



Paul Craig looking to shoot 3-D seismic over South Nanushuk; Parnell joins Holland & Hart

PAUL CRAIG, VETERAN OIL AND GAS INVESTOR and independent in Alaska, is negotiating with a publicly traded oil and gas company interested in completing a 3-D seismic program over the 35,423-acre South Nanushuk prospect which lies about 20 miles south of Armstrong's Horseshoe wildcat; and, farther south of the 2013 discovery west of the central North Slope.

"I am actively negotiating terms with management. When operations begin, the partner company may collaborate with

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Work continues on NPR-A legacy wells; focus on most problematic

The federal Bureau of Land Management is continuing to deal with old abandoned legacy wells on the North Slope, primarily in the National Petroleum Reserve-Alaska. The wells, many of which were not properly plugged, were drilled by the U.S. Navy and the U.S. Geological Survey between 1944 and 1982. The Alaska Oil and Gas Commission, with oversight of well safety in Alaska, has for a number of years been pushing for the appropriate remediation of the wells. BLM, the federal agency that manages the NPR-A, is responsible for the remediation.

During a July 11 AOGCC public meeting, BLM officials described the most recent well remediation project in the

see LEGACY WELLS page 8

State reconsidering Badami unit expansion request from late 2012

Alaska's Division of Oil and Gas is reconsidering an appeal for the further expansion of Savant Alaska's Badami unit, the division announced July 2. The unit includes the Badami oil field, to the east of the central North Slope.

The unit expansion in question dates back to late 2012, when Savant asked the state to add seven leases to the unit, including six leases held by Alaska Venture Capital Group LLC. Since that time AVCG has sold most of the interest in those six leases, with six companies now holding the leases and Caracol Petroleum being the largest leaseholder. Brooks Range Petroleum Corp. currently operates the leases. The proposed lease expansion would extend the Badami unit east, towards ExxonMobil's Point Thomson unit. The leases straddle the Beaufort Sea coast.

see BADAMI REQUEST page 11

Enbridge sets new course; chases regulated line, utility business

Enbridge, the largest energy pipeline company in North America by market-cap, has taken its third bold step of 2018 to shrink its debt load and focus on long-distance pipelines.

In a C\$4.3 billion deal, the Calgary-based company unloaded its Western Canadian natural gas processing plants and gathering pipelines to Brookfield Infrastructure and its partners.

The assets are spread across rich gas plays in the Montney, Peace River Arch, Horn River and Liard basins in northern British Columbia and Alberta.

Brookfield Chief Executive Officer Sam Pollock said the transaction is "strategically positioned for the continued development of the prolific Montney Basin," encompassing

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EXPLORATION & PRODUCTION

Jack-up on site

Furie planning completion of two more Kitchen Lights gas production wells

By ALAN BAILEY

Petroleum News

Furie Operating Alaska is planning to complete one well and drill another, to achieve a target of having a total of four production wells on line in its Kitchen Lights gas field in Cook Inlet by the end of this year's drilling season, Scott Pinsonnault, the company's chief operating officer, told Petroleum News July 9. The Spartan 151 jack-up rig is on site at the Julius R. production platform, being cantilevered over the platform.

"They've been rigging up ... for the last five or six days," Pinsonnault said.

The field is currently producing gas from the KLU Nos. 2 and 3 wells — in April Furie used a coiled tub-

The company has been augmenting its staff, adding a new vice president of operations and an HSE official, and has contracted with Petrotechnical Resources of Alaska to act as its technical arm, Pinsonnault said.

ing unit to conduct a workover of the No. 3 well.

"We're currently producing around 17 million (cubic feet) a day out of two wells," Pinsonnault said.

The plan now is to complete the KLU No. 1 well that was drilled but not completed in 2016, before proceeding to drill another development well, the

see FURIE WELLS page 9

PIPELINES & DOWNSTREAM

Eying pipeline buy-in

Alberta, BC First Nations to discuss aboriginal stake in Trans Mountain expansion

By GARY PARK

For Petroleum News

The prospect of Native communities acquiring an equity stake in the Trans Mountain pipeline is gathering momentum ahead of a meeting scheduled for Vancouver on July 25.

Leading the way are the Fort McKay and Mikisew Cree First Nations of Alberta, who raised C\$545 million last year through a bond issue to buy 49 percent of Suncor Energy's storage facilities at the northern end of the oil sands region.

Several other First Nations have expressed support for the pipeline since the Canadian government negotiated a takeover of the project, saying

Michael LeBourdais, chief of the Whispering Pines Indian Band near Kamloops in south-central B.C., said he has been approached by Canada's major banks with proposals to finance an equity stake in Trans Mountain.

they would be interested in assuming an ownership position.

Fort McKay Chief Jim Boucher told the Vancouver Sun said there has been communication with the government, including Finance Minister

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NATURAL GAS

Legislators get update

Quarterly report from AGDC, departments of Natural Resources, Revenue

By KRISTEN NELSON

Petroleum News

The Alaska Legislature's House and Senate Resources committees heard a quarterly update July 11 on the Alaska LNG project from the Alaska Gasline Development Corp. and the departments of Natural Resources and Revenue. The three have statutory responsibilities for the project to liquefy Alaska North Slope natural gas and ship it to Asian markets as liquefied natural gas.

AGDC was represented by Dave Cruz, chair of the AGDC board, Frank Richards, senior vice president, program management and Lieza Wilcox, vice president, commercial and economics.

Gov. Bill Walker, a long-time LNG project pro-

ponent, budgeted AGDC to accept unlimited third-party financing in the current budget, but legislators first restricted the amount the agency could accept and then eliminated the provision entirely.

While it was not discussed in the presentation, AGDC's slide pack from the meeting includes 2018 and 2019 funding targets, and states: "Current fund balance will cause project delay due to inability to advance engineering and Lump Sum Turn Key (LSTK) negotiations," with \$53.4 million of funds remaining as of June. Those funds are what remains from earlier legislative appropriations for the project.

A "spend profile" in the packet showed a minimum spend of \$53 million for 2018 and 2019, but

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