



## Interior opens 2.1 million acres in Alaska's Dalton Corridor

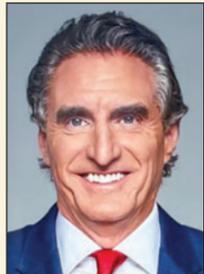
On Feb. 20, the Department of the Interior said it is set to issue Public Land Order No. 7966 in Alaska's Dalton Utility Corridor, opening approximately 2.1 million acres of public land to location and entry under the public land and mining laws.

This marks a historic step forward in fulfilling the State of Alaska's land entitlement. The order revokes two previous withdrawals north of the Yukon River — Public Land Orders 5150 and 5180 — expanding opportunities for resource development and enhancing the state's control over its own destiny.

"President Trump was clear — promises made are promises kept and this decision is about unlocking opportunity for American Energy Dominance to lower costs for all American families," said Secretary of the Interior Doug Burgum.

"By opening these lands, we are empowering Alaska to chart its own course and develop energy, minerals and infrastructure that strengthen America's security and prosperity,"

see DALTON CORRIDOR page 8



DOUG BURGUM

## Pantheon: seismic reprocessing, updip from Theta West-1 discovery

On Feb. 17, Pantheon Resources reported it has formally commenced seismic reprocessing focused on the northwest section of the company's Kodiak project, updip from the Theta West-1 discovery well.

The Theta-West-1 well was previously reported by Wood Mackenzie as being the fourth largest discovery well globally in 2022, and the largest onshore discovery well globally in 2022.

Pantheon is performing preliminary activities for a potential Theta West-2 appraisal well, with timing and execution subject to funding, permitting, and operational considerations.

Pantheon and its wholly owned subsidiary, Great Bear Petroleum, have been operating in Alaska for over a decade where more than \$350 million has been invested in building and appraising its portfolio and in 3D seismic.

Pantheon Resources is an independent oil and gas company, headquartered in Houston, focused on developing the

see THETA WEST-1 page 7

## 88 Energy reports South Prudhoe 507 million bbl resource estimate

On Feb. 19, 88 Energy Limited released the results of its internal prospective resource assessment across its consolidated South Prudhoe acreage on Alaska's North Slope, where it has a 100% working interest ownership.

The South Prudhoe lease position covers approximately 52,269 acres within one of the most prolific hydrocarbon fairways on the North Slope, immediately south of the Prudhoe Bay and Kuparuk River units. This acreage incorporates newly secured leases together with the former Project Leonis area, "consolidating a highly strategic corridor of stacked reservoirs with direct access to existing infrastructure," the company said in an ASX announcement.

The update "confirms material multi-million-barrel potential across multiple mapped prospects within five independent reser-

see SOUTH PRUDHOE page 7



ASHLEY GILBERT

### FINANCE & ECONOMY

## ANS surges into \$70s

US/Iran confrontation fans price but US inventories see big build

By STEVE SUTHERLIN

Petroleum News

Alaska North Slope crude settled at \$71.04 per barrel Feb. 24, down 32 cents on the day as it consolidated its position in the lower \$70s, following crude's dramatic rise over the trading week to seven-month highs on geopolitical tension between Iran and the United States.

West Texas Intermediate and Brent trimmed gains as well, down 68 cents and 72 cents on the day respectively to close at \$65.63 and \$70.77.

The "geopolitical risk premium could spike at any moment," Tradu's Nikos Tzabouras told the Wall Street Journal in a Feb. 25 email.

President Trump put continued pressure on Iran during his State of the Union address, after giving a 10-15-day ultimatum for a deal, Tzabouras said, adding that those actions maintained risks of military conflict, which could disrupt oil flows and push prices higher.

Indirect talks over Tehran's nuclear intentions — viewed as a last chance for diplomacy between Iran and the United States — were underway in Geneva as Petroleum News went to press Feb. 26.

U.S. special Mideast envoy Steve Witkoff, communicating through mediator Oman with Iranian Foreign Minister Abbas Araghchi, asked

Weakness in the North Sea physical oil market is weighing on oil prices, UBS analyst Giovanni Staunovo told Reuters.

Iran to halt its enrichment of uranium and curtail production of long-range missiles.

After a three-hour session the American delegation left the site, according to the Associated Press. Iranian state television reported that the talks would resume after a break.

Oman's Foreign Minister Badr al-Busaidi, negotiation mediator, said the two sides are exchanging "creative and positive ideas," adding that he is hopeful that more progress can be made later in the day when negotiations resume.

A prominent advisor to Iran's Supreme Leader suggested that Iran could reach an immediate agreement if talks with the U.S. focused solely on Iran's commitment not to develop nuclear weapons.

"If the main issue of the negotiations is Iran's non-development of nuclear weapons, this is consistent with the Supreme Leader's fatwa and Iran's defense doctrine, and an immediate agreement is within reach," Ali Shamkhani wrote in a post on X.

see OIL PRICES page 8

### FINANCE & ECONOMY

## Sales tax to oil tax

Senate Resources changes thrust of governor's tax bill; amends it to gross oil tax

By KRISTEN NELSON

Petroleum News

Gov. Mike Dunleavy introduced a bill which featured a statewide sales tax. In Senate Resources, the sales tax went away and was replaced with a redo of the state's oil tax system.

As reported out of Senate Resources Feb. 18, the Senate version, Senate Bill 227, returns Alaska's oil tax system to a gross tax at 17.5%, which, along with the state's 12.5% royalty, adds to a 30% tax.

The bill now moves to Senate Finance. No hearing had been scheduled when this issue of Petroleum News went to press.

The House version, House Bill 284, had only one referral, to House Finance, which last considered the bill Feb. 12.

### What the governor proposed

In a Jan. 23 transmittal letter for SB 227, the governor described the bill as a "one part of a comprehensive fiscal plan to stabilize state finances, limit spending growth, share responsibility among Alaskans, major industries, and nonresidents, attract investment, and restore rules-based payment of the annual Permanent Fund Dividend."

Although the bill did address oil taxes, raising the minimum tax floor from 4% to 6%, and imposing at 15 cent per barrel surcharge on oil "to fund operations

The temporary nature of those changes was based on the premise that starting in fiscal year 2033, "Alaska is projected to see higher revenue due to expected increases in pipeline throughput and the Alaska LNG Project," Dunleavy said.

and maintenance costs related to the Trans Alaska Pipeline Corridor," its most broad-based impact was imposition of a seasonal sales tax, 4% from April 1 to Sept. 30 and 2% from Oct. 1 through March 31.

Both the raising of the minimum tax floor and the sales tax were temporary.

The sales tax was to sunset in 2034, "as Alaska's fiscal position improves" and the increase in the minimum tax floor would return to 4% in 2032 "or the calendar year following average daily throughput reaching 650,000 barrels per day," the governor said.

The temporary nature of those changes was based on the premise that starting in fiscal year 2033, "Alaska is projected to see higher revenue due to expected increases in pipeline throughput and the Alaska LNG Project," Dunleavy said.

The bill also proposed a constitutional amendment which would provide for a 50-50 split between the Permanent Fund Dividend and funding state

see TAX BILL page 8

● LAND & LEASING

# State OKs Whiskey Gulch participating area

First gas well online in October; Hilcorp plans exploration well, additional testing of coalbed methane potential at WG and Seaview

By **KRISTEN NELSON**  
*Petroleum News*

The Alaska Department of Natural Resources' Division of Oil and Gas has approved an application from Hilcorp Alaska for formation of the Whiskey Gulch participating area within the Seaview unit on the southern Kenai Peninsula. Division Director Derek Nottingham approved the PA formation Feb. 25.

Hilcorp is 100% working interest owner of the 160-acre PA, which has an effective date of Nov. 1, 2025.

Whiskey Gulch is currently producing from a single gas well, Whiskey Gulch 1, drilled in 2021 as a directional exploration well targeting oil. The well drilled into the West Foreland Formation at a measured depth of 10,271 feet. While the exploration for oil was unsuccessful, a shallow gas sand in the Tyonek produced 14.67 million standard cubic feet of natural gas over four days.

The division said the well was shut in until facilities and pipelines could be installed.

Alaska Oil and Gas Conservation Commission records show regular production from the field began in October; AOGCC production data for January shows Whiskey Gulch 1 remains the only well in production at the PA.

Two other exploration wells have been drilled at Whiskey Gulch, as well as stratigraphic tests.

Whiskey Gulch 14 was directionally drilled in 2022 through the Tyonek to a measured depth of 8,013 feet. Whiskey Gulch 15 was directionally drilled to a shallower measured dept of 6,390 feet into the Tyonek formation.

The division said that based on confidential well data submitted by Hilcorp, it determined that the proposed PA “encompasses only lands that are reasonably known to be underlain by hydrocarbons or that, through geological, geophysical, or engineering analysis, are known or reasonably estimated to be capable of producing or contributing to production in paying quantities.”

The PA “is delineated by the calculated drainage area surrounding the currently perforated and tested productive gas interval of the Whiskey Gulch No. 1 well,” based on “confidential well test data and standard petroleum engineering methodologies.”

The division said Hilcorp plans an exploration well and the completion of additional testing on coalbed methane potential at Whiskey Gulch and Seaview. As of Feb. 25, AOGCC drilling records show no new Whiskey Gulch wells permitted.

### Whiskey Gulch facilities

The Whiskey Gulch pad and road date from 2021. A 6-inch natural gas pipeline connects existing production to the

Enstar natural gas transmission pipeline. The 2.75-acre Whiskey Gulch pad is on private surface lands at the end of Cape Ninilchik Avenue about 1 mile east of the Sterling Highway.

Production facilities at Whiskey include an enclosed separator package, a 200-barrel produced water tank, an enclosed compressor package, an enclosed glycol dehydration package, a control building and a utility building.

### Seaview

The division approved the sixth plan of development for the Seaview unit in July for August through October, and in October extended that POD approval through July 2026.

For the unit, Hilcorp was evaluating the potential to drill a well to test a potential structural high to the north. The company was also evaluating adding perforations to the Seaview 8 and 9 wells and evaluating the potential for data collection and coalbed methane testing at Seaview 8 and 9, work which the division said might include a workover, perforations, injectivity test and production assessments, as well as pursuing facility improvements through well, infrastructure and facility repairs as needed. ●

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# Alaska-Mackenzie Rig Report

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

## Alaska Rig Status

### North Slope - Onshore

<b>All American Oilfield LLC</b> IDECO H-37	AAO 111	Magtec Yard, Stacked	Available
<b>Doyon Drilling</b> Dreco 1250 UE	14 (SCR/TD)	Oliktok Point, O-232	Hilcorp Alaska LLC
Dreco 1000 UE	16 (SCR/TD)	Deadhorse, Standby	Available
Dreco D2000 Uebd	19 (SCR/TD)	Deadhorse, Standby	Available
AC Mobile	25	Alpine, Tinmiaq 19 PH1	ConocoPhillips
OIME 2000	141 (SCR/TD)	Deadhorse, Standby	Available
	142 (SCR/TD)	Alpine, Suqqaq-4	ConocoPhillips
TSM 700	Arctic Fox #1	Deadhorse, Standby	Available
ERD	26	Out of Service	Unavailable
<b>Hilcorp Alaska LLC</b> Rotary Drilling TSM-850	Innovation 169	Prudhoe Bay, Z Pad Prudhoe Bay	Hilcorp Alaska LLC Hilcorp Alaska LLC
<b>Nabors Alaska Drilling</b> 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)	Deadhorse-Reactivation/Maintenance	Available
Oilwell 2000 Hercules	16-E (SCR/TD)	Mustang Pad/Standby	Available
Emasco Electro-hoist			
Oilwell 2000 Canrig 1050E	27-E (SCR-TD)	Deadhorse/Standby	Available
Academy AC Electric CANRIG	99AC (AC-TD)	Deadhorse/Standby	Available
OIME 2000	245-E (SCR-AC-TD)	12 Acre Pad/MOB Maintenance	Available
Academy AC electric CANRIG	105-E (AC-TD)	Dubhe-1	Pantheon Resources
Academy AC electric Heli-Rig	106AC (AC-TD)	Deadhorse/Standby	Available
NOV ADS-10SD	272	Pikka	Santos
NOV ADS-10SD	273	Milne Point	Hilcorp Alaska LLC
<b>Nordic-Calista LLC</b> Superior 700 UE	1 (SCR/CTD)	Deadhorse	Available
Superior 700 UE	2 (SCR/CTD/TD)	Alpine	ConocoPhillips
Idec 900	3 (SCR/TD)	Deadhorse, Standby	Available
Rig Master 1500AC	4 (AC/TD)	Oliktok Point	Hilcorp Alaska LLC

### North Slope - Offshore

<b>Doyon Drilling</b> Sky top Brewster NE-12	15 (SCR/TD)	Point Thompson Unit, PTU-19	Hilcorp Alaska LLC
<b>Nabors Alaska Drilling</b> OIME 1000	19AC (AC-TD)	Ooguruk, Cold Stacked	Hilcorp Alaska LLC

### Interior Alaska

<b>Hilcorp Alaska LLC</b> Mobile Drill Rig	Integrity Rig	Yukon Flats Basin, exploratory	Hilcorp Alaska LLC
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### Cook Inlet Basin – Onshore

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

### Cook Inlet Basin – Offshore

<b>Hilcorp Alaska LLC</b> 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

<b>Glacier Oil &amp; Gas</b> National 1320	35	Osprey Platform, activated	Glacier Oil & Gas
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## Mackenzie Rig Status

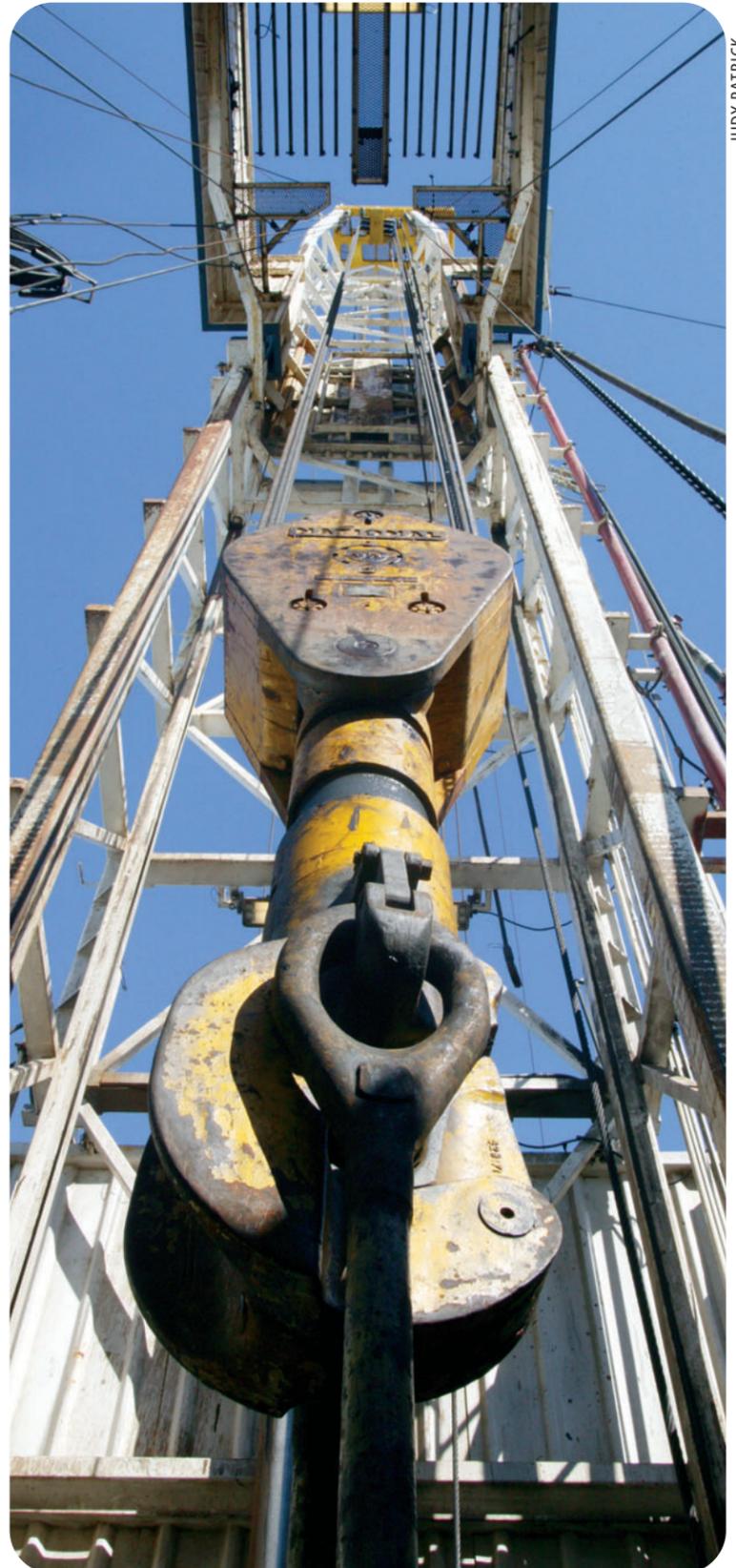
### Canadian Beaufort Sea

<b>SDC Drilling Inc.</b> SDC Mobile Offshore Drilling Unit Rig #2		Set down at Roland Bay	Available
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The Alaska-Mackenzie Rig Report as of February 25, 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\*

	Feb. 20	Feb. 13	Year Ago
United States	551	551	592
Canada	224	222	244
Gulf of Mexico	9	11	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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## ● EXPLORATION &amp; PRODUCTION

# Baker Hughes US rig count unchanged

By KRISTEN NELSON  
Petroleum News

**B**aker Hughes' U.S. rotary drilling rig count was 551 on Feb. 20, unchanged from the previous week and down 41 from 592 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

*Baker Hughes shows Alaska with 11 rotary rigs active Feb. 20, up by two from the previous week and up by one from a year ago when the state's count was 10.*

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 Feb. 20 count includes 409 rigs targeting oil, unchanged from the previous week and down 79 from 488 a year ago, with 133 rigs targeting natural gas, unchanged from the previous week and up 34 from 99 a year ago, and nine miscellaneous rigs, unchanged from the previous week and up by four from a year ago.

Fifty-five of the rigs reported Feb. 20 were drilling directional wells, 483 were drilling horizontal wells and 13 were drilling vertical wells.

## Alaska rig count up by 2

Alaska (11) was up by two rigs from the previous week while Texas (230) was up by a single rig.

Louisiana (39) was down by two rigs week over week; New Mexico (101) was down by one rig.

Rig counts in other states were unchanged from the previous week: California (7), Colorado (14), North Dakota (26), Ohio (13), Oklahoma (45), Pennsylvania (20), Utah (16), West Virginia (7) and Wyoming (17).

Baker Hughes shows Alaska with 11 rotary rigs active Feb. 20, up by two from the previous week and up 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 up by one from the previous week at 239 and down by 65 from 304 a year ago. ●

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## MAPS & GIS

### Latest Cook Inlet activity map released

The latest Cook Inlet Oil and Gas Activity Map was released at the end of January and dated December 2025 by the Alaska Department of Natural Resources' Division of Oil and Gas.

Find the map here: <https://dog.dnr.alaska.gov/Information/MapsAndGis>

The map includes wellhead locations for oil and gas exploration wells completed and separated by years completed — 2023, 2024 and 2025.

Highways, unit boundaries and a geothermal lease are noted on the map.

Map highlights illustrate the following and much more:

- Hilcorp Alaska drilled and completed three gas producers since July 1, 2025, at North Cook Inlet and has approval to drill one more.

- Hilcorp Alaska assumed ownership of the North Fork unit where they plan to drill one sidetrack well and may drill one grassroots well in 2026. Production has increased since Hilcorp acquired the unit in May 2025.

- AIX Energy LLC received approval from the Division of Oil and Gas to suspend production for the Kenai Loop Gas Field. AIX will commence regulatory work to convert the field from gas production to gas storage.

- Furie Operating Alaska drilled two new wells, A-5 and A-6, doubling production at Kitchen Lights to more than 20 million cubic feet per day since August.

- Harvest Midstream completed the acquisition of the Kenai LNG facility in Nikiski. Harvest plans to convert the export facility into an LNG import facility. The Federal Energy Regulatory Commission, or FERC, has required terminal conversion by Dec. 17, 2028.

- Hilcorp Alaska commenced drilling the CLU-11RD gas development sidetrack well from Cannery Loop Pad 3 in December 2025 with Rig 147.

—KAY CASHMAN

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● EXPLORATION & PRODUCTION

# Hilcorp final Cook Inlet work approval

*Five-year plan allows incidental take of small number of marine mammals in support of O&G exploration, production activities*

By **KRISTEN NELSON**  
Petroleum News

**H**ilcorp Alaska received final approval from the National Oceanic and Atmospheric Administration Feb. 20 governing taking of marine mammals incidental to specific activities in support of oil and gas activities in Cook Inlet. The final rule and letter of authorization are effective Feb. 20, 2026, through Feb. 19, 2031.

NOAA's National Marine Fisheries Service can allow incidental, but not intentional, taking of small numbers of marine mammals if it finds that the taking will have negligible impact on species or stocks. NMFS said no serious injury or mortality is anticipated or authorized.

Hilcorp applied for the authorization Oct. 30, 2024, covering takes incidental to oil and gas exploration, production and decommissioning activities in Cook Inlet, including use of tugs in towing, holding or positioning a jack-up rig; pile driving; and pipeline replacement/installation activities, work which could

expose marine mammals in the vicinity to underwater noise. NMFS requested additional information in November 2024 which Hilcorp provided in January 2025, and further information which was requested in January 2025 and provided in February 2025.

NMFS requested comments in the Federal Register in March 2025.

Hilcorp submitted a revised application in March 2025, correcting minor details.

NMFS published a proposed rule in the Federal Register July 24, 2025, with a 30-day public comment period.

### Five-year activity plan

The agency said the five-year period includes up to 54 days of tugs towing, holding or position a jack-up rig for production drilling at platforms in middle Cook Inlet and Trading Bay; up to 70 days of pile driving supporting production well development at the Tyonek Platform in middle Cook Inlet; up to six days of tugs towing, holding or positioning a jack-up; up to 18 days of pile driving

supporting exploration drilling at two locations in the Middle Ground Shoal unit in middle Cook Inlet and one location between the Anna and Bruce platforms on the northern border of Trading Bay; and up to 22 days of pipeline replacement/installation involving either pipe pulling or anchor handling or a combination, at up to two locations in middle Cook Inlet and/or Trading Bay.

Tugs in support of a jack-up rig in Middle Cook Inlet are planned for varying numbers of days during all five years. Pile driving in support of production well development at the Tyonek platform is planned for all five years. Tugs in support of a jack-up in Trading Bay between the Anna and Bruce platform are planned for 2027. Tugs in support of a jack-up at MGS in Middle Cook Inlet are planned for 2029.

Pipeline replacement/installation at Trading Bay in Middle Cook Inlet is planned for 2027 and 2028. ●

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● GOVERNMENT

# Date for qualifying expenses expanded

*AOGCC responds to request for reconsideration on Badami flaring fine, allowing credit from May 27, 2025, through Jan. 23, 2027*

By **KRISTEN NELSON**  
Petroleum News

**I**n an order on reconsideration on its decision on the Badami unit vapor recovery unit flaring event, the Alaska Oil and Gas Conservation denied the application for reconsideration submitted by Cook Inlet Energy's owner Glacier Oil & Gas Corp. except for one part. (See story on decision in Feb. 8, 2026, issue of Petroleum News.)

The commission said in a Feb. 24 ruling that it is changing the timeframe for crediting qualifying expenditures against the \$313,166 civil fine for the release of natural gas at Badami from



**DAVID PASCAL**

October 2024 through March 2025 and will credit qualifying expenditures from the date the enforcement action was initiated, May 27, 2025, until one year after the Other Order 221 Final was issued — Jan. 23, 2027.

Glacier Oil & Gas Chief Operating Officer David Pascal submitted an extensive application for reconsideration Feb. 18, including a request that the commission expand the window for crediting capital expenditures for replacement or upgrade of the vapor recovery unit and eductor system beyond the one-year window from the time of the final decision.

On this point the commission concurred.

In its order on reconsideration the commission said it "will consider qualifying expenditures occurring from the date the enforcement action was initiated (May 27, 2025) until one year after the date Other Order 221 Final was issued (January 23, 2027). Accordingly, only qualifying expenditures occurring between May 27, 2025 and January 23, 2027 will be considered."

The commission said it "is not reconsidering Other Order 221 Final's restrictions on the types of expenditures that are eligible for credit against the penalty or making any determination at this time on whether

any past expenditures will qualify."

In its application for reconsideration Glacier requested credit for qualifying expenditures and listed a number of items, saying the listed expenditures "directly advance the Commission's statutory mandate under AS 31.05 to prevent waste and protect correlative rights, by incentivizing proactive investment in gas capture infrastructure rather than imposing a purely monetary sanction."

In its Jan. 23 Other Order 221 Final the commission assessed a civil penalty of \$313,166, but said: "The penalty amount specified above may be reduced by an amount equal to documented expenditures incurred on upgrading or replacing (does not include minor or major repairs) Badami's VRU and eductor system over the one-year period following issuance of this final order," with documentation to be submitted to the commission.

In the application for reconsideration Glacier listed the following items for credit: replacement VRU compressor components; reliability enhancements implemented during repair; strategic spare parts inventory acquired to prevent

extended downtime; and engineering and installation costs directly tied to restoring gas capture capability. ●

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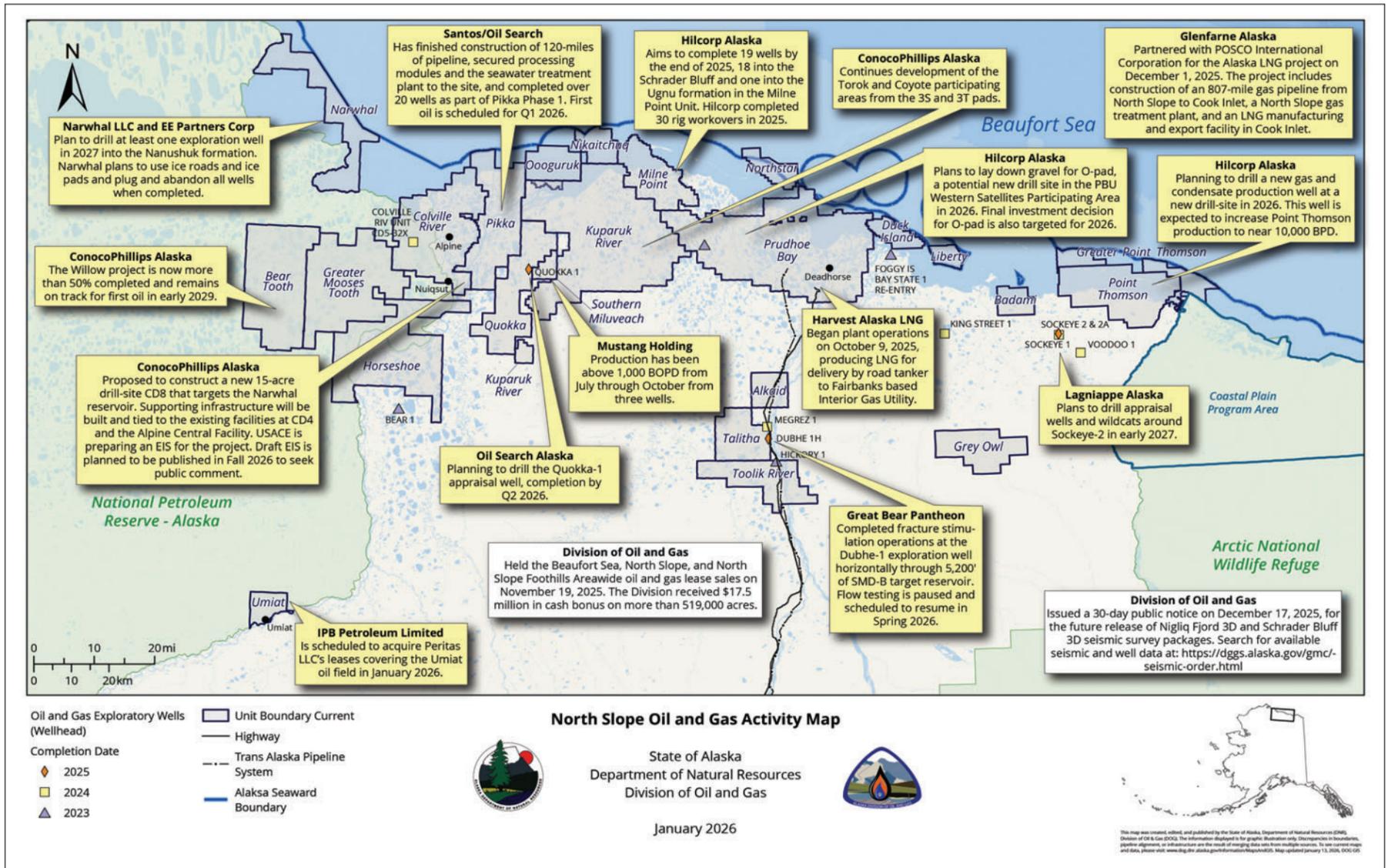
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## MAPS & GIS

# DNR releases North Slope O&G Activity Map

By **KAY CASHMAN**  
Petroleum News

The latest North Slope Oil and Gas Activity Map, dated January 2026, was released at the end of January by the Alaska Department of Natural Resources' Division of Oil and Gas.

The map includes wellhead locations

for oil and gas exploration wells completed and separated by years completed — 2023, 2024 and 2025.

Highways, current unit boundaries, the Trans Alaska Pipeline System, and the Alaska Seaward Boundary are noted on the map.

Map highlights illustrate the following and much more:

- ConocoPhillips Alaska proposes to construct new 15-acre drill-site CD8 that targets the Narwhal (Nanushuk) reservoir. Supporting infrastructure will be built and tied to the existing facilities at CD4 and the Alpine Central Facility. The U.S. Corps of Engineers is preparing an EIS for the project. Draft EIS is planned to be published in fall 2026 to seek public comment.

- Oil Search Alaska (Santos company) planning to drill the Quokka-1 appraisal well, completion by Q2 2026.

- ConocoPhillips Alaska continues development of the Torok and Coyote participating areas at Kuparuk from the 3S and 3T pads.

- Hilcorp Alaska plans to lay down gravel for O pad, a potential new drill site in the PBU Western Satellites Participating Area in 2026. Final investment decision for O pad is also targeted for 2026.

- Harvest Alaska LNG began plant operations on Oct. 9, 2025, producing

LNG for delivery by road tanker to Fairbanks based Interior Gas Utility.

- Lagniappe Alaska plans to drill appraisal wells and wildcats around Sockeye-2 in early 2027.

- Great Bear Pantheon completed fracture stimulation operations at the Dubhe-1 exploration well horizontally through 5,200 feet of SMD-B target reservoir. Flow testing is paused and scheduled to resume in Spring 2026.

- Hilcorp Alaska planning to drill a gas and condensate production well at a new Point Thomson drill site in 2026. This well is expected to increase Point Thomson production to near 10,000 BPD.

- Santos/Oil Search has finished construction of 120 miles of pipeline, secured processing modules and the seawater treatment plant to the site and completed more than 20 wells as part of Pikka Phase 1. First oil is scheduled for Q1 2026. ●

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**BEYOND INSPECTION**

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## THETA WEST-1

Kodiak and Ahpun fields, a portfolio of “high-impact oil projects on the Alaska North Slope, spanning a 100% working interest across 258,000 acres.”

Independently certified best estimate contingent recoverable resources currently total c. 1.6 billion barrels of ANS crude and 6.6 trillion cubic feet of associated natural gas across the properties. All acreage is on state lands with supporting regulatory authorities and no federal land use approval required (aside from U.S. Army Corps. of Engineers).

Drilling by Great Bear Pantheon and adjoining operators has highlighted the prospectivity of Pantheon’s acreage, offering billions of barrels of oil and other mar-

ketable liquid potential in stacked conventional targets across multiple geological plays, Pantheon said.

Netherland, Sewell & Associates completed an independent review of the Kodiak field and provided best estimates of the oil, condensate and NGL contingent resources expected to be recovered, totaling 1.2 billion barrels. This validation in the form of an Independent Expert Report, or IER, from one of the world’s most respected petroleum property analysis companies has instilled further confidence in management’s modelling of the resources.

Pantheon’s Ahpun and Kodiak projects are situated in a unique geographic location adjoining the underutilized export and transport infrastructure for Alaska North Slope oil and gas activities. These assets are immediately underneath and adjacent to the Trans Alaska Pipeline

System, or TAPS, the main oil line and the Dalton Highway. The proposed Alaska LNG natural gas project is planned to run adjacent to TAPS and will similarly cross through Pantheon’s projects.

These discoveries have led the Group into a new phase in its corporate strategy, which will see Pantheon transitioning towards the development of these resources with near term focus on the Ahpun field, which has the advantage of being located immediately adjacent to and underneath both TAPS and the Dalton Highway and which targets first production by the end of 2028, while continuing to firm up estimates of the Kodiak field’s resource base through further appraisal.

—KAY CASHMAN

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## SOUTH PRUDHOE

voir intervals, including maiden estimates for the Ivishak and Kuparuk reservoirs,” 88 Energy said, noting that all prospects are covered by modern 3D seismic data.

Per 88 Energy: “The combined internal prospective resource estimate Gross (2U) Best Estimate of 507 million barrels (MMbbls) of oil and natural gas liquids (NGLs) (422 MMbbls net).”

The company said that additional Brookian resource upside is expected to be defined within the North-West Hub, with multiple targets identified on its newly purchased Schrader Bluff 3D seismic data.

Farm-out discussions and well planning are underway “targeting the multi-zone Augusta prospect, which is adjacent to the Hemi Springs State-1 discovery well,” 88 Energy said.

Resources estimated for the “N-W and S-E hubs support satellite development potential through existing third-

*“This updated internal prospective resource assessment highlights the significant scale and quality of our South Prudhoe acreage position, with material multi-million-barrel potential now defined across seventeen mapped prospects and five independent reservoir intervals.” —Ashley Gilbert*

party infrastructure,” the company said.

Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially recoverable hydrocarbons, 88 Energy said.

Managing director Ashley Gilbert commented: “This updated internal prospective resource assessment highlights the significant scale and quality of our South Prudhoe acreage position, with material multi-million-barrel potential now defined across seventeen mapped prospects and five independent reservoir intervals. We can

now clearly see a multi-zone, multi-million-barrel opportunity with additional potential growth to come.

“The Ivishak and Kuparuk prospects are positioned immediately adjacent to two of North America’s largest oil fields which have been producing since 1977. This creates low-risk potential for a fast-track and low-cost development upon success through existing third-party infrastructure.

“Importantly, we see further upside ahead. The refined Brookian formation update, incorporating the Canning and Schrader Bluff reservoirs, is just the beginning with additional upside in our North-West Hub area expected from within the West Sak and Price Creek reservoirs.

“Our focus is now firmly on upgrading these current resource estimates while at the same time advancing farm-out discussions and well planning to unlock the full value of this exciting asset,” Gilbert finished.

—KAY CASHMAN

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## Employee Spotlight

### Kevin Gunnip, Lynden Logistics

On Thursday, Feb. 19, Kevin Gunnip, senior account executive with Lynden Logistics in Anchorage, was the featured speaker at the Alaska International Business Center’s Meet & Brief Luncheon at Sullivan’s Steak House in Anchorage.

Gunnip is a retired U.S. Air Force Senior Master Sergeant, completing 25 years of honorable service in 2013. During his military career, he worked extensively in logistics and satellite/airintegrated operations, supporting both domestic missions and contingency and humanitarian relief efforts around the world.

Gunnip earned his MBA in Transportation and Logistics from Touro University International in 2007.

He is married and the father of five adult children.

For the past 12 years, Gunnip has been a senior sales account executive with Lynden Logistics, where he manages complex customer accounts and intermodal transportation projects across domestic and international markets.

Lynden proved to be a natural transition from the military, offering the full spectrum of capabilities needed to deliver cradletograve transportation solutions for customer.

Lynden Logistics is a full-service transportation and logistics provider. It provides air and ocean freight forwarding, expedited ground freight services, customs brokerage, logistics and other specialized services such as charters, barcode scanning and assembly and distribution. The company offers the technology to track, trace and report as well as other forms of electronic data exchange.

Check out their website at [lynden.com/logistics](http://lynden.com/logistics)



KEVIN GUNNIP

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## DALTON CORRIDOR

Burgum said

“Today’s action by Secretary Burgum is a milestone for Alaska’s self-determination. I want to thank President Trump and Secretary Burgum for continuing to deliver on promises, even those promises made decades ago,” said Alaska Gov. Mike Dunleavy. “Alaskans know what’s best for Alaska and revoking these Public Land Orders will empower Alaska to chart our own future on these lands,” he said.

The action clears the way for Alaska to advance its remaining land entitlements under the Alaska Statehood Act. This revocation allows approximately 2.1 million acres of “top filed” land (land previously unavailable for state selection but which Alaska has long sought to acquire) to become effective state selections.



JOHN CROWTHER



A motorcyclist uses the Dalton Corridor.

Interior said its Bureau of Land Management, or BLM, is working with Alaska to identify which of those lands it desires to take title to, moving closer to fulfilling its remaining 5.2 million-acre entitlement. This will give Alaska greater control over its natural resources and economic future.

“Today’s revocation is a major step forward for Alaskans to realize the prom-

ise the federal government made to us more than 60 years ago — a statehood land entitlement for Alaska to develop its resources and support its residents,” said Alaska Department of Natural Resources Commissioner-designee John Crowther. “We will continue to work in coordination and cooperation with the Department of the Interior on our relinquishment plan to ensure that the state’s highest-priority

acreage will be available for transfer to the people of Alaska.”

As part of this revocation process, the State of Alaska has committed to a good faith plan for relinquishment of excess statehood selections to address “over-selection” in compliance with the Alaska Lands Transfer Acceleration Act.

“We are proud of this major milestone and the partnership that we have forged with the state,” said BLM Alaska State Director Kevin Pendergast. “This is federal-state collaboration at its best; we’ll continue working closely with them on our shared commitments to fulfilling land entitlements.”

The Dalton corridor includes key infrastructure such as the Trans-Alaska Pipeline and proposed projects like the Alaska Liquid Natural Gas line and Ambler Road. The revocation supports efforts to expand domestic energy and mineral production under Executive Order 14153 and Secretary’s Order 3422, both titled “Unleashing American Energy.”

—KAY CASHMAN

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## OIL PRICES

Oil prices slid on cautious peace optimism following the post, taking Brent below \$70.

“Geo-risk will continue to rise and fall in response to latest U.S./Iran headlines, but global oil supplies are increasing appreciably as floating shadow inventories are moving into more transparent regions of the world,” Ritterbusch and Associates said in a note, the WSJ reported.

Demand is slacking and the energy complex is losing support from diesel futures “as the heating season winds down amid a broad-based warming trend across the U.S. during the next couple of weeks,” the firm added.

Oil bears found further cheer in a massive surprise build of U.S. commercial crude oil inventories reported by the Energy Information Administration in data released Feb. 25.

The inventories for the week ended Feb. 20 vaulted by 16.0 million barrels from the previous week to 435.8 million barrels — 3% below the five-year average for the time of year. Total motor gasoline inventories decreased by 1.0 million barrels over the week to 254.8 million barrels — 3% above the five-year average for the season, the EIA said. Distillate fuel inventories increased by 0.3 million barrels last week to 120.4 million barrels — 5% below the five-year average for the season.

### Dramatic price surge

ANS blasted into the \$70s Feb. 19, leaping \$1.63 to close at \$71.62, while WTI leapt \$1.57 to close at \$66.43 and Brent leapt \$1.72 to close at \$71.66.

That surge came on the shoulders of even hotter price action on Feb. 18 which saw ANS skyrocket \$2.70 to close at \$69.99, as WTI zoomed \$2.53 to close at \$64.86 and Brent zoomed \$2.52 to close at \$69.94.

Prices began to moderate Feb. 20, taking ANS down

17 cents to close at \$71.44, while WTI edged 4 cents lower to \$66.39 and Brent added 10 cents to close at \$71.76.

The slide continued Feb. 23. ANS slipped 9 cents to close at \$71.35, WTI slipped 8 cents to close at \$66.31 and Brent fell 27 cents to close at \$71.49.

ANS tallied a jump of \$3.38 over the trading week from its close of \$67.66 Feb. 13, to a close of \$71.04 Feb. 24.

ANS leapt to a 27-cent premium over Brent Feb. 24, while posting a \$5.41 premium over WTI.

Weakness in the North Sea physical oil market is weighing on oil prices, UBS analyst Giovanni Staunovo told Reuters.

The North Sea physical market underpins the Brent futures contract, prices of which have advanced some 15% in 2026. ●

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## TAX BILL

government operations, “returning to a rules-based system for paying Alaskans’ annual dividend.”

### Senate Resources

Senate Resources first heard the bill Feb. 6 and by the time the bill reached its second hearing, on Feb. 16, the committee had a substitute, version I, which eliminated the sales tax, incorporated Senate bills related to corporate income tax and taxing of certain oil and gas S-corporations and limited liability companies, added an education head tax intended to fund education, added a provision providing that the 6% minimum production tax (up from 4% currently) would be a hard floor and incorporated another Senate bill reducing the sliding scale per barrel credit from a maximum of \$8 to \$5 per barrel and tied the use of that credit to the amount of qualified capital expenditures made in the same year.

### Oil tax changes

At its Feb. 18 meeting Senate Resources considered amendments.

Those amendments included increasing the rate of the proposed education head tax, which started at \$10 for the one-time payroll tax for those making \$30,000 or less a year — the same amount that was charged in 1980 when the education head tax was repealed. A proposal to increase the amount by a factor of 10 failed, as \$100 removed from the first paycheck of the year for a lower-income resident was described as a hardship for many, and the committee settled on doubling the amount from 1980.

The hardship on lower-income residents was also the reason the committee eliminated the sales tax.

An amendment from Sen. Bill Wielechowski, D-Anchorage, proposed returning the state’s oil tax to a tax on the gross. He cited both the complicated nature of Alaska’s oil tax system and what he described as the current system costing the state more than a billion dollars per year over a number of years. Wielechowski called the state’s current net

profits tax a “failed experiment” and said returning to a gross tax would be similar to the system used in Texas and North Dakota and in most oil producing states in the U.S.

Two committee members, members of the Senate Republican caucus, Sen. Robert Myers, R-North Pole, and Sen. George Raucher, R-Sutton, wrote to committee Chair Cathy Giessel, R-Anchorage, noting that the committee substitute, version I, was an extensive rewrite and asking for modeling on the impact of the rewrite from the Department of Revenue before the bill moved from the committee, and that GaffneyCline, the committee’s consultant, be asked to provide an assessment of the proposed changes.

Giessel said bills don’t get modeling and fiscal notes until they move to the next committee of referral, Senate Finance, in this case.

The amended bill was moved from the committee by a vote of five yeas and two nays. ●

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