



Arctic sees exceptional warmth in February on air flows from south

While not exactly sunbathing weather, the Arctic saw exceptional warmth in February, with temperatures 36 to 54 F above average over the North Pole, and 18 to 22 F above average over the Chukchi and Bering seas. According to the National Snow and Ice Data Center, a flow of warm air from the south resulted in open water developing in the Chukchi, to the north of the Bering Strait, and in largely ice-free water in the eastern Bering Sea.

But northern Europe saw a prolonged period of exceptionally cold weather, nicknamed “the beast from the east,” as frigid cold swept into the region from Siberia, resulting in heavy snow, transportation chaos and some cold-related deaths.

Linked events

According to an article in The Conversation written by [see ARCTIC WARMTH page 6](#)

According to the NSIDC the ice extent at the end of February was at a record low for the time of year.

OPEC anticipates growing oil demand, likely price resilience

The Organization of the Petroleum Exporting Countries, in its March report on the global oil market, commented that although the price of oil dropped by 5 percent in February, year-on-year the Brent crude price had increased by \$11.77 per barrel, with West Texas Intermediate rising by \$9.93 over the same time period. And although there was a sell-off in oil futures in February, pricing in the futures market suggests an overall view among traders that oil prices will tend to move higher.

Growing demand

Worldwide, oil demand has been growing — OPEC now estimates that average demand in 2017 was 97.04 million barrels per day, an average increase of 1.62 million barrels per day for the year. The organization forecasts demand growth of 1.60 million barrels per day in 2018. This is happening against a backdrop of continuing worldwide economic growth: OPEC anticipates global economic growth remaining stable at about 3.8 percent for 2018. Growth in the Eurozone and Japan is expected to be somewhat lower than that, while growth in India and China is expected

[see OPEC REPORT page 9](#)

Drilling stable over 2016, 2017, AOGCC's data analysis shows

The variety of oil and gas drilling activity in Alaska was illustrated March 5 when Alaska Oil and Gas Conservation Commission commissioners Hollis French, the AOGCC chair, and Cathy Foerster, shared analysis of the agency's data on drilling activity with the House and Senate Resources committees.

The commissioners illustrated their presentation with charts and graphs drawn from the commission's data. A suite of those charts and graphs is posted on its website at: <http://doa.alaska.gov/ogc/reports/reports.html>.

The majority of the drilling is at producing fields on the North Slope — which the commission categorizes as the Arctic Slope — and Cook Inlet.

Foerster told Senate Resources that drilling and well work continued at a fairly steady pace in 2017, work which includes both drilling and repair of broken wells. In 2018, she said, the agency expects development activities to continue at about the same pace.

[see AOGCC ANALYSIS page 12](#)

GOVERNMENT

Starting on ANWR

Interior plans to begin environmental review for lease sale in 1002 area

By ALAN BAILEY

Petroleum News

The U.S. Department of the Interior will soon move forward on the steps to schedule an oil and gas lease sale in the 1002 area of the Arctic National Wildlife Refuge, David Bernhardt, deputy secretary of the department, told a joint meeting of Commonwealth North and the Alaska Support Industry Alliance on March 8. The first step will be a notice of intent in the Federal Register for the scoping process for an environmental review, Bernhardt said.

In December the U.S. Congress passed a tax bill that included language opening the 1002 area for

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oil and gas exploration and development. The 1002 area, on the North Slope coastal plain, is the only part of ANWR where oil and gas activities can be allowed. But, under the terms of the Alaska National Interest Lands Act, opening the area to oil and gas required an act of Congress, a legislative hurdle that has now been crossed many years after

[see ANWR REVIEW page 10](#)

NATURAL GAS

Schedule for AGDC

FERC publishes EIA target date for Alaska LNG project; FEIS December 2019

By KRISTEN NELSON

Petroleum News

The Alaska Gasline Development Corp. filed its application with the Federal Energy Regulatory Commission for the Alaska LNG project in April 2017 and has been asking FERC, the lead federal agency for the project's environmental impact statement, to publish a schedule for EIS completion. AGDC had hoped to have the EIS in hand at the end of this year and begin project construction in 2019.

On March 8, AGDC President Keith Meyer told the AGDC board that while they'd originally hoped to have the final EIS by the end of 2018, it was now expected in the first half of 2019.



KEITH MEYER

But FERC says it will take until the end of 2019 for a final EIS.

The schedule published by FERC March 12 in the Federal Register called for issuance of a draft EIS in March 2019, notice of availability of the final EIS on Dec. 9, 2019, with the 90-day deadline for federal authorizations for the project on March 8, 2020.

The FAST program

In October, AGDC told legislators that Alaska LNG had applied for participation in a program instituted under reauthorization of the federal highway bill, FAST-41, Fixing America's Surface

[see FERC SCHEDULE page 11](#)

PIPELINES & DOWNSTREAM

Notley threatens embargo

Alberta delivers warning it is ready to take drastic action in BC pipeline war

By GARY PARK

For Petroleum News

The kid gloves are coming off in the heavyweight pipeline showdown between Alberta and British Columbia, with Alberta Premier Rachel Notley resorting to bare knuckles.

In opening a new session of the Alberta legislature, her government warned it might shut off shipments of gasoline (44,000 barrels per day), diesel (47,000 bpd) and marketable natural gas (2.4 billion cubic feet per day) into B.C.

Under pressure to disclose what steps it would take if B.C. prolongs its “illegal” obstruction of a C\$7.4 billion expansion of Kinder Morgan's Trans



RACHEL NOTLEY

Mountain bitumen pipeline to 890,000 bpd from 300,000 bpd, Notley reminded B.C. that in 1980 Alberta passed legislation to restrict the volumes of oil and natural gas leaving the province.

In a speech to open the legislative session, Alberta Lt. Gov. Lois Mitchell said “we affirm that we will do whatever it takes. (In 1980) when workers in our energy industry were attacked and when the resources we own were threatened

(then Premier Peter Lougheed) took bold action.” That amounted to a 15 percent reduction of oil flows to Eastern Canadian refineries to force the Canadian government (of Prime Minister Pierre

[see ALBERTA WARNING page 8](#)