midstream Reports Emergency Shutdown at Its 160 MMcf/d Goldsmith Gas Plant in Texas September 16

DCP Midstream reported its Goldsmith gas plant conducted an emergency shutdown on the morning of September 16 after an amine still leak was discovered. The shutdown resulted in flaring of natural gas and acid gas. Repairs on the plant will take approximately three days so that other needed maintenance work, which was scheduled for October 2013, can be performed during the outage.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=188152>

Other News

Nothing to report.

Libya Oil Output to Rise to 400-450,000 b/d after El Sharara Oil Field Restarted September 16; Force Majeure Lifted on Zawiya, Mellitah Oil Ports September 17

Libya's oil output is expected to rise to 400-450,000 b/d after one of the country's biggest western oilfields, El Sharara, was restarted Monday. With the restart of El Sharara, as well as a second western field, the country's output is expected to rise to 700,000 b/d by Friday. Libya's National Oil Company (NOC) said on Tuesday it had lifted the force majeure, declared on September 12, on Zawiya and Mellitah oil export terminals as production from its western fields resumes.

Reuters, 8:40 September 17, 2013

Reuters, 11:06 September 17, 2013

Yemen's Maarib Oil Export Pipeline Attacked September 17

Yemen's main oil pipeline that carries crude to the Red Sea coast was blown up, halting its flow, an industry official and tribal sources said. The attackers targeted the pipeline at the 107 Kilo spot, in the Sarwah district of Marib province, east of Sanaa, a tribal source said. The industry official said the flow of oil stopped due to the explosion. The same pipeline was attacked previously but the damage did not cause interruption, another tribal source said.

<http://www.hydrocarbonprocessing.com/Article/3255661/Latest-News/Saboteurs-blow-up-Yemen-oil-export-pipeline.html>

Iraq's Southern Oil Output Remains Reduced by Leak September 17

Oil pumping to Iraq's southern export terminals remained reduced on Tuesday due to a pipeline leak, according to shipping data. The flow rate was at 1.58 million b/d on Tuesday, much lower than the 2.3 million b/d in August. Iraq had cut output from the Rumaila oilfield due to the leak, while two berths at the Basra Oil Terminal were shut due to the early stages of planned work, sources said on Tuesday.

Reuters, 7:08 September 17, 2013

Kuwait Will Not Build Hormuz Bypass Oil Pipeline – Newspaper

Kuwait will not build an oil export pipeline to bypass the Strait of Hormuz because it would be too difficult and costly, a leading Kuwaiti newspaper reported on Tuesday. Unlike Saudi Arabia and the United Arab Emirates, whose Hormuz bypass pipelines only run across their own territories, Kuwait would have to pump oil hundreds of miles across a neighboring state. Kuwait's 2 million b/d in oil exports are shipped out of the narrow waterway between Iran and Oman.

Reuters, 6:20 September 17, 2013

Energy Prices

U.S. Oil and Gas Prices			
September 17, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	105.20	107.01	99.26
NATURAL GAS Henry Hub \$/Million Btu	3.74	3.56	2.94

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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