



## EPA & USACE propose revised rule for waters of the United States

On Nov. 11 the Environmental Protection Agency and the US Department of the Army, Corps of Engineers, published a proposed new version of the rule that defines the waters of the United States, or WOTUS. The agency said that the new version, which has been published in the Federal Register for review, would establish a clear, durable, common-sense WOTUS definition.

EPA Administrator Lee Zeldin said that the proposal reflects a promise by President Trump to finalize a revised WOTUS definition.

### Bone of contention

The WOTUS definition has long been a bone of contention, given that it determines which waters in the United States come under the jurisdiction of the federal government rather than states or local authorities.

While certain waterways such as navigable waters that can be used for interstate transportation clearly fall under federal jurisdiction, contention arises when evaluating the potential environmental impacts of waters that connect in some way with these unambiguous WOTUS water bodies.

see **WOTUS RULE** page 6

## EIA forecasts a 13% increase in Alaska oil production next year

In a Nov. 21 announcement the U.S. Energy Information Administration forecast that after decades of decline Alaska oil production will increase by 13% in 2026. The agency said it anticipates Alaska production to reach 477,000 barrels per day in 2026, the highest level of production since 2018.

The agency attributes the production increase to two development projects: ConocoPhillips' Nuna project, which came online in December 2024, and phase 1 of the Pikka oilfield, jointly owned by Santos and Repsol.

Pikka Phase 1 is expected to come online during the first quarter of 2026. Nuna production is anticipated to peak at 20,000 barrels per day, while the Pikka Phase 1 project is anticipated to reach peak production of 80,000 barrels per day by mid-2026.

EIA commented that the expected peak production from Pikka Phase 1 is now higher than what EIA had originally forecast. This has happened as a result of an expectation by

see **EIA FORECAST** page 6

## Cook Inlet tidal energy project paused because of funding issue

Ocean Renewable Power Company has notified the Federal Energy Regulatory Commission that the East Foreland Tidal Energy Project, a project to test the use of the strong Cook Inlet tidal currents for generating electricity for Southcentral Alaska, is currently being paused because of a break in federal funding assistance for the project. ORPC has a preliminary FERC permit for conducting the project.

The U.S. Department of Energy's Water Power Technologies Office is providing some of the project funding. But because of unforeseen changes in the statuses of federal grants and the management of various federal programs over the last six months, the anticipated federal funds were not available to support the project's 2025 field season, ORPC said. However, ORPC was one of two companies that qualified to participate in a grant "down select" interview process. Interviewing was conducted in mid-September and ORPC is waiting to hear whether federal funds will be available to support the next phases of the project,

see **TIDAL PROJECT** page 6

### LAND & LEASING

# Offshore opening

*Interior launches expansive offshore leasing program, including Alaska OCS*

By **KAY CASHMAN**

*Petroleum News*

On Nov. 20, the U.S. Department of the Interior announced a Secretary's Order titled "Unleashing American Offshore Energy," directing the Bureau of Ocean Energy Management, or BOEM, to take the necessary lawful steps to terminate the restrictive Biden 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program and replace it with a new, expansive 11th National Outer Continental Shelf Oil and Gas Leasing Program by October 2026.

As part of this directive, Interior is releasing the



**DOUG BURGUM**

Secretary's Draft Proposed Program for the 11th National Outer Continental Shelf Oil and Gas Leasing Program.

These actions reflect the Trump administration's commitment to restoring American energy dominance by replacing the smallest offshore leasing plan ever published by an administration with one that fully addresses the nation's growing energy needs, Interior said.

"Offshore oil and gas production does not happen overnight. It takes years of planning, investment, and hard work before barrels reach the market," said Secretary of the Interior Doug Burgum. "The

see **OFFSHORE LEASING** page 5

### FINANCE & ECONOMY

# Crude surplus looms

*Russia/Ukraine peace prospects become major catalyst for crude markets*

By **STEVE SUTHERLIN**

*for Petroleum News*

Alaska North Slope crude gained 84 cents on Nov. 24 to close at \$63.89 per barrel, while West Texas Intermediate gained 78 cents to close at \$58.84, and Brent gained 81 cents to close at \$63.37.

The day's gains broke a 3-day losing streak prompted largely by reopened negotiations announced Nov. 19 for peace in the Russia/Ukraine war.

A peace deal could unleash currently restricted Russian crude exports, tipping world markets to oversupply.

The Nov. 24 gains were fanned by rising optimism for a December interest rate cut by the U.S. Federal Reserve – lower rates could spark economic activity

to boost oil demand, and by rising pessimism for prospects of peace in Ukraine.

On Nov. 25, however, crude futures dove lower after ABC News and CBS News reported that a U.S. official said Ukraine had agreed to terms of a peace deal. WTI and Brent each shed 89 cents to close at \$57.95 and \$62.48 respectively.

A Nov. 25 closing price for ANS was unavailable at Petroleum News press time on Nov. 26.

On Nov. 24, ANS closed at a \$5.05 premium over WTI, and at a 52-cent premium over Brent.

Ukrainian President Volodymyr Zelenskiy may visit the United States within days to finalize a deal with President Donald Trump to end the war, Kyiv's national security chief Rustem Umerov said – quoted

see **OIL PRICES** page 7

### EXPLORATION & PRODUCTION

# New Happy Valley pad

*Hilcorp building infrastructure, drilling grassroots wells to advance gas project*

By **KAY CASHMAN**

*Petroleum News*

On Nov. 21, the Alaska Department of Natural Resources; Division of Oil and Gas approved Hilcorp Alaska's Happy Valley Middle Pad and Road Natural Gas Exploration Project lease plan of operations.

Hilcorp submitted the proposed plan of operations to the division on Sept. 3.

The project is approximately 13 miles northeast of Anchor Point and five miles east of the Sterling Highway.

Hilcorp plans to build a new 300-by-400-foot gravel pad and a 26-foot-wide, 3-mile-long gravel

access road; drill two grassroots wells; and install associated infrastructure, which is anticipated to include the following: gas flowlines, electrical instrumentation, line heaters, separators, compressors, a communication tower, well cellars, and conductors.

The wells will be drilled from the new Happy Valley Middle Pad, which will be located on State land. One freshwater well will also be drilled to support drilling operations. The project is intended to advance the ongoing development of natural gas resources in the surrounding region.

Vegetation clearing and grubbing of the project area is expected to begin on Dec. 1 and end on Jan. 15, 2026.

see **HAPPY VALLEY** page 4



THIS MONTH IN HISTORY

# Explorers 2005: Conoco and the march west

20 years ago this month: Logistics a challenge as North Slope exploration, production moves west to Alpine, then into NPR-A

Editor's note: This story first appeared the 2005 Explorers, an annual publication of Petroleum News.

By KRISTEN NELSON  
Petroleum News

ConocoPhillips Alaska is the largest oil and gas producer in Alaska, and the state's most active explorer, drilling 51 exploration wells between 1999 and 2005, and acquiring some 3,900 square miles of three-dimensional seismic over the same period.

Alaska is one of eight exploration focus areas for ConocoPhillips. The others are: Canada, the Gulf of Mexico, Venezuela, the North Sea, West Africa, the Caspian Sea and Asia Pacific.

ConocoPhillips Alaska is the successor of companies which have been working in Alaska since the 1950s.

ARCO Alaska was acquired by Phillips Petroleum in 2000 and became Phillips Alaska, and then ConocoPhillips Alaska after Phillips merged with Conoco in 2001.

Richfield Oil, one of the Atlantic Richfield predecessor companies, discovered the Swanson River field on the Kenai Peninsula in the 1950s, Alaska's first modern oil and gas discovery, which provided the financial basis Congress required to make Alaska a state.

On the North Slope ARCO and its partner Humble Oil (now ExxonMobil) discovered the Prudhoe Bay field with a well drilled in 1967-68. ConocoPhillips Alaska remains a major partner in the Prudhoe Bay field.

ARCO discovered and ConocoPhillips operates the Kuparuk River field. The company discovered a number of Kuparuk satellite fields — Tarn, West Sak, Tabasco and Meltwater — which are now in production.

## Exploration moves west

ARCO Alaska and its partner Anadarko Petroleum discovered the Alpine field west of Kuparuk in the late 1990s. Production began from this roadless development in late 2000; production from Alpine satellites Fiord and Nanuq is expected to begin in 2006.

ConocoPhillips Alaska also holds extensive exploration acreage on both state and federal lands across the North Slope, nearly 1.8 million net acres at year-end 2004, with some 1.3 million of those acres in the National Petroleum Reserve-Alaska.

Drilling began in NPR-A in the winter of 2000, and in the spring of 2001 Phillips Alaska and Anadarko announced the first NPR-A discoveries since the area was reopened to exploration in 1999.

Six wells and a sidetrack were drilled in the 1999-2000 and 2000-01 winter seasons, the companies said, and five wells and a sidetrack targeting the Alpine producing horizon all encountered oil or gas and condensate: Spark 1 and 1-A; Moose's Tooth C; Lookout 1; and Rendezvous A and 2.

The discoveries are 15 to 25 miles southwest of the Alpine field.

NPR-A exploration drilling continues, and an environmental impact statement has been completed for two of the NPR-A discoveries, as well as Alpine West, Fiord and Nanuq.

ConocoPhillips Alaska also holds extensive exploration acreage on both state and federal lands across the North Slope, nearly 1.8 million net acres at year-end 2004, with some 1.3 million of those acres in the National Petroleum Reserve-Alaska.

ConocoPhillips' exploration partners are Anadarko at the Colville River unit where Alpine is in production, at the Alpine satellites and in NPR-A, and Pioneer Natural Resources Alaska in the Storms prospect south of Kuparuk and in NPR-A.

ConocoPhillips and Pioneer acquired 278 square miles of 3-D seismic across the Storms area in the winter of 2004-05, as well as 219 square miles of 3-D seismic at Kuparuk "for development purposes," ConocoPhillips spokeswoman Dawn Patience told Petroleum News in October.

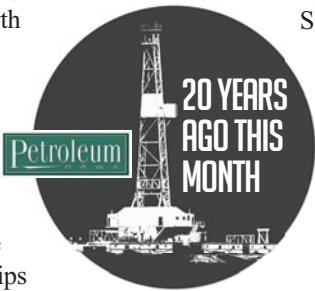
## Logistics add to exploration costs

While exploration activity continues on the central North Slope, relatively close to infrastructure, as in the Storms area, the big push has been into NPR-A, farther and farther from roads and other infrastructure.

Last winter ConocoPhillips also drilled at Iapetus, another potential Alpine satellite.

Rick Mott, ConocoPhillips Alaska's vice president of exploration and land, told Petroleum News in early 2005 that Iapetus is "on state lands and Native lands ... due west of the Fiord development..." An ice road and an ice pad

see HISTORY page 3



## contents

Petroleum News

Alaska's source for oil and gas news

### ON THE COVER

#### Offshore opening

Interior launches expansive leasing program, including Alaska OCS

#### Crude surplus looms

Russia/Ukraine peace prospects a major catalyst for crude markets

#### New Happy Valley pad

Hilcorp building infrastructure, drilling wells to advance gas project

#### EPA & USACE propose revised rule for waters of the United States

#### EIA forecasts a 13% increase in Alaska oil production next year

#### Cook Inlet tidal energy project paused because of funding issue

### EXPLORATION & PRODUCTION

#### 4 88 Energy releases Project Phoenix update

Burgundy's operational readiness to drill has advanced; Fairweather appointed to support execution

### THIS MONTH IN HISTORY

#### 2 Explorers 2005: Conoco and the march west

20 years ago this month: Logistics a challenge as North Slope exploration, production moves west to Alpine, then into NPR-A

### UTILITIES

#### 3 RTO sends RCA plan for Railbelt transmission tariff



**1 GIG  
ELITE 500**  
ENGINEERED FOR SPEED

**LOWER PRICES**

**SAME GREAT SPEEDS**

**WIN FREE INTERNET FOR A YEAR!**

**AND**

**SAVE \$30/MO WITH AN ASTAC LINE**

**ASTAC.NET/UNLIMITED**

TERMS AND CONDITIONS APPLY



**Airgas**  
an Air Liquide company

**Gases, Welding & Safety Products**  
Proudly serving Alaska for 50+ years



Anchorage | Fairbanks | Homer | Kenai | Wasilla



continued from page 2

## HISTORY

were required for the well, which was drilled from the shore into a prospect which, Mott said, “straddles the onshore and offshore.”

Another exploration well, which Mott described as an exploration tail from an Alpine development well, was drilled from Alpine infrastructure.

ConocoPhillips is also the operator at the Cosmopolitan discovery offshore the Kenai Peninsula in Southcentral Alaska. It has drilled two wells and in October the company was shooting marine 3-D seismic over the prospect.

But the company’s most significant exploration drilling last winter took place at the Kokoda prospect in NPR-A, where it drilled two wells. As exploration expands farther west, logistics add to the cost of wells, Mott said. When the company drilled at Puviak in NPR-A in 2003, even farther west, the well was so far out the company didn’t do an ice road: it used rolligons to move supplies barged in to Barrow.

That well was a two-year effort, Mott said. An ice pad was built one year and equipment stored over the summer for drilling the second winter. It took about 18 months of elapsed time to drill one well. It was “very, very expensive,” he said and “you just don’t get enough holes in the ground doing it that way.”

### Rolligons vs. ice roads

The Kokoda wells “are farther out than anyone has ventured with an ice road before,” he said.

Mott said you can set up for exploration drilling two ways: “One is to do it with rolligons and build an isolated ice pad and a couple of years ago we did that at Puviak.” The problem, he said, is that “prevents you from being able to test the wells, if you find something, because you can’t get the test equipment out there in a timely fashion.”

By building an ice road, however, “we can actually test these wells if they’re discoveries.” ConocoPhillips built about 70 miles of ice road from Kuparuk to Kokoda.

Just getting the ice roads built required placing a remote camp in NPR-A and building from two directions to get the work done, he said. In the past Trailblazer was as far into NPR-A as anyone had gone with an ice road: Kokoda is southwest of the Trailblazer wells.

Mott said ConocoPhillips is studying

ways “to explore in remote areas less expensively.” This could include a lighter rig, tracked vehicles in lieu of rolligons and lighter weight camps.

### Roadless logistics

Logistics isn’t just an issue for exploration.

Alpine is a road-less development and ice roads are used to bring in supplies during the winter, as well as to bring in supplies for current Alpine work: putting the field’s first two satellites, Fiord and Nanuq, on production. Work began last winter, will continue this winter and the satellites are expected to have first production in the fourth quarter of 2006, Mark Ireland, ConocoPhillips Alaska’s western North Slope development manager told Petroleum News in August.

“Logistics in general are a real challenge to the Alpine area” since there is no road connection back, Ireland said. Supplies are flown in eight or nine months of the year, and “In the few months of the year that we have the ice road, it’s just truckload after truckload. I believe we had 1,600 truckloads of materials that came out this past winter, and that’s not an unusual amount for us.”

In addition to rig access for exploration farther out, continuing Alpine drilling and satellite construction, ConocoPhillips has been expanding the Alpine processing facilities, which also requires moving equipment in over an ice road.

Ireland said the plan the company is working is to develop Alpine first and then the satellites, to “help maintain ConocoPhillips’ long-term production in Alaska.”

“It will be even busier than this past winter. I’ll go on record with that,” he said of Alpine activity.

And as for planning, “it’s really a year-round effort now — it’s complete one year and start working the next.” ●

## UTILITIES

### RTO sends RCA plan for Railbelt transmission tariff

In response to an order issued by the Regulatory Commission of Alaska, the Railbelt Transmission Organization has made a filing with the RCA, with a provisional plan to implement a new tariff for the use of the Alaska Railbelt transmission system.

In 2024 the state Legislature mandated the formation of the RTO, to develop and oversee a new Railbelt electricity transmission tariff arrangement that would remove current impediments to competition in the bulk power market in the Railbelt. Because of the manner in which the current fees for the use of different sectors of the transmission grid stack on top of each other, the fee arrangements tend to deter the development of new power generation that could transmit power over long distances.

As required by the state statute, in July the RTO filed its initial tariff. Subsequently the RCA opened a docket to review the tariff. The order that the RTO is responding to came from that docket.

The initial tariff filing did not include a plan for implementing the tariff and determining the fees that will be charged for transmission system use. The RCA order requires the RTO to provide a plan for the fee structure implementation. It also asks some specific questions about whether or how accommodation should be made in the fee structure for the relative benefits of using different sectors of the grid, and how to deal with existing contracts for some uses of the grid — existing contracts are constitutionally protected.

In response to the RCA order, the RTO has filed a timeline and plan for developing the transmission fee arrangements. The filing also responds to the other RCA questions. However, given that there are still many unknowns regarding the specifics of how the fee structure will be developed, and how much work will be involved, the organization emphasized that, at this stage, the plan is somewhat uncertain.

However, the plan indicates that it will likely take until the end of the second quarter of 2027 to fully complete the tariff implementation process.

The RTO is an entity within the Alaska Energy Authority. It is governed by a committee consisting of an AEA representative, a representative from each Railbelt electric utility, and a representative from the Railbelt Reliability Council.

—ALAN BAILEY

*The RTO is an entity within the Alaska Energy Authority. It is governed by a committee consisting of an AEA representative, a representative from each Railbelt electric utility, and a representative from the Railbelt Reliability Council.*



# GUIDED BY EXPERIENCE

Over a century of safe, dependable marine transport across Alaska

**COOK INLET TUG & BARGE** (907) 248-0179 | [info@cookinlettug.com](mailto:info@cookinlettug.com) Visit [cookinlettug.com](http://cookinlettug.com)



**JOHN DEERE**

**AER**  
AIRPORT EQUIPMENT RENTALS

907-659-2000  
[pbcounter@aer-inc.net](mailto:pbcounter@aer-inc.net)

# TMI?



**Most Likely.**

To subscribe: Call 281-978-2771 or visit [petroleumnews.com](http://petroleumnews.com)



# F O R L E A S E

CRAZY HORSE PAD - DEADHORSE, PRUDHOE BAY



A strategically placed facility located on the North Slope, Alaska, featuring a fully equipped 10,800 sq. ft. insulated industrial shop, 8.08-acre gravel-filled pad, 2,800 sq. ft. man camp and office with 5 private offices. The location supports fast mobilization and uninterrupted operations, placed near core infrastructure and just off the Dalton Highway.

## C O N T A C T

**Albert Circosta, SIOR**  
Principal Owner, Broker

**INFINITY COMMERCIAL REAL ESTATE GROUP, LLC**  
Commercial Real Estate  
Sales & Leasing  
**VENTURE NORTH GROUP, LLC**  
Associate, Business Mergers & Acquisitions

**(907) 230-3638**  
albert@alaskabrokerage.com  
AlaskaCommercialProperties.com



## • EXPLORATION & PRODUCTION

# 88 Energy releases Project Phoenix update

*Burgundy's operational readiness to drill has advanced;  
Fairweather appointed to support execution*

By **KAY CASHMAN**  
*Petroleum News*

On Nov. 26, 88 Energy Limited posted an ASX announcement providing a Project Phoenix update.

88 Energy holds a ~75% working interest in the conventional oil and gas project on Alaska's North Slope.

Project Phoenix is subject to a Farmout Participation Agreement, entered into with Burgundy Xploration LLC in February. Under the terms of this agreement, 88 Energy is fully carried for all costs associated with the upcoming horizontal well and extended flow test.

Supported by sophisticated energy investors, Burgundy has invested more than US\$26 million into Project Phoenix and has met all cash call requirements.

On Oct. 15 Burgundy said it had confidentially submitted a draft registration statement on Form S-1 with the SEC relating to the proposed initial public offering (IPO) of common stock. The IPO is expected to occur after the SEC completes its review process, subject to market and other conditions.

The U.S. government shutdown in 2H 2025 extended usual SEC review timelines. Consequently, 88 Energy granted Burgundy an extension under the Participation Agreement until April 30, 2026, to complete its obligations in the farm-out agreement.

Burgundy's operational readiness to drill has advanced. Fairweather LLC has been appointed to support execution, and planning is underway to secure the Franklin Bluffs 3D seismic dataset, and Burgundy has strengthened its in-state presence through the appointment of a dedicated Alaska-based engineer.

The Burgundy team has recently undertaken meetings in Anchorage with government agencies, key vendors and other stakeholders to advance permitting and logistical preparations.



**ASHLEY GILBERT**

Together, these activities place Burgundy in a strong position to meet its joint venture commitments and support the Franklin Bluffs 1H drilling and production test program in 2026.

Burgundy intends to fully fund up to US\$39 million (approx. A\$60 million) of Project Phoenix's total gross future work program costs in exchange for up to an additional 50% Working Interest (WI) in Project Phoenix from 88 Energy. This agreement provides a clear stage funding pathway towards a final development:

The Franklin Bluffs-1H horizontal well and extended flow test is planned for Q3 2026.

An initial pilot hole is planned to test the SMD, SFS and BFF reservoir zones, followed by wireline logging, before suspending the well.

A production test in the horizontal section to target the SMD-B reservoir, the best-developed topset sandstone within the Campanian sequence, is also planned.

The Icewine-1 well intersected a 71ft net sandstone sequence in the SMD-B with up to 14% effective porosity, while Hickory-1 recorded up to 11% porosity in the same interval.

Analysis of pilot hole and logging results is planned to guide horizontal well planning and design prior to drilling the horizontal production well and begin the extended production test.

## Burgundy successful bidder

Burgundy was declared the "successful bidder in the recent North Slope Fall 2025 Bid Round for a further 82,080 acres" adjacent to the Toolik River unit, with 88 Energy securing the right to participate up to 25% working interest until Oct. 1, 2026, at cost (bid bonus and rentals paid only).

Burgundy is to pay US\$2,400,000 to 88 Energy for access to the Icewine 3D seismic data which covers a portion of the new leases recently secured by Burgundy, with US\$150,000 due by Dec. 1, 2025, and the balance within 60 days of a successful IPO. ●

Contact Kay Cashman  
at publisher@petroleumnews.com



Subscribe to Petroleum News:  
Call 281.978.2771



www.PetroleumNews.com

<b>Kay Cashman</b>	PUBLISHER & FOUNDER
<b>Mary Mack</b>	CEO & GENERAL MANAGER
<b>Kristen Nelson</b>	EDITOR-IN-CHIEF
<b>Susan Crane</b>	ADVERTISING DIRECTOR
<b>Heather Yates</b>	BOOKKEEPER
<b>Marti Reeve</b>	SPECIAL PUBLICATIONS DIRECTOR
<b>Steven Merritt</b>	PRODUCTION DIRECTOR
<b>Alan Bailey</b>	CONTRIBUTING WRITER
<b>Eric Lidji</b>	CONTRIBUTING WRITER
<b>Steve Sutherlin</b>	CONTRIBUTING WRITER
<b>Judy Patrick Photography</b>	CONTRACT PHOTOGRAPHER
<b>Forrest Crane</b>	CONTRACT PHOTOGRAPHER
<b>Renee Garbutt</b>	CIRCULATION MANAGER

**ADDRESS**  
P.O. Box 231647  
Anchorage, AK 99523-1647

**NEWS**  
907.522.9469  
publisher@petroleumnews.com

**CIRCULATION**  
281.978.2771  
circulation@petroleumnews.com

**ADVERTISING**  
Susan Crane • 907-250-9769  
scrane@petroleumnews.com

*Petroleum News and its supplement, Petroleum Directory, are owned by Petroleum Newspapers of Alaska LLC. The newspaper is published weekly. Several of the individuals listed above work for independent companies that contract services to Petroleum Newspapers of Alaska LLC or are freelance writers.*



OWNER: Petroleum Newspapers of Alaska LLC (PNA)  
Petroleum News (ISSN 1544-3612) • Vol. 30, No. 47 • Week of November 30, 2025

Published weekly. Address: P.O. Box 231647 Anchorage, AK 99523-1647  
Subscription prices in U.S. — \$118.00 1 year, \$216.00 2 years  
Canada — \$206.00 1 year, \$375.00 2 years  
Overseas (sent air mail) — \$240.00 1 year, \$436.00 2 years

"Periodicals postage paid at Anchorage, AK 99502-9986."  
POSTMASTER: Send address changes to Petroleum News, P.O. Box 231647 Anchorage, AK 99523-1647.

continued from page 1

## HAPPY VALLEY

Installation of the pad and road is anticipated to start on Jan. 15 and finish on March 15.

Installation of cellars and conductors, water well, mobilize drilling equipment, begin drilling and well testing is expected to start on March 15 and end on June 15.

Finally, installation of facility piping, electrical instrumentation, and other infrastructure as needed is anticipated to begin June 15 and finish on July 15.

## Well sites and buildings

A 300-by-400-foot gravel pad will be constructed at the end of the gravel access road to support the drilling of up to two natural gas wells and one freshwater well. Hilcorp may install well houses to facilitate production facilities on the pad.

The flowlines and instrumentation and electrical cables will be installed below grade.

## All other facilities and equipment

Hilcorp Rig 169 or Rig 147 will be used for drilling and well completion activities.

Major equipment components include the following: Drill rig and pipe, boilers, mud tanks, mud pumps, rig generator, work trailers for supervisory staff and support staff, and light plants.

Hilcorp may use additional support equipment for infrastructure installation, which may include an excavator, mini excavator, super sucker, zoom boom, and a weld truck.

Drilling will be a 24-hour operation, with a trailer staged on the pad to house various supervisory personnel and a minimum number of support personnel.

see **HAPPY VALLEY** page 7



continued from page 1

# OFFSHORE LEASING

Biden administration slammed the brakes on offshore oil and gas leasing and crippled the long-term pipeline of America’s offshore production. By moving forward with the development of a robust, forward-thinking leasing plan, we are ensuring that America’s offshore industry stays strong, our workers stay employed, and our nation remains energy dominant for decades to come.”

Under the new proposal for the 2026–2031 National Outer Continental Shelf Oil and Gas Leasing Program, Interior is taking a major step to boost United States energy independence and sustain domestic oil and gas production. The proposal includes as many as 34 potential offshore lease sales across 21 of 27 existing Outer Continental Shelf planning areas, covering approximately 1.27 billion acres, including 21 areas off the coast of Alaska, seven in the Gulf of America, and six along the Pacific coast. The proposal also includes the Secretary’s decision to create a new administrative planning area, the South-Central Gulf of America.

“Offshore oil and gas development requires long-term vision, steady policy, and the confidence for companies to invest in American energy. For years, that confidence was undercut by the Biden administration’s failed leasing policies,” said Jarrod Agen, executive director of the National Energy Dominance Council. “By putting a real leasing plan back on track, we’re restoring energy security, protecting American jobs, and strengthening the nation’s ability to lead on energy for decades to come.

This action implements Executive Order 14154 and supplements Secretary’s Order 3418, both titled “Unleashing American Energy.” The orders instruct all Interior Department bureaus and offices to accelerate responsible energy development consistent with federal law. By replacing the failed Biden-era plan with a robust and competitive offshore leasing program, Interior will open new opportunities for offshore investment and job creation, reinforce America’s role as a global energy leader, and help ensure a stable and secure energy supply well into the future, Interior said.

Under the Outer Continental Shelf Lands Act, the Secretary of the Interior must prepare a national program that identifies the size, timing, and location of potential lease sales to best meet the country’s energy needs while considering economic, environmental, and social factors.

The current proposal follows a public request for information and comment published in April 2025. Interior received more than 86,000 comments from stakeholders, states, industry representatives, and members of the public. Feedback from those comments informed the proposal released Nov.20.

Before the program and individual lease sales are finalized, the public will have multiple opportunities to provide input. Interior encourages broad participation in the upcoming 60-day public comment period, which will begin when the proposal is published in the Federal Register on Nov. 24, 2025.

As of Sept. 1, 2025, BOEM manages 2,073 active offshore oil and gas leases covering about 11.2 million acres. Offshore production accounts for roughly 15% of the nation’s domestic oil output. The Outer Continental Shelf, or OCS, is estimated to contain about 68.8 billion barrels of oil and 229 trillion cubic feet of natural gas yet to be discovered.

The Nov. 20 announcement marks the first of three proposals that will be developed before final approval of the 2026–2031 program. Inclusion of a planning area in this proposal does not guarantee that it will be included in the final program or offered for

lease. Each lease sale will undergo additional review, environmental analysis, and opportunities for public comment.

## Alaska OCS

The Alaska Outer Continental Shelf comprises the submerged lands that lie more than three nautical miles from the state’s shoreline. (In contrast, the submerged lands within three miles of Alaska’s shores are state waters and are thus regulated by the State of Alaska.)

Alaska has more coastline than the rest of the United States put together, so its OCS is enormous: More than a billion acres -- about 65% of the size of the entire contiguous 48 states.

That expanse contains immense energy and mineral resources. Alaska’s OCS is estimated to contain 24.69 billion barrels of oil and 124.03 trillion cubic feet of natural gas.

BOEM is asking for information and comments from Tribal, state, and

local governments; Native American and Native Alaskan organizations; federal agencies; environmental and other public interest organizations; the oil and gas industry; non-energy industries; other interested organizations and entities; and the public for use in the preparation of the 11th National OCS Program.

BOEM is seeking a wide array of information, including but not limited to information associated with the economic, social, and environmental values of all OCS resources, as well as the potential impact of oil and gas exploration and development on OCS resources and the marine, coastal, and human environments.

During this comment period, BOEM is soliciting nominations for environmentally sensitive areas that may be considered for exclusion from leasing. These may be analyzed in the environmental analysis document at the National OCS Program stage but may also be reviewed and considered at subsequent stages in the process. Ideally, nominations for areas to exclude from leasing would be discrete geographic areas that are smaller than a planning area (e.g., areas of sensitive bottom habitat in the Gulf of America.

Comments should be submitted by Jan. 23, 2026. Comments on the Draft Proposal Program, or DPP, may be submitted in one of the following ways:

1. Through the Regulations.gov web portal (preferred method): Navigate to <http://www.regulations.gov> and under the Search tab, in the space provided, type in Docket ID: BOEM-2025-0483 to submit comments and to view other comments

already submitted.

2. Mailed in an envelope labeled “Comments for the 11th National

OCS Oil and Gas Leasing Program” and mailed (or hand delivered) to Ms. Kelly Hammerle, Bureau of Ocean Energy Management (VAM-LD), 45600 Woodland Road, Sterling, VA 20166-9216, telephone (703) 342-8867.

## More than 85%

The 1st Proposal for the 11th Program would make more than 85% of the estimated technically recoverable OCS oil and gas resources available for leasing during the five-year period following program approval.

The 1st Proposal considers three of the four OCS Regions for leasing, including the program areas that are estimated to have some of the most prospective oil and gas resources and potential to provide beneficial effects for the U.S. economy and national security from reduced oil imports and stable energy sources.

For more information and to view maps of the proposed areas, visit [www.boem.gov/National-Program](http://www.boem.gov/National-Program) ●

Contact Kay Cashman  
at [publisher@petroleumnews.com](mailto:publisher@petroleumnews.com)



**safer. smarter.**



**Better.**

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](http://Nabors.com).**





**NABORS – MISSION TO ZERO**  
*Safer, Smarter - Incident Free*



continued from page 1

## WOTUS RULE

What, for example, about wetlands, lakes and ponds that might transmit pollutants to navigable waters?

This is a critically important issue for Alaska, given the state's myriad of waterways, lakes and wetlands. While activities impacting WOTUS areas require federal permits, the Alaska Department of Environmental Conservation conducts environmental permitting for state waterbodies and wetlands.

### Supreme Court ruling

In May 2023 the U.S. Supreme Court issued a ruling in a long standing WOTUS related legal case referred to as Sackett v. Environmental Protection Agency. The ruling narrowed the scope of the WOTUS definition, thus reducing the scope of wetlands that can be regulated by the federal government. The federal agencies had been using a WOTUS definition that included wetlands with a "significant nexus" to unambiguous U.S. waters. The Supreme Court ruled that only wetlands that are indistinguishable from waters of the United States because of a continuous surface connection can be viewed as part of

WOTUS.

Later in 2023 EPA and USDA under the Biden administration announced a final rule changing the WOTUS definition, to comply with the Supreme Court ruling.

### Input from multiple sources

In their Nov. 11 announcement the agencies said that the new proposed rule uses input from multiple sources and further supports the 2023 Supreme Court decision.

Sources for the proposal included a pre-proposal recommendations docket, information from nine public listening sessions, and consultation comments from states, tribes and local governments.

The agencies say that the proposed rule will "strengthen state and tribal decision-making authority by providing clear regulatory guidelines while recognizing their expertise in local land and water resources."

### Key revisions

Key proposed revisions to the WOTUS definition include defining concepts such as relatively permanent water bodies, a continuous surface connection and a tributary water body.

Under the proposed rule a tributary subject to federal jurisdiction must connect to traditional navigable waters

either directly or through other features that provide predictable and consistent flow. And federally regulated wetlands must be indistinguishable from jurisdictional waters through a continuous surface connection.

The proposed rule also includes definitions that further limit the scope of permafrost wetlands that are considered to have continuous connections to federally regulated water bodies.

"When it comes to the definition of 'waters of the United States,' EPA has an important responsibility to protect water resources while setting clear and practical rules of the road that accelerate economic growth and opportunity," Zeldin said. "Democrat administrations have weaponized the definition of navigable waters to seize more power from American farmers, landowners, entrepreneurs, and families. We heard from Americans across the country who want clean water and a clear rule. No longer should America's landowners be forced to spend precious money hiring an attorney or consultant just to tell them whether a water of the United States is on their property."

—ALAN BAILEY

Contact Alan Bailey  
at alan.bailey@visualwriting.com

continued from page 1

## EIA FORECAST

Santos of an accelerated ramp-up to Pikka Phase1 peak production and with recent well tests demonstrating high productivity, the agency said.

### Pikka field

The huge Pikka field, located between the Kuparuk River unit and the Colville River unit, to the west of the central North Slope, has a major oil reservoir in the relatively shallow Nanushuk formation in the Brookian stratigraphic sequence.

Pikka was discovered in 2013 by Armstrong Oil and Gas, together with its partner Repsol.

In 2017 Oil Search, based in Papua New Guinea, purchased Armstrong's interests in the field and subsequently became field operator.

Oil Search and Repsol approved phase 1 of the Pikka development in 2022. Oil Search later commented that the entire Pikka unit holds oil reserves close to 900 million barrels, with 400 million barrels associated with the phase 1 development.

The phase 1 development has progressed to plan, with the drilling of development wells, installation of facili-

ties and construction of pipelines.

In August Santos said that all major equipment was on site. The company also announced the completion of 21 development wells. Hence the pending field startup.

### Nuna development

The Nuna development evolved from plans in late 2010 by Pioneer Natural Resources, then operator of the Oooguruk field, offshore in state waters of the Beaufort Sea.

Pioneer planned to develop known relatively shallow oil resources in the Torok formation, in addition to the field's deeper reservoirs. But because the Torok resources extended fairly far south of the Oooguruk drilling and production island, the Nuna development was to entail the construction of an onshore pad for the drilling of development wells.

Pioneer proposed a Nuna development project, involving the southward expansion of the Oooguruk unit and the construction of two or more drilling pads in the Colville River Delta.

But in 2014 Caelus Natural Resources Alaska LLC purchased the Oooguruk field from Pioneer. Caelus sanctioned the Nuna development in 2015, building a new pad and a 2.5-mile access road.

However, in mid-2019, after further development

had been delayed, ConocoPhillips Alaska purchased 100% ownership in Nuna from Caelus — ConocoPhillips said that the prospect included 11 tracts covering 21,000 acres.

### Kuparuk River unit expansion

In early 2021, the Alaska Oil and Gas Conservation Commission approved a request from ConocoPhillips to include Nuna in the company's adjacent Kuparuk River unit. That then enabled ConocoPhillips to develop the Nuna resources from the existing KRU 3S drill site.

Expansion of a second drill site, the KRU 3T site, and the construction of pipelines connecting the two sites then enabled the development of the Moraine reservoir within the Torok formation.

In June 2023 ConocoPhillips announced the approval of funding for the development of the Nuna project. Development proceeded and first oil was announced in December 2024.

ConocoPhillips estimated peak production of 20,000 barrels of oil per day with cumulative recovery of around 100 million barrels.

—ALAN BAILEY

Contact Alan Bailey  
at alan.bailey@visualwriting.com

continued from page 1

## TIDAL PROJECT

ORPC said.

In conducting the project ORPC plans to install underwater power generation turbines offshore the East Foreland area of the Kenai Peninsula. The turbines would connect to a nearby substation on Homer Electric Association's power grid. The substation, as currently configured, can only accept a maximum of 2 megawatts of power from the tidal system. Although that limits the scale of the project to two tidal turbines, that is a sufficient scale to test the use of the technology in the Cook Inlet.

Phase one of the project has been completed and involved environmental permitting and the evaluation of the turbine tech-

nology to use.

Phase two of the project had been scheduled to start this year and run through to 2027. This phase involves field surveys, together with final engineering and permitting. Phases three to five, expected to run from 2027 to 2030, will involve procurement, installation and operation of the system.

ORPC has previously installed one of its TidGen turbine systems in the Kvichak River, at the village of Igiugig, near Lake Iliamna. That system has been successfully generating power for Igiugig since 2020 and has reduced the village's need for expensive diesel fuel for power generation.

—ALAN BAILEY

Contact Alan Bailey  
at alan.bailey@visualwriting.com



**SUPERIOR PUMPING &  
WELL TESTING SERVICES**

**[littleredservices.com](http://littleredservices.com)**



**Keeping you covered.**

**To advertise, contact Susan Crane  
at 907.250.9769**

**Petroleum**  
news



continued from page 1

OIL PRICES

in a Reuters report.

"Some media outlets are reporting that Ukraine agreed to a peace deal," UBS analyst Giovanni Staunovo said. "That said, it needs two to tango, and it remains unclear if Russia agrees as well."

In a market already weakened by oversupply fears, the fate of the conflict in Ukraine has become a potent catalyst.

"In the short term, the key risk is oversupply and current price levels seem vulnerable," Priyanka Sachdeva, senior market analyst at Phillip Nova, said Nov. 24. "The oil market is in a tug-of-war between a caution-driven supply overhang and demand hopes predicated on easier monetary policy."

ANS fell 74 cents on Nov. 21 to close at \$63.05, as WTI

plunged \$1.08 to close at \$58.06, and Brent fell 82 cents to close at \$62.56.

On Nov. 20, ANS fell 62 cents to close at \$63.79, WTI slipped 30 cents to close at \$59.14, and Brent edged 13 cents lower to close at \$63.38.

Nov. 19 was the day a new peace proposal for the Russian/Ukraine war surfaced, taking crude prices sharply lower. ANS plunged \$1.57 to close at \$64.41, WTI plunged \$1.30 to close at \$59.44, and Brent plunged \$1.38 to close at \$63.51.

Oversupply on track to grow

Crude oil oversupply may become a larger, longer-term problem for the industry.

Crude production is growing at a record rate to overtake demand, and that dynamic could continue through 2027, according to Natasha Kaneva, a JP Morgan strategist quoted in a Nov. 24 Barron’s article. If the trend continues, crude

prices could plummet into the \$30s per barrel by year end 2027. Under \$40, few U.S. projects would be profitable.

Kaneva sees it unlikely that oil falls to that level, and more likely low oil prices cause producers to cut drilling or convince OPEC and its allies to reduce exports. Her price target for Brent is \$58 in 2026 and \$57 in 2027.

Oil supply is rising more than twice as fast as demand, outpacing demand by some 1.3 million barrels per day in 2025. In 2026, Kaneva estimates oil oversupply will jump to 2.8 million bpd, and 2.7 million bpd in 2027.

“Adjustments are expected on both the supply and demand sides; however, the greatest burden of rebalancing will almost certainly fall on supply,” she said, adding that around \$51 Brent, many U.S. shale producers would have to slow output because they wouldn’t be making enough money. ●

Contact Steve Sutherlin  
at ssutherlin@petroleumnews.com

continued from page 4

HAPPY VALLEY

Public use areas will not be impacted by the proposed project. While public access to Happy Valley Middle Pad will be restricted, the access road and other areas around the pad will not be constrained.

The lease plan of operations begins Hilcorp’s development phase for ADLs 394277 and 394278 and addresses the installation of facilities at the new Happy Valley Middle Pad.

In considering the development phase, the division eval-

uated both the specific activities proposed as well as typical activities that Hilcorp might propose for further development in the area.

The division also considered prior exploration activities in the plan. Recent exploration activities have focused on acquiring 2D and 3D seismic data to inform ongoing gas production in the Kenai Peninsula area.

Drilling and well testing are anticipated to take approximately eight weeks per well. It is not practicable to operate the drilling rig on a schedule other than around the clock; however, steps will be taken to minimize visual and sound impacts during operations.

Public notice of the plan and opportunity to comment was provided on the State of Alaska’s online public notice website and the division’s website on Sept. 11.

Faxes of the public notice were sent to the Anchor Point, Homer, Ninilchik, Kasilof, and Kenai Post Offices.

The initial deadline for comment was Oct. 13. At Hilcorp’s request, public notice of the plan and opportunity to comment was extended until Nov. 12.

No comments were received. ●

Contact Kay Cashman  
at publisher@petroleumnews.com



Brilliant promotes Rob German to creative director

Brilliant Media Strategies said Nov. 20 that it is pleased to announce the promotion of Rob German to the role of creative director. German, who has served as art director since joining the agency in 2018, will now lead the strategic and artistic vision for all client creative services.

In his new role, German will oversee the entire creative lifecycle, from initial conceptualization to final execution across traditional, digital, and out-of-home platforms.

During his tenure at Brilliant, German has been a key leader, developing original concepts and designs for high-stakes projects, including annual reports for Northrim Bank, student recruitment campaigns for the University of Alaska Anchorage, and large-scale guides for the Mat-Su Convention & Visitors Bureau. He is also noted for his experience as creative director for the complex OneALASKA – Vote No on 1 ballot measure campaign in 2020.

"Rob has been indispensable to Brilliant Media Strategies, not just as a designer, but as a strategic partner who understands how compelling visuals drive client success," Krysten Demientieff, Brilliant Partner & CEO. "His experience running large-scale campaigns and managing diverse creative professionals makes him the perfect choice to elevate our team and push the boundaries of creative excellence for our clients."

"I’m thrilled to step into this new capacity and continue working with the incredibly talented team at Brilliant Media Strategies," said German. "Our mission remains clear: deliver strategic, innovative, and impactful creative solutions that resonate with Alaskan audiences and achieve measurable results for our clients."

"Rob has consistently demonstrated the ability to turn complex client needs into clear, executable creative projects. I especially value his leadership in managing our creative resources and ensuring every design, report, or campaign is delivered with unparalleled quality and efficiency. His promotion is a win for our team and for every client we serve," said Shareen Crosby, Brilliant President & Partner.

German holds an associate of arts degree from Collins College. Prior to joining BMS, he held roles as marketing director for the Armed Services YMCA of Alaska and associate creative director at Salt + Light Creative.



ROB GERMAN

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

ADVERTISER	PAGE AD APPEARS	ADVERTISER	PAGE AD APPEARS	ADVERTISER	PAGE AD APPEARS
<b>A</b>			<b>N-P</b>		
ABR, Inc.		ConocoPhillips		Nabors Alaska Drilling	5
Acuren		Construction Machinery Industrial (CMI)		NANA Worley	
AES Electric Supply, Inc.		Cook Inlet Tug & Barge	3	Nature Conservancy, The	
Airgas USA, LLC	2	Cruz Construction		NEI Fluid Technology	
Airport Equipment Rentals	3	Doyon Associated		Nordic Calista	
Alaska Air Cargo		Doyon Drilling, Inc.		Northern Solutions	
Alaska Dreams		Doyon, Limited		NSTI (North Slope Telecom Inc.)	
Alaska Frontier Constructors (AFC)		EXP Energy Services		Owl Ridge Natural Resource Consultants	
Alaska Fuel Services		F. R. Bell & Associates, Inc.		Petroleum Equipment & Services, Inc.	
Alaska Marine Lines		Flowline Alaska		PND Engineers, Inc.	
Alaska Materials		Frost Engineering, a division of PumpTech LLC		PRA (Petrotechnical Resources of Alaska)	
Alaska Railroad				Price Gregory International	
Alaska Resource Education (ARE)					
Alaska Steel Co.					
Alaska Textiles					
Alaska West Express					
Arctic Controls					
Armstrong	8				
ASRC Energy					
ASTAC (Arctic Slope Telephone Assn. Coop, Inc)	2				
<b>B-F</b>			<b>G-M</b>		
Brooks Range Supply		GCI		Republic Services (formerly US Ecology)	
Calista Corp.		GeoLog		Resource Development Council	
Coffman Engineers		Greer Tank & Welding		Sheet Metal Inc.	
Colville Inc.		Guess & Rudd, PC		STEELFAB	
CONAM Construction		Inspirations		Strategic Action Associates	
		Judy Patrick Photography	8	Tanks-A-Lot	
		Lennon Crane		TOTE Maritime Alaska	
		Little Red Services, Inc. (LRS)	6	Tridder Industrial	
		Lounsbury & Associates		Udelhoven Oilfield System Services Inc.	
		Lynden Air Cargo		Western Pacific Crane & Equipment	
		Lynden Inc.			
		Lynden Logistics			
		Lynden Oilfield Services			
		Lynden Transport			
		Matson			

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





A

ARMSTRONG

*Oil & Gas, Inc.*

WHATEVER

WHENEVER

WHEREVER



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

