

UIC forms joint venture for natural gas sales

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The people of the North Slope sit on one of the richest deposits of natural gas in the world but the people living on the Slope still pay one of the highest rates of heating bills in the country.

The problem is to convert the natural gas below the ground into useable gas above the ground and one North Slope Village Corp. has gone into business to try to do just that while saving fellow villagers money in the process.

Ukpeagvik Inupiat Corp. of Barrow has become controlling owner of a joint venture corporation with Geosource Inc. of Houston, Texas in a business that will provide small portable natural gas liquifiers to villages. Those liquifiers would

convert the gas by transforming it into a liquid form that could be used in home heating systems and in motorized vehicles, according to Geosource vice-president Jerry Larsen.

Geosource marketing manager Sam McDaniel estimates the liquifiers could cut energy costs in converted villages from the current \$3 per gallon for diesel fuel to about \$1 per gallon for liquified gas.

Larsen estimates that a village the size of Nuiqsuit would have to spend about \$4 million to make a complete conversion to heating systems using natural liquified gas in homes. That cost would cover all home conversions, which he called minimal.

"You're looking at a basic space heat-

er for home heating," says Larsen. Automobiles and trucks could be converted to using the liquified gas by installing a "dewar tank" on the back and running a line to the engine.

He said that the vehicle's carburetor would have to be changed and the timing of the vehicle adjusted to make the conversion complete.

Larsen says the project could save a village about \$1 million per year in energy costs. He estimated that the average North Slope resident would pay 40 percent more than he or she earns if their fuel bill weren't subsidized by the North Slope Borough.

"The potential is tremendous," says McDaniel, "we're going to save the

Eskimos, the federal government and local government millions of dollars."

He said the liquifiers will be able to tap into shallow gas fields that would be very expensive to produce otherwise.

The joint venture is checking into gas fields in the National Petroleum Reserve-Alaska in the west part of the North Slope. The field is managed by the federal government but the state has a 50 percent royalty interest in the oil and gas there.

The LGN would be moved from the liquification site at a gas field to village utility companies in storage tanks that could be moved over snow and ice by truck or caterpillar tractor in the winter or by plane during the summer, according to Dale Stotts, UIC manager.