

Legendary geologist Ken Bird dies; Rutherford to Pantheon; RDC's 50th

ON APRIL 23, Kenneth "Ken" Bird passed away peacefully at home in Palo Alto, California at 85 years of age.

Ken's professional geological career is legendary. During his senior year at Oregon State University, he was hired by Shell as a summer intern to participate in geological field investigations in northern Alaska. A year later, during continued work with Shell, he was injured in an Alaska North Slope rockfall leading to a life-long disability.

Ken then spent 5 years completing M.S. and Ph.D. degrees in geology at the University of Wisconsin followed by 45 years exploring Alaska for the oil industry and the U.S. Geological Survey.

His scientific leadership in highly visible and politically volatile USGS projects, including petroleum-resource assessments of the Arctic National Wildlife Refuge, National Petroleum Reserve-Alaska, non-federal lands, and the global Arctic contributed substantially to a deep understanding of the geological history and petroleum-resource potential of those regions.



see INSIDER page 5

Armstrong: '500 to 800 million barrels of recoverable oil' found

On June 10, Bill Armstrong told Petroleum News that "500 to 800 million barrels of recoverable oil" is his estimate for the Sockeye discovery on the Lagniappe block on Alaska's eastern North Slope.

On April 24, APA Corp. and its partners Lagniappe Alaska LLC, an Armstrong company, and Oil Search (Alaska) LLC, a subsidiary of Santos Ltd., announced the results of a successful flow test of the Sockeye-2 exploration well.

APA's Apache holds a 50% working interest, operator Lagniappe and partner Santos each hold 25% working interests in the 325,411-acre exploratory Lagniappe block which is located on state of Alaska lands.

"This is very exciting for us, our partners and for the state of Alaska," Armstrong said in a June 10 text to PN.

see SOCKEYE ESTIMATE page 6



BILL ARMSTRONG

Hilcorp sole Cook Inlet bidder, takes five tracts, 21,802 acres

Hilcorp Alaska was the sole bidder in the state's spring Cook Inlet areawide oil and gas lease sale, taking five tracts, an estimated 21,801.79 acres, at the fixed price of \$40 per acre, for a total of \$872,071.60.

The bid variable for the Cook Inlet sale was net profit share, with no royalty. Hilcorp bid the minimum 5% net profit share on all five tracts.

There were no bids in the Alaska Peninsula areawide, held at the same time. The variable for the Alaska Peninsula sale was the cash bonus bid and a 12.5% royalty, with a minimum bid of \$5 per acre. There are no active state leases in the Alaska Peninsula areawide sale area. Alaska Peninsula tracts last received bids in 2014.

Bids were submitted through EnergyNet beginning May 19,

see LEASE SALE page 6



JOHN BOYLE

FINANCE & ECONOMY

ANS cuts above \$70

Iran-related Middle East tensions, China agreement fuel crude rally

By STEVE SUTHERLIN

Petroleum News

West Texas Intermediate crude skyrocketed \$3.17 June 11 to close at \$68.15 per barrel, while Brent vaulted \$2.90 to close at \$69.77, surging as Middle East tensions intensified due to the geopolitical situation involving Iran.

The Alaska North Slope crude price for June 11 — which is estimated by the Alaska Department of Revenue — was not yet released as Petroleum News went to press early June 12.

Crude slid on June 10, taking ANS down 39 cents to close at \$70.35 — maintaining a toehold for a third consecutive day above \$70, which it touched last for a single day April 22 with a close

of \$70.35 on April 22. WTI was down 31 cents to close at \$64.98 and Brent edged 17 cents lower to close at \$66.87.

On June 10, ANS closed at a \$5.37 premium over WTI and a \$3.48 premium over Brent.

ANS — having consistently traded at a premium over WTI and Brent of late — likely closed above the two benchmarks on June 11, to maintain its perch above the \$70 level for a fourth day.

Middle East geopolitical heat added rocket fuel to a host of other bullish factors for crude June 11.

The U.S. administration said it had achieved an agreement with China on tariffs and other trade issues, easing fears that tariffs might impede the economies of both nations and cool

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NATURAL GAS

Glenfarne on Alaska LNG

Company founder in Q&A with Gov. Dunleavy on merits of Alaska project

By KRISTEN NELSON

Petroleum News

Brendan Duval, CEO and founder of Glenfarne, is determined to get the Alaska LNG Project done. That was his comment at the conclusion of a Q&A session he did with Alaska Gov. Mike Dunleavy in Anchorage June 5 at the Alaska Sustainable Energy Conference.

In March Glenfarne became 75% owner of Alaska Gasline Development Corp.'s 8 Star Alaska subsidiary, gaining the obligation to finance and build Alaska LNG.

The plan is to build the project in phases —



BRENDAN DUVAL



MIKE DUNLEAVY

starting with the pipeline between the North Slope and the west side of Cook Inlet, bringing natural gas to Southcentral. The liquefied natural gas facility at Nikiski and the Arctic Conditioning Plant on the North Slope would come later, along with extension of the pipeline under Cook Inlet and the addition of compression along the line.

Financing

The initial pipeline phase is estimated to cost

see GLENFARNE Q&A page 8

GOVERNMENT

Reducing NPR-A restrictions

Proposed rollback of regulation changes mainly impacts 'special areas'

By ALAN BAILEY

For Petroleum News

The recently announced proposal by the U.S. Department of the Interior's Bureau of Land Management to rollback additional environmental protections introduced by the Biden administration for the National Petroleum Reserve-Alaska primarily impact what are referred to as "special areas," areas that have been identified as needing particularly stringent environmental protection.

BLM oversees the NPR-A under the National Petroleum Reserves Production Act, which was passed in 1976. And the agency maintains regulations that spell out specifically how the agency manages the NPR-A under the terms of the NPRPA. The statute and the associated regulations

The revised regulations implemented by the Biden administration in April 2024 incorporated the two new special areas into the NPR-A regulations, thus mandating the use of these special areas, regardless of any revisions to the IAP.

encompass three mandates: the need to conduct an oil and gas leasing, exploration and development program; the protection from that program of environmental, historic and scenic resources; and the maximum protection of surface values within special areas.

see NPR-A ROLLBACK page 4

EIA: low 2025 crude oil prices expected

In June Short-Term Energy Outlook, agency says price, lower rig count, expected to affect short-term US crude production rates

By KRISTEN NELSON
Petroleum News

Low oil prices and a dropping rig count are expected to affect U.S. crude oil production rates this year and next, the U.S. Energy Information Administration said in its June Short-Term Energy Outlook, released June 10.

EIA said the Brent crude oil price is expected to drop to near \$60 per barrel by the end of the year, averaging \$66 per barrel for the calendar year, down from an average of \$81 per barrel in 2024 and is expected to continue dropping and average \$59 per barrel in 2026.

U.S. crude oil production, which averaged 13.2 million barrels per day in 2024, and reached a record high of 13.5 million bpd in the second quarter of this year, is expected to average 13.4 million bpd for 2025, and just below 13.4 million bpd in 2026. Production is forecast to average 13.3 million bpd by the fourth quarter of 2026 “because of decreasing active drilling rigs and declining oil prices.”

Baker Hughes showed fewer active rigs than EIA expected in its May STEO, and based on “fewer active drilling rigs, we forecast U.S. operators will drill and complete fewer wells through 2026.”

Oil prices

Crude oil prices fell for the fourth month in a row in May, EIA said, “driven by rising global oil inventories that have resulted from slowing global oil demand growth and the accelerated unwinding of OPEC+ voluntary production cuts, which began in April.”

The Brent spot oil price averaged \$64 per barrel in May, down \$4 per barrel from April and down \$17 per barrel from May 2024.

OPEC+ members agreed May 31 to a third month of planned production increases in July, EIA said, contributing to the agencies “expectation that global oil production will exceed consumption over the forecast period, causing global oil inventories to build and putting downward pressure on oil prices.”

Thus the projected average of \$66 per barrel in 2025, dropping to \$59 in 2026.

Inventories

EIA said global oil inventories increased January through May and are expected to continue growing this year and next.

The increase is expected to average 0.4 million bpd through the end of this year, averaging 0.8 million bpd for the year, with slowing production growth expected in the

second half of the year, “led by relatively flat U.S. crude oil production” and rising consumption. EIA expects inventory growth to moderate to 0.6 million bpd in 2026, as markets move toward balance. EIA did not enumerate inventory build for the first few months of this year, but a graph shows an estimated 1.0 million+ bpd inventory build for each of the first two quarters.

2025 inventory builds are higher in this month’s STEO than in the May STEO, the agency said, “due to a combination of lower oil demand in the OECD in 2025 and increased supply growth from both OPEC+ countries and from countries outside of the group.”

There is significant uncertainty in the price forecast, EIA said, citing oil supply risks from Canadian wildfires around major Alberta oil sands facilities, the continuing conflict in Ukraine and a potential force majeure on Libyan oil exports, along with uncertainty on OPEC+ members coordinating “future production targets in the face of falling oil prices and increasing oil supply from sources outside of OPEC+.”

Global production, consumption

EIA said oil consumption growth continues below the pre-pandemic trend, with liquid fuels consumption increas-

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Baker Hughes US rig count drops 4 to 559

Oklahoma, Texas, lead US weekly drop at 2 rigs each; international rig count down by 5 from April to May, down 67 year over year

By KRISTEN NELSON
Petroleum News

Baker Hughes' U.S. rotary drilling rig count was 559 on June 6, down by four from the previous week, down by 35 from 594 a year ago and down by seven from two weeks ago. Over the last eight weeks the rig count was up in two weeks and down in six with a combined loss of 28 against a gain of four. This is the lowest the rig count has been since November 2021.

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.

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.

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 June 6 count includes 442 rigs targeting oil, down by nine from the previous week and down 50 from 492 a year ago, with 114 rigs targeting natural gas,

Baker Hughes shows Alaska with 10 rotary rigs active June 6, unchanged from the previous week and up by one from a year ago when the state's count was nine.

up by five from the previous week and up 16 from 98 a year ago, and three miscellaneous rigs, unchanged from the previous week and down by one from a year ago.

Forty-one of the rigs reported June 6 were drilling directional wells, 505 were drilling horizontal wells and 13 were drilling vertical wells.

Alaska rig count unchanged

Louisiana (31) was up by one rig from the previous week.

Oklahoma (50) and Texas (264) were each down by two rigs, while Utah (10)

was down one rig.

Rig counts in other states were unchanged from the previous week: Alaska (10), California (6), Colorado (8), New Mexico (91), North Dakota (30), Ohio (11), Pennsylvania (18), West Virginia (7) and Wyoming (21).

Baker Hughes shows Alaska with 10 rotary rigs active June 6, unchanged from the previous week and up by one from a year ago when the state's count was nine.

The rig count in the Permian, the most active basin in the country, was down by three from the previous week at 275 and down by 35 from 310 a year ago.

International rig count down 5 in May

Baker Hughes' monthly international rig count for May, issued June 6, is down by five from April at 886 and down 67 from a count of 953 in May 2024, with land rigs down by six at 699, month over month, and offshore rigs up 1 at 187.

Baker Hughes began providing a monthly international rig count in 1975. The international count excludes North America, which is included in the company's worldwide figures.

The Middle East accounted for the most rigs in the international totals for May, 327, followed by Asia Pacific with 206, Latin America with 136, Europe with 123 and Africa with 94.

The U.S. rig count averaged 573 in May, down by 13 from 586 in April, and down 29 from May 2024, while the Canadian count for May averaged 116, down 22 from 138 in April and down three from May 2024.

Worldwide the rig count averaged 1,576 in May, down 40 from 1,616 in April and down 99 from 1,675 in May 2024. ●

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Sims: Not price, but market size preventing more gas development

By Tom Ichniowski for ENR

The Senate Finance Committee has released a report on the progress of oil and gas development in Alaska. The report, titled "Oil and Gas Development in Alaska: A Review of the Current Situation and Future Prospects," was released on March 14, 2024. The report was authored by Sen. Dan Sullivan (R-Alaska) and Sen. Mike Crapo (R-Idaho).

The report states that the current market size for oil and gas in Alaska is not large enough to justify the high costs of development. It also notes that the current regulatory framework is too complex and costly, which is further deterring investment. The report recommends that the federal government should take steps to simplify the regulatory process and provide more certainty to investors.

The report also calls for the federal government to take steps to ensure that the benefits of oil and gas development are shared with the local communities.

No commercial hydrocarbons in Bear 1, per ConocoPhillips U.S.

By Tom Ichniowski for ENR

In a 2023 U.S. Geological Survey report to the U.S. Congress, the agency stated that it had found no commercial quantities of oil or gas in the Bear 1 field. The report was based on data collected from a series of seismic surveys and well logs. The report also noted that the field is located in a geologically complex area, which makes it difficult to estimate the size of the reserves.

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EIA OUTLOOK

ing 0.8 million bpd this year and 1.1 million bpd next year, driven primarily by non-OECD countries, with OECD consumption unchanged and non-OECD consumption expected to grow by 0.9 million bpd in 2025 and by 1.0 million bpd in 2026.

India is expected to increase consumption of liquid fuels by 0.2 million bpd this year and by 0.3 million bpd in 2026, driven by rising transportation fuel demand. China’s liquid fuels consumption is forecast to grow 0.2 million bpd both this year and next, compared to an increase of 0.1 million bpd in 2024.

Global liquid fuels production is forecast to increase by 1.6 million bpd this year and by 0.8 million bpd in 2026.

EIA continues to expect OPEC+ members to produce below the current target “to limit increases in global oil inventories and attempt to support falling prices,” with OPEC+ expected to increase production by 0.3 million bpd this year, compared to 1.4 million bpd in 2024, and to increase by 0.5 million bpd next year.

Countries outside of OPEC+ are expected to drive liquid fuels production growth in 2025, increasing production by 1.1 million bpd, but non-OPEC+ growth is expected to slow to 0.2 million bpd in 2026, “with growth from Brazil, Guyana,

and Canada being partly offset by a slight drop in U.S. production.”

Natural gas

The Henry Hub spot price for U.S. natural gas is forecast to average \$4 per million British thermal units this year, up from \$2.20 last year, and is expected to average \$4.90 per million Btu next year.

For 2025, EIA forecasts that natural gas consumption in the U.S. will be up by about 1% over 2024, averaging 91 billion cubic feet per day, “with increases across the major sectors except for electric power.” Natural gas prices are expected to increase over the summer “as production declines slightly and demand for air conditioning increases the use of natural gas in the electric power sector,” with Henry Hub expected to average more than \$4.30 per million Btu in the second half of 2025.

EIA said the average Henry Hub price is up by more than 80% in its 2025 forecast compared with last year, with domestic consumption and exports combined expected to be up nearly 4 bcf per day this year, while domestic production of dry natural gas grows by less than 3 bcf per day.

U.S. LNG exports, which averaged 12 bcf per day in 2024, are forecast to average 15 bcf per day this year and 16 bcf per day in 2026. ●

Contact Kristen Nelson
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NPR-A ROLLBACK

In addition to the application of the regulations, BLM maintains an integrated activity plan for NPR-A. The IAP specifies what areas within the NPR-A are available for oil and gas leasing, as well as rules for where oil and gas infrastructure can be located. The IAP can be and is modified from time to time, provided it remains in compliance with the NPRPA and BLM’s associated regulations. The rollback now proposed by the Trump administration applies to the regulations rather than the IAP — issuing a revised IAP is simpler than changing the underlying regulations. In fact, the regulations had not been altered for 45 years prior to the changes instituted by the Biden administration.

Special areas

The regulations themselves had included three special areas that are subject to particularly stringent environmental protection: Teshekpuk Lake, the Utukok River Uplands and the Colville River Special Area. However, over time, two other special areas were incorporated into IAPs, but not into the NPR-A regulations. Those additional special areas consist of Kasegaluk Special Area and the Peard Bay Special Area. And in 2013 BLM expanded the Teshekpuk Lake Special Area and the Utukok Upland Special Area.

The revised regulations implemented by the Biden administration in April 2024 incorporated the two new special areas into the NPR-A regulations, thus mandating the use of these special areas, regardless of any revisions to the IAP. The regulation changes also made the use of IAPs mandatory in the regulatory oversight of oil and gas activities in the NPR-A. The new regulations also allowed land to be removed from special areas, other than the Teshekpuk Lake and Utukok River Uplands Special areas. The upshot of this was that special areas regulations applied to about 13 million acres of the 23 million acre extent of the NPR-A.

In addition, the new regulations included

In addition to the application of the regulations, BLM maintains an integrated activity plan for NPR-A. The IAP specifies what areas within the NPR-A are available for oil and gas leasing, as well as rules for where oil and gas infrastructure can be located.

standards and procedures for amending special areas and for designating new special areas. The regulations also specified lists of natural resources that require protection in each special area and required BLM to designate an official who would authorize activities in special areas, to ensure that appropriate steps are taken to protect the designated natural resources. This oversight process would presume that oil and gas activities would not be permitted unless it is clear that activities can be carried out with little or no impact on significant environmental resource values.

Rollback of new regulations

Essentially, BLM’s new proposal is to rollback those new regulations, thus potentially increasing the availability of land for oil and gas activities while removing the presumption that oil and gas activities would not be allowed without clarity that environmental impacts would be minimal in special areas.

“The 2024 rule significantly expanded procedural requirements and created a presumption against oil and gas activity in approximately 13 million acres designated as ‘special areas’ unless operators could prove minimal or no adverse effects on surface resources,” BLM said when announcing its proposed rollback of the regulation revisions approved in 2024. “These provisions not only lack a basis in the Naval Petroleum Reserves Production Act but undermine the BLM’s obligation to carry out an effective and timely leasing program.” ●

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THE NORTH SLOPE'S CONNECTION COOPERATIVE

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INSIDER

Ken's encyclopedic knowledge of the geology and petroleum potential of Arctic Alaska and adjacent regions is summarized in more than 200 formal publications, including definitive publications on ANWR, NPR-A, and huge parts of the Arctic Ocean. A renowned speaker, Ken presented hundreds of talks at geological conventions, university lectures, and oil-industry and public workshops.

He was frequently called upon by the USGS to present congressional testimony and briefings to the Department of the Interior and the Department of Energy. The patience and credibility with which Ken explained politically sensitive topics to mainly nontechnical audiences invariably reflected positively upon the USGS. Consequently, Ken received the Meritorious Service Award from Interior and several additional awards from the USGS.



KEN BIRD

Ken Bird's children fondly remember his adventurous excursions with them, including impromptu fossil explorations by the side of the road during family road trips.

An inspiring, patient, and generous mentor, Ken guided countless geoscientists through careers in Alaska geology. And, perhaps most importantly, all those geologists are proud to call Ken their friend.

Ken had a remarkable intellectual curiosity that he maintained throughout his life. He was a voracious reader who loved nonfiction books exploring topics as diverse as politics, history, geology, travel, and current events, and delighted in engaging in lively conversations around all of these topics.

He was a respected neighbor in his Triple El community in Palo Alto, where he lived in his beloved home for approximately 40 years. Ken spent his last decade giving generously to philanthropic causes he was passionate about, including the hospice organization Pathways, who supported him at the end of his life, and during that of his late wife Patricia Bird. He is survived by his two daughters, Sorrel Hanson and Marlyss Anderson, and two stepchildren, Karen Kienzle and Jonathan Kienzle, all of whom fondly remember his adventurous excursions with them, including impromptu fossil explorations by the side of the road during family road trips.

Note: this piece was taken from Ken's obituary. It is very much as we remember him at Petroleum News.

50th annual RDC luncheon

THE RESOURCE Development Council will host its 50th Annual Membership Luncheon on Wednesday, June 18, at the Dena'ina Center in Anchorage.

Doors open at 11:15 a.m. and the program begins at noon.

A wait list will be available for those who miss the registration cutoff which has already passed, and a limited number of registrations will be available at the door.

The Keynote address features Steve

Goreham, Energy and Environmental Researcher, and Executive Director at the Climate Science Coalition of America.

For registration information Email resources@akrdc.org

Pantheon appoints Marty Rutherford

ON JUNE 10, Pantheon Resources, the oil and gas company developing the Kodiak and Ahpun oil fields in close proximity to pipeline and transportation infrastructure on Alaska's North Slope, announced that respected Alaska energy leader Marty Rutherford has been appointed to the company's board of directors as a non-executive director. She will be formally appointed following the board meeting on June 13.

Rutherford is a fifth generation Alaskan. She returned to Alaska after graduating college in the late 1970s, and held a variety of jobs in Valdez, Fairbanks and Anchorage. In 1982, she began working at the Alaska Department of Community and Regional Affairs, eventually being appointed the deputy commissioner.

In 1992, Marty moved to the Alaska Department of Natural Resources where she was appointed deputy commissioner in 1993 and remained there through 2005. In that role Marty oversaw the state's management of its natural resources including oil and gas, mining, water, parks, etc.

Rutherford resigned her position in 2005 but was re-instated as deputy commissioner of DNR in 2006 under then-Gov. Sarah Palin, leading the gasoline effort as well as the oil and gas policy teams.



MARTY RUTHERFORD

In 2011, Rutherford left state service and went to work for Linc Energy, an Australian company exploring for oil on the North Slope and natural gas in Cook Inlet. However, in 2014, she was once again appointed deputy commissioner of DNR and also served as acting commissioner for an extended time, a position she had held numerous times over her years at DNR.

In 2016, Rutherford retired from DNR and served a term as a trustee of the Alaska Permanent Fund.

Pantheon said the appointment of "Ms. Rutherford is another key step in the development of the board to best manage the challenges ahead on the path to oil and gas production and financial self-sufficiency. At the same time, as previously announced, Bob Rosenthal will be retiring from Pantheon and stepping down from the board of directors."

David Hobbs, executive chairman of Pantheon Resources, commented: "We are delighted to welcome Marty

Rutherford as a member of the board of directors. Pantheon will benefit from her more than 40 years of experience in policy roles, particularly her time in the DNR working to advance the construction of a gas pipeline for commercialization of Alaska's North Slope gas. Her deep expertise, coupled with strategic judgment and policy track record, make her the ideal addition to our board."

Marty Rutherford said: "I am delighted to have the opportunity to join the board of Pantheon as it faces critical decisions on developing its resources for the benefit of both shareholders and Alaskan stakeholders. It will be especially exciting to help bring the dream of a gas pipeline from Alaska's North Slope to fruition."

—Oil Patch Insider is compiled by Kay Cashman

Contact Kay Cashman at publisher@petroleumnews.com

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SOCKEYE ESTIMATE

“This discovery also confirms our geological models and exploration methodology,” he said. “There is so much more to do in Lagniappe.”

No fracking

The Sockeye-2 well, located approximately 10 miles from the Badami oil field and its open access pipeline, was successfully drilled to a depth of approximately 10,500 feet and encountered a high-quality Paleocene-aged clastic reservoir with an average porosity of 20%.

The vertical Sockeye-2 was completed in a single 25-foot interval at approximately 9,200 feet true vertical depth.

On April 24 Armstrong said the well was “very old school in its performance, in that there was no stimulation

or fracking required. It was completely natural.”

During the 12-day production test, the well averaged 2,700 barrels of oil per day in the final flow period, without artificial lift.

The results of the flow test indicate significantly higher reservoir quality compared to similar topset discoveries to the west.

Further appraisal drilling will determine the ultimate size of the discovery, but the flow test demonstrates the exceptional productivity of this shallow marine reservoir, APA said in its April 24 press release.

At that time Armstrong said the discovery “significantly extends the prolific Brookian topset play first established with our Pikka discovery in 2013. We have identified analogous anomalies to investigate following on this success.”

“We will evaluate the data from the Sockeye-2 well to determine the next steps in our Alaska program,” John J. Christmann, APA Corp. CEO, said April 24.

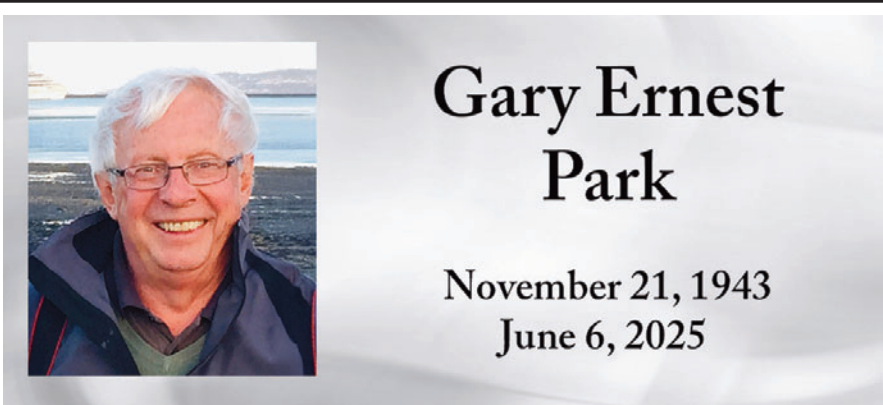
The Sockeye-2 well was “based off of reprocessed 3D seismic. It showed us the same seismic signature that we recognized 94 miles to the west when we discovered the Pikka field. Our new wildcat came in as mapped,” Armstrong said.

“We are especially encouraged by the great reservoir rock. Our average permeability is more than 10 times that of Willow, and five times the permeability of the Pikka and Alpine fields,” Armstrong said.

This new reservoir “will be an ideal flood candidate for secondary recovery. The discovery opens up a new portion of the North Slope. It’s a 94-mile eastward extension of the Brookian topset play. That sort of expansion to one of the world’s best oil plays is a really big deal,” Armstrong said.

—KAY CASHMAN

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Gary Ernest Park

November 21, 1943
June 6, 2025

PARK, Gary
November 21, 1943 - June 6, 2025

Gary Park, beloved husband of Elaine Park (nee Verbicky), passed away at Foothills Medical Centre on Friday, June 6, 2025, at the age of 81 years.

Born in Oamaru, New Zealand, Gary was the only child of Archibald John Giffen ("Dick") Park and Daisy Park (nee Staniford). After attending Waitaki Boys High School in Oamaru, he began a lifelong career in journalism at the age of fifteen, as a junior reporter at The Oamaru Mail. He loved cricket, rugby, tennis, golf and athletics, and this passion for sports led to a position at the Otago Daily Times as an athletics writer. He covered the New Zealand track and field team on its tour of the world in 1967 and won the New Zealand Journalists' Association Balm Award for Outstanding Journalism in 1968.

His world trip lit a desire for what young Kiwis of the sixties called "O.E." (overseas experience). He reported from the 1968 Olympic Games in Mexico, then travelled north hoping for a job in Canada. He found one at The Albertan in Calgary, AB. Soon The Calgary Herald hired him to cover city hall. He relished the energy of municipal politics during the creation of the great legacy parks-Nose Hill and Fish Creek-and the building of the first stages of the LRT.

In 1973, he won the Dr. F. P. Galbraith Scholarship for Journalists from the University of Alberta and spent a year studying urban planning, political science, and the history of urban development. He took his bride, Elaine, home to New Zealand in 1974 and worked as a press officer in the Health Department of the national government for two years. Returning to Calgary, he rejoined The Herald newsroom where he held a variety of editorial positions and encouraged a team of aspiring writers.

As a father to Andrew and Ian, he enjoyed seeing his sons learn soccer and was gratified when Ian became deeply involved in squash at the Calgary Winter Club. The day his son beat him on the court, however, left him with mixed feelings.

After retirement to Pender Harbour on the BC Sunshine Coast, he continued writing as a freelance contributor to Petroleum News Alaska. In 2019, he and Elaine again returned to Calgary.

Predeceased by his parents, Gary is survived by his wife; his sons Andrew of Vancouver, BC, and Ian (Heather) of Calgary, AB; and by his cherished granddaughters Avery, Lydia and Madelyn Park of Calgary, AB. He is also missed by his Verbicky brothers-in-law David and Matthew (Rhonda) of Edmonton, AB, and sisters-in-law Marilyn Zweifel (David) and Eleanor Verbicky-Todd (Nick) of Calgary, AB, as well as nieces Martha and Sophia Zweifel of Calgary, AB, Sophie Verbicky of Edmonton, AB, Adrienne Todd of Toronto, ON, and nephews David Zweifel and Neil Todd of Calgary, AB, and Joe Verbicky of Edmonton, AB.

A Celebration of Gary's Life will be held at McInnis & Holloway (Fish Creek, 14441 Bannister Road SE, Calgary, AB) on Tuesday, June 17, 2025, at 2:00 p.m. Reception to follow in the Hospitality Centre at the Funeral Home.

Family and friends who are unable to attend in person are invited to join Mr. Park's service streamed live on the day of the service at www.MHFH.com. For those who are unable to view live, a recording of the service will be posted.

Condolences, memories, and photos may be shared and viewed with Gary's family at www.MHFH.com.

In living memory of Gary Park, a tree will be planted in the Ann & Sandy Cross Conservation Area by McInnis & Holloway Funeral Homes.



continued from page 1

LEASE SALE

with a June 5 deadline, and bidding results available June 11.

The Department of Natural Resources' Division of Oil and Gas said two of the tracts Hilcorp took are near the former Nikolaevsk unit, where gas continues to be produced; two tracts cover the area of the former Kasilof unit, drilled but not brought into production, and terminated in 2016; the fifth tract is near the Granite Point and Nicolai Creek units on the west side of the inlet where gas is produced.

Net profit share

Net profit share bidding began in Cook Inlet areawide sales in 2023 and in the 2023 and 2024 sales held under that system the terms were the same: fixed term of \$40 per acre cash bonus and net profit share minimum bid 5%.

When it began offering Cook Inlet

leases under a net profit share DNR said fixed royalty and variable bid per acre had been used in Cook Inlet for more than 25 years. The move to net profit share, the division said in 2023, was to help incentivize natural gas production. The 2023 net profit share sale drew winning bids on 14,470 acres, the 2024 sale on 4,441 acres.

“Continued activity and investment in the Cook Inlet is needed now more than ever as we continue to try to secure local natural gas supplies for Alaskans along the Railbelt,” DNR Commissioner John Boyle said after the sale, adding that DNR “will continue to do all we can to offer highly competitive new leases in the inlet and to actively manage all existing leases to ensure that known resources are brought into development.”

—KRISTEN NELSON

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OIL PRICES

demand for crude. On the supply side, a cease-fire in the Russia/Ukraine war continued to be elusive, threatening Russian crude production and adding more heat to the global geopolitical setting. U.S. commercial crude inventories staged a bullish drawdown, according to U.S. Energy Information Administration data released in its June 11 report. U.S. inventories fell 3.6 million barrels over the week ended June 6 to 432.4 million barrels — 8% below the five-year average for the time of year, the EIA said. Total U.S. motor gasoline inventories jumped by 1.5 million barrels to 229.8 million barrels — 2% below the five-year average for the time of year, the EIA said. Distillate fuel inventories increased by 1.2 million barrels for the period to 108.9 million barrels — 17% below the five-year average for the time of year. The start of the U.S. summer driving season also added support for crude.

Markets in stasis June 10

June 10 trading in crude and other financial assets such as U.S. equities was muted as markets awaited the

outcome of U.S./China trade talks. Crude prices faded at the June 10 close, erasing an early rally supported by renewed optimism over the outcome of the trade talks coupled with a reduction in Saudi crude shipments to China. Reuters reported that Saudi Aramco plans to ship some 47 million barrels of crude to China in July — down 1 million barrels versus June volumes. The allocation suggests that the gradual easing of production cuts from the Organization of the Petroleum Exporting Countries and its allies may not significantly increase supply. On June 9, ANS rose 53 cents to close at \$70.74, WTI rose 71 cents to close at \$65.29 and Brent rose 57 cents to close at \$67.04. June 9 crude prices were strengthened by weakening of the dollar against other currencies. A weaker dollar makes dollar-denominated crude more affordable for buyers that must convert other currencies to buy it. ANS leapt \$1.23 June 6 to close at \$70.21, as WTI leapt \$1.21 to close at \$64.58 and Brent jumped \$1.13 to close at \$66.47. ANS gained 70 cents June 5 to close at \$68.98, while WTI rose 52 cents to close at \$63.37 and Brent rose 48 cents to close at \$65.34. WTI and Brent prices trended lower in Asia trading June 12 as Petroleum News went to press.

Price war costly for Saudis

An all-out crude price war would be costly for Saudi Arabia, the Wall Street Journal said in a June 12 report. OPEC+ will return more than 2 million barrels per day to the market by late 2025 if the cartel continues to unwind production cuts at its current rate, the Journal said. Based on Goldman Sachs estimates, the supply boost could flood markets with some 1 million barrels per day above needs in 2025 and 1.5 million barrels too many in 2026. Lower oil prices can put high-cost competitors out of business, favoring low-cost producers. Saudi Arabia can break even on a barrel of crude even if prices fall to around \$35, according to estimates from Rystad Energy. Falling crude prices are already squeezing the Saudis. Saudi government oil revenue dropped 18% in the first quarter of 2025 compared with a year ago, the Journal said. Meanwhile, non-oil revenue increased just 2%. Goldman Sachs said that if Brent averages \$62 in 2025, Saudi’s budget deficit could be more than double what the kingdom has penciled in. ●

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Oil Patch Bits

Melton joins Republic Services of Alaska as GM

Republic Services of Alaska said May 22 that Matt Melton, a seasoned executive and operational strategist, has joined its team as general manager. Melton will oversee the strategy and execution of Republic Services’ Environmental Solutions business in the greater Alaska area, which includes a network of emergency response personnel, service centers and hazardous waste facilities. “The work we do is essential to keeping Alaska’s communities clean and safe, and it’s an honor to join a team with such a strong reputation for safety, service and environmental stewardship,” Melton said. “I look forward to being part the solution to the unique environmental challenges in our region.” Melton has more than two decades of impactful leadership experience across environmental services, emergency management and strategic business operations, consistently driving the performance and resilience for organizations in both the public and private sectors. He has led critical initiatives in industries including oil and gas, marine transportation and government agencies. His operational oversight, compliance leadership and data-driven strategies have secured long-term contracts, strengthened response capabilities and delivered measurable results. Melton holds a master’s in organizational management and a bachelor’s in environmental studies from New England College, as well as several industry certifications. He has held leadership positions on the Prince William Sound Regional Citizens Advisory Council, the Association of



MATT MELTON

Petroleum Industry Cooperative Managers and the Alaska Industry Support Alliance.

PE Alaska and AADE Alaska to host sporting clay shoot

The Society of Petroleum Engineers recently announced that it, along with the American Association of Drilling Engineers, will host its annual sporting clay shoot on Aug. 15 from 6 a.m. to 8 p.m. at the Birchwood Recreation and Shooting Park. Entry fees are \$1,000 per member and \$1,200 per non-member for a four-person team. The costs include five boxes of ammunition, breakfast snacks, lunch and non-alcoholic beverages. The tournament is open to all interested parties. Prizes will be awarded to the top three teams, the top shooter, the top senior shooter, and the top junior shooter. An award ceremony and door prizes will follow lunch, and participants must be present to win. For more information about the clay shoot, visit <https://connect.spe.org/speak/home>. The SPE Alaska Section, established on Feb. 15, 1951, is a regional chapter of the Society of Petroleum Engineers that serves professionals in Alaska’s oil and gas industry. Based in Anchorage, the section organizes a variety of events throughout the year, including technical talks, networking gatherings, tournaments and social events. It also supports local students through scholarship programs aimed at those pursuing petroleum-related studies. Since 1978, the American Association of Drilling Engineers has served students and professionals around the country by providing a technical exchange for drilling engineers, making it the first organization of its kind to do so. In addition to hosting monthly chapter meetings and events, AADE also offers all-day forums and national conferences to provide unparalleled educational training for drilling engineering students led by industry experts.

Companies involved in Alaska’s oil and gas industry

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GLENFARNE Q&A

some \$11 billion, subject to engineering and cost updates by Worley, selected by Glenfarne in late May to do additional engineering and prepare a final cost estimate for the pipeline portion of the project.

Each phase of the project will be financed separately, using project financing.

Project financing is the predominant

form of financing for U.S. LNG projects, Duval said, one Glenfarne has used for its Gulf Coast LNG projects, Texas LNG and Magnolia LNG. In the past, oil and gas companies funded and built pipelines and LNG projects, as was the case with the trans-Alaska oil pipeline and the original LNG facility at Nikiski on the Kenai Peninsula.

Duval said capital is available for good LNG projects because good money is

made on private project LNG in the U.S., with \$200 billion in privately sponsored U.S. LNG projects in the last 10 years.

Cost overrun issue

Dunleavy asked Duval about the concern about cost overruns.

Duval said you start by looking at the project from the ground up, with 40% of the budget in the LNG plant.

Glenfarne knows Gulf Coast liquefac-

Dunleavy asked if the project will get done. Duval said megaprojects are difficult and there will be a lot of sleepless nights, but the fundamentals allow this project to get done.

tion costs and while labor will be slightly higher in Alaska, LNG trains are more efficient.

For the pipeline, he said, you look at unit rates for constructing, which in Texas are \$150,000 per inch mile; you add 60% for Alaska, bringing that to \$250,000 because of extreme conditions; and then add 40% to that.

With pipelines, 15% of the cost is on materials, with the rest logistics, planning, man camps, construction etc., Duval said.

What drives up costs is when you're not working — when crews are in place but are held up by problems.

He said the situation for the Alaska pipeline is unique. The engineering is done; the right of way is established — parallel to the trans-Alaska oil pipeline and then following the route of the Alaska Railroad; geotechnical drilling has been done.

And there are thousands of workers on the North Slope who know how to live and work in Alaska conditions.

Dunleavy added that North Slope gas is known; Native claims issues were settled in the 1970s; and the project has the support of most Alaskans.

Shipping is part of the price, Duval said, and for U.S. gas, Alaska LNG has a shipping advantage over the Gulf Coast: it doesn't have to go through the Panama Canal or around Africa.

The feed gas cost will be less than the Henry Hub rate on the Gulf Coast because Alaska gas is stranded on the North Slope, giving it a 200% to 300% advantage, he said.

Compared to Gulf Coast LNG, Duval said, Alaska LNG looks 150% better before you get to the pipeline, and is still economic with the pipeline added in.

Project development discipline

Getting funding requires scrutiny from financing agencies and partners — and the financing is what it is, Duval said: You can't go back for more money, and 10 to 15 sets of eyes are looking at the numbers before you get to spend money.

At FID, final investment decision, you draw on your capital for the first time and issue notices to proceed to contractors.

The plan is to get to FID for the phase 1 pipeline by the end of this year, with financing, planning and final engineering over the next six months.

2026 will see detailed planning with orders for steel to mills and stockpiling of pipe by the end of the year.

Four spreads of construction are planned for 2027-28, with a second batch of pipe arriving in 2027, with pipeline completion by 2029.

2026 will see deep dive FEED on the LNG facility, with notice to proceed on that facility by the end of 2026 — work which is expected to take at least 4 years, with LNG testing in 2030 and first cargoes to Asia in 2031.

The Arctic Carbon Capture plant will have FID at the end of 2026.

Dunleavy asked if the project will get done.

Duval said megaprojects are difficult and there will be a lot of sleepless nights, but the fundamentals allow this project to get done. ●

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