



page 5 Chugach Electric lights up holiday tables across Anchorage

Alaska strikes back at insurer use of underwriting to deny development

Alaska Gov. Mike Dunleavy told Charles Creitz of Fox News Dec. 8 that his administration is taking a close look at "friction points" with four insurers that may be making it harder to build things in Alaska.

"With respect to how our projects get insured, we're concerned that some of the underwriting standards being applied today — particularly broad Arctic exclusions and long-range climate-driven policy restrictions — may be shutting out responsible Alaska projects for reasons that have nothing to do with actual risk," he said.

Dunleavy said the letters sent out to insurers on Dec. 8 from Julie Sande, commissioner of the Department of Commerce, Community, and Economic Development, and Attorney General Stephen J. Cox with the Department of Law, are meant to start a dialogue with four major insurers so that state officials can better understand the insurers policies and underwriting criteria and clear up any "misconceptions about our state," per the Fox report.



GOV. MIKE DUNLEAVY

see INSURER LETTERS page 4

Trump signs SJR 80, fulfilling promises made to Alaska leaders

On Dec. 5, President Donald Trump signed into law Senate Joint Resolution 80, which nullifies a Bureau of Land Management rule relating to the "National Petroleum Reserve in Alaska Integrated Activity Plan Record of Decision."

SJR 80 revokes restrictions on oil and gas drilling in the National Petroleum Reserve in northern Alaska, using the Congressional Review Act to abolish limitations enacted during the Biden administration.

The National Petroleum Reserve-Alaska encompasses some 23.5 million acres west of the Prudhoe Bay oil field on Alaska's North Slope. The first major development in the petroleum reserve is scheduled to go online in early 2029 and is the ConocoPhillips's Willow project.



DONALD TRUMP

see SJR 80 page 5

PBU Western Satellites 2026 plan of development approved by state

On Dec. 1 the Alaska Department of Natural Resources' Division of Oil and Gas sent division landman Michael Schoetz of Hilcorp North Slope approval for the Prudhoe Bay Unit Western Satellites 2026 plan of development, or POD, for the period of Jan. 1 through Dec. 31. The approval was sent by certified mail.

The proposed 2026 Prudhoe Bay Unit Western Satellites Participating Areas POD was sent to the Division on Oct. 1, 2025, and Schoetz was notified on Oct. 10, 2025 that the POD submittal was deemed complete.

Hilcorp provided a technical review to the Division on Nov. 13, 2025.

The PBU Western Satellites area consists of five participating areas, or PAs: Aurora, Borealis, Midnight Sun, Orion, and Polaris. The Aurora, Borealis, and Midnight Sun PAs produce primarily from the Kuparuk River formation, while the Orion and Polaris PAs produce oil with higher viscosity from the Schrader

see SATELLITES PLAN page 5

EXPLORATION & PRODUCTION

New NPR-A explorer

IPB Petroleum acquires Umiat leases; Ferguson, Craig key players

By KAY CASHMAN

Petroleum News

Australia-based IPB Petroleum Limited (ASX: IPB) has entered into a Binding Terms Sheet to acquire Peritas LLC, an Alaska registered company owned by Paul L. Craig, who has been involved in Alaska oil and gas leasing, exploration and production since 1993.

Peritas has executed a binding agreement with a third party to acquire a 100% working interest in 143,368 acres of highly prospective leases, comprised of 11 exploration leases and 2 unitized leases covering the previously discovered Umiat oil



DOUGAL FERGUSON



PAUL CRAIG

field in the National Petroleum Reserve of Alaska, or NPR-A.

IPB's acquisition of Peritas is scheduled to close on or before Jan. 31.

The leases being acquired are approximately 21.8 miles south of the Willow Project and some 31.1 miles southwest of the Horseshoe/Pikka/Narwhal

discovery. The three northernmost leases are reportedly on trend with the 700-million-barrel ConocoPhillips Willow Project.

The NPR-A has recently been rejuvenated for oil exploration and development by the Trump administration, with activity in the region expected

see IPB PETROLEUM page 7

FINANCE & ECONOMY

To see oil at sea?

1.4 billion barrels on water as tankered "dark" crude up 82% in a year

By STEVE SUTHERLIN

for Petroleum News

Alaska North Slope crude, along with West Texas Intermediate and Brent, staged a two-day slide that erased three days of gains as oversupply worries dominated trading.

On Dec. 9, ANS slid 58 cents to close at \$63.16, WTI slid 63 cents to close at \$58.25, and Brent slid 55 cents to close at \$61.94.

Dec. 8 saw ANS and Brent each plunge \$1.26 to close at \$63.74 and \$62.49 respectively. WTI plunged \$1.20 to close at \$58.88.

Traders continued hand wringing over possible peace in Ukraine returning Russian production to

market, but a growing related geopolitical supply side specter loomed — becoming difficult to ignore.

The White House in October put sharp teeth into sanctions against trading in Russian crude, targeting Lukoil and Rosneft as well as oil buyers, leading to reluctance for Russia's top customers China and India to take deliveries.

Production from sanctioned producers Russia, Iran and Venezuela has concurrently spiked, according to a Dec. 10 Wall Street Journal report.

"The number of 'dark' barrels on the ocean has jumped 82% in a year, with a rapid rise in the past three months," the Journal said, adding that "the oil market is grappling with whether sanctioned

see OIL PRICES page 6

NATURAL GAS

Alaska LNG agreement

Glenfarne, POSCO form partnership for Alaska gas pipeline and LNG project

By ALAN BAILEY

for Petroleum News

Glenfarne Alaska LNG LLC and POSCO International Corporation have formed a strategic partnership for the Alaska LNG project, the companies announced on Dec. 1 during a Washington DC ceremony attended by senior officials from the Trump administration.

The project involves the construction of a 807-mile, 42-inch diameter gas pipeline from the North Slope to the Cook Inlet region of Southcentral Alaska, the construction of a gas treatment plant on the North Slope, and the construction of a liquified



BRENDAN DUVAL

natural gas manufacturing and export facility on the coast of Cook Inlet.

POSCO International Corporation is the largest sales representative of POSCO Group, South Korea's largest steel producer and a major importer of LNG. Glenfarne is the lead developer and partner with the state-owned Alaska Gasline Development Corporation in the Alaska LNG project, Glenfarne said.

There are three components to the strategic partnership with POSCO: the provision of a significant amount of the steel required for pipeline

see LNG AGREEMENT page 6

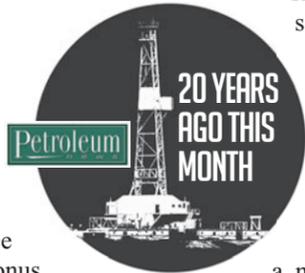
THIS MONTH IN HISTORY

Pioneer's Arctic Fox Rig No. 1 has arrived

20 years ago: Independent permits more Cronus exploration wells; major components for Doyon/Akita JV drilling rig arrive on Slope

Editor's note: This story first appeared in the Dec. 25, 2005, issue of Petroleum News.

By **KAY CASHMAN**
Petroleum News



In anticipation of hitting pay at its North Slope Cronus exploration well this winter Pioneer Natural Resources filed applications in mid-December to drill three more wells in the newly formed Cronus unit which is on State of Alaska leases east of the Colville River and about 30 miles south of the Beaufort Sea.

The three permits are for Cronus 2, 3 and 4 on Alaska oil and gas leases 390037 and 390038.

Pioneer already has a permit for Cronus 1. (See permit locations on the Antigua map in the Dec. , 2004 issue of Petroleum News in the story titled "Five's the likely number," which is about the number of exploration wells planned by industry for this winter's North Slope drilling season.)

The Dallas-based independent filed a plan of opera-

tions with the Division of Oil and Gas in November to drill the Cronus 1 well this winter.

Ken Sheffield, the president of Pioneer's Alaska subsidiary, said the company has not yet decided which of the four Cronus wells it will drill first.

"If we ... (are) fortunate to have success then the permits give us the ... flexibility to do some follow up drilling," he said.

Spudding Hailstorm first

The primary components of the Arctic Fox No. 1, a new, innovative Arctic rig owned by JV partners Doyon Drilling and Akita Drilling, "have arrived on the North Slope," Sheffield said. Pioneer plans to use the Arctic Fox for all its North Slope exploration drilling this winter.

"We anticipate spudding Hailstorm before the end of the year, depending on weather, of course," Sheffield said.

Hailstorm is in the newly formed NE Storms exploration unit south of Prudhoe Bay where Pioneer and ConocoPhillips each have a 50 percent working interest in the leases.

The Cronus unit application was initially filed by



20 years ago: The primary components of the Arctic Fox No. 1, a new, innovative Arctic rig owned by JV partners Doyon Drilling and Akita Drilling, "have arrived on the North Slope," Sheffield said.

ConocoPhillips in August but the company subsequently entered into a farm-in deal with Pioneer, assigned operatorship to Pioneer and also assigned 30 percent of its working interest to AVCG. The leases were originally

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PETROLEUM NEWS FILE

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• UTILITIES

RRC selects IRP development contractor

Black and Veatch will develop the plan for integrated approach to the future of the Alaska Railbelt high voltage electrical system

By **ALAN BAILEY**

for *Petroleum News*

On Dec. 2 the Railbelt Reliability Council announced that it has selected consultancy company Black and Veatch to develop the integrated resource plan, or IRP, for the Alaska Railbelt's high voltage electrical system. The system includes the electricity generation and transmission facilities that supply electricity to the Railbelt, extending from the southern Kenai Peninsula to the Fairbanks region.

RRC formed in 2020

The high-voltage system is owned and operated by five independent utilities and the Alaska Energy Authority. The RRC was formed in 2020, as required by a state statute. The intent is to improve the efficiency and reliability of the electrical system, through the establishment of a system wide set of reliability standards, administering rules for open access to the transmission grid and conducting Railbelt-wide integrated resource planning. Coordinated and shared planning can minimize costs without compromising electricity supply reliability.

The RRC has been moving ahead with developing the reliability standards and, with the hiring of Black and Veatch, is now initiating the IRP process.

"I am excited for the opportunity to lead the RRC and realize the value provided through Railbelt-wide standards and regional planning," said Ed Jenkin, who was appointed as RRC chief executive officer in January of this year. "This IRP will help achieve long-term reliability, sustainability and affordability for Alaskans."

"We are honored to support the Railbelt Reliability Council in this landmark initiative," said Ann Bui, senior managing director, Black and Veatch. "Our team will bring proven methodologies and deep industry expertise to ensure a resilient, cost-effective and sustainable energy future for Alaska. We look forward to working closely with RRC, the utilities and other stakeholders to deliver

"I am excited for the opportunity to lead the RRC and realize the value provided through Railbelt-wide standards and regional planning," said Ed Jenkin, who was appointed as RRC chief executive officer in January of this year.

a robust and actionable plan."

Need for coordination

The RRC said that the coordination of infrastructure decisions across the Railbelt can avoid unnecessary expenses while also strengthening grid resilience. The organization said that Black and Veatch brings more than 40 years of experience in integrated resource planning, including extensive work in Alaska's challenging environment. Plan develop-

ment will involve advanced modeling, real-world data and community input, the RRC said.

The RRC anticipates a process that will include public meetings, technical workshops and opportunities for Alaskans to ask questions and provide feedback. The expectation is to submit a final IRP to the Regulatory Commission of Alaska in early 2027.

The RRC plans to start the IRP process

through an open webinar, to provide the public with information about the IRP development and to share information about how to become involved. Information about the project will be available on the RRC website at www.akrrc.org or the Black and Veatch website at www.bv.com. ●

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HISTORY

part of the larger Southeast Delta exploration unit, dissolved in 2003 when ConocoPhillips elected not to drill a Cronus well for reasons unrelated to the prospectivity of the area.

The Cronus target is Albian-aged submarine fan turbidite sands in the Torok formation, correlative to the section in the Nanuk 1 well 16 miles to the northwest.

Access to the Cronus ice pad(s) will be via an ice road (8-10 miles to Cronus 1) that runs west from existing facilities at Kuparuk, Drill Site 2P (Meltwater).

Cronus 2, 3 and 4 well locations are at: section 31, township 9 north, range 6 east, Umiat Meridian; 32-9N-6E, UM; and 33-9N-6E, UM, respectively.

Public comments on the three permits are due no later than Jan. 17; a final determination will be issued by Feb. 6, the division said. ●

Contact Kay Cashman
at publisher@petroleumnews.com



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INSURER LETTERS

The letters ask the insurers to contact Heather Carpenter, director of the Division of Insurance, part of the Alaska Department of Commerce, Community and Economic Development, within 10 business days “so we may schedule a meeting.”

The letters were sent to the following: Peter Zaffino, Chairman & CEO of American International Group Inc. (AIG) in New York City; Christopher J. Swift Chairman and CEO of The Hartford in Hartford, CT; Kristof Terryn, CEO of Zurich North America in New York City; and John Keogh, president and COO of the Chubb Group (Chubb) in Indianapolis, IN.

Form of gatekeeping

The four letters begin as follows: “Our offices are jointly undertaking a comprehensive review of insurance carriers operating in Alaska to ensure compliance with the State’s insurance code and consumer protection laws and to advance a broader effort. We’re strengthening Alaska’s standing as a top, reliable place to invest. In recent years, Alaska ranked among the top five states in America to do business. That progress reflects deliberate work by the State to reduce barriers to investment and support industries that create jobs and opportunity for Alaskans. “But more remains to be done.

“As part of our review, we’re testing whether insurance markets treat Alaska fairly and lawfully. Insurers, like other financial institutions, help decide which projects live or die. In recent years, Alaska and other energy states have been able to convince some investment banks that had attempted to de-bank Arctic energy projects to revisit their flawed assumptions about Alaska and start backing these projects again. But insurance coverage remains a problematic form of gatekeeping for the State. If insurers refuse coverage on non-actuarial grounds, investment stalls. And so does Alaska’s economy.

“Alaska’s insurance code is built on a central premise: underwriting decisions must rest on risk, and that means no discrimination based on extra-legal political, environmental, or long-range policy commitments. And where the insurance code doesn’t reach, our consumer-protection statute prohibits unfair or deceptive acts or practices, which could include misrepresentations of compliance with Alaska law in contractual dealings. AS 45.50.471(a). “

“With respect to how our projects get insured, we’re concerned that some of the underwriting standards being applied today — particularly broad Arctic exclusions and long-range climate-driven policy restrictions — may be shutting out responsible Alaska projects for reasons that have nothing to do with actual risk,” he (Dunleavy) said.

To Zaffino the letter said, “We have substantial concerns about AIG’s treatment of Alaska’s oil and gas sector — an industry that remains foundational to our State’s economy and essential to future projects such as the Alaska LNG project. AIG’s net-zero underwriting goal necessarily will result in emissions requirements that do not appear to be tied to short-term actuarial risk within the policy period.

“AIG’s goal appears to be an effort to reshape a lawful sector according to AIG’s long-term environmental commitments.

“AIG also has announced a categorical and immediate prohibition on providing insurance for any new Arctic energy exploration activities — a prohibition that uniquely affects Alaska. Alaska has invested years of planning and permitting work to open responsible opportunity in the Arctic. AIG’s policy is unacceptable, and no other State faces this kind of prohibition.

“AIG should take note that Alaska is home to significant conventional oil and gas reserves, world-class operators, modern pipeline systems, and one of the most robust safety and environmental frameworks in the nation.”

The letter to Zurich points out that Zurich also “expressly excludes insurance coverage for oil and gas drilling and production projects and infrastructure in the Arctic” — an exclusion that uniquely affects Alaska. Alaska has invested years of planning and permitting work to open responsible opportunity in the Arctic.

“Zurich’s policy is unacceptable, and no other state faces this kind of exclusion.”

The letters carry on in this vein. Stay tuned for further news on this situation.

—KAY CASHMAN

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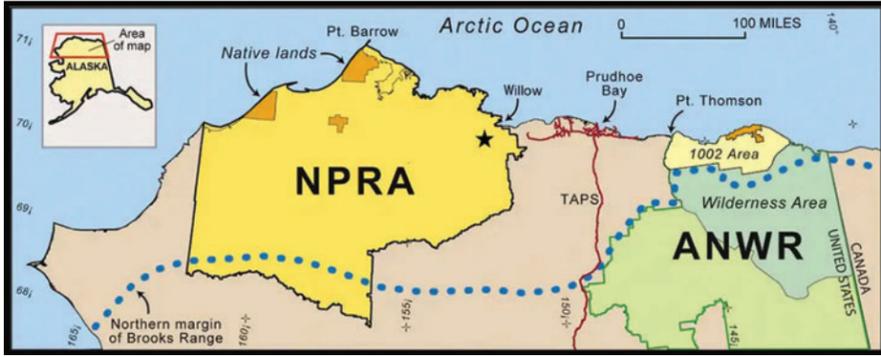
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SJR 80

Willow is expected to produce some 180,000 barrels per day of oil at peak rate.

The signing of SJR 80 is one of the Trump administration's actions to reduce regulatory obstacles and meet promises Trump made to Alaska's Congressional delegation. Alaska's governor, Native groups in the state, and to companies doing business in Alaska.

During a Nov. 6 earnings call, ConocoPhillips chief executive Ryan Lance said the company is working with the Trump administration "to identify some ways to streamline permitting" in Alaska.

"I think you saw an early read of that with the new rules that are coming out for development in the NPR-A. That's just sort of the start," he said. "There's more things coming that will give us what we think is going to be a lot more clarity to faster permitting approvals coming in Alaska going forward."

Lance also said Nov. 6 that in 2026 the company will have "a bigger exploration program than we've had in Alaska in a number of years," most of that being in the NPR-A.

—KAY CASHMAN

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SATELLITES PLAN

Bluff formation.

The Western Satellites PAs produced approximately 42.7 billion cubic feet (BCF) of gas and 13,442 thousand barrels (Mbbbl) of oil between Oct. 1, 2024, and Sept. 30, 2025. Over that time, the daily oil production rate was 36,828 BOPD. This represents a 13% decrease in overall oil production from the previous 12 months.

2025 POD

In the submitted 2025 POD period, Hilcorp committed to drilling seven wells within the Western Satellites Area. Another eight wells may be drilled depending on rig availability and priority of wells within other areas of the PBU.

In addition to drilling and wellwork, facility projects for the 2025 POD period included completion of the EWE LDF twin pipeline phase 1 project, GC2 inter-stage vessel installation, GC2 LPS compressor bundle upgrade and gas conditioning upgrades, and GC2 A Bank vessel internal upgrades.

During the 2025 POD period, Hilcorp completed all its proposed facility projects, including the EWE LDF twin pipeline phase 1 project. Hilcorp drilled four wells with an additional five pending execution at the time of the 2026 POD submittal.

The additional eight wells that Hilcorp stated may be drilled in 2025 were not due to rig availability.

Additionally, Hilcorp performed one recompleat operation in the 2025 POD period.

2026 POD

During the 2026 POD, Hilcorp will perform the following activities:

- Drill 3 wells in the Orion PA;
- Drill 2 wells in the Polaris PA;
- Perform 3 workovers;
- Install GC-2 Inter-Stage vessels; and
- Upgrade GC-2 LPS Compressor Bundle and Gas Conditioning systems.

When considering a POD, the Division must consider the criteria in 11 AAC 83.303(a) and (b).

Accordingly, the Division considered the public interest, conservation of natural resources, prevention of economic and physical waste, protection of all interested parties including the state, environmental costs and benefits, geological and engineer-

ing characteristics of reservoirs or potential hydrocarbon accumulations, prior exploration activities, plans for exploration or development, economic costs and benefits to the state, and any other relevant factors, including mitigation measures. 11 AAC 83.303(a), (b).

Based upon the Division's prior POD approvals and analysis of the 11 AAC 83.303(b) criteria, the Division found that the 2026 POD protects the public interest, promotes conservation, prevents waste, and protects the parties' interests.

The approval is only for a general plan of development. Specific field operations require separate approval under 11 AAC 83.346, Unit Plan of Operations.

The 2026 PBU POD approval was signed by Derek Nottingham, director of the Division of Oil and Gas.

Under 11 AAC 83.343, the 2027 POD is due Oct. 1, 2026, 90 days before the 2026 POD expires.

Questions regarding this decision should be referred to Heather Beat with the Division at 907 269-8792 or via email at heather.beat@alaska.gov.

—KAY CASHMAN

UTILITIES



The annual turkey delivery by Chugach Electric Association Inc. is underway, with the member-owned cooperative donating 350 turkeys to 11 local non-profits.

Chugach Electric lights up holiday tables across Anchorage

Dinner tables across Anchorage will be brighter and more complete this holiday season, thanks to the longstanding philanthropic spirit of Chugach Electric Association Inc. The annual turkey delivery by the member-owned cooperative is underway, with Chugach donating 350 turkeys to 11 local non-profits.

Chugach gives back throughout the year, but the holiday turkey delivery is one of the utility's favorite traditions. With inflation and other financial pressures affecting many Alaska families, the need this season is greater than ever.

"This tradition reflects our commitment to supporting the communities we serve," said Chugach CEO, Arthur Miller. "With many families facing increased challenges this year, we are especially grateful to partner with local non-profits to reach our neighbors who need it most."

This year marks the 24th year that Chugach has donated turkeys to local non-profits to help provide holiday meals. The turkeys are purchased from Carrs/Safeway and distributed by Chugach to the participating organizations.

The organizations receiving the turkeys include:

- Armed Services YMCA of Alaska
- Anchorage Gospel Rescue Mission
- Anchorage Senior Center
- Alaska Women's Aid in Crisis (AWAIC)
- Bean's Cafe
- Catholic Social Services' St. Francis House Food Pantry
- Covenant House Alaska
- Food Bank of Alaska
- Lutheran Social Services of Alaska
- New Hope Compassionate Ministries
- The Salvation Army Alaska's McKinnell House

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CHUGACH ELECTRIC ASSOCIATION

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OIL PRICES

Russian and Iranian cargoes should still be counted as supply.”

There was a 16% year-over-year surge from mainstream producers, Vortexa data showed.

A total of 1.4 billion barrels of oil is ‘on the water...’ – 24% higher than the average for this time of year between 2016 and 2024, it said.

“Sanctions are making it very difficult to judge where the market will head next,” the Journal said. “The result has been an unusually steady oil price despite growing oversupply, but any sign that the glut of sea oil is moving onshore could cause the floor to fall out from under the oil price.”

Crude futures tick up slightly

WTI rose 0.4% Dec. 10 to close at \$58.46, while Brent rose 0.4% to close at \$62.21; the ANS closing price estimation from the Alaska Dept. of Revenue was

unavailable early Dec. 11 as Petroleum News went to press. On Dec. 9, ANS closed at a \$1.22 premium over Brent, and at a \$4.91 premium over WTI.

Support was bolstered by a drawdown in U.S. commercial supplies.

U.S. commercial crude oil inventories for the week ended Dec. 5 fell 1.8 million barrels from the previous week to 425.7 million barrels – 4% below the five-year average for the time of year, according to U.S. Energy Information Administration data released Dec. 10.

Analysts answering a Wall Street Journal survey on the average called for a 1.6-million-barrel decline in commercial crude.

Gasoline supplies surprised to the upside, however.

Total motor gasoline inventories leapt 6.4 million barrels over the week to 220.8 million barrels – 1% below the five-year average for the season, the EIA said. Distillate fuel inventories increased by 2.5 million barrels to 116.8 million barrels – 7% below the five-year average for the time of year.

Analysts in the WSJ survey estimated just a 2-million-barrel increase in gasoline.

Crude was further supported on the demand side as the U.S. Federal Reserve decided to lower the target range for the federal funds rate by 1/4 percentage point to 3-1/2% to 33/4%.

The Fed said in a statement that reserve balances have declined to ample levels so it will “initiate purchases of shorter-term Treasury securities as needed to maintain an ample supply of reserves on an ongoing basis.”

Both actions are stimulative and likely to boost U.S. oil demand.

On Dec. 5, ANS and WTI each gained 41 cents to close at \$65.00 and \$60.08 respectively. Brent rose 49 cents to close at \$63.75.

ANS leapt 79 cents on Dec. 4 to close at \$64.59, as WTI leapt 72 cents to close at \$59.67, and Brent jumped 59 cents to close at \$63.26.

ANS and WTI each edged up 31 cents on Dec. 3 to close at \$63.80 and \$58.95 respectively. Brent added 22 cents to close at \$62.67. ●

Contact Steve Sutherlin
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LNG AGREEMENT

construction; a 20-year heads of agreement for the purchase of one million tonnes per annum of LNG; and a capital investment in the project by POSCO prior to the project final investment decision, or FID. A heads of agreement, while not legally binding, is a firm commitment to purchase a commodity such as LNG — it represents a stronger commitment than a letter of intent.

“POSCO Group is one of the world’s leading steel and energy companies, and their commitment to Alaska LNG reflects the high degree of support in Asia and across the Pacific for unlocking this valuable source of abundant, competitive LNG,” wrote Brendan Duval, Glenfarne chief executive officer and founder, in a Dec. 4 press release. “Our partnership represents an important milestone in Glenfarne’s progress developing this project, backed by strong industry support and engagement.”

In the press release Glenfarne also noted the company’s previously announced partnership with Baker Hughes, under which Baker Hughes is making an investment in the LNG project and providing LNG compression technology and power generation equipment.

High level of optimism

During a Nov. 12 talk at the Resource

Development Council’s annual Alaska Resources Conference, Duval expressed a high level of optimism about the Alaska LNG project. In addition to the heads of agreement with POSCO, Glenfarne has signed letters of intent with potential customers for the purchase of 10 million tonnes per annum of the 16 million tonnes per annum that will be required to render the project viable. Glenfarne anticipates the potential to export more than 20 million tonnes per year of LNG through the planned system.

Duval commented on several factors that support what Glenfarne sees as the likely success of the project. In particular, the North Slope is known to hold huge quantities of natural gas readily available for export. In addition, the planned LNG export facility on the Cook Inlet is conveniently located at a shorter distance from potential customers in the Japan region than other LNG sources. Moreover, the sea route between Alaska and Japan avoids regions of political contention and could, if necessary, be effectively protected by the U.S. Navy, Duval commented.

“This makes it the only LNG facility in the United States on the Pacific coast, which allows for short shipping times and no maritime choke points through canals or geopolitical hotspots. This makes Alaska energy a powerful cornerstone for long-term energy reliability and security for the State of Alaska, for the United States of America, and for our Asian partners,” Duval said.

He also commented that a reason for Glenfarne becoming involved in the project was that, with the amount of work, including engineering and permitting, that had already been carried out for the project, the project is ready to move ahead. All that remains is repricing the components of the project, placing purchase orders and entering into commercial agreements, he said.

Five components to the development

Duval characterized the development as consisting of five components. The first component involves the construction of the gas pipeline from the North Slope to the north side of the Cook Inlet, to address a pending gas supply crisis in Southcentral Alaska. The second component involves the extension of the gas pipeline under the Cook Inlet to Nikiski on the Kenai Peninsula. A third component involves the construction of an LNG import facility, under an agreement with Enstar Natural Gas Co., to enable the short-term import of LNG, if North Slope gas does not become available in time to address Cook Inlet gas supply shortfalls. A fourth component involves the build out of the LNG import facility into an LNG export facility. And the fifth component involves the construction of gas processing units and ancillary infrastructure on the North Slope.

The plan is to conduct the project in two phases. Phase one consists of that first component, to address Southcentral gas supplies. Phase two consists of the remaining

components, to complete the facilities required for the export of LNG.

However, Petroleum News understands from a previous statement by Enstar that the LNG import facility project for Enstar forms a separate project — Duval indicated that engineering work has started for this project, which will entail construction of the first tank of the eventual export terminal, and the pier and berth for one LNG carrier.

Doable and competitive

Duval commented that his company views the Alaska LNG project as doable and competitive.

“So, we’ve been operating at warp speed,” Duval said. “It’s quite amazing when we speak to others that are in much larger companies at everything that we’re doing in parallel in terms of the bidding out of the construction, assembling the team, assembling the financing, doing all the commercial analysis, negotiating the contracts.”

Engineering company Worley has been working on a pre-final investment decision study, with Glenfarne launching a contract bidding process. Glenfarne has also been working on engagement with the local community, Duval said. He commented that the pipeline will require eight compressor stations, that the necessary permitting is all in place and that 95% of the necessary rights of way have been established.

“One of the things that’s very important to us is to reach what I call mechanical completion by the end of 2028, because then we’ve got the same administration in place that’s helping clear any roadblocks on permitting that may pop up,” Duval said with reference to the phase 1 project.

This timeframe will require the placement of orders in January for the needed piping and steel, with trenching for the installation of piping beginning around the end of 2026, he said.

And the project will generate major work opportunities, with a preference for Alaska employment, Duval said.

Final investment decision for phase one

Duval commented that his main focus at present is to reach the final investment decision for phase one, the construction of the gas pipeline for domestic Alaska gas supplies, to ensure that there are no Alaska supply shortages.

“So, this is an amazing challenge, a huge commitment ... It’s the most important project I’ve ever worked on,” Duval said.

Glenfarne has previously indicated that it anticipates a final investment decision for phase two in late 2026. ●

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continued from page 1

IPB PETROLEUM

to increase and an upcoming lease sale in the NPR-A scheduled for early 2026.

According to a Dec. 4 ASX announcement by IPB, the 11 exploration leases are on trend with the north south running clinoform petroleum systems which have been proven to contain major discoveries of oil, as evidenced by the large developments being undertaken by Conoco Phillips, Repsol, and Santos.

88 Energy

The tracts were originally leased by XCD Energy Limited before being acquired by 88 Energy Limited then led by Dave Wahl and called the Peregrine Project.

88 Energy drilled two exploration wells on one of the Peregrine prospects, Merlin; the primary target being the prolific Nanushuk. Although the wells were not dubbed as discoveries, they did confirm the presence of hydrocarbons.

However, the other main Peregrine prospect, Harrier, has not yet been drilled.

88 Energy later sold all the leases when Wahl retired.

Harrier first

The Umiat oil field is covered by the 2 remaining unitized leases. Prior owners of the Umiat oil field have undertaken detailed development studies which demonstrate that the field could potentially be economically developed in the right oil price environment.

On completion of the transaction, IPB intends “in the first instance to revisit the significant remaining prospectivity of the existing exploration leases -- e.g. the untested Harrier prospect --, consider

new leasing opportunities in the NPR-A, and review and update the Umiat development studies.”

On execution of the Binding Terms Sheet, IPB paid Craig a US\$10,000 exclusivity fee to secure rights to close the proposed transaction on or before Jan. 31 (which may be extended, by mutual agreement.)

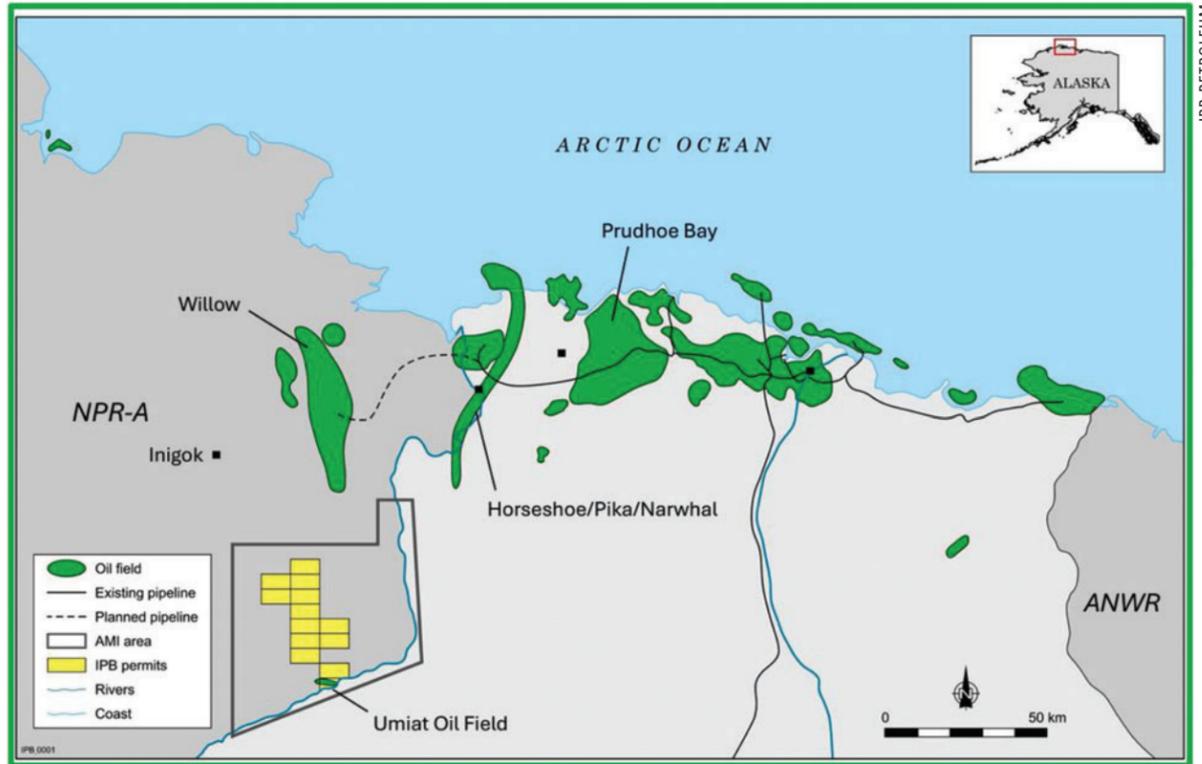


Figure 1: North Slope of Alaska with NPR-A Leases to be acquired

During the exclusivity period, IPB has agreed to lend Peritas US\$300,000, which is to be used as collateral for a lease bond as required under the Bureau of Land Management regulations.

On settlement Peritas will become a wholly owned subsidiary of IPB and the bond will be the property of IPB.

Furthermore, and concurrent with signing the Binding Term Sheet, IPB has entered into a consultancy agreement with Craig whereby subject to settlement of the acquisition, Craig will act as IPB’s in-country advisor.

Craig will be remunerated through an equity arrangement under which he will be issued 30 million performance rights in IPB.

In a Dec. 9 interview with Craig, he spoke highly of

Dougal Ferguson, IPB’s chairman.

“Dougal is a great guy. Basically I was on the opposite side of the negotiation table from him in 2017 — he’s a tough negotiator but a good person. ... also a good businessperson. Very realistic, impeccable ethics.”

Ferguson’s involvement in Alaska oil and gas goes back to those 2017 negotiations; a search in Petroleum News archives picks up his name going back to 2018.

And, Craig also noted, “IPB is a small company, but it has the capacity, the ability to raise capital for exploratory drilling. ... Chieftain Securities in Perth primary lead.” ●

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Petroleum news

Oil Patch Bits

Lynden partnership with Highline College

As reported by Lynden News Dec. 8, Lynden companies continue financial support of the follow the supply chain study abroad logistics program organized by the Center of Excellence for Global Trade and Supply Chain Management at Highline College in Des Moines, WA, and other Washington colleges. “Lynden’s support is crucial to our program. We are so appreciative of their ongoing finan-



COURTESY LYNDEN

cial contributions to help students learn about the supply chain,” says Sam Kaplan, director of the supply chain management program and director of the Center of Excellence for Global Trade and Supply Chain Management. Elodie Gergov, Lynden Logistics director of international operations, is a member of the Supply Chain Center of Excellence Advisory Board. “This program is an important training ground for the future of the transportation industry,” she says.

For more information visit <https://info.lynden.com/blog>.

Editor’s note: Some of these news items will appear in the next Arctic Oil & Gas Directory, a full color magazine that serves as a marketing tool for Petroleum News’ contracted advertisers. The next edition will be released in September.

Companies involved in Alaska’s oil and gas industry

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