
BP PLC and ConocoPhillips to build Denali gas line

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BP PLC and ConocoPhillips announced that they will join resources to build a 4bcfd natural gas pipeline extending from Alaska's North Slope to markets in Canada and the US. Dubbed Denali, the proposed Alaskan gas line would be the largest private sector construction project ever built in North America.

In a press conference held on April 8th 2008, BP and ConocoPhillips revealed plans to spend USD 600 million over the next 36 months on the first of many phases of the Denali line, namely an open season, which is slated to begin before yearend 2010. After the open season, the companies will file to obtain certification from the US Federal Energy Regulatory Commission and Canada's National Energy Board and will move forward with construction of the project.

The project will comprise about 2000mi of large diameter, buried pipeline that will transverse Alaska, the Yukon Territory and British Columbia to Alberta. The line will operate at about 2500psi and will have 40,000hp compressor stations every 100 mi to 200mi. A gas treatment plant will be built near existing Prudhoe Bay facilities. The line will require 5 to 6 million tonnes of steel, the partners said. The companies said should it later be required to transport gas on from Alberta, the project will also include about 1500mi of large diameter line from Alberta on to the Lower 48 states.

Alaska Gov Sarah Palin said of BP and ConocoPhillips's effort we look forward to any progress they will be able to show us on this project. Their decision to proceed is further proof that competition does work."

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