



page EIA: Brent up slightly over June  
2 forecast, to average \$69 this year

## Slope methane hydrate testing on hold pending US DOE funding

A project involving the testing of methane hydrate production on the North Slope is on hold, pending a U.S. Department of Energy decision on whether to continue to provide funding support for the project. In a June 24 filing by Oliktok Pipeline Co. with the Regulatory Commission of Alaska the pipeline company asked approval for temporary disconnection of its Oliktok Pipeline from the project, while the project is on pause. The pipeline had been shipping natural gas to the methane hydrate test site for use as fuel for the project.

The testing involves the use of test wells drilled from an existing gravel pad in the Prudhoe Bay unit.

The RCA filing says that DOE approval for continued funding is not anticipated until September 2026. According to the filing, the Arctic Slope Regional Corp. subsidiary involved in the methane hydrate research project as part of an international team has indicated that it anticipates reconnecting the project to the Oliktok pipeline in September 2026 and then resuming the transport of gas through the pipeline for approximately three years.

As previously reported in Petroleum News, ASRC Energy Services has recently received approval from the Alaska

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## 49% of oil on federal lands in Alaska, the USGS has estimated

The U.S. Geological Survey, in an estimate released in late June, said 49% of undiscovered technically recoverable oil resources on federal onshore land are in Alaska. The national total is 29.414 billion barrels of oil, of which the estimate for Alaska is 14.458 billion.

Ranking is by volumetric means of total estimated reserves for U.S. federal lands, with New Mexico (8.926 billion barrels of oil), Nevada (1.407 billion), Wyoming (988 million) and Texas (916 million) rounding out the top five states.

For natural gas, the national total is 391.553 trillion cubic feet, of which 111.034 trillion is attributed to Alaska, 28%, still the largest volume of any state, followed by New Mexico (85.39 trillion cubic feet), Colorado (60.12 trillion), Wyoming (47.138 trillion) and Texas (16.777 trillion).

For natural gas liquids, however, New Mexico and Wyoming top the estimate list, with Alaska, at 926 million barrels, coming in third, accounting for 11% of the total: New Mexico (3.92 billion barrels), Wyoming (1.57 billion), Alaska

see **USGS ESTIMATE** page 5

## Hilcorp looking at Clam Gulch area in 21st Ninilchik unit POD

Hilcorp Alaska is continuing to evaluate drilling in the northern-most portion of its Ninilchik unit on the Kenai Peninsula, in the Clam Gulch area, the Alaska Department of Natural Resources' Division of Oil and Gas said in its July 8 approval of the unit's 21st plan of development.

The Ninilchik unit, NINU, was formed in 2001 and has four participating areas: Falls Creek, Grassim Oskolkoff, Susan Dionne-Paxton and Pearl. Hilcorp acquired the NINU from Marathon Oil Co. in 2013.

Ninilchik is one of Cook Inlet's major natural gas producers. Alaska Oil and Gas Conservation Commission data show the field produced 11.8 billion cubic feet in the 2024 calendar year, down from 15.8 bcf in 2023, which was the peak year since Hilcorp acquired the field from Marathon. Through May of this year the field has produced a total of 293.5 bcf.

The division said Hilcorp drilled three development wells during the 20th POD, Aug. 1, 2024, through July 31, all into

see **KENAI DRILLING** page 5

### FINANCE & ECONOMY

## ANS hugs 2-week high

*Geopolitics, gasoline demand counter big OPEC+ production boost*

By **STEVE SUTHERLIN**

Petroleum News

Alaska North Slope crude, along with West Texas Intermediate and Brent, lifted to two-week highs despite a larger than expected production boost from the Organization of the Petroleum Exporting Countries and its allied exporting nations.

On July 5, OPEC+ approved a supply increase of 548,000 barrels per day for August, well above the widely expected increase of 411,000 bpd, which would have matched the cartel's increases for May, June and July.

On Sunday July 6, after months of calm, a Greek-managed Liberian-flagged ship was

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attacked in the Red Sea by Yemen based Houthi rebels, followed by a second such attack July 7.

On July 7, ANS reacted to the upside — adding 69 cents to close at \$72.96 per barrel — as WTI jumped 93 cents to close at \$67.93 and Brent jumped 78 cents to close at \$69.58.

see **OIL PRICES** page 7

### UTILITIES

## RTO files its first tariff

*Organization overseeing Railbelt transmission system says how it will operate*

By **ALAN BAILEY**

For Petroleum News

The Railbelt Transmission Organization, the newly formed entity for overseeing the fees charged for use of the Alaska Railbelt electricity transmission system, has filed its first tariff with the Regulatory Commission of Alaska. The tariff, which requires RCA approval, specifies how the RTO will determine the fees charged for use of the transmission system by electricity utilities and independent power producers in the Railbelt electrical system.

The concept is to develop and oversee a new Railbelt electricity transmission tariff arrangement that removes current impediments to competition in

*The objective is to obtain RCA approval of the method that will be used to determine an open access transmission tariff, rather than at this stage proposing the rates to be charged for the use of the transmission system.*

the bulk power market in the Railbelt. Because of the manner in which the current tariffs for the use of different sectors of the transmission grid stack on top of each other, the tariff arrangements tend to deter the development of new power generation that could transmit power over long distances.

see **RTO TARIFF** page 6

### EXPLORATION & PRODUCTION

## Plan to expand Seaview

*Hilcorp proposing merger into Seaview of Whiskey Gulch discovery to north*

By **KRISTEN NELSON**

Petroleum News

Hilcorp Alaska is in the process of applying to expand its lower Kenai Peninsula Seaview unit to include its Whiskey Gulch gas discovery to the north, where Alaska Oil and Gas Conservation Commission records show the company drilled 20 stratigraphic test wells and three exploratory gas wells. At Seaview AOGCC records show two exploratory gas wells, only one of which has produced, and seven stratigraphic test wells.

In a decision on the Seaview unit plan of development issued July 2, Alaska Department of Natural



**DEREK NOTTINGHAM**

Resources' Division of Oil and Gas Director Derek Nottingham said because the Seaview unit will expire Oct. 7 and Hilcorp's application to expand Seaview to include Whiskey Gulch is not yet complete, the division can only approve the Seaview POD for Aug. 1 through Oct. 7.

He advised Hilcorp to apply for a unit term extension for Seaview no later than Sept. 1.

"Upon approval of either the SVU expansion application or SVU term extension, whichever occurs before October 7, 2025, Hilcorp may provide either (1) a written request to extend the POD period

see **SEAVIEW EXPANSION** page 6