



page 3 GAO agrees with Navy: no ice-hardened ships needed for defense

ASX company enters North Slope; former AOGCC comm. Babcock steps up as Dunleavy chief of staff

PAUL CRAIG, VETERAN OIL AND GAS INVESTOR and independent in Alaska, has closed a deal with the small, publicly traded Australian oil company Elixir Petroleum Ltd. for the South Nanushuk prospect.

Elixir, which Craig first hinted at in the July 3 edition of Petroleum News, has purchased 100 percent working interest in the 35,423-acre parcel, which lies about 20 miles south of Armstrong's Nanushuk discovery at Horseshoe, west of the central North Slope.

Elixir renamed the prospect Project Peregrine.

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Oil price tumbles amid uncertainty over Iran, global demand growth

Having in early October attained levels in the mid \$80s, the price per barrel of Brent crude has fallen again, dropping to just over \$70 at the beginning of November. And within that overall trend, there has been price instability, in response to geopolitical developments and the related potential impacts on oil supply and demand. In the latest twist, the Organization of the Petroleum Exporting Countries' oil market report for November has predicted that the rate of increase in global oil demand will slow in the coming months, a prediction that has put further downward pressure on the oil price.

Up and then down

After climbing steadily in the spring and early summer, the

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BLM sets Dec. 12 sale date for NPR-A; 2.85M acres, 254 tracts

The federal Bureau of Land Management has set Dec. 12 as the sale date for its National Petroleum Reserve-Alaska 2018 sale, with 2.85 million acres to be offered in 254 tracts.

As in the last couple of years, the bid opening will be via video livestream available at www.blm.gov/alaska, with bid opening to begin at 10 a.m. Alaska standard time. Sealed bids must be received by 4 p.m. Alaska standard time on Dec. 10.

"The tracts offered support the Secretary's goal to strengthen our energy development," said BLM Alaska Acting State Director Ted Murphy. He said the sale demonstrates the agency's commitment to continue energy production in NPR-A "and create jobs and revenue for the State."

This sale will be the 14th in NPR-A since 1999, BLM said.

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Big plans, big challenges for Canadian oil plays, market access

Two of Canada's biggest oil plays have received a long-range vote of confidence at the same time efforts to access new markets for Canadian oil have suffered more setbacks.

Imperial Oil announced a C\$2.6 billion plan to proceed with a 75,000 barrels per day oil sands operation in Alberta, while the Newfoundland government's regulatory board, for the first time in two years, has approved winning bids of C\$1.38 billion for prospective offshore exploration blocks.

Imperial said it intends to build the Aspen project, which would boost its output from the region to 300,000 bpd after a scheduled startup in 2022.

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NATURAL GAS

Managing the risk

RCA hears testimony on CINGSA's proposed gas storage reliability upgrades

By ALAN BAILEY

Petroleum News

During a five-day hearing the week of Oct. 22 the Regulatory Commission of Alaska gathered testimony on proposed upgrades to the Cook Inlet Natural Gas Storage Alaska facility on the Kenai Peninsula.

CINGSA has expressed concern about its vulnerability to the failure of single items of equipment in its facility, a failure that the company says could jeopardize its ability to support high rates of gas delivery during periods of high winter utility gas demand in Southcentral Alaska. Natural gas is a vital fuel in Southcentral for heating buildings

Enstar Natural Gas Co. is CINGSA's biggest customer and is critically dependent on CINGSA's services.

and generating electricity.

As the Cook Inlet gas industry has matured, gas production capacity has declined. Continuing gas field development has maintained annual gas production volumes at required levels to meet the utilities' needs. But peak gas deliverability from the gas fields, the rate at which gas can be delivered to the utilities, has dropped below peak winter demand. Hence storage facilities, in particular

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GOVERNMENT

Trudeau under fire

Encana founder: 'disastrous' carbon tax underlies Newfield Exploration purchase

By GARY PARK

For Petroleum News

Canada is fast becoming "irrelevant" in the global energy industry under the disastrous climate-change policies of Prime Minister Justin Trudeau — a trend that has been accelerated by a US\$7.7 billion acquisition of Houston-based Newfield Exploration by Calgary-based Encana.

That blunt assessment comes from Gwyn Morgan, the founder and former chief executive officer of Encana which he had groomed to join the "biggest and the best" world energy companies.

"I'm deeply saddened that, as a result of the dis-



DOUG SUTTLES

astrous policies of the Trudeau government, what was once the largest Canadian-headquartered energy producer now sees both its CEO (Doug Suttles) and the core of its asset base located in the U.S.," he said.

Unconventional focus

Under the blockbuster corporate deal, Encana will acquire Newfield for US\$5.5 billion in an all-share arrangement and assume US\$2.2 billion of Newfield's debt, boosting Encana's production to 577,000 barrels of oil equivalent per day, making it the second largest producer of unconventional resources after Suncor

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GOVERNMENT

Permitting moratorium

Dunleavy chooses Corri Feige for DNR commissioner, receives standing ovation

By KAY CASHMAN

Petroleum News

Receiving a standing ovation at the end of his announcements, Gov.-elect Mike Dunleavy named former Division of Oil and Gas Director Corri Feige to head the Alaska Department of Natural Resources and said he would ask outgoing Gov. Bill Walker to put a freeze on the creation of any new state permitting regulations until the new administration is in place.

Dunleavy, a Republican, made the announcements during a Resource Development Council conference in Anchorage on Nov. 14 in which he repeated that Alaska would be "open for business" under "our administration," crediting his win to people in the room and Alaskans who cast their votes in the



CORRI FEIGE

Nov. 6 general election, which gave him 52 percent of the vote, 8 percent more than his lead contender.

Dunleavy said he would ask Gov. Bill Walker's administration to halt the creation of any new regulations across state departments until he takes office on Dec. 3.

He said Walker indicated he was willing to work with Dunleavy on the transition and was hopeful about Walker's response.

A Walker spokesman told the Associated Press following Dunleavy's RDC speech that the outgoing administration had had no plans to implement new regulations that would restrict resource development.

Dunleavy closed by reiterating his desire to fur-

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