

Devon's Beaufort leases, which cover 850,000 acres, carry work commitments of \$225 million for four wells by the 2008-09 winter to retain the exploration licenses.

But Bill Livingstone, vice president of environmental, regulatory and community affairs, told Platts decisions on the next three wells will be "success driven," although the comprehensive study lays the groundwork for all four wells.

There had been hopes of attracting a partner, likely from other leaseholders in the region such as Chevron Canada Resources, BP Canada, ConocoPhillips Canada, Talisman Energy, Anadarko Canada, Burlington Resources and EnCana.

But Scott said Devon has decided it "can't wait forever," although the door will be open to interested parties if the exploration program succeeds.

Devon has indicated even if it makes an early commercial gas find in the Beaufort those volumes would not likely be fed into the Mackenzie pipeline before 2012 to 2015.

By then, the Mackenzie partners could be moving to expand the pipeline to 1.9 Bcf/day from the anticipated start-up of 800,000 Mcf/day to 1.2 Bcf/day.

In the meantime, the Mackenzie proponents are in talks with producers outside their main gas ownership consortium on issues such as pipeline capacity and access policies.

Scott said Devon is encouraged that the main Mackenzie project regulatory applications have been filed and that talks with the proponents have been "moving along OK."

Under more stringent environmental and socio-economic regulations introduced since the last Beaufort well was drilled, Devon has completed a screening process by federal authorities and the Inuvialuit Settlement Region in the Delta/Beaufort area.

Livingstone said "pro-active" steps have been taken to involve non-government organizations that might be concerned about the impact of exploration in the Arctic.

"We have kept them in the loop and so far there has been no adverse reaction," he said.

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Watchdog targets LNG siting ... from page 1

the industry it regulates."

For example, the group pointed to at least 83 private meetings between FERC's four current commissioners and executives and lobbyists from the LNG industry between June 2001 and May 2004, whereas FERC "has met privately only a handful of times with opponents of specific LNG projects."

Wood himself "accounted for at least 33 of those meetings with LNG interests, either by himself or other commissioners," CPI said. Some of those meetings were with "lawyers and lobbyists representing some of the more controversial LNG projects in Massachusetts and California."

And that industry access to FERC commissioners "seems to be paying off," the group said, with FERC asserting its authority in California to unilaterally permit LNG terminal construction over state objections.

"Top FERC officials have also supported more LNG imports in speeches and presentations," even announcing a new regulatory approach that would remove economic and regulatory barriers to the development of such terminals.

And FERC's efforts are gaining legislative support as well, the group observed. Noting the language supporting FERC's position that members of Congress inserted into an omnibus 2005 appropriations bill (GD 11/23), CPI observed that "although the language would not carry the weight of law, it puts the leaders on record in favor of FERC's position on the matter."

Moreover, "the agency's power grab comes at a propitious time for the industry," with gas prices holding near historic highs, the report noted. And with demand expected to grow stronger over the next two decades, "FERC officials justify their role by saying that an uptake in the LNG trade can increase supplies, especially in big consumer regions like New England."

In a related development, CPI said that it filed suit Monday against FERC in

NYMEX Henry Hub gas futures contract, Dec 7

	Settlement	High	Low	+/-	Volume*
Jan 2005	6.621	6.910	6.600	-30.2	23903
Feb 2005	6.761	7.030	6.730	-28.2	12491
Mar 2005	6.691	6.910	6.650	-21.7	3892
Apr 2005	6.281	6.390	6.250	-7.9	1810
May 2005	6.203	6.280	6.200	-6.9	1590
Jun 2005	6.243	6.325	6.250	-6.9	513
Jul 2005	6.284	6.360	6.310	-7.3	783
Aug 2005	6.304	6.370	6.330	-7.3	588
Sep 2005	6.284	6.360	6.290	-7.3	538
Oct 2005	6.308	6.380	6.320	-7.3	1766
Nov 2005	6.603	6.670	6.620	-6.3	356
Dec 2005	6.893	6.960	6.890	-5.8	308
Jan 2006	7.103	7.180	7.090	-5.8	428
Feb 2006	7.096	7.170	7.110	-6.0	275
Mar 2006	6.888	6.970	6.900	-6.3	77
Apr 2006	6.080	6.150	6.090	-7.1	381
May 2006	5.955	5.990	5.990	-7.1	19
Jun 2006	5.970	5.995	5.995	-7.1	7
Jul 2006	6.005	6.005	6.005	-6.1	8
Aug 2006	6.020	6.020	6.020	-7.1	270
Sep 2006	5.995	6.020	6.020	-7.1	4
Oct 2006	6.015	6.050	6.040	-7.1	4
Nov 2006	6.290	6.290	6.290	-7.1	3
Dec 2006	6.560	6.600	6.600	-7.1	3
Jan 2007	6.765	6.765	6.765	-7.1	0
Feb 2007	6.760	6.760	6.760	-7.1	0
Mar 2007	6.555	6.555	6.555	-7.1	0
Apr 2007	5.735	5.735	5.735	-7.1	0
May 2007	5.600	5.600	5.600	-7.1	10
Jun 2007	5.620	5.660	5.650	-7.1	0
Jul 2007	5.645	5.710	5.710	-7.1	0
Aug 2007	5.665	5.665	5.665	-7.1	0
Sep 2007	5.635	5.715	5.715	-7.1	0
Oct 2007	5.675	5.766	5.766	-7.1	0
Nov 2007	5.945	5.660	5.650	-6.6	0
Dec 2007	6.215	6.281	6.281	-6.6	0

Volume of contracts (official)

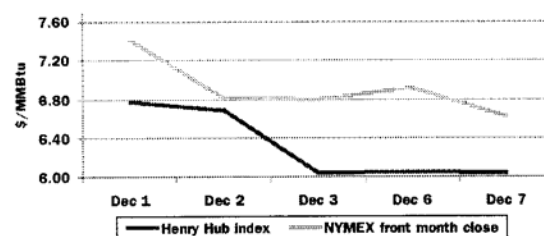
50,028

Front-months open interest* Monday:

Jan, 57,797 ; Feb, 37,574 ; Mar, 32,353

Total open interest* Monday: 380,253

Henry Hub/NYMEX spread



Platts oil prices, Dec 7

	(\$/b)	(\$/MMBtu)
Gulf Coast spot		
1% Resid	25.75 26.25	4.14
3% Resid	19.25-19.75	3.10
Crude spot		
WTI (Jan)	41.39 41.41	6.59
New York spot		
No.2	49.92 50.13	8.59
0.3% Resid HP	32.00-32.50	5.13
0.3% Resid LP	35.75 36.00	5.71
0.7% Resid	26.40 26.65	4.22
1% Resid HP	22.65 22.90	3.62