



**page 2** December ANS volumes up 1% from Nov.; Kuparuk has largest increase

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## Doyon Rig 26 down; Conoco NPR-A drilling continues with Rig 142

ON JAN. 23 at 4:40 p.m. during a rig move along a gravel road about 6.5 miles northwest of the village of Nuiqsut (GPS coordinates: 70.303724, -151.145293) on Alaska's western North Slope, Doyon Drilling Rig 26, a self-propelled drilling module, left the road and toppled onto the tundra near "K pad," which is a gravel pad owned by Kuukpik Corp. and leased by ConocoPhillips Alaska.

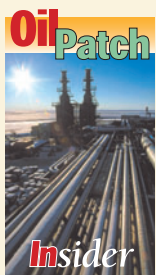
Initial response actions were taken to address a fire onboard Rig 26. The site was released by the on-scene fire chief the next day on Jan. 24 at 3:45 p.m.

The 9.5-million-pound rig known as "The Beast" was going to be used in ConocoPhillips Alaska Inc.'s winter exploration program in the vicinity of its \$8.5 billion to \$9 billion Willow development under construction in the National Petroleum Reserve-Alaska where operator CPAI plans to drill four exploration wells this winter.

In recent court filings the company says it will use Doyon Rig 142 instead and still plans to drill the four wells.

A 3D seismic survey across some 300 square miles of

see **INSIDER** page 11



## Glenfarne announces more North Slope gas pipeline agreements

On Jan. 22 Glenfarne Alaska LNG LLC announced new agreements that the company has made with companies that Glenfarne wants to engage for the construction of a natural gas pipeline from the North Slope to Southcentral Alaska.

Glenfarne plans a two-phase project. The first phase would involve construction of 739-mile, 42-inch diameter pipeline from the North Slope to Southcentral and the second phase would involve the construction of a North Slope gas conditioning plant and an LNG export terminal at Nikiski on the Cook Inlet, together with a pipeline connecting the terminal to the North Slope gas line. The phase one pipeline is planned to be constructed in four simultaneous sections, Glenfarne said.

The new agreements relate to the phase one project. The

see **GLENFARNE AGREEMENTS** page 8



**BRENDAN DUVAL**

## Pikka phase 1 is 98% complete per Santos' fourth quarter report

In its Jan. 21 fourth quarter report, Santos Ltd. said the North Slope Pikka phase 1 development is 98% complete and nearing mechanical completion, with commissioning progressing.

Twenty-four wells were drilled and completed at the end of the fourth quarter.

The 23rd well achieved the highest productivity to date, producing at an initial rate of approximately 8,000 barrels of oil per day. The 24th well was the second combination well, developing two reservoir sections from the one well.

As Pikka phase 1 nears first production, following the final cost and schedule review, capital expenditure for phase 1 has increased by approximately \$200 million Santos share (less than 10% of the total Pikka phase 1 project costs). The majority of

see **SANTOS REPORT** page 11



**KEVIN GALLAGHER**

### FINANCE & ECONOMY

## Iran, US storms lift ANS

Iranian situation heats up as 'massive armada' heads to Middle East

By **STEVE SUTHERLIN**

Petroleum News

Alaska North Slope crude leapt \$1.60 Jan. 27 to close at \$67.06 per barrel on heightened tensions swirling around Iran as the Mideast nation contends with domestic unrest and attention from Washington, D.C. West Texas intermediate soared \$1.76 to close at \$62.39 and Brent rocketed \$1.98 to closed at \$67.57.

Brutish U.S. weather also supported crude's rise by spiking demand for heating fuels and disrupting oil production. Crude was also boosted by a draw-down of U.S. commercial reserves.

Crude futures continued higher Jan. 28, taking WTI up 82 cents to close at \$63.22 and lifting Brent 83 cents to a close of \$68.40. The Jan. 28 ANS closing price was unavailable as Petroleum News went to press Jan. 29.

On Jan. 27, ANS closed at a \$4.67 premium to WTI and at a 51-cent discount to Brent.

President Donald Trump said Jan. 28 that the United States had dispatched a "massive armada" to Iran, adding that the USS Abraham Lincoln and its strike group were deploying to hasten an agreement with the Iranian regime.

"Hopefully Iran will quickly 'Come to the Table' and negotiate a fair and equitable deal — NO NUCLEAR WEAPONS — one that is good for all parties," Trump wrote on Truth Social. "Time is running out, it is truly of the essence!"

"The advance of U.S. military equipment toward Iran has pumped in at least \$1-\$1.50 of geo-risk into the crude futures while lack of progress regarding a cease-fire or peace agreement between Ukraine and Russia continues to offer background support," Ritterbusch and Associates said in a note reported by

see **OIL PRICES** page 8

### EXPLORATION & PRODUCTION

## Upbeat on AK oil & gas

DNR officials talk to House Resources about status of the Alaska industry

By **ALAN BAILEY**

For Petroleum News

On Jan. 23 officials from the Alaska Department of Natural Resources talked to the House Resources Committee about the status of oil and gas development and production in Alaska.

John Crowther, DNR commissioner designee, commented on the significant activity that is happening on the North Slope, including exploration projects being conducted in various areas, field development activities and, for



**JOHN CROWTHER**



**DEREK NOTTINGHAM**

the first time in many years, new oilfields that are about to come online. There is also significant activity being conducted in the Cook Inlet basin. But, although this activity is very positive and important for energy supplies in Southcentral Alaska, there are challenges regarding long-term supplies, Crowther said.

### 19.2 billion barrels produced

Derek Nottingham, director of Alaska's

see **INDUSTRY STATUS** page 10

### UTILITIES

## Cook Inlet LNG advances

Will provide near-term bridge solution for energy in Southcentral Alaska

By **KAY CASHMAN**

Petroleum News

After months of "hard work, collaboration and due diligence," Cook Inlet LNG LLC announced Jan. 22 that it offers a path to increased energy security for Southcentral Alaska.

The company is advancing an offshore liquefied natural gas import project utilizing a Floating Storage and Regasification Unit, or FSRU, and existing platform infrastructure to cover unmet gas demand and storage needs



**STEPHEN RATCLIFF**



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for the region in the coming years. It is being developed as a bridge project to provide energy security for the most populous region of Alaska while longer-term solutions are advanced and realized.

Cook Inlet LNG is a subsidiary of Gardes Holdings Inc., an independent oil and gas company that has operated in the Cook Inlet basin for years. For the project, Gardes Holdings will be working in partnership with Glacier Oil & Gas Corp., a long-time

see **OFFSHORE LNG IMPORT** page 9



EXPLORATION & PRODUCTION

# December ANS volumes up 1% to 477,164 bpd

Kuparuk has largest month-over-month (& year-over-year) gain, up 4.8% to 94,571 bpd, followed by Prudhoe, up 1.8% to 247,804 bpd

## Cook Inlet gas up year-over-year

Natural gas production from Cook Inlet averaged 209,218 thousand cubic feet per day in December, down 1,512 mcf, 0.72%, from a November average of 210,730 mcf per day, but up 12.22% from a December 2024 average of 186,431 mcf per day.

Volumes are calculated from Alaska Oil and Gas Conservation Commission data, reported on a month-delay basis. For natural gas AOGCC reports measurements in thousands of cubic feet, mcf.

Six fields accounted for 83.83% of December production: five operated by Hilcorp Alaska and one operated by Furie.

Hilcorp-operated Beluga River, whose majority working interest owner is Chugach Electric Association, averaged 55,483 mcf per day in December, 26.52% of inlet production, down 1,657 mcf per day, 2.9%, from a November average of 57,140 mcf per day but up 21.5% from a December

see **INLET GAS** page 5

By **KRISTEN NELSON**  
*Petroleum News*

Alaska North Slope production averaged 477,164 barrels per day in December, up 1.17%, 5,512 bpd, from a November average of 471,651 bpd, but down 1.1% from a December 2024 average of 482,485 bpd.

Crude volumes averaged 425,070 bpd, 89.08% of the total for December, up 4,115 bpd, 0.98%, from a November average of 420,955 bpd, but down 0.37% from a December 2024 average of 426,650 bpd.

North Slope natural gas liquids averaged 52,093 bpd in December, 10.92% of the total, up 1,397 bpd, 2.76%, from a November average of 50,696 bpd but down 6.7% from a December 2024 average of 55,835 bpd.

Production data come from the Alaska Oil and Gas Conservation Commission which reports production by field and well on a month delay basis.

North Slope Borough temperatures averaged -17 degrees F in December, down 6.3 degrees from a mean of -6.3 degrees F for 1925-2025, according to the county time series maintained by NOAA's National Centers for Environmental Information.

## Largest increase at Kuparuk

The ConocoPhillips Alaska-operated Kuparuk River

field had the largest month-over-month increase, averaging 94,571 bpd in December, up 4,317 bpd, 4.78%, from a November average of 90,255 bpd and up 17.11% from a December 2024 average of 80,755 bpd.

In the 2025 Kuparuk plan of development, for work ending July 31, 2025, ConocoPhillips drilled nine wells in the Coyote participating are, seven wells in the Torok PA and three wells in the West Sak PA. For the 2026 POD, which began Aug. 1, 2025, seven wells are planned in the Torok PA, four at West Sak and one at Coyote.

In addition to the main Kuparuk pool, Kuparuk produces from Coyote, Tabasco, Tarn, Torok and West Sak.

ConocoPhillips is the majority working interest owner at Kuparuk. ExxonMobil, the only other WIO, holds less than 3%.

The second-largest month-over-month increase was at the Hilcorp Alaska-operated Prudhoe Bay field, which averaged 257,804 bpd in December, up 1,805 bpd, 0.71%, from a November average of 255,999 bpd, but down 2.41% from a December 2024 average of 264,159 bpd. Crude averaged 208,418 bpd, 80.84% of total volume, up 495 bpd, 0.24%, from a November average of 207,923 bpd but down 1.43% from a December 2024

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# Alaska-Mackenzie Rig Report

Rig Owner/Rig Type	Rig No.	Rig Location/Activity	Operator or Status
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## 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)	Oliktok Point, O-233	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, Warm-Up	ConocoPhillips
OIME 2000	141 (SCR/TD)	Deadhorse, Standby	Available
	142 (SCR/TD)	Alpine, CD1-47A	ConocoPhillips
TSM 700	Arctic Fox #1	Deadhorse, Standby	Available
ERD	26	Adjacent to K Pad, Out of Commission	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	Santos
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)	Point Thompson Unit, PTU-19	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 January 28, 2026.  
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 Susan Crane



JUDY PATRICK

### Baker Hughes North America rotary rig counts\*

	Jan. 23	Jan. 16	Year Ago
United States	544	543	576
Canada	231	226	245
Gulf of Mexico	8	9	12

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

The Alaska-Mackenzie Rig Report  
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## ANS OUTPUT

average of 211,451 bpd. Prudhoe NGLs averaged 49,386 bpd in December, 19.16% of total volume, up 1,311 bpd, 2.73%, from a November average of 48,076 bpd but down 6.3% from a December 2024 average of 52,708 bpd.

Hilcorp is drilling some new wells at Prudhoe, nine last year and five planned for this year in the Western Satellite area, four this year in the Greater Point McIntyre area, but in the Initial Participating area the focus is on side-tracks — 37 last year and 39 planned this year — with just one well in each of those POD years.

In addition to the primary reservoir, production volumes from Prudhoe include Aurora, Borealis, Lisburne, Midnight Sun, Niakuk, Polaris, Point McIntyre, Put River, Raven and Schrader Bluff.

ConocoPhillips Alaska holds 36.5% of the working interest ownership at Prudhoe; ExxonMobil Alaska Production holds 36.4%; Hilcorp North Slope holds 27.1%.

Hilcorp Alaska’s Endicott averaged 4,975 bpd in December, up 471 bpd, 10.45%, from a November average of 4,505 bpd but down 12.49% from a

*The ConocoPhillips Alaska-operated Kuparuk River field had the largest month-over-month increase, averaging 94,571 bpd in December, up 4,317 bpd, 4.78%, from a November average of 90,255 bpd and up 17.11% from a December 2024 average of 80,755 bpd.*

December 2024 average of 5,685 bpd. Endicott crude averaged 4,539 bpd, 91.23% of the total, up 397 bpd, 9.58%, from a November average of 4,142 bpd but down 12.64% from a December 2024 average of 5,195 bpd. Endicott NGLs averaged 436 bpd in December, 8.77% of total volume, up 74 bpd, 20.34%, from a November average of 363 bpd, but down 10.95% from a December 2024 average of 490 bpd.

Hilcorp Alaska’s Nikaitchuq averaged 13,603 bpd in December, up 239 bpd, 1.79%, from a November average of 13,364 bpd, but down 9.79% from a December 2025 average of 15,079 bpd. Hilcorp Alaska acquired Nikaitchuq and Oooguruk from Eni in November 2024.

Mustang Holding’s Southern Miluveach averaged 887 bpd in December, up 58 bpd, 7.03%, from a November average of 828 bpd. Southern

Miluveach came online at the end of December 2024, with production for that month averaging 36 bpd.

Hilcorp Alaska’s Northstar averaged 4,814 bpd in December, up 26 bpd, 0.55%, from a November average of 4,788 bpd but down 11.02% from a December 2024 average of 5,410 bpd. Northstar crude averaged 2,544 bpd in December, 52.84% of total volume, up 14 bpd, 0.54%, from a November average of 2,530 bpd but down 8.29% from a December 2024 average of 2,773 bpd. Northstar NGLs averaged 2,271 bpd in December, 47.16% of total volume, up 13 bpd, 0.56%, from a November average of 2,258 bpd but down 13.9% from a December 2024 average of 2,637 bpd.

There was also production from a test well at Oil Search’s Pikka, averaging 1,118 bpd for December. The field is not yet in production and had no test volumes in November.

### Month-over-month declines

The largest month-over-month volume decline was at Hilcorp Alaska’s Milne Point, which averaged 49,624 bpd in December, down 1,281 bpd, 2.52%, from a November average of 50,906 bpd, but up 3.11% from a December 2024 average of 48,130 bpd.

Milne Point produces primarily from the Schrader Bluff and Kuparuk oil pools, with minor Sag River and Ugnu volumes.

ConocoPhillips’ Greater Mooses Tooth in the National Petroleum Reserve-Alaska averaged 8,101 bpd in December, down 718 bpd, 8.14%, from a November average of 8,819 bpd and down 41.76% from a December 2024 average of 13,910 bpd.

Hilcorp Alaska’s Oooguruk averaged 6,426 bpd in December, down 198 bpd, 2.99%, from a November average of 6,625 bpd but up 2.73% from a December 2024 average of 6,256 bpd. Hilcorp Alaska acquired Oooguruk from Eni in November 2024.

ConocoPhillips’ Colville River averaged 29,408 bpd in December, down 173 bpd, 0.59%, from a November average of 29,581 bpd and down 18.41% from a December 2024 average of 36,044 bpd.

In addition to oil from the main Alpine pool, Colville includes production from the Nanuq and Qannik oil pools.

Savant Alaska’s Badami averaged 1,703 bpd in December, down 104 bpd, 5.75%, from a November average of 1,807 bpd and down 37.56% from a December 2024 average of 2,728 bpd. Savant is a Glacier Oil and Gas company.

The Hilcorp Alaska-operated Point Thomson field averaged 4,128 bpd in December, down 48 bpd, 1.14%, from a November average of 4,175 bpd and

down 3.82% from a December 2024 average of 4,292 bpd.

Operator Hilcorp holds 36.148% of Point Thomson, with ExxonMobil Alaska Production the majority working interest owner at 61.637% and other owners collectively holding 2.215%.

### Cook Inlet crude edges up

Cook Inlet crude averaged 7,784 bpd in December, up 169 bpd, 2.19%, from a November average of 7,616 bpd and up 0.73% from a December 2024 average of 7,728 bpd. The volumes are 98.98% crude oil and 1.02% natural gas liquids, all from Swanson River.

The largest month-over-month increase was at Hilcorp Alaska’s Trading Bay field, which averaged 873 bpd in December, up 326 bpd, 59.58%, from a November average of 547 bpd but down 0.23% from a December 2024 average of 875 bpd.

Cook Inlet Energy’s West McArthur River averaged 869 bpd in December, up 18 bpd, 2.17%, from a November average of 850 bpd but down 7.53% from a December 2024 average of 939 bpd. CIE is a Glacier Oil and Gas company.

CIE’s Redoubt Shoal averaged 567 bpd in December, up 16 bpd, 2.99%, from a November average of 551 bpd and up 180.14% from a December 2024 average of 203 bpd.

Hilcorp Alaska’s McArthur River, Cook Inlet’s largest crude producer, averaged 2,369 bpd in December, down 104 bpd, 4.2%, from a November average of 2,473 bpd but up 10.27% from a December 2024 average of 2,148 bpd.

BlueCrest’s Hansen averaged 505 bpd in December, down 68 bpd, 11.89%, from a November average of 573 bpd and down 16.54% from a December 2024 average of 605 bpd.

Hilcorp’s Beaver Creek averaged 125 bpd in December, down 12 bpd, 8.66%, from a November average of 137 bpd and down 33.57% from a December 2024 average of 188 bpd.

Hilcorp’s Granite Point averaged 1,723 bpd in December, down 9 bpd, 0.5%, from a November average of 1,732 bpd and down 15.02% from a December 2024 average of 2,027 bpd.

Hilcorp’s Swanson River averaged 752 bpd in December, down 1 bpd, 0.18%, from a November average of 753 bpd but up 1.51% from a December 2024 average of 741.

ANS crude oil production peaked in 1988 at 2.1 million bpd; Cook Inlet crude oil production peaked in 1970 at more than 227,000 bpd. ●

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INLET GAS

2024 average of 45,665 mcf per day. Hilcorp drilled five grassroots wells at Beluga in the 2024 plan of development period and plans up to six wells in the 2025 POD period, which runs from April through May.

Hilcorp’s North Cook Inlet averaged 43,351 mcf per day in December, 20.72% of inlet production, up 2,532 mcf per day, 6.2%, from a November average of 40,819 mcf per day and up 0.47% from a December 2024 average of 43,147 mcf per day. During the 2024 POD, July through June, Hilcorp drilled three grassroots wells and one sidetrack; three sidetracks are planned during the 2025 POD.

Hilcorp’s Ninilchik averaged 27,489 mcf per day, 13.14% of inlet volume, down 335 mcf per day, 1.2%, from a November average of 27,823 mcf per day but up 4.58% from a December 2024 average of 26,285 mcf per day. Hilcorp drilled three development wells in the 2024 POD period, August to July, and is evaluating two to four development wells in the 2025 POD period.

Furie’s Kitchen Lights averaged 19,563 mcf per day in December, 9.35% of inlet volume, down 333 mcf per day, 1.67%, from a November average of 19,896 mcf per day but up 64.01% from a December 2024 average of 11,928 mcf per day. AOGCC drilling records show three wells completed at Kitchen Lights, one in November 2024 and one each in May and June of 2025.

Hilcorp’s Kenai gas field averaged 17,767 mcf per day in December, 8.49% of inlet volume, up 30 mcf per day, 0.17%, from a November average of 17,737 mcf per day and up 1.54% from a December 2024 average of 17,498 mcf per day. AOGCC drilling records show three development wells completed at the Kenai field in 2024 and none in 2025.

Hilcorp’s McArthur River averaged 11,736 mcf per day in December, down 812 mcf per day, 6.47%, from a November average of 12,548 mcf per day but up 11.99% from a December 2024 average of 10,480 mcf per day.

Sixteen smaller contributors accounted for the

remainder of Cook Inlet gas production in December.

Hilcorp’s Swanson River averaged 6,352 mcf per day in December, down 1,156 mcf per day, 15.4%, from a November average of 7,508 mcf per day and down 11.45% from a December 2024 average of 7,173 mcf per day.

Hilcorp’s Cannery Loop averaged 3,845 mcf per day in December, up 121 mcf per day, 3.24%, from a November average of 3,724 mcf per day but down 9.52% from a December 2024 average of 4,249 mcf per day.

Hilcorp’s Pretty Creek averaged 3,807 mcf per day in December, up 953 mcf per day, 33.41%, from a November average of 2,854 mcf per day and up 6,817.88% from a December 2024 average of 55 mcf per day.

Hilcorp’s Deep Creek averaged 3,457 mcf per day in December, down 175 mcf per day, 4.81%, from a November average of 3,631 mcf per day but up 24.38% from a December 2024 average of 2,779 mcf per day.

Hilcorp’s Beaver Creek averaged 2,978 mcf per day in December, down 482 mcf per day, 13.94%, from a November average of 3,460 mcf per day and down 33.34% from a December 2024 average of 4,467 mcf per day.

Hilcorp’s Whiskey Gulch averaged 2,970 mcf per day in December, down 367 mcf per day, 11%, from a November average of 3,338 mcf per day. The field was not in production in December 2024.

Hilcorp’s North Fork averaged 2,526 mcf per day in December, up 212 mcf per day, 9.18%, from a November average of 2,314 mcf per day and up 49.36% from a December 2024 average of 1,692 mcf per day. Hilcorp became North Fork operator effective May 2025.

Hilcorp’s Ivan River averaged 2,401 mcf per day in December, down 21 mcf per day, 0.85%, from a November average of 2,422 mcf per day but up 119.16% from a December 2024 average of 1,096 mcf per day.

Hilcorp’s Granite Point averaged 2,255 mcf per day in December, down 29 mcf per day, 1.29%, from a November average of 2,285 mcf per day and down 22.77% from a December 2024 average of 2,920 mcf per day.

Hilcorp’s Lewis River averaged 1,546 mcf per day in December, down 265 mcf per day, 14.65%, from a November average of 1,811 mcf per day and down 39.08% from a December 2024 average of 2,538 mcf per day.

Hilcorp’s Trading Bay averaged 667 mcf per day in December, up 309 mcf per day, 86.05%, from a November average of 359 mcf per day but down 19.61% from a December 2024 average of 830 mcf per day.

BlueCrest’s Hansen averaged 492 mcf per day in December, down 68 mcf per day, 12.12%, from a November average of 560 mcf per day and down 47.55% from a December 2024 average of 938 mcf per day.

Amaroq’s Nicolai Creek averaged 221 mcf per day in December, up 37 mcf per day, 19.99%, from a November average of 184 mcf per day but down 32.86% from a December 2024 average of 329 mcf per day.

Cook Inlet Energy’s West McArthur River averaged 179 mcf per day, down 6 mcf per day, 3.31%, from a November average of 185 mcf per day and down 27.29% from a December 2024 average of 246 mcf per day. CIE is a Glacier Oil and Gas company.

CIE’s Redoubt Shoal averaged 105 mcf per day in December, down 2 mcf per day, 2.09%, from a November average of 108 mcf per day, but up 161.15% from a December 2024 average of 40 mcf per day.

AIX’s Kenai Loop averaged 28 mcf per day in December, up 2 mcf per day, 7.69%, from a November average of 26 mcf per day but down 98.51% from a December 2024 average of 1,880 mcf per day. The Alaska Division of Oil and Gas said in December that AIX has received approval from the division to suspend production and will begin regulatory work to convert the field from gas production to gas storage.

Cook Inlet natural gas production peaked in 1990 at more than 850,000 mcf per day.

—KRISTEN NELSON

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## EXPLORATION & PRODUCTION

### Hilcorp plans new well at West Fork field

Hilcorp Alaska has permitted a development gas well, WFK-04, at the West Fork gas field and applied to the Alaska Oil and Gas Conservation Commission for changes in the conservation order governing the field.

If successful, this well would bring an old gas field back online.

Natural gas was discovered at the West Fork field on the Kenai Peninsula by Halbouty Alaska Oil Co. in 1960 at the West Fork No. 1-B well. Three dry hole offset wells followed — the SOCAL West Fork 233-16 and the Union Sterling Unit 48-28, both drilled in 1962, and the Halasko West Fork 42-10 drilled in 1967.

The field produced from 1978-1985, 1991-1995, 2005-2009 and 2013-15. AOGCC production data show cumulative production of 5,974,254 thousand cubic feet.

The West Fork field is east of Kenai north of the Sterling Highway.

Hilcorp is the working interest owner. Landowners are Cook Inlet Region Inc. and the U.S. Department of the Interior Bureau of Land Management.

The drilling permit, issued Jan. 15, is for a development gas well in the West Fork gas field to the undefined Sterling and Tyonek gas pools with a measured depth of 9,918 feet and a true vertical depth of 9,421 feet. Jan. 29 was the proposed spud date.

In its application to AOGCC to amend pool rules for the West Fork gas field Hilcorp asked for administrative approval for a change and told the commission it was “targeting undefined reservoir(s)” not subject to the existing pool rules, but said should it find commercial quantities of gas it would be “prevented from producing them without obtaining regulatory exception.” The company said existing boundary setback restricts production of the West Fork gas pools “which would diminish ultimate recovery and leads to economic and physical waste.”

The company asked for pool rule changes for modernization and for consistency with rules for the Kenai gas fields.

The commission granted administrative approval for the pool rule change and said the 320-acre spacing exception was unnecessary. The rule Hilcorp requested to be changed “doesn’t need to be amended but instead can be repealed. Property line setback requirements will thus be controlled by regulation, making a specific rule unnecessary.”

—KRISTEN NELSON

## EXPLORATION & PRODUCTION

### AIX Energy ends production at Kenai Loop

The Alaska Department of Natural Resources’ Division of Oil and Gas said on their December Cook Inlet oil and gas activity map that AIX Energy LLC had received permission from the division to suspend production at the Kenai Loop gas field. The company will begin regulatory work to convert the field to gas storage, the division said.

Buccaneer Alaskan Operations began production at Kenai Loop in January 2012. AIX took over in January 2015.

As reported in Petroleum News, Enstar Natural Gas told the Regulatory Commission of Alaska it proposes to acquire the Upper Tyonek Pool gas reservoir, which is depleted, and associated facilities from AIX Energy. Enstar is asking RCA to find development of the depleted pool as a natural gas storage facility to be prudent and consistent with the company’s role as a regulated gas utility.

Alaska Oil and Gas Conservation Commission production data show AIX’s production at Kenai Loop has been dropping steadily, with production from just a single well since 2023, although AOGCC shows three wells at the field.

—KRISTEN NELSON

## • EXPLORATION & PRODUCTION

# Baker Hughes US rig count up 1 at 544

By KRISTEN NELSON

Petroleum News

Baker Hughes’ U.S. rotary drilling rig count was 544 on Jan. 23, up by one from the previous week and down 32 from 576 a year ago. The domestic rig count has ranged from the 530s through the 550s since the beginning of June.

For 2025, the count peaked Feb. 28 (and again March 21) at 593, hitting its low point Aug. 29 at 526. For 2024, the count peaked March 1 (and again March 15) at 629, hitting its low point June 28 at 581. In 2023 the count peaked early in the year at 775 on Jan. 13, bottoming out Nov. 10 at 616.

A drop of 17 to 731 on May 12, 2023, was the steepest weekly drop since June of 2020, during the first year of the COVID-19 pandemic, when the count also dropped by 17 to 284 on June 5, following drops as steep as 73 rigs in one week in April. The count continued down to 251 at the end of July 2020, reaching an all-time low of 244 in mid-August 2020.

When the count dropped to 244 in mid-August 2020, it was the lowest the domestic rotary rig count had been since the Houston based oilfield services company began issuing weekly U.S. numbers in 1944.

Prior to 2020, the low was 404 rigs in May 2016. The count peaked at 4,530 in 1981.

The count was in the low 790s at the beginning of 2020 prior to the COVID-19 pandemic, where it remained through mid-March of that year when it began to fall, dropping below what had been the historic low in early May with a count of 374 and continuing to drop through the third week of August 2020 when it gained back 10 rigs.

The Jan. 23 count includes 411 rigs targeting oil, up by one from the previous week and down 61 from 472 a year ago, with 122 rigs targeting natural gas, unchanged from the previous week and up 23 from 99 a year ago, and 11 miscellaneous rigs, unchanged from the previous week and up by six from a year ago.

Fifty-five of the rigs reported Jan. 23 were drilling directional wells, 476 were drilling horizontal wells and 13 were drilling vertical wells.

Colorado (14) was up two rigs from the previous week. Texas (229) and Wyoming (16) were each up by a single rig.

Louisiana (37) was down by two rigs week over week and Utah (16) was down by one.

Rig counts in other states were unchanged from the previous week: Alaska (9), California (8), New Mexico (102), North Dakota (26), Ohio (14), Oklahoma (43), Pennsylvania (18) and West Virginia (7).

Baker Hughes shows Alaska with nine rotary rigs active Jan. 23, unchanged from the previous week and down by one from a year ago when the state’s count was 10.

The rig count in the Permian, the most active basin in the country, was unchanged from the previous week at 244 and down by 54 from 298 a year ago. ●

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GOVERNMENT

# State challenges federal OCS lawsuit

Argues that case disputing opening of federal offshore Alaska region for oil and gas lease sales is invalid because no sales planned

By ALAN BAILEY  
For Petroleum News

In a Jan. 16 court filing the State of Alaska challenged a lawsuit in the federal District Court in Alaska that claims that President Trump’s Jan. 20, 2025, executive order opening large areas of the federal outer continental shelf to oil and gas development, including areas of the Beaufort and Chukchi seas, was illegal. A group of environmental organizations have claimed that the order violated both the U.S. constitution and federal statutes.

The state now argues that the case should be dismissed because “the plaintiffs have not alleged imminent and particularized harm within the District of Alaska.”

Regardless of the executive order, the Bureau of Ocean Energy Management cannot currently authorize any exploration or leasing activity on the Alaska outer continental shelf, because those areas are not included in

the agency’s National Outer Continental Shelf Plan, the state told the court. And the multi-year process involved in preparation of a new oil and gas leasing program shields the plaintiffs from any immediate harm, the state wrote.

**Requires impending injury**

A legally tenable case requires the plaintiffs to allege impending injury, rather than make allegations of possible future injury, the state argues. The president’s executive order “caused no direct harm to plaintiffs,” the state wrote.

“No new exploration or leasing activity can occur in the Chukchi or Beaufort Seas until either BOEM finalizes the 11th National OCS Plan, or Congress takes further action, the outcome of which is neither guaranteed nor imminent,” the state wrote.

On May 1, 2025, BOEM opened a 45-day public

comment period for the preparation of the agency’s new outer continental shelf oil and gas leasing program. And on Nov. 24, 2025, the agency announced its first draft program, proposing lease sales in federal waters of the Beaufort Sea, the Chukchi Sea and the “High Arctic,” among other regions of the OCS.

“While the outcome of this open, public and transparent planning process is far from certain, plaintiffs intend to derail it completely by challenging the executive orders that prompted it,” the state wrote. In doing this the plaintiffs are also seeking to quash the rights of the state, “its elected leaders, its coastal communities and its residents” from providing input to BOEM regarding federal offshore development at specific locations and times, the state told the court. ●

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EXPLORATION & PRODUCTION

# Hilcorp advancing Happy Valley pad, wells

Pad approved in Jan. 26 decision would be 3rd at Deep Creek; road to pad crosses state and private lands, approval for state land

By KRISTEN NELSON  
Petroleum News

Hilcorp Alaska has received approval for a new pad on state lands in the Deep Creek unit on the Kenai Peninsula and for portions of a new road which cross state lands. A Jan. 26 decision by the Alaska Department of Natural Resources’ Division of Oil and Gas is for the Happy Valley Middle Pad and road to support natural gas exploration. The division said the project is some 13 miles northeast of Anchor Point and 5 miles east of the Sterling Highway.

Deep Creek currently produces from Happy Valley A and Happy Valley B pads; the proposed Middle Pad would be the third in the unit and provide the company access, the division said, to “undeveloped leases in the Kenai Peninsula.”

Deep Creek is one of the smaller Cook Inlet natural gas fields, averaging 3,457 thousand cubic feet per day in December, the most recent month for which Alaska Oil and Gas Conservation Commission production data is available, up 24.38% from December 2024 volumes.

The 3-mile road crosses surface lands held by DNR, and also lands held by Cook Inlet Region Inc. and the Ninilchik Natives Association Inc.

Through their attorney, NNAI objected to the project, as a portion of the road crosses its surface lands.

In its decision the division acknowledged that Hilcorp’s original application did not identify NNAI as an affected private surface landowner but said Hilcorp submitted an amended application correcting surface ownership information, and the division issued a second public notice for the amended application.

The division said that its decision does not authorize access to private lands and said its approval of the lease plan of operations authorizes activities only on state oil and gas leases.

**Drilling**

The new gravel pad would be 300 by 400 feet. Hilcorp would install gas flowlines, electrical instrumentation, line heaters, separators, compressors, a communication tower, well cellars and conductors.

The lease plan of operations approval includes two grassroots wells and one freshwater well to support drilling operations.

Proposed operations include vegetation clearing and grubbing of the project area, proposed to begin Dec. 1, 2025, and end

Jan. 15; installation of the pad and road, proposed to begin Jan. 15 and end March 15; installation of cellars and conductors, water well, mobilization of the drilling equipment and beginning of drilling and well testing, proposed to begin March 15 and end June 15; and installation of facility piping, electrical instrumentation and other infrastructure as needed, proposed to begin

June 15 and end July 15.

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

Current Deep Creek production is from three wells on the Happy Valley A pad and six wells on the Happy Valley B pad. ●

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## EXPLORATION & PRODUCTION

### 88 Energy gets access to Schrader Bluff 3D

88 Energy Ltd. said Jan 26 that it has secured access to the Schrader Bluff 3D seismic dataset released by the Alaska Department of Natural Resources’ Division of Oil and Gas. The company said the survey provides high-quality subsurface coverage “across the North-West Hub of its South Prudhoe acreage, next to the Prudhoe Bay Unit, and will be used to strengthen future exploration decisions.”

88 Energy said interpretation will help mature multiple prospects, support an internal update to prospective resource estimates and assist in identifying and optimizing future well locations near producing fields and existing infrastructure.

The company added that the data will be incorporated into its exploration database to support a drilling program scheduled for Q1 2027 and said it expects to purchase the Kad River 3D Survey release in March 2026, covering Kad River East leases “secured in a 2025 bid round.” 88 Energy noted that updated internal prospective resource estimates for South Prudhoe are expected in first quarter “after interpreting Schrader Bluff 3D alongside Storms 3D and other datasets, covering Ivishak and Kuparuk reservoirs and shallower Brookian formations.”

—PETROLEUM NEWS



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## GLENFARNE AGREEMENTS

companies have received conditional awards for pipeline construction, including comprehensive pricing and technical specifications, Glenfarne says.

Tim Fitzpatrick, Glenfarne communications director, has confirmed to Petroleum News that his company anticipates making a final investment decision for the phase one project in the next few weeks and that pipeline construction could begin in December.

### The conditional awards

Glenfarne has made conditional awards to work on pipeline construction to MasTec Inc.; Quanta Services Inc.; a joint bid between Michels Pipeline Inc. and ASRC Energy Services LLC; a joint venture between Associated Pipe Line Contractors Inc., Doyon Energy Services LLC and Cruz Construction Inc.; a joint venture between Barnard Pipeline Inc and SICIM S.p.A; and a joint venture between VINCI Construction subsidiary Spiecapag and U.S. Pipeline.

“These world-class pipeline construction partners were selected based on their qualifications and experience to build the Alaska LNG pipeline, one of the most important pieces of energy infrastructure in the world,” said Glenfarne Chief Executive Officer Brendan Duval. “Each has dedicated a significant amount of time and resources

in estimating and bidding for these roles, and their early involvement is foundational for this pipeline.”

Glenfarne also plans to hire engineering company Worley Limited to provide engineering, procurement and construction management services for the phase one project. Worley conducted the engineering needed for a final investment decision.

For the pipeline construction Glenfarne anticipates the need for 700,000 metric tonnes of piping for the main pipeline, together with an additional 25,000 metric tons of piping for a lateral pipeline to the Point Thomson field. Point Thomson has a potential supply of clean natural gas.

### Gas supplies for Alaska

Glenfarne says that, in addition to conditional awards for pipeline construction, it has signed a non-binding letter of intent with Anchorage based Enstar Natural Gas Co. for a 30-year supply of natural gas using the North Slope gas line. The agreed arrangement would require the negotiation of definitive agreements and approval by the Regulatory Commission of Alaska.

“This represents a part of the continuous and diligent work between Enstar and Glenfarne over the past year,” said Enstar President John Sims. “It also furthers Enstar’s 65-year history of supporting development of Alaska’s resources, along with our ongoing mission to secure a long-term and reliable natural gas supply for Southcentral Alaska. We are optimistic about the historic progress

Glenfarne has made toward bringing North Slope gas to market, benefitting all Alaskans.”

As previously reported by Petroleum News, Glenfarne has a letter of intent with Donlin Gold Mine for the construction of a 315-mile gas pipeline from Southcentral Alaska to the planned mine and a gas-fueled electricity generation plant for the mine.

“Our agreements with Enstar and Donlin help ensure that the pipeline can deliver competitively priced natural gas within Alaska,” said Duval. “We recognize the critical role that the pipeline will play in the future of Alaska’s economy, and we are in discussions for gas sales to additional customers that we look forward to serving.”

### Gas supplies into the pipeline

For the supply of gas into the pipeline on the North Slope, Glenfarne has established agreements with several North Slope producers, including ExxonMobil and Hilcorp Alaska. ConocoPhillips has also indicated that it will continue to advance gas supply agreements for pipeline use and help position the project for long term success, Glenfarne says. Glenfarne had previously announced a gas sales precedent agreement with Great Bear Pantheon, the company planning to develop the Ahpuna oil and gas field, near the North Slope Haul Road.

—ALAN BAILEY

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## OIL PRICES

the Wall Street Journal.

The company said that the loss of U.S. production — and disruption at refineries — due to weather which appears more extensive than expected — added to short-covering.

U.S. crude oil inventories fell, according to data released Jan. 28 by the U.S. Energy Information Administration.

Commercial crude oil inventories for the week ended Jan. 23 fell 2.3 million barrels to 423.8 million barrels — 3% below the five-year average for the time of year, the EIA said.

The drawdown was a surprise. Crude inventories had been expected to have risen by 1 million barrels, according to a Wall Street Journal analyst survey.

U.S. motor gasoline inventories rose by 223,000 barrels to 257.2 million barrels — 5% above the five-year average, the EIA said.

The Journal poll called for gasoline stocks to be up by 1 million barrels.

Distillate fuel inventories rose by 329,000 barrels to 132.9 million barrels — 1% above the five-year average.

Analysts expected a 1.4-million-barrel drawdown in distillate inventories, according to the Journal’s poll.

On Jan. 26, ANS fell 29 cents to close at \$65.46, WTI fell 44 cents to close at \$60.63 and Brent fell 29 cents to close at \$65.59.

ANS jumped 90 cents Jan. 23 to close at \$65.12, while WTI leapt \$1.71 to close at \$61.07 and Brent leapt \$1.82 to close at \$65.88.

Crude fell Jan. 22, taking ANS \$1.01 lower to close at \$64.22, as WTI shed \$1.26 to close at \$59.36 and Brent slid \$1.18 to close at \$64.06.

ANS gained 63 cents Jan. 21 to close at \$65.23, while WTI rose 28 cents to close at \$60.62 and Brent rose 32 cents to close at \$65.24.

ANS gained \$2.46 over the trading week from its close of \$64.60 Jan. 20, to its close of \$67.06 Jan 27.

As Iran has grabbed the geopolitical

spotlight, the risk of warfare expansion in Venezuela has subsided.

The Trump administration is taking steps to oversee and control oil sales of Venezuela’s state-owned PdV — potentially spawning serious short-term implications for oil markets, particularly if accompanied by easing of U.S. sanctions, Argus said in a note.

In the short term, the prospect of Venezuelan crude flowing more freely to Gulf coast refiners could lead to a modest boost to output — perhaps 250,000 barrels per day in the next 12 months, some analysts suggest, Argus said.

“Longer term, there is much bullish rhetoric from the White House on how U.S. oil firms can rehabilitate the country’s upstream sector and ‘make Venezuela great again,’” Argus said. “But how plausible those objectives are will depend on how much support Washington can provide, given the billions of dollars of capital spending required.” ●

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OFFSHORE LNG IMPORT

Cook Inlet producer.

“It’s no secret that Southcentral Alaska faces a critical energy gap in just a few short years that many players in our industry are working hard to overcome. With our FSRU project, Cook Inlet LNG aims to meet an immediate gas supply need, not impede longer-term gas supply projects currently being discussed in the public sphere,” said Cook Inlet LNG Project Lead Rob Bryngelson, who has brought more than a dozen FSRU projects to market worldwide. “Now that we have reached key internal milestones, we can join those critical energy supply discussions with our FSRU project.”

The project will maximize the use of existing oil and gas infrastructure in the Cook Inlet basin with the initial project structured to supply 22 billion cubic feet of natural gas per year to the region.

The FSRU will be moored alongside the existing Osprey platform on the west side of Cook Inlet. Gas will be fed into the pipeline system through the platform’s existing infrastructure. (The Osprey is nearing the end of its economic life.)

The mooring anchors that will be placed on the floor of Cook Inlet for mooring of the FSRU are the only new infrastructure that will be required for the Cook Inlet LNG project.

“With proven, existing infrastructure, facilities, and pipelines in the southernmost area of the Cook Inlet, we are excited to embark on the next phase of delivering energy solutions for Alaskans, by



COURTESY COOK INLET LNG, LLC

This rendering depicts a moored FSRU vessel connected to the Osprey platform in Cook Inlet. The Cook Inlet LNG project will utilize as much existing oil and gas infrastructure as possible to keep the development cost and timeline to a minimum.

Alaskans”, said Stephen Ratcliff, CEO of Glacier Oil & Gas Corp. “Our ability to utilize our infrastructure allows a timely solution for meeting a gas supply demand in real time, while upholding our standard

for health and safety of our employees and the environment we operate in.”

Privately funded

First available gas from the FSRU

The mooring anchors that will be placed on the floor of Cook Inlet for mooring of the FSRU are the only new infrastructure that will be required for the Cook Inlet LNG project.

project is expected in mid-2029. The project is privately funded, eliminating execution risk to local utilities and ratepayers.

Once the project is in operation, gas supply costs to utilities and ratepayers will be approved by the Regulatory Commission of Alaska, or RCA, the same as other gas supply contracts from current operations in the region.

“This project maximizes the re-use of oil and gas infrastructure that has operated safely in Cook Inlet for decades,” said Gardes Holdings President Robert “Bob” Gardes. “FSRU’s have proven effective as a simple, safe solution to fill energy gaps across the world. We are proud that this project will do the same for Alaskans.”

The FSRU will be resupplied by LNG tankers approximately once every 30-45 days in winter, with longer durations between resupplies in summer. All vessels will be suited for operations in Cook Inlet’s challenging conditions.

Cook Inlet LNG has initiated the process of obtaining regulatory approvals from the Federal Energy Regulatory Commission, the U.S. Coast Guard and other regulatory agencies. ●

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## INDUSTRY STATUS

Division of Oil and Gas, told the committee that after nearly 50 years of operation about 19.2 billion barrels of oil have been produced from North Slope oilfields. And the Prudhoe Bay field has dominated the production figures with 14.2 billion barrels from that field alone, Nottingham said.

“Prudhoe Bay is a field like no other field. There’s probably not another one like it in the world,” Nottingham said. “It’s probably a one in a million kind of find, with the size of oil resource, the type of rock, the drive mechanism, those kinds of things.”

The Kuparuk River field, with almost 3 billion barrels of production over the same timeframe is also a world class field, with a very high recovery factor and much activity, Nottingham said.

Then, with additional field developments, there are some other major oil producers such as the Colville River field, he added. Nottingham also commented that after a steep decline in production until around 2006 to 2010 from those early fields, production stabilized at around 400,000 to 600,000 barrels per day thanks to an active program of development drilling, infill drilling and other activities.

### New developments

However, with the major fields now becoming mature following 40 or 50 years of production, it has become important to have new fields and new developments on the Slope, Crowther commented. And, with new fields scheduled to come online, there is a 20% to 30% increase in production anticipated in the next 10 years.

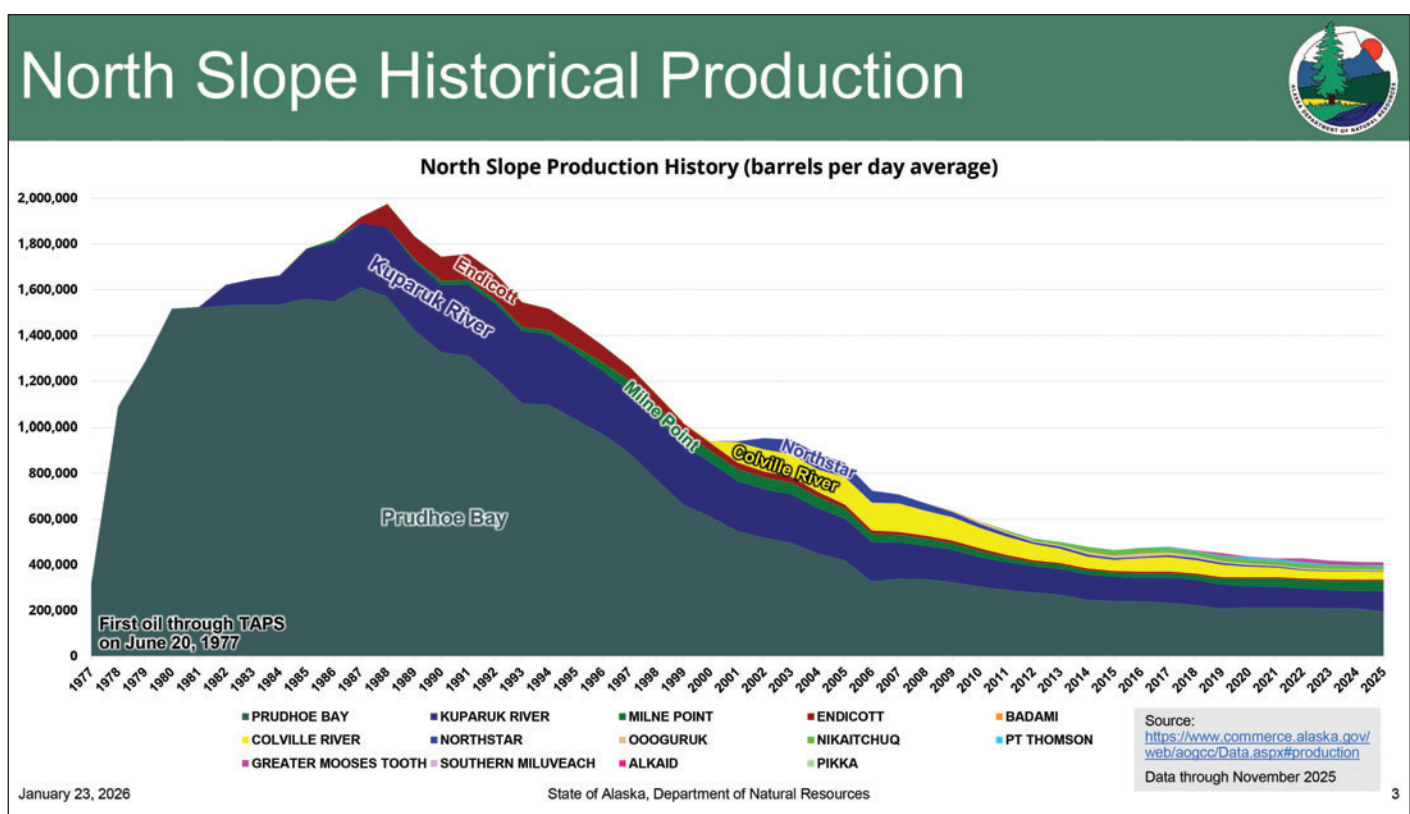
“So that is truly unprecedented in our entire history,” Crowther said.

Nottingham said that phase one of Santos Ltd.’s new Pikka oilfield is expected to come online at the end of March or in early April. Largely as a consequence of this, DNR expects North Slope oil production to increase from around 465,000 barrels per day in fiscal year 2026 to nearly 520,000 barrels per day in fiscal year 2027. Then the agency anticipates ConocoPhillips’ new Willow field to also come online in 2029, adding a significant number of barrels to the North Slope oil production. A peak production rate of 180,000 barrels per day is anticipated from Willow, Nottingham said.

There will likely be a pause before the initiation of phase two of the Pikka development, while Santos evaluates the results from the phase one development, Nottingham commented.

### Milne Point success

Nottingham also commented on the



success that Hilcorp Alaska has seen in boosting production from the Milne Point field. He said that Hilcorp has increased production of the more viscous oil in the Schrader Bluff formation through the use of polymer injection and the use of closely spaced, horizontal production and injection wells.

He also commented that Hilcorp recently acquired the Nikaitchuq and Oooguruk fields from Eni U.S. Operating Co. and that those fields have reservoirs and oil similar to the Milne Point field.

### Potential developments

Nottingham commented on some other potential developments that could increase North Slope oil production, including the Colville River CD8 project and the Prudhoe Bay Taiga project.

And, in terms of potential future development, ConocoPhillips has planned a significant exploration program in the NPR-A, including the drilling of four exploration wells and conducting seismic surveying. Some environmental organizations have challenged the Bureau of Land Management approval of this program.

### Successful lease sale

Nottingham commented on the results of the fall 2025 North Slope oil and gas lease sale.

“It was one of the best that we’ve had in quite a while,” he said. DNR has indicated that the 287 tracts covering 519,000 acres purchased in the sale were the highest number of tracts and total acreage since a 2014 lease sale.

Nottingham attributed the lease sale success to the successful development of oil resources in Brookian plays, as charac-

terized by the Pikka field.

“The oil resources here on the North Slope are immense,” he said. “There could be quite a bit more to go out there and explore for and develop.”

Nottingham also commented on potential upcoming lease sales for federal land in the National Petroleum Reserve-Alaska and on the coastal plain of the Arctic National Wildlife Refuge. The Bureau of Ocean Energy Management will be conducting a lease sale in the federal waters of the Cook Inlet on March 4, he added. He also commented that, as much as possible, Alaska is trying to coordinate its lease sales with the timing of the federal lease sales.

### Gas production?

In response to a question about the possible impact of future North Slope gas production on oil production, Crowther commented that gas pressurization in the field reservoirs is very important in ultimate oil production. So, it is important to manage the gas offtake in the context of overall field reservoir pressures. The Alaska Oil and Gas Conservation Commission has been carefully assessing this issue, he said. And gas production from a field has the potential to significantly extend field life, he added.

Asked about Harvest Alaska’s new liquefied natural gas plant on the North Slope, for supplying LNG to Fairbanks, as an alternative to the use of Cook Inlet gas, Crowther commented that monetizing a small amount of North Slope gas is a positive development that will also help lower the pressure on meeting Southcentral gas demand from the Cook Inlet basin.

### Low CO2 gas

Nottingham said that phase one of Glenfarne Alaska’s plan for the construction of a gas pipeline from the North Slope to Southcentral Alaska would require gas with a relatively low carbon dioxide content. He said that suitable gas might possibly be obtained from the Northstar unit or the Point Thompson field. The Point Thompson field has 6 trillion cubic feet to 10 trillion cubic feet of available natural gas with a fairly low carbon dioxide content. Representative Dan Saddler commented that he had heard that Glenfarne was envisaging the possibility of a spur pipeline to Point Thompson as part of phase one of the pipeline project.

There was also a brief discussion with committee members regarding the potential for the delivery of natural gas with a low carbon dioxide content from a field that Great Bear Pantheon is planning to develop close to the North Slope Haul Road. Crowther commented that Great Bear Pantheon is still evaluating the nature

of the resource in the field and discussing the project with potential product buyers and investors.

### Southcentral Alaska

In Southcentral Alaska natural gas from oil and gas fields in the Cook Inlet basin plays a key role in heating buildings and generating electricity, Nottingham said. But there are pending gas shortages that could impact people’s homes, lives and businesses, he said.

However, the gas producers have conducted much work in optimizing their drilling programs, focusing on areas where they have seen the most success, Nottingham said. For example, new gas has come online from the Beluga River field, the North Cook Inlet field and the Kitchen Lights field. The state also anticipates some gas to come online from the Cosmopolitan field.

Nottingham said that a total of 22 development wells were drilled in 2025.

A limitation in exploration and development offshore in the Cook Inlet is the fact that there is only one jack-up rig in operation in the inlet. Crowther commented that DNR has been working with the Cook Inlet operators to ensure that the rig is used as much as possible, and to encourage the operators to explore the possibility of bringing a second rig to the inlet.

### Anticipated gas shortage

However, despite ongoing developments gas production is anticipated to fall below demand levels in the future.

Gas consumption from the Cook Inlet basin runs at around 70 billion cubic feet per year. Based on the use of current gas wells and ongoing development drilling, supply would start to fall short of demand in 2027. However, using projections of future gas production that include gas assumed to come from new gas developments, gas supplies would not fall below that 70 billion cubic feet per day level until after 2033, with supplies then falling by ever increasing amounts annually after that, according to a graph that DNR presented. And gas delivery could then potentially continue to meet demand through to 2035 as a consequence of the appropriate use of gas storage, the graph indicates. However, Nottingham said that there is an opportunity for North Slope gas to fill that supply shortage, if a North Slope gas pipeline is built.

There was no mention of plans by Southcentral utilities to import liquefied natural gas into Southcentral Alaska to bolster local gas supplies. ●

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## INSIDER

NPR-A southwest of the village is also part of CPAI’s exploration plans this winter.

### Nov. 6 reveals

ConocoPhillips chief executive Ryan Lance said in a Nov. 6 third quarter earnings report that in 2026 the company will have “a bigger exploration program than we’ve had in Alaska in a number of years,” the specifics of which have since been revealed as a major oil exploration campaign in the NPR-A that includes the four exploratory wells.

Lance also said Nov. 6 that operator CPAI is expecting first oil at its North Slope Willow project to be sooner than forecast — “early” 2029 versus later in that year.

Willow is scheduled to produce 180,000 barrels per day of oil at peak rates.

Another reveal of the Nov. 6 third quarter earnings report was a revised estimate for Willow project costs: They will be approximately \$1 billion more than the company’s late 2023 final investment decision estimate.

The projected cost range for Willow is now \$8.5 billion to \$9 billion, up from \$7 billion to \$7.5 billion.

Lance blamed the overruns on “higher-than-expected general inflation and localized North Slope cost escalation”.

### Unified Command structure

In a ConocoPhillips Alaska statement following the rig toppling incident, the company said: “The incident involving Doyon Drilling Rig 26 has transitioned from an initial emergency response to an environmental impact assessment and mitigation effort. The two individuals who were on the rig at the time of the incident and six other initial responders were treated at nearby clinics and have all been released. Traffic flow has resumed and there continues to be no threat to local infrastructure or communities.

“The owner and operator of the rig, Doyon Drilling, is leading response and recovery efforts under a Unified Command structure including representatives from the State of Alaska, the federal government and the North



Rig 26, a self-propelled drilling module, left the road and toppled onto the tundra near “K pad,” which is a gravel pad owned by Kuukpik Corp. and leased by ConocoPhillips Alaska.

Slope Borough.”

### Spill report

According to a Jan. 25 situation report from the Alaska Department of Environmental Conservation, Division of Spill Prevention and Response, “the Spill Prevention, Control, and Countermeasure Plan (SPCC) for Rig 26 the maximum potential product on board was 8,400 gallons of diesel, 1,930 gallons hydraulic oil, and 85 gallons of ethylene glycol. Because diesel was used to fuel the rig’s mobilization, it is estimated that a significant portion of the diesel had been consumed prior to Rig 26 leaving the roadway. Fuel volumes in the diesel tanks were measured approximately 30 minutes prior to the incident indicating that approximately 4,000 gallons were on board. Evidence of a diesel spill has been confirmed by emergency responders; however, further assessments are in progress.”

In regard to resources at risk or affected, the Situation Report said: “The drilling module landed on tundra covered in 12 to 24 inches of snow. The closest oil and gas infrastructure is located approximately 50 feet away and was not impacted. Based on available maps, the site is less than 500 feet from a tributary to the Nechelek Channel of the Colville River. The spill area lies within critical habitat for denning and non-denning polar bears and habitat for caribou, Arctic fox, muskox, and ptarmigan, but no impacts to wildlife have been reported.”

## APA joins AOGA

Following successful results at the Sockeye-2 exploration well on the North Slope released in March and April 2025, APA Corp. announced on Jan 21 its formal membership in the Alaska Oil and Gas Association, or AOGA.

“I am pleased to welcome APA to AOGA. Their industry experience adds an important perspective for the board, and I look forward to working with them to promote fiscal stability within the Alaska oil and gas industry,” said AOGA Board Chair Erec Issacson, chief executive of ConocoPhillips Alaska.

APA Corp. is a public company trading on the Nasdaq stock exchange. Through its direct subsidiary Apache Corp. and Apache’s subsidiaries, APA maintains operations in the United States, including Alaska’s eastern North Slope, Egypt’s Western Desert, the United Kingdom’s North Sea, and offshore Suriname.

APA’s entry into AOGA “brings additional technical depth and global experience to the association as it works to advance policies that sustain production, jobs and revenue for Alaskans,” Issacson added.

—KAY CASHMAN

According to Kimberley Maher, northern region manager for the Department of Environmental Conservation, as of Monday, Jan. 26 immediate risk to responders is “big chunks of metal that could fall off” the downed rig.

“Over the weekend I was told it is continuing to settle,” she said.

Responders on site described a visible diesel pool but the ground and a nearby waterway are frozen, limiting any pollution, Maher said, adding that a few caribou were seen in the area before the rig went down but no wildlife has been seen since.

—KAY CASHMAN

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## SANTOS REPORT

this expenditure relates to facilities and was incurred in 2025.

Santos’ total 2025 capital expenditure remains at the lower end of original guidance, with the Pikka phase 1 cost increase offset by lower-than-planned capital expenditure elsewhere in the portfolio.

The Pikka phase 1 increase reflects inflationary pressure on labor and materials across the North Slope, tariffs on production modules for the sea water treatment plant and logistics costs relating to the MacKenzie River transit.

The project remains on track for first oil late in the first quarter of 2026, with ramp up to a plateau of 80,000 bpd

expected around the middle of the year.

“The fourth quarter lifted free cash flow for the full year to approximately \$1.8 billion, a strong result in a year of relatively soft commodity prices for the industry, which demonstrates the value of our focus on margin in our marketing and trading activities,” Santos Managing Director and Chief Executive Officer Kevin Gallagher said.

“Personal and process safety, and environmental performance, was outstanding, with the company in the top quartile of global industry benchmarks for personal safety and better than global average for process safety and environment performance,” he said.

—KAY CASHMAN

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