

page 2 HISTORY: Nenana basin seismic analyzed for potential gas drilling

Preliminary licenses for Susitna gas exploration issued by DNR

On Aug. 27, the director of the Alaska Department of Natural Resources' Division of Oil and Gas issued a preliminary written finding for two adjacent Susitna Valley gas exploration licenses to Alaska Natural Gas Corp.

The Anchorage-based corporation is privately held and in state corporations' filings, Robert Fowler is listed as president and Jean-Robert Pronovost as secretary and treasurer.

The license areas cover approximately 567,359 acres (263,983 acres in License Area 1 and 303,376 acres in License Area 2). Only lands in which the state owns the subsurface are included in exploration licenses.

Alaska Natural Gas Corp., the licensee, applied for two licenses because the total initial proposed area exceeded the statutory maximum of 500,000 acres per license.

The preliminary finding, signed by DO&G Director Derek Nottingham recommends disposing of both Susitna Valley gas exploration licenses to Alaska Natural Gas Corp.



DEREK NOTTINGHAM

see **SUSITNA LICENSES** page 8

RCA OKs Hilcorp Kenai gas field public gas storage certificate

On Aug. 28 the Regulatory Commission of Alaska issued an order approving the issue of a certificate of public convenience and necessity to Hilcorp Gas Storage LLC for the operation of some gas reservoirs in the Kenai gas field on the Kenai Peninsula as a public gas storage facility. The RCA's decision will enable the company, a wholly owned subsidiary of Hilcorp Alaska, to offer gas storage services to third party entities, in a similar manner to the nearby Cook Inlet Natural Gas Storage Alaska facility, the only other public gas storage facility in the Cook Inlet region.

The commission requires Hilcorp Gas Storage to file a general rate case for the storage facility by July 1, 2026. The rate case must include factors such as a cost allocation manual, a depreciation study and a description of the methodology used to determine fair market value.

Given constraints on the rate at which gas from gas and oil fields in the Cook Inlet basin can be delivered, gas producers

see **GAS STORAGE** page 6

Hilcorp's Nikaitchuq 18th POD approved; production increasing

On Aug. 26, the Alaska Department of Natural Resources' Division of Oil and Gas sent Hilcorp Alaska's senior landman, Jamie Wilson, notice that the company's proposed 18th plan of development, or POD, for the North Slope Nikaitchuq Unit has been approved.

The 18th POD period for the offshore unit in the coastal waters of the Beaufort Sea north of Oliktok Point runs from Oct. 1, 2025, through Sept. 30, 2026.

Since assuming operatorship of the unit in November 2024, Hilcorp has increased average daily production from approximately 13,200 barrels of oil per day to 17,300 bpd through work executed under the 17th POD.

In that POD former operator Eni had committed to drilling three new wells and one lateral from the Spy Island Drill Site. In addition Eni also committed to completing all necessary maintenance and inspections, finalizing fabrication of the new Oliktok Point Pad control room, and undergoing a stage gate review for

see **NIKAITCHUQ POD** page 6

EXPLORATION & PRODUCTION

Slope renaissance

Extending production in existing fields; eyeing the horizon for new plays

By **STEVE SUTHERLIN**

Petroleum News

Leaders from three of Alaska's top North Slope oil and gas companies – ConocoPhillips, Hilcorp and Santos – spoke at the AOGA 2025 conference Aug. 27 in Anchorage, each updating their company's role in the Renaissance of exploration and production currently taking place on the Slope.

ConocoPhillips is continuing to invest some \$1 billion per year in projects in its base business, said Donald Allan, ConocoPhillips asset development manager.

"Starting with our legacy business here in

Kuparuk and Alpine, you see a combination of opportunities drilling from new pads and from existing pads," Allan said.

At Nuna – a new drill site on the west side of the Kuparuk area, ConocoPhillips achieved first oil ahead of schedule and under budget in December of last year.

Kuparuk's West Sak development continues to deliver.

"We have about 110 wells with a strong record of production performance, Allan said. "In 2024, we drilled four wells – the two producers are two of the top five producers in the state of Alaska."

see **SLOPE RENAISSANCE** page 11

NATURAL GAS

Targeting LNG imports

Enstar continues to work with Glenfarne on development of Cook Inlet terminal

By **ALAN BAILEY**

For Petroleum News

Anchorage based gas utility Enstar Natural Gas Co. is continuing to work with Glenfarne Energy Transition towards the development of a terminal on the west coast of Kenai Peninsula for the import of liquefied natural gas into the Cook Inlet region, John Sims, president of Enstar, told the commissioners of the Regulatory Commission of Alaska during an Aug. 27 RCA public meeting. The concept is to be able to import LNG from Canada or elsewhere to offset the declining availability of natural gas from the Cook Inlet basin, for the heating of buildings



JOHN SIMS

and power generation in the Alaska Railbelt.

Engineering initiated

Glenfarne has initiated the engineering that is required prior to making a final investment decision for the project and has been working with engineering company Worley on project optimization.

Glenfarne has also been initiating the procurement process for the major components of the terminal, Sims said. Work is also in progress on the cost reimbursement agreement, after which the companies will start work on the terminal

see **LNG IMPORTS** page 10

FINANCE & ECONOMY

Sanctions boost ANS

Another run into \$70s, but OPEC+ may spoil the party with more production

By **STEVE SUTHERLIN**

Petroleum News

Alaska North Slope crude staged a strong surge into the \$70s Sept. 2, leaping \$1.42 to close at \$71.25 per barrel. West Texas Intermediate leapt \$1.58 to close at \$65.59, and Brent jumped \$1.02 to close at \$69.14.

Trader's hopes were bolstered by U.S. sanctions on shippers of Iranian oil designed to staunch the flow of Iranian exports.

On Sept. 3, however – in a reversal of expectations – eight members of the Organization of the Petroleum Exporting Countries and its allied exporting nations are considering a boost in output starting in October – to be determined at a Sept. 7

Crude prices are supported on concerns that continuing war in Ukraine could lead to new sanctions on Russian energy exports, reducing global supply, Barchart reported.

meeting, two sources familiar with the discussions told Reuters.

OPEC+ had already increased output targets by some 2.2 million barrels per day over April to September, in addition to a 300,000-bpd quota increase for the United Arab Emirates, Reuters reported.

Despite the accelerating production increases,

see **OIL PRICES** page 7

THIS MONTH IN HISTORY

Nenana gas project analyzing seismic

20 years ago: Decision on drilling depends on results of seismic analysis and rig availability, Usibelli Energy tells legislators

Editor's note: This story first appeared in the Sept. 4, 2005, issue of Petroleum News.

By ALAN BAILEY
Petroleum News

On Aug. 23, 2005, in Fairbanks state lawmakers heard an update on the Nenana basin gas exploration project. The update was part of a joint meeting of the Alaska Legislature's House and Senate Resources committees and the House Special Committee on Oil and Gas. Nineteen lawmakers attended the meeting.

Andex Resources LLC is exploring in the Nenana basin, southwest of Fairbanks, under the terms of a state exploration license. Usibelli Energy LLC, Doyon Ltd. and Arctic Slope Regional Corp. are participating in the project.

"We are currently processing and evaluating seismic data, trying to determine whether we have a viable well site to drill," Mitch Usibelli of Usibelli Energy said to the lawmakers. PGS Onshore completed an initial 2D seismic survey in the exploration area in the spring, Usibelli explained.

Next steps
"Over the next year or two we will be hopefully conducting some wildcat well drilling once we determine where the site is and/or conduct any additional seismic work, as needed," Usibelli said.

Usibelli also said that the current shortage of rigs might

constrain the timing of any drilling.

"Drill rigs right now ... are very tight, not only in Alaska but throughout North America and world," Usibelli said. "... For drilling to the depths that we're looking at they're very difficult to locate in this area."

The project anticipates drilling to depths of 10,000 to 12,000 feet, Usibelli said.

Usibelli said that the basin contains all of the components of a petroleum system but that the location of hydrocarbon traps requires seismic analysis. But given the size of the exploration area and the lack of previous data for the area the project was shooting 2-D seismic rather than 3-D seismic. 3-D seismic would be more appropriate to a more focused area, perhaps after some initial drilling, he said.

Given the high cost of drilling, a decision on the first wildcat well will be a major step.

"That's the really big decision," Usibelli said.

Bob Swenson, deputy director of Alaska's Division of Geological and Geophysical Surveys, pointed out some of the risks and uncertainties associated with the lack of information about the Nenana basin. The geometry of the Nenana basin bears close similarities to that of the productive Cook Inlet; both basins contain similar non-marine Tertiary rocks, he said. But past exploration of the Nenana basin has only resulted in 350 miles of seismic and two relatively shallow wells.

"All the data (about the Nenana basin) that we have so far are based on very, very limited data," he said. "... What Andex and Usibelli are out there doing right now is trying to increase our knowledge."

In fact, Swenson sees the current exploration of the Nenana basin as an important step toward a better understanding of the petroleum geology of several similar basins

in the interior of Alaska.

The Nenana basin has good potential for gas but low potential for oil — the U.S. Geological Survey estimates of technically recoverable gas for central Alaska lie in the range 0.5 trillion to 7.3 trillion cubic feet, with a mean of 2.8 tcf, Swenson said. The wide range of possible reserves reflects the high level of uncertainty about the potential of the interior basins, he said.

But if there is a gas find in the Nenana basin there should be a ready market for the gas, especially in the nearby Fairbanks area — Kevin Banks, senior commercial analyst in the Division of Oil and Gas, reviewed the economics of producing gas from the basin.

"There's a potential for considerable growth in Fairbanks," Banks said.

Gas consumption in the Fairbanks area has been increasing by about 0.1 billion cubic feet per year and reached 0.5 bcf in 2004, he said. About 46 percent of that gas consumption is associated with domestic use and about 64 percent is from commercial use. Gas used in Fairbanks comes from the Cook Inlet and is trucked as LNG from a facility near Point MacKenzie across Knik Arm from Anchorage.

Banks cautioned that the low population density in the wider Fairbanks area might limit domestic gas distribution but said the use of gas for electrical power generation could push up gas demand to as much as 27 bcf, if the electrical power distribution from a central power station extended to areas around Fairbanks.

Industrial use of gas could grow to more than 90 bcf per year, depending on the availability of gas at an appropriate price.

see HISTORY page 5



contents		Petroleum News	Alaska's source for oil and gas news
ON THE COVER		EXPLORATION & PRODUCTION	
Slope renaissance Extending output in existing fields; eyeing horizon for new plays		4 Oooguruk Unit 19th POD approved Less work planned for latest development period from Oct. 1, 2025-Sept. 30, 2026; Hilcorp to continue with PGP project but not EPS	
Targeting LNG imports Enstar continues to work with Glenfarne on Cook Inlet terminal		PRODUCERS PREVIEW	
Sanctions boost ANS Another run into \$70s, but OPEC+ may spoil with more production		5 AIX Energy faces declining production Kenai Loop field showing signs of maturity as in 13th year of production; company's focus on aligning gas sales with deliverability	
Preliminary licenses for Susitna gas exploration issued by DNR		THIS MONTH IN HISTORY	
RCA OKs Hilcorp Kenai gas field public gas storage certificate		2 Nenana gas project analyzing seismic	
Hilcorp's Nikaitchuq 18th POD approved; production increasing			

BUILDING ALASKA'S RESOURCE INDUSTRIES

- Oil & Gas Construction Services
- Mining Construction & Maintenance
- Pipeline Construction
- Design Build & EPC
- General Contracting & Management

COMMITMENT TO SAFETY & QUALITY

Anchorage | Kenai | Deadhorse | 907-278-6600 | www.conamco.com

ESTABLISHED 1949

Surveyors • Engineers • Planners

PARTNERS IN QUALITY GROWING TOGETHER

Surveying • Engineering • GIS • Oil & Gas

experience you can use www.lounsburyinc.com

ESTABLISHED 1949

Alaska-Mackenzie Rig Report

Rig Owner/Rig Type	Rig No.	Rig Location/Activity	Operator or Status
--------------------	---------	-----------------------	--------------------

Alaska Rig Status

North Slope - Onshore

All American Oilfield LLC			
IDECO H-37	AAO 111	Magtec Yard, Stacked	Available
Doyon Drilling			
Dreco 1250 UE	14 (SCR/TD)	Milne Point, Maintenance	Hilcorp Alaska LLC
Dreco 1000 UE	16 (SCR/TD)	Deadhorse, Standby	Available
Dreco D2000 Uebd	19 (SCR/TD)	Deadhorse, Standby	Available
AC Mobile	25	Kuparuk, Standby	ConocoPhillips
OIME 2000	141 (SCR/TD)	Deadhorse, Standby	Available
	142 (SCR/TD)	Kuparuk, 3T-619	ConocoPhillips
TSM 700	Arctic Fox #1	Deadhorse, Standby	Available
ERD	26	Alpine, Standby	ConocoPhillips
Hilcorp Alaska LLC			
Rotary Drilling	Innovation	Prudhoe Bay, Z Pad	Hilcorp Alaska LLC
TSM-850	169	Prudhoe Bay	Hilcorp Alaska LLC
Nabors Alaska Drilling			
AC Coil Hybrid	CDR-2 (CTD)	Prudhoe Bay	Hilcorp Alaska LLC
AC Coil	CDR-3 (CTD)	Prudhoe Bay	Hilcorp Alaska LLC
Dreco 1000 UE	7-ES (SCR-TD)	Kuparuk, Workover	ConocoPhillips
Dreco 1000 UE	9-ES (SCR/TD)	Stacked	Available
Oilwell 2000 Hercules	16-E (SCR/TD)	Stacked	Brooks Range Petroleum
Emsco Electro-hoist			
Oilwell 2000 Canrig 1050E	27-E (SCR-TD)	Stacked	Available
Academy AC Electric CANRIG	99AC (AC-TD)		Available
OIME 2000	245-E (SCR-ACTD)	12 Acre Pad, stacked	Available
Academy AC electric CANRIG	105-E (AC-TD)	Megrez-1	Pantheon Resources
Academy AC electric Heli-Rig	106AC (AC-TD)	Stacked	Available
NOV ADS-10SD	272	Pikka	Santos
NOV ADS-10SD	273	Milne Point	Hilcorp Alaska LLC
Nordic-Calista LLC			
Superior 700 UE	1 (SCR/CTD)	Deadhorse	Available
Superior 700 UE	2 (SCR/CTD/TD)	Deadhorse, stacked	Available
Ideco 900	3 (SCR/TD)	Kuparuk	Available
Rig Master 1500AC	4 (AC/TD)	Oliktok Point	Hilcorp Alaska LLC

North Slope - Offshore

Doyon Drilling			
Sky top Brewster NE-12	15 (SCR/TD)	Move to Point Thompson Unit	Hilcorp Alaska LLC
Nabors Alaska Drilling			
OIME 1000	19AC (AC-TD)	Oooguruk, Cold Stacked	Hilcorp Alaska LLC

Interior Alaska

Hilcorp Alaska LLC			
Mobile Drill Rig	Integrity Rig	Yukon Flats Basin, exploratory	Hilcorp Alaska LLC

Cook Inlet Basin – Onshore

BlueCrest Alaska Operating LLC			
Land Rig	BlueCrest Rig #1	Stacked	BlueCrest Alaska Operating LLC
Nordic-Calista LLC			
	Rig 37	Kenai	Available
Hilcorp Alaska LLC			
TSM-850	147	Beluga, Stacked	Hilcorp Alaska LLC

Cook Inlet Basin – Offshore

Hilcorp Alaska LLC			
National 110	C (TD)	Platform C, Stacked	Hilcorp Alaska LLC
	Rig 51	Steelhead Platform, Stacked	Hilcorp Alaska LLC
	Rig 56	Monopod A-13, stacked	Hilcorp Alaska LLC
ILC-Skidoff, jack-up	Spartan 151	Tyonek Platform	Hilcorp Alaska LLC
Glacier Oil & Gas			
National 1320	35	Osprey Platform, activated	Glacier Oil & Gas

Mackenzie Rig Status

Canadian Beaufort Sea

SDC Drilling Inc.			
SDC Mobile Offshore Drilling Unit Rig #2		Set down at Roland Bay	Available

The Alaska-Mackenzie Rig Report as of September 3, 2025.
Active drilling companies only listed.

TD = rigs equipped with top drive units WO = workover operations
CT = coiled tubing operation SCR = electric rig

This rig report was prepared by Marti Reeve



JUDY PATRICK

Baker Hughes North America rotary rig counts*

	Aug. 29	Aug. 22	Year Ago
United States	536	538	583
Canada	175	180	220
Gulf of Mexico	10	10	17

Highest/Lowest

US/Highest	4530	December 1981
US/Lowest	244	August 2020
*Issued by Baker Hughes since 1944		

The Alaska-Mackenzie Rig Report
is sponsored by:



Petroleum News

GREER
Tank & Welding, INC.

ALASKANS BUILDING ALASKA
WWW.GREERTANK.COM

PRODUCERS PREVIEW

AIX Energy faces declining production

Kenai Loop field showing signs of maturity as in 13th year of production; company's focus on aligning gas sales with deliverability

By ERIC LIDJI

For Petroleum News

As it begins its second decade in Alaska, AIX Energy LLC continues to be a quiet and reliable presence in the Cook Inlet Basin as operator of the Kenai Loop field.

Its 11th plan of development for the onshore field consists of a single sentence. "AIX will focus on aligning gas sales with field deliverability," wrote Chief Operating Officer Ronald C. Nutt. In a slightly more expansive description of the activities for its 10th plan of development, Nutt wrote that the company had "focused on obtaining reservoir information to better understand field reserves and deliverability, identifying operational efficiencies, maximizing gas sales, and maintaining a safe operating environment."

The note about "field reserves and deliverability" points to the inevitable changes underway at the maturing natural gas field. Kenai Loop produced 1.24 billion cubic feet in 2022, 736 million cubic feet in 2023, 725 million cubic feet in 2024, and 311 million cubic feet through the first half of 2025.

The large drop between 2022 and 2023 can be traced directly to the Kenai Loop 1-3 well, which scaled back production in December 2022 and was suspended in October 2023.

Since then, the Kenai Loop field has been producing from a single well: Kenai Loop 1-1.

This well is also showing signs of age. It produced 2.44 million cubic feet per day in 2022. Production dropped to around 1.98 million cubic feet per day in 2023 and remained flat through 2024. It is down to around 1.71 million cubic feet per day through the first half of 2025.

Kenai Loop came online in 2012. Production began declining in 2016 and accelerated around 2018. AIX Energy installed a new compression facility at the field in 2019, which appears to be the

Coming

The Producers



November 2025

largest investment AIX Energy has made in its time as operator.

Through the end of June 2025, the Kenai Loop field had produced 28.4 bcf, according to the Alaska Oil and Gas Conservation Commission. A Ralph E. Davis Associates Inc. report from the early 2010s estimated the field contained some 31.5 Bcf of natural gas.

AIX Energy arrived in Alaska in early 2014 when it acquired Australian independent Buccaneer Energy's debt. In a subsequent bankruptcy auction later that year, AIX acquired nearly all of the Buccaneer Energy assets in Alaska through a credit bid.

The acquisition made AIX Energy the operator of the Kenai Loop field.

In its first year as operator, AIX Energy resolved some outstanding issues from its predecessor and began evaluating

some of the maintenance projects it could pursue. It also began working to establish various gas sales agreements throughout the basin.

By early May 2017, AIX Energy had at least four supply contracts: a non-firm contract with Tesoro, a non-firm contract with an un-named company (likely Chugach Electric Association), a firm contract with Tesoro and a firm contract with Enstar Natural Gas Co.

By that fall, AIX Energy had renewed its sales agreement with Enstar Natural Gas Co. through March 2021, calling for firm gas supplies that would increase slightly each year. In an early 2022 filing, AIX Energy revealed it was selling its gas volumes exclusively to a single, unnamed purchaser under a one-year "Firm as Available" contract. ●

Contact Eric Lidji
at ericlidji@mac.com

continued from page 2

HISTORY

"It only depends on what you think of, what you could use gas for," Banks said, listing some possible industrial applications such as Internet server farms and petrochemical facilities.

Banks said that gas from the Interior could also go to the Cook Inlet where there's an emerging excess of gas demand over gas supply.

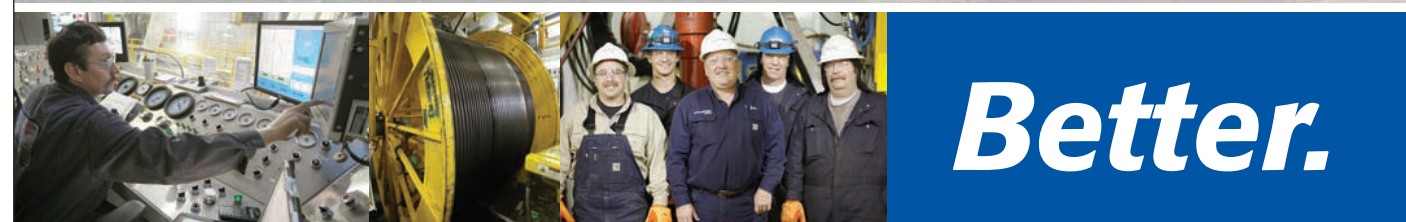
All potential uses for gas depend critically on the price at which the gas can be delivered. And Nenana gas would have to compete with North Slope gas, if a gas line is built from the Slope to Fairbanks or Anchorage. Banks estimated that North Slope gas would be priced in a range from \$3.93 to \$5.68 per bcf in Fairbanks and in a range from \$4.88 to \$7.05 per bcf in Anchorage.

"Nenana can supply into a market as long as it can beat that \$3.93 to \$5.68 price," Banks said.

Banks also said that Alaska gas prices are becoming increasingly linked to gas prices in the Lower 48 — this factor is now appearing in Cook Inlet pricing, where returns on gas exploration need to compete with returns on exploration elsewhere. However, price projections suggest that gas from the Nenana basin could be delivered to Fairbanks at prices substantially lower than those of current Fairbanks fuels such as fuel oil and trucked LNG.

So, how soon could people in the Fairbanks area see economic benefit from a gas discovery in the Nenana basin?

Usibelli expressed guarded optimism about the likelihood of a significant gas find, although both he and Swenson emphasized the challenges and uncertainties inherent in wildcat drilling in a poorly understood basin. Jim Mery, vice president for lands and resources for Doyon, said that there's a good chance of finding enough gas to supply Fairbanks for 20 years but that it would take several years to find and commercialize the gas. ●



Our CDR2-AC rig reflects the latest innovations in Arctic drilling to provide our customers with incident free performance and operational and technical excellence.

CDR2-AC is the first Arctic rig designed and built by Nabors specifically for Coil Tubing Drilling operations. The rig was built to optimize CTD managed pressure drilling to provide precise control of wellbore pressures for improved safety, decreased costs, and increased wellbore lengths. Combining safety and environmental excellence with greater efficiency means CDR2-AC can deliver the high value results customers have come to expect from Alaska's premier drilling contractor.

Learn more about Nabors' new drilling technologies at Nabors.com.



NABORS – MISSION TO ZERO
Safer, Smarter - Incident Free

continued from page 1

GAS STORAGE

and utilities that supply natural gas or use natural gas as fuel need to store gas during periods when gas demand is low for later use when gas demand is high. Various entities in the region have been expressing concern about the need for additional gas storage, as gas production from the basin declines.

Gas storage in the Kenai gas field

The storage facilities in the Kenai gas field have been used for gas storage by the field operator since 2006, to ensure that the operator can maintain sufficient gas deliverability to meet its contractual obligations for gas supplies to customers. As a public utility Hilcorp Gas Storage will now be able to offer storage services to third party entities, subject to the constraints of the amount of storage space that is available.

According to the RCA order, operation of the gas storage facility involves the use of 15 wells in the Kenai field. The order says that the commission has thoroughly investigated and confirmed Hilcorp Gas Storage's ability to operate and manage the storage facility.

No hearing warranted

In issuing its order approving the CPCN the RCA determined that a hearing into Hilcorp Gas Storage's application was not warranted, despite petitions to intervene by utilities Enstar Natural Gas Co., Matanuska Electric Association and Chugach Electric Association. The commission said that the petitions did not amount to protests against the certification.

Enstar had argued that, because Hilcorp already uses the Kenai gas field storage to ensure the producer's firm delivery of gas to Enstar, the gas utility has a duty to ensure that the public storage facility located in the same gas field as Hilcorp's private storage does not impact

Hilcorp's ability to deliver its firm gas supplies to Enstar. In a further filing Enstar confirmed that it is interested in becoming a customer of Hilcorp's storage facility.

MEA expressed support for the CPCN application but asked for access to proposed tariff information that would make it possible to ensure the establishment of just and reasonable rates.

Chugach Electric also expressed support for the storage facility while also arguing that the order approving the CPCN may impact the price and availability of gas storage, thus impacting Chugach Electric's ability to serve its customers in an affordable and reliable manner.

Chugach Electric, the majority working interest owner of the Beluga River gas field on the west side of the Cook Inlet, is also investigating the possible use of depleted gas reservoirs in that field for gas storage.

—ALAN BAILEY

Contact Alan Bailey
at abailey@petroleumnews.com

continued from page 1

NIKAITCHUQ POD

the Electrical Power Sharing, or EPS, project aimed at connecting the Nikaitchuq and Oooguruk units.

However, during the 17th POD period, Hilcorp acquired the Nikaitchuq unit from Eni U.S. Operating Co. and was approved as the unit operator.

Following the transition, Hilcorp indicated it would need additional time to review and evaluate future drilling opportunities.

Nevertheless, Hilcorp completed multiple workovers during the 17th POD period, including replacing failed ESPs in six wells and beginning ESP work on SP23. Hilcorp also conducted tubing diagnostics, a fluid movement log per EPA requirements, and AOGCC-approved mechanical integrity tests on two wells.

In addition, Hilcorp carried out routine facility maintenance and planned inspections.

Unit history

The Nikaitchuq Unit was formed effective April 29, 2004. The Schrader Bluff Participating Area was approved effective Jan. 1, 2011, and commenced sustained production from the Cretaceous age Schrader Bluff formation on Jan. 31, 2011.

Hilcorp acquired the Nikaitchuq Unit and was approved as operator on Nov. 1, 2024.

The unit contains 34 producing wells, 30 additional producing lateral wellbores, 25 injectors, three water source wells, and two disposal wells.

Nikaitchuq production comes from two drilling locations, the Spy Island Drill Site, or SID, and the Oliktok Point Pad, or OPP.

Full development of the OA sands will consist of 33 production wells and 26 injection wells, with potential for more wells.

One onshore facility located at the OPP handles all production.

Cumulative oil production from the

Nikaitchuq Unit was approximately 88.9 million barrels through June 30, 2025.

18th POD work

Hilcorp is evaluating the Schrader Bluff N sands for development potential and may drill anywhere from zero to six wells during the 18th POD period depending on its evaluation. Hilcorp has requested additional time for this analysis prior to making a commitment and will keep the division informed on their decision to drill.

And yet, Hilcorp will manage and maintain the previous production decline and carry out the following surface facility operations:

- Service rotating equipment, replacement of worn piping and valves, and inspection or testing of safety systems;
- Continue routine maintenance from the 17th POD on the four power generation turbines, and the two gas compressors at the OPP;
- Evaluate drilling and well expansion

opportunities for the SID site and the OPP; and

- Evaluate additional VFD and transformer installation for new wells, jet pump capability for wells, and polymer injection for the SID site and the OPP.

Hilcorp provided a technical review to the division on Aug. 12, 2025.

In his decision division Director Derek Nottingham said that the plans set forth in the 18th POD protect the public interest by maintaining production, evaluating the Schrader Bluff N sands for development potential and carrying out various surface facility operations.

The approval is only for a general plan of development. Specific field operations require separate approval.

The 19th POD is due July 2, 2026, 90 days before the 18th POD expires.

—KAY CASHMAN

Contact Kay Cashman
at publisher@petroleumnews.com



continued from page 1

OIL PRICES

Middle Eastern crude prices have remained the strongest regional prices globally, bolstering the confidence of Saudi Arabia and other OPEC members to boost output, according to a Haitong Securities report.

That news sent futures prices downward on Sept. 3. WTI shed \$1.62 to close at \$63.97 and Brent shed \$1.54 to close at \$67.60.

U.S. economic data released Sept. 3 was weaker than expected, potentially negative for energy demand. July job openings fell by 176,000 to a 10-month low of 7.181 million, against expectations of 7.380 million, Barchart reported Sept. 3.

July factory orders fell 1.3% month over month, the second straight month of reductions.

The bearish effects of the poor financial data may be counterbalanced by elevated potential for the U.S. Federal Reserve to order a rate cut at its Sept.16-17 meeting, which would likely lead to heightened economic activity.

Federal Reserve Governor Christopher Waller, a candidate to take over as chair in 2026, voiced his support Sept. 3 for starting a rate-cutting cycle at the September meeting, saying the central bank has the flexibility to adjust that pace in the future, CNBC reported.

U.S. crude inventories rose by 622,000 barrels in the week ended Aug. 29, market sources told Reuters, citing American Petroleum Institute figures.

President Trump has threatened "very big consequences" if Russia doesn't come to the negotiating table.

U.S. Energy Information Administration inventory data will be delayed until Sept. 4, due to the Labor Day holiday shortened week.

Analysts answering a Reuters poll estimated, on average, that U.S. crude inventories fell by 2 million barrels.

ConocoPhillips said it would reduce its workforce by as much as 25% by yearend 2026 to trim costs, due to a lower oil price environment. It said most of the 2,600 to 3,250 job cuts affecting full-time staff and contractors would be made in 2025.

“We are always looking at how we can be more efficient with the resources we have. As part of this process, we have informed employees that a 20 to 25 percent reduction in our global workforce, which includes employees and contractors, is anticipated,” the company said.

Sources of support

Crude prices are supported on concerns that continuing war in Ukraine could lead to new sanctions on Russian energy exports, reducing global supply, Barchart reported.

U.S. Treasury Secretary Bessent said Sept. 2 that the United States "will be examining sanctions on Russia

closely this week.”

President Trump has threatened "very big consequences" if Russia doesn't come to the negotiating table.

On Sept. 29, German Chancellor Merz and French President Macron threatened secondary sanctions on Russia, targeting "companies from third countries that support Russia's war."

Physical supply disruption also is bullish for prices. Ukrainian drone and missile attacks on Russian facilities have shrunk Russia's crude-processing runs to 5.09 million bpd in the first 27 days of August, the lowest monthly average in 3.25 years.

ANS fell 40 cents Aug. 29 to close at \$69.83, as WTI fell 59 cents to close at \$64.01, and Brent fell 50 cents to close at \$68.12.

On Aug. 28, ANS gained 51 cents to close at \$70.23, WTI gained 45 cents to close at \$64.60, and Brent gained 57 cents to close at \$68.62.

ANS added 52 cents Aug. 27 to close at \$69.72, while WTI jumped 90 cents to close at \$64.15, and Brent jumped 83 cents to close at \$68.05.

ANS gained \$2.05 over the trading week from its close of \$69.20 on Aug. 26 to a close of \$71.25 Sept. 2.

ANS traded at a \$5.66 premium over WTI on Sept. 2, and at a premium of \$2.11 over Brent.

Crude futures prices extended their slide in Asian trade Sept. 4 as Petroleum News went to press. WTI and Brent were down by more than 1%. ●

Contact Steve Sutherlin at ssutherlin@petroleumnews.com



Oil Patch Bits



Matson promotes three executives to new leadership roles

As reported by Maston News Aug. 29, Matson has announced that Vic Angoco, senior vice president, Alaska, has been promoted to executive vice president, operations, based at Matson's new corporate office in Walnut Creek, California.

In his new role, Angoco will oversee Matson's network operations, including West Coast terminals, vessel operations and engineering, equipment operations and engineering, and corporate facilities.

Angoco began his 35-year maritime career on Guam and has held a wide range of operations and sales management roles. He joined Matson in 1996 as sales and customer service manager on Guam, and quickly rose through the ranks in successive sales, customer service and operations leadership positions in San Francisco, Guam, and Hawaii. In 2010, he was promoted to senior vice president of Matson's Pacific division, with responsibility for all operations in Hawaii, Guam, Micronesia and the South Pacific. He has led Matson's Alaska team since 2022.

Jennifer Tungul, vice president, Alaska operations, was promoted to succeed Angoco as



VIC ANGOCO



JENNIFER TUNGUL

senior vice president, Alaska. Tungul now oversees all of Matson's business activities.

Tungul joined Matson's Alaska operations in 2002 and has served in a series of finance and operations leadership roles, including terminal manager in Dutch Harbor. She was promoted to general manager for Dutch Harbor in 2019 and later that year to director, Alaska operations. She was promoted to her most recent position in 2022.

Rob Olson, general manager, Alaska Terminal operations and safety, quality, environment and security, was promoted to succeed Tungul as vice president, Alaska operations, and will have primary management responsibility for Matson's terminal operations in Anchorage, Kodiak and Dutch Harbor.

Olson joined Matson in 2022 as general manager, Anchorage terminal. Later that year, he took on additional responsibilities to include the oversight of safety, quality, environment, and security for Alaska terminals. Prior to joining Matson, he was transportation and maintenance manager for a major retail grocery chain and served eight years in the U.S. Marine Corps.

“Vic is one of Matson's most experienced and trusted leaders and will add depth to the talented leadership team overseeing our vessel and terminal operations divisions,” said Chairman and CEO Matt Cox. “Likewise, Jenn and Rob have distinguished themselves among the next generation of senior leaders at Matson and are well positioned to lead our Alaska operations into the future.”



ROB OLSON

Companies involved in Alaska's oil and gas industry

ADVERTISER

PAGE AD APPEARS

ADVERTISER

PAGE AD APPEARS

ADVERTISER

PAGE AD APPEARS

A

- ABR, Inc.
- Acuren11
- AES Electric Supply, Inc.
- Airgas, an Air Liquide Company
- Airport Equipment Rentals
- Alaska Air Cargo
- Alaska Dreams
- Alaska Frontier Constructors (AFC)9
- Alaska Fuel Services
- Alaska Marine Lines
- Alaska Materials
- Alaska Railroad
- Alaska Resource Education (ARE)
- Alaska Steel Co.9
- Alaska Textiles
- Alaska West Express
- Arctic Controls
- Armstrong3,6
- ASRC Energy
- ASTAC (Arctic Slope Telephone Assn. Coop, Inc)

B-F

- Bombay Deluxe Restaurant
- Brooks Range Supply
- Calista Corp.
- Coffman Engineers
- Colville Inc.

- Computing Alternatives
- CONAM Construction2
- ConocoPhillips
- Construction Machinery Industrial (CMI)12
- Cook Inlet Tug & Barge
- Cruz Construction
- Doyon Associated
- Doyon Drilling, Inc.
- Doyon, Limited
- EXP Energy Services
- F. R. Bell & Associates, Inc.
- Flowline Alaska
- Frost Engineering, a division of PumpTech LLC8

G-M

- GCI
- GeoLog11
- Greer Tank & Welding4
- Guess & Rudd, PC
- Inspirations
- Judy Patrick Photography10
- Lennon Crane
- Little Red Services, Inc. (LRS)
- Lounsbury & Associates2
- Lynden Air Cargo
- Lynden Inc.
- Lynden Logistics
- Lynden Oilfield Services
- Lynden Transport

N-P

- Matson
- Nabors Alaska Drilling5
- NANA Worley11
- Nature Conservancy, The
- NEI Fluid Technology
- Nordic Calista
- Northern Solutions
- NSTI (North Slope Telecom Inc.)10
- Owl Ridge Natural Resource Consultants
- Petroleum Equipment & Services, Inc.
- PND Engineers, Inc.
- PRA (Petrotechnical Resources of Alaska)
- Price Gregory International

Q-Z

- Republic Services (formerly US Ecology)
- Resource Development Council
- Sheet Metal Inc.
- STEELFAB
- Strategic Action Associates
- Tanks-A-Lot
- TOTE Maritime Alaska
- Udelhoven Oilfield System Services Inc.
- Western Pacific Crane & Equipment

All of the companies listed above advertise on a regular basis with Petroleum News

continued from page 1

SUSITNA LICENSES

Exploration licenses give the licensee the exclusive right to explore for deposits of oil and gas. The director may limit exploration licenses to explore for the recovery of gas only, which Nottingham did for these licenses.

The director said that the potential benefits outweigh the possible negative effects, and that issuance of the Susitna Valley gas exploration licenses for a 10-year term for the two licenses best serves the interest of the State of Alaska.

If the licensee accepts the licenses and meets the work commitment obligations described in the license the licensee may request a conversion of the exploration licenses to a lease or leases with no other written finding.

The director has established a \$3 million work commitment for each of the exploration licenses to reflect the work proposed by the licensee.

License areas

The license areas are in the Susitna basin in the Matanuska-Susitna Borough west of the George Parks Highway. The areas are mostly forested and undeveloped except along the eastern boundaries.

Transportation systems within the license areas include a few gravel roads and a complex network of summer and winter trails.

Natural hazards include wildland fires, flooding, erosion, and earthquakes.

The boundaries of the license areas have been adjusted and reduced in comparison to the original proposal to eliminate the Susitna River and land to the east of the river.

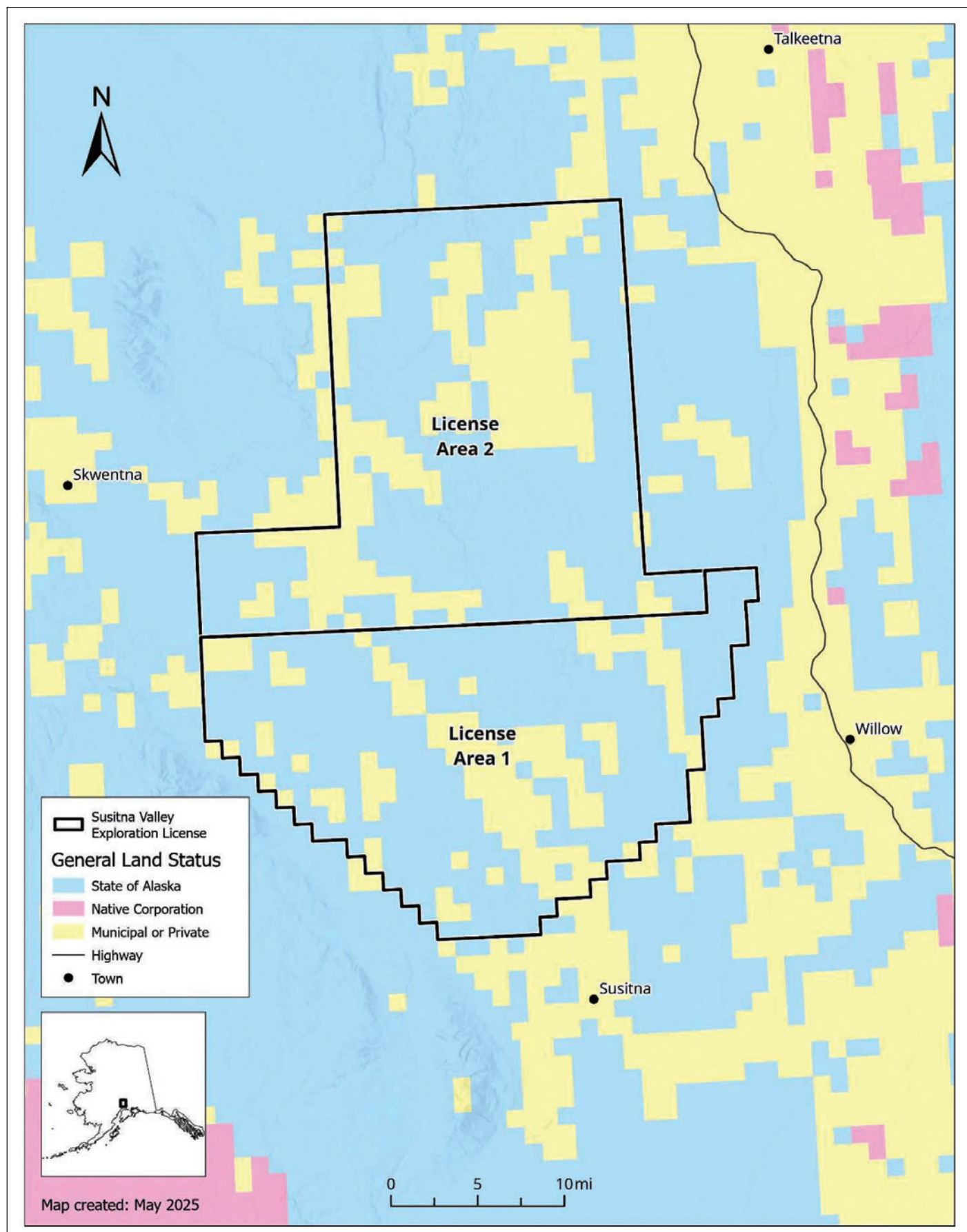
These lands were excluded to reduce conflict with private landowners, conflicts with recreational use, as well as to reduce impacts to the important fisheries associated with the Susitna River.

Another significant amount of acreage was eliminated from the initial proposed license areas in the southwest portion of License Area 1 because the Susitna basin is bound by the Beluga fault, which now forms a boundary for that license area.

A significant amount of acreage was eliminated from the western portion of License Area 2 as the known geology of the region does not have great potential for gas exploration. Also excluded was the community of Skwentna.

The significantly smaller license areas match the proposed exploration plan of the applicant, and it was determined to be more feasible to conduct exploration over this reduced footprint in the 10-year term of the exploration licenses.

Additionally, the existing geologic data



suggests that the highest potential for this exploration project exists within the smaller footprint defined in these adjusted license area boundaries.

Unconventional gas

Unconventional gas resources, such as biogenic gas-charged coals and carbonaceous shales, are more likely to occur in the Susitna basin than conventional gas resources, such as thermogenic gas-charged

sandstone reservoirs.

In 2017, a U.S. Geological Survey assessment estimated the mean total undiscovered microbial gas resources in the Susitna basin of southern Alaska to be 1.67 trillion cubic feet.

The Cook Inlet basin has served as southcentral and interior Alaska's exclusive source of natural gas for nearly 60 years. Cook Inlet natural gas generates 70% of the Railbelt's electricity, heats more than 140,000 homes and businesses, and supplies fuel for industrial users.

Demand for Cook Inlet natural gas is expected to remain around 80 billion cubic feet per year, while the supply from baseline production is supplemented by continued investment and development in currently

producing fields, and is projected to meet these demand levels through about 2030.

Investment in exploration and delineation of natural gas resources therefore is crucial for the continued security of gas supplies for the Railbelt.

The Susitna basin remains extremely underexplored and is considered to have low-to-moderate potential for conventional and unconventional gas plays based on basin geology, limited exploration history, limited available seismic, well, and engineering data, and distance from other proven hydrocarbon accumulations.

If coalbed methane could be economically produced there it would provide an attractive alternative to diesel fuel for home

see **SUSITNA LICENSES** page 9

A limited offer from Petroleum News!

Special offer ends September 30

Subscribe & Save


First time subscribers

mention this ad to receive \$10 off an e-book subscription or \$20 off the print edition.

CONTACT

Renee Garbutt
281-978-2771
rgarbutt@petroleumnews.com





FROST ENGINEERING

a Division of **Pumplech LLC**

ALASKA ROTEQ

an impco company

We have been providing compressor lubrications systems since 1954 in the lower 48 and since 1986 on the slope.

425-644-8501
www.frostnw.com

FIELD SERVICES

- Pump Installation/Instrumentation Calibration
- Plant Surveys
- Startup/Commissioning Assistance
- Training
- Rental Equipment
- Rotating Equipment, Pump & Valve Repairs

ENGINEERING SERVICES

- Compressor Lubrication Equipment
- Skid Design/Fabrication
- Package Pump Systems
- New Pump Applications
- Solid Works Design & Engineering
- Project Integration
- Project Management
- Engineering Upgrades to Reduce MTBR

continued from page 8

SUSITNA LICENSES

heating and power generation in rural areas accessible by road or rail.

Exploration history

Since the early 1950's, approximately 30 wells have been drilled in the Matanuska-Susitna Borough in search of oil and gas. These wells have targeted both conventional oil and gas resources and coalbed methane.

In 1996, the Alaska legislature passed legislation authorizing a shallow natural gas leasing program.

The Pioneer Unit was formed in 1998 which had a mix of conventional and coalbed methane resource targets. A total of 270 leases were applied for through the shallow natural gas leasing program, 162 of which were in the Matanuska-Susitna Borough.

In February 2003, 60 leases were issued.

In 2004, the legislature repealed the shallow natural gas leasing program through House Bill 531.

House Bill 531 allowed companies with pending lease applications to convert their lease applications into exploration license applications.

The legislation also contained provisions related to the regulation of coalbed methane activities, prohibiting coalbed methane development from an aquifer used for drinking water or agricultural purposes, and mandatory setbacks and noise restrictions for coalbed methane exploration and development activities.

This led to DNR conducting a series of public meetings in December 2004 and publishing the Enforceable Standards for Development of State Owned Coalbed Methane Resources in the Matanuska-Susitna Borough to which the Susitna Valley exploration license areas would be subject.

Beginning in 2003, Cook Inlet Energy LLC conducted an exploration program in the Susitna basin.

The program planned for two gas exploration wells at its Kroto Creek prospect near the Susitna River.

In April 2011, the company acquired the Susitna Basin Exploration License No. 4, a 10-year license covering 62,909 acres with a \$2.25 million work commitment.

In April 2012, Cook Inlet Energy acquired the Susitna Basin Exploration License No. 5, a 5-year license covering 45,764 acres with a \$250,000 work commitment.

They completed a winter access trail and a two-well pad at Kroto Creek and a third well farther west at Moose Creek in March and April 2013.

However, this work was not completed and Cook Inlet Energy surrendered the last of their licenses in March 2016. Alaska Natural Gas Corp. was awarded an exploration license in 2022 but the license was not issued due to non-compliance with the award notice. The previous Susitna basin exploration licenses overlapped much of the same area that the license areas cover. Currently, there are no producing oil or gas wells in the license areas.

Carbon sequestration

Information from license area exploration wells could also be helpful in defining suitability of stratigraphy and coal resources for potential use for carbon dioxide capture and storage (carbon sequestration), which could be used to mitigate the impact of greenhouse gas buildup from fossil fuel-based energy generation.

Coal seam sequestration potential in the Susitna basin has been rated high.

In his preliminary finding, Nottingham said award of the exploration licenses will

result in short-term positive initial revenue to the state.

If exploration discovers commercial quantities of gas, the exploration acreage could be converted into gas leases and positive potential effects are substantial for local and state revenues, job creation, and the potential for regional and local use of natural gas for home heating and electric generation.

Royalty and rental payments benefit all Alaska residents through payments to the General Fund and Permanent Fund. If local and Alaska residents and contractors are hired for work in the license areas the multiplier effect may benefit local and state economies.

The level and geographical distribution of the employment effect will depend on the size of any commercial resource that is identified.

If the exploration program does not find commercial quantities of natural gas, the labor market effect of the exploration licenses would likely be negligible.

Facilities for transport of equipment and crews to the two license areas include The George Parks Highway and Alaska Railroad east of the license areas, and small public airports at Willow and Skwentna.

There are also several private airstrips scattered within and in the vicinity of the license areas at Dushka Landing, Parker Lake, and Montana Creek.

Dushka Landing is road accessible and from here boats can access the Susitna River and major tributaries.

There are a few secondary and primitive roads within the license areas and a network of trails extends through the areas.

Oilwell Road extends into License Area 2 from the north, and Dushka Landing Road extends the furthest west towards License Area 1 from the east.

The network of trails would primarily be accessible during winter and many trails would probably need to be widened to

allow for passage of equipment larger than snowmachines.

In addition to existing transportation resources, the proposed West Susitna Access road would cross through the western portions of License Area 1 and run adjacent to the southwest corner of License Area 2.

The Donlin Gold project would create and improve winter trails for access and construction of the Donlin Gold gas pipeline across both license areas.

Enstar transports natural gas through a 20-inch pipeline from the Beluga gas fields north and east across the Susitna Flats State Game Refuge south of the license areas.

Public comment

The Aug. 27 preliminary written finding is subject to revision based on comments received by DO&G during the period set out for receipt of public comments.

Members of the public are encouraged to comment on any part of the preliminary finding.

The director asked that comments be as specific as possible.

Comments must be in writing and received by Sept. 30, to be considered and must be sent to Best Interest Findings:

By mail:

Alaska Department of Natural

Resources

Division of Oil and Gas
550 W 7th Ave, Suite 1100
Anchorage AK 99501 3560

By fax: 907 269-8938
By email: dog.bif@alaska.gov

The DO&G complies with Title II of the Americans with Disabilities Act of 1990. This publication will be made available in alternate communication formats upon request. Please contact the Best Interest Findings Group at (907) 269-8800 or dog.bif@alaska.gov.

Requests for assistance must be received at least 96 hours prior to the comment deadline to ensure that necessary accommodation can be provided.

Following review of comments on this preliminary written finding and any additional available information, the director will make a final determination whether disposal of oil and gas resources in the Susitna Valley exploration license areas is in the best interest of the state and will issue a final finding and decision.

—KAY CASHMAN

Contact Kay Cashman
at publisher@petroleumnews.com



Since 1982


Full Line Steel and Aluminum Distributor
Specializing in low temperature steel


6180 Electron Drive
Anchorage, AK 99518
(907) 561-1188





www.alaskasteel.com

(800) 770-0969
Kenai • Fairbanks

THE TEAM THAT DELIVERS
Safety Health Environment Quality







(907) 562-5303 | akfrontier.com

continued from page 1

LNG IMPORTS

use agreement, he said.

Sims has previously indicated that Enstar would need to be importing gas into storage by around 2032 or 2033, to avoid a shortfall in its gas supplies. During the RCA meeting Enstar particularly complemented Hex Cook Inlet on its recent completion of new gas wells in its Kitchen Lights gas field offshore in the Cook Inlet. However, although this additional gas will help address the gas supply issues, there are still significant gas supply shortfalls anticipated in the future.

All utilities working on gas supply issues

All of the Railbelt electricity and gas utilities have been working together to figure out how to address the pending gas supply shortfall. Anchorage based Chugach Electric Association has formed an agreement with Hilcorp Alaska pipeline affiliate Harvest Alaska for Harvest to acquire Marathon's liquefied natural gas export facility near Nikiski on the Kenai Peninsula, to convert the terminal into an

Glenfarne has initiated the engineering that is required prior to making a final investment decision for the project and has been working with engineering company Worley on project optimization.

LNG import facility.

Asked why Enstar has chosen not to participate in that arrangement and had thus created a situation where there would eventually be two LNG import facilities on the shores of the Cook Inlet, Sims said that the import facility being implemented by Harvest would have nowhere close to the capacity needed to support both Chugach Electric's and Enstar's gas supply needs. In addition the Glenfarne facility will not go into operation in time to fill Chugach Electric's pending gas supply shortfall. Hence the need for both import projects to move forward.

Chugach Electric has previously indicated that its current contract for firm gas supplies from Hilcorp expires on March 31, 2028.

No other option

The commissioners also expressed concern that Enstar seems to be banking on the Glenfarne project progressing successfully to completion without the gas utility having any other option, should the project fail.

Sims responded that there is no other obvious option for bringing sufficient gas into the Cook Inlet region and that Enstar has a high level of confidence in the rigorous process used to determine that the Glenfarne project is the appropriate route to follow. Any time spent on some alternative project would constitute a distraction at this point, Sims said.

Enstar has considered other LNG import options. In 2024 Alaska Pipeline Co., the utility's pipeline affiliate, obtained RCA approval of an expansion to its service area to include a route for a pipeline for the shipment of natural gas from an LNG import facility at Port MacKenzie, near the mouth of Knik Arm. That arrangement would presumably involve the placement of a floating LNG terminal at Port Mackenzie. Sims told the commissioners that the purpose of that filing had been to clarify the RCA's position, in order to be able to consider that LNG import possibility. However, there were some significant challenges that Enstar had to consider for that option, Sims said.

Evaluation of LNG road transportation

During the RCA meeting an Enstar official described an evaluation that Enstar had carried out for the possibility of transporting LNG to the Kenai Peninsula by road from an LNG terminal in Fort Nelson in Canada — there is a road connection involving the use of the Alaska Highway. As a test of this possi-

bility Enstar successfully shipped 9,072 gallons of LNG by road tanker from Fort Nelson in an operation that took about 36 hours to complete.

However, the total cost of the gas, including the shipment cost, worked out at about \$40 per mcf, compared with the current price of Cook Inlet gas of around \$10 per mcf. Sims commented that Enstar would need 1,000 trucks to transport just 1 billion cubic feet of gas, a factor that, together with the resulting cost of the delivered gas, probably renders this gas supply option unrealistic.

Fairbanks based Interior Gas Utility is initiating a viable gas supply arrangement under which the utility is shipping LNG by road tanker to Fairbanks from an LNG facility that Harvest Alaska has built on the North Slope. However, while IGU has around 3,000 customers and supplies about 1 bcf of gas per year, Enstar has 155,000 customers that in total consume more than 35 bcf of gas per year, Sims commented.

North Slope gas pipeline

Glenfarne is also working with Alaska Gasline Development Corp. on the potential development of a gas pipeline from the North Slope to the Cook Inlet. This is a completely separate project from the Cook Inlet LNG import project with Enstar. However, Glenfarne anticipates building the LNG import facility adjacent to the location of a proposed liquefaction plant for gas delivered through the North Slope gas line. Presumably, if the liquefaction plant is built and goes into operation, LNG importing would be replaced by LNG exporting. ●

Contact Alan Bailey
at abailey@petroleumnews.com

NSTI HAS A NEW LOOK - ONLINE!



CHECK OUT OUR NEW WEBSITE
WWW.NSTIAK.COM

 907-751-8200

 INFO@NSTIAK.COM





WHATEVER

WHENEVER

WHEREVER

Creative photography for the oil & gas industry.
judypatrickphotography.com
907.258.4704

JUDY PATRICK
PHOTOGRAPHY

continued from page 1

SLOPE RENAISSANCE

“Next project in Kuparuk is the Coyote project; that’s the Coyote Reservoir up in the northwest corner of the Kuparuk River unit and we started drilling that in 2025,” he said adding that the 2025 drilling program continues to develop the “major project.”

Willow is a new project in the National Petroleum Reserve–Alaska.

“This is a large project, significant investment for the company,” Allan said, adding that

2025 was a peak construction season there.

“We had more than 10,000 folks on the slope progressing a tremendous amount of civil and infrastructure work,” Allan said. “The Willow team continues to hit all of the key milestones, and the project remains on schedule for 2029 first oil.”

In 2024, Willow’s operations center modules were successfully fabricated, and safely delivered to the North Slope, he said. They were transported to the Willow location over ice roads through the winter season to establish the Willow forward operating base.

ConocoPhillips can now work year-round through the summer season during construction at the Willow site, taking advantage of newly established gravel roads and paths, Allan said. “Engineering and fabrication of the modules continues with delivery expected to the North Slope in 2027, and in 2027 we also expect to start up the pre-drilling,” he said.

There are opportunities beyond Willow. “You can expect us to follow our same disciplined development approach,” he said. “We’ll continue to look for ways to leverage our existing infrastructure and gravel for low capital intensity tieback projects where they exist.”

“We have a track record of drawing resource and surrounding our production facilities,” Allan said. “For example, Kuparuk is more than double its original estimated size and Alpine has more than triple its original estimated size – and we’re one of the largest leaseholders in the federal and state areas in Alaska.”

Hilcorp: new well at Point Thomson

“I’ll start off with the Point Thompson – on the east side of the North Slope – it’s quite a bit away from the main infrastructure on the North Slope and Prudhoe Bay and the greater Prudhoe Bay Area,” said Daniel Donovan, Hilcorp Asset Team Leader. “Exxon Mobil operated this asset up until 2022 when we took over as operator, and then within two years we sanctioned in 2024 the first drilled well in Point Thomson since 2017.”

Laliberte said his colleague Mark Ireland likes to say, ‘in this core area we have three Pikkas.’

Donovan said Hilcorp will end up spending more than \$180 million by the time the Point Thomson well is drilled, completed, and online in 2026.

“It’s a big logistical challenge as much as a subsurface challenge; it requires a certain rig that can drill a challenging well; it requires operating during barging season; during ice road season; across multiple years,” he said. “We did identify a rig, Doyon 15 to go out and drill this well. That rig is currently located on Spy Island in the Nikaichuq.”

It’s going to be a transformative well for Point Thompson, which currently makes a little over 4000 barrels of oil per day, Donovan said. Hilcorp expects some 6000 bpd from the new well, possibly doubling the field’s current production to more than 10,000 bpd – anticipated that in the second half of 2026.

Hilcorp is planning new projects in the west part of the Prudhoe Bay unit.

Project Taiga will consist of 22 producers and 29 injectors, to source wells, disposal wells and when brought online, 25,000 bpd in Phase 1, Donovan said, adding, “We expect to kick that off in 2027.”

“There’s a second phase, which would be right after we complete phase one, we

call Greenfield Schrader development,” Donovan said. “We’re going to have to drill 51 wells; we’re going to construct all the facilities from the ground up; we will have at the end of phase two, potentially over 40,000 barrels a day coming online.”

“The results we’ve seen at Milne Point have simply been amazing,” he said, adding that after acquiring Milne Point, Hilcorp brought on Mouse Pad and Raven Pad, which are major pad developments like Project Taiga.

“We’ve tripled field production at Milne Point since we’ve taken over as operator,” he said. “We’ve invested \$2.5 billion in Milne Point so far.

Santos: All major equipment now onsite Pikka

“Today, the big news that we have today is that we now have all the major equipment we need for Pikka phase one on the North Slope,” said Pete Laliberte, Santos vice president business development.

“This is our core development area, so when we sanctioned Pikka phase one, we sanctioned it in this core development area with our partner Repsol, a fantastic partner as we’ve moved along.”

Laliberte said his colleague Mark Ireland likes to say, ‘in this core area we have three Pikkas.’

“I think that we’ve got the one Pikka development that we’re doing right now, but we also have a unit called Horseshoe and a unit called Quokka,” Laliberte said.

“In Quokka we’re drawing another appraisal well this winter and those we see as having the potential for two more Pikkas.”

Santos has much more to come on the Slope.

Pikka Phase 1 is going to be developed on some 17,000 acres of land, 1% of the total Santos leasehold on the Slope, Laliberte said, adding, “So we have a huge amount of running room and this is exactly what our subsurface team is looking at.”

“We’ve also got a major discovery in Lagniappe in the eastern North Slope and that’s with our partners, APA corporation and Armstrong,” he said. “And then finally we’ve got a big NPR position – probably a little bit longer term.”

Laliberte said Santos is more than 91% of the way to first oil.

“It has been quite a journey and that that journey will ultimately result with the production from Phase 1 to 80,000 barrels a day,” he said.

Santos is ahead of the curve at Pikka, it has announced that first oil will be in first quarter of 2026 rather than midyear as originally anticipated.

“We’ve been drilling since June of 2023, so after starting in June 2023 we’re on the 22nd well – now this is going to be the longest – about 27,000 feet,” he said. “So really an incredible achievement.” ●

Contact Steve Sutherland
at ssutherland@petroleumnews.com

GEOLOG

Surface Logging Services
Drilling Solutions
Lab Studies
Innovation Hub



23 years of surface logging excellence in Alaska

Discover the Power of Geol isotopes: Real-time carbon isotope data for precise formation insights. Identify boundaries, faults, and heterogeneity with confidence. Elevate your subsurface understanding. Learn more today!



301 East 92nd Ave., Suite 2, Anchorage, AK 99515 | James R. Carson, Alaska District Manager | +1 907-227-3365 | j.carson@geolog.com

www.geolog.com

[in](#) [t](#) [@](#)



A HIGHER LEVEL OF RELIABILITY®



Acuren provides state-of-the-art NDT, inspection, engineering and rope access enabled industrial services. We strive to exceed our customers’ expectations while maintaining the highest industry standards, providing safe working environments, and minimizing our impact on the environment.

www.acuren.com | info@acuren.com [in](#) [t](#) [f](#) **BEYOND INSPECTION**

NANAWorley

nanaworley.com | [in](#) [f](#)

- Engineering & Design
- Project Management
- Procurement & Logistics
- Construction Support
- Laser Scanning
- Project Support Services
 - Controls, Scheduling, Estimating





Volvo A60 Articulated Truck
Prince of Wales, Alaska

Work comfortably day in and day out.

MOVE MORE FOR LESS.

Volvo A60H haulers are engineered for continuous production to reduce downtime and boost your bottom line. No matter the terrain, hauling is made more efficient with incredible fuel efficiency, comfortable cabs and a long service life. Choose Volvo and lower your cost per ton.

Learn more about what powerful, fuel efficient Volvo haulers can do for your operation.



Volvo L120
Tok, Alaska



Construction Machinery Industrial, LLC

cmiak.com

Anchorage
907.563.3822

Fairbanks
907.931.8808

Juneau
907.802.4242

Ketchikan
907.247.2228



Kirk Currey
Sales Rep.
Anchorage Branch



Cory Robertson
Sales Rep.
Anchorage Branch

In the world, The best construction equipment technology.
In Alaska, The best sales and products support lineup.
In your corner, The winning team.