Petroleum news

page 3 Interior revokes 2024 rule on Alaska petroleum reserve

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Oil price war recedes: Diplomatic effort may restore Russian output

Crude oil futures finished the day lower Nov. 19 on reports of renewed diplomatic efforts to end Russia's war on Ukraine, raising chances of the return of Russian production slowed by sanctions and attacks on infrastructure.

West Texas Intermediate and Brent each dropped 2.1% on the day to close at $59.44 and $63.51 respectively.

On Nov. 18, Alaska North Slope crude closed at a $5.24 premium over WTI, and at a $1.09 premium over Brent. ANS Nov. 19 pricing was unavailable as Petroleum News went to press Nov. 20. Brent and WTI recovered from deeper losses seen early on Nov. 19, following the release of data by the U.S. Energy Information Administration showing a surprise drawdown of crude inventories.

Commercial crude oil inventories for the week ended Nov. 14 – not inclusive of Strategic Petroleum Reserve levels – sliding 3.4 million barrels to 424.2 million barrels, 5% below the five-year average for the time of year, the EIA said.

Analysts polled by the Wall Street Journal called for crude stocks to have risen by 100,000 barrels.

Oil in the SPR increased 533,000 barrels to 410.9 million barrels.

see **OIL PRICES** page 6

NPR-A action unlocks North Slope indigenous self-determination

NAGRUK HARCHAREK

On Nov. 13, Voice of the Arctic Iñupiat and its members said they support the U.S. Department of the Interior's, or DOI's, decision to issue a final rule rescinding the 2024 National Petroleum Reserve in Alaska (NPR-A) Rule. This action, which supports onshore development opportunities in the petroleum reserve, validates the VOICE Board of Directors' decision to sue Interior over the issuance of the 2024 NPR-A Rule and is another significant milestone in the effort to advance North Slope Iñupiaq self-determination.

VOICE's members, which include the majority of elected Iñupiaq leadership throughout the NPR-A, were unified in opposition to the previous federal administration's unilateral actions on the North Slope, which occurred without meaningful

see **VOICE RESPONSE** page 7

Harvest buys mothballed Nikiski plant to import LNG using tankers

On Nov. 11 Harvest Midstream announced that it had completed the acquisition of the Kenai LNG facility in Nikiski on the west coast of the Kenai Peninsula. Harvest, the pipeline affiliate of Hilcorp Alaska, plans to convert the facility, currently a mothballed LNG export facility, into an LNG import facility, in response to anticipated drops in Cook Inlet natural gas production.

As previously reported by Petroleum News, Harvest recently put into operation an LNG production facility that it has constructed on the North Slope for the delivery of LNG by road tanker to Fairbanks. However, given the scale of gas demand in Southcentral Alaska, this type of road delivery does not appear to be a practical solution for meeting Southcentral's future gas needs. Hence the requirement for the import terminal.

"Today's announcement is another milestone in delivering real energy solutions for Alaska and advancing America's

see **KENAI LNG PLANT** page 4

EXPLORATION & PRODUCTION

Exciting times

Alaska's acting DNR chief says projects at every step of development cycle

By KAY CASHMAN

Petroleum News

JOHN CROWTHER

Part 1 of 2: In a Nov. 18 Petroleum News interview with the acting commissioner of the Alaska Department of Natural Resources, John Crowther painted a bright picture of activity and progress on the North Slope over the last decade-plus.

"Right now we see companies at every step of the development life cycle. They're taking the steps of developing exploration campaigns, exploration units, exploration wells, they're moving forward to characterization and there are companies working on project design and development," Crowther said.

1 2 SERIES

"It's a pretty exciting time to be to be on the North Slope," he said, noting it all began with an oil price crash.

This current era - about a decade ago – "started with a major oil price reduction, major corporate restructurings and changes. It's a hard business and so are the challenges. You

see **ACTIVITY TREND** page 5

LAND & LEASING

Bumper lease sale

North Slope sale attracts most bids and acreage leased for over a decade

By ALAN BAILEY

for Petroleum News

See sale map, page 8

Alaska's Division of Oil and Gas has published the results of its recent North Slope regional oil and gas lease sale. On multiple counts this turned out to be the most successful sale for more than a decade.

The sale of a total of 287 lease tracts achieved the highest number sold since 2014, resulting in the leasing of more than 519,000 acres, the most acreage since that same year, the division said.

The bids drew a total of $17.5 million in cash bonuses, the highest amount since the 2018 sale.

And the total revenues from the sale were the highest in 27 years of lease sales.

"This is one of the most successful North Slope lease sales we've seen in years, and it reinforces a simple truth: Alaska is open for business," said Alaska Governor Mike Dunleavy

"From new Alaska-based explorers to long-established global producers, companies are stepping up because they recognize the tremendous opportunities our state offers. The Trump administration's commitment to responsible resource development is helping unlock those opportunities," said Dunleavy.

"The North Slope renaissance continues to

see **SLOPE LEASE SALE** page 6

NATURAL GAS

Some storage challenges

Enstar will need more gas storage to address future gas supply arrangements

By ALAN BAILEY

for Petroleum News

JOHN SIMS

In a Nov. 12 Regulatory Commission of Alaska public meeting executives from Anchorage based Enstar Natural Gas Company talked about the challenges that the utility faces in its future gas storage needs. The utility will need more gas storage capacity for ensuring the reliability of gas supplies to its customers.

Currently the utility uses the Cook Inlet Natural Gas Storage Alaska facility on the Kenai Peninsula to store gas during the summer, when gas demand is low, to ensure adequate gas supplies for the utility's customers in the winter, when gas demand is high and when gas deliverability rates, the rates at which gas needs to be supplied to customers, peak.

The ability to maintain firm and reliable gas supplies to its customers is a key component of Enstar's duties as a public utility. Consequently, Enstar needs some combination of firm gas supplies and appropriate gas storage facilities.

More storage needed

Inna Johansen, Enstar vice president of regulatory and gas supply, told the commission that, as

see **GAS STORAGE** page 5

● THIS MONTH IN HISTORY

Shell: Arctic 'tantalizing opportunity'

20 years ago this month: Basins at top of the world believed to hold 25% of undiscovered oil and gas, explains Shell interest in Alaska

Editor's note: This story first appeared in the Nov. 27, 2005, issue of Petroleum News.

By KRISTEN NELSON
Petroleum News

As energy demands have grown, discoveries have not kept pace, Chandler Wilhelm, Alaska exploration manager for Shell Offshore Inc. told the Resource Development Council's annual conference.

The basins which have been the source of most of the world's oil supply are in decline, "and new sources of oil and gas must be found" to meet the energy demands of the future, he said Nov. 16 in Anchorage.

Shell, he said, sees "the Arctic as a very tantalizing opportunity to develop new oil and gas resources," really "the last remaining frontier." The company's views tend to support studies by academics and agencies that circum-Arctic basins contain "about 25 percent of the world's remaining undiscovered resources," he said.

All of these basins are outside of the control of the Organization of Petroleum Exporting Countries, Wilhelm said.

"Most of this potential lies offshore," he said, in an area with one-fifth of the world's ocean shelves, and "all of the essential ingredients for world-class hydrocarbon basins are present."

> *"Most of the basins are unexplored and undeveloped," but activities are accelerating, Wilhelm said, with offshore licensing rounds in the Russian Chukchi Sea and Alaska's Beaufort Sea.*

"Most of the basins are unexplored and undeveloped," but activities are accelerating, he said, with offshore licensing rounds in the Russian Chukchi Sea and Alaska's Beaufort Sea.

Wilhelm said Shell sees "significant opportunities" in Alaska's Arctic, where earlier this year it took a substantial Beaufort Sea position at a Minerals Management Service outer continental shelf lease sale.

Arctic challenges

Wilhelm said there are a number of challenges to working in the Arctic.

Health, safety, environment and social performance issues include the sensitive environment, safety and indigenous people.

"Development of the offshore resources here in the Arctic in a sustainable manner is absolutely fundamental," he said.

Shell recognizes how "difficult and challenging" the social, environmental and economic aspects will be: "There's no misconception about that," he said. "And we must recognize that we're dealing with a sensitive environment and we have the responsibility to take very seriously the challenge of managing development with due consideration for the environment and the people who live there."

CHANDLER WILHELM

Under these conditions development will simply "take longer and require more care and attention" than an equivalent operation onshore.

Wilhelm also said Shell has the responsibility to engage others and "listen to what they say about issues that concern them."

Cost a factor

The cost of Arctic development is another major challenge, he said.

Shell believes that technology solutions developed for other areas, "such as the deepwater," will have applications in the offshore Arctic.

Problems of ensuring that oil and gas keep flowing freely in subsea pipelines are "virtually identical in the Arctic to those experienced in 8,000 feet of water in the Gulf of Mexico, where temperatures are at or close to the freezing point along the seafloor" and hydrates can form.

Subsea to beach technology is similar to what is done

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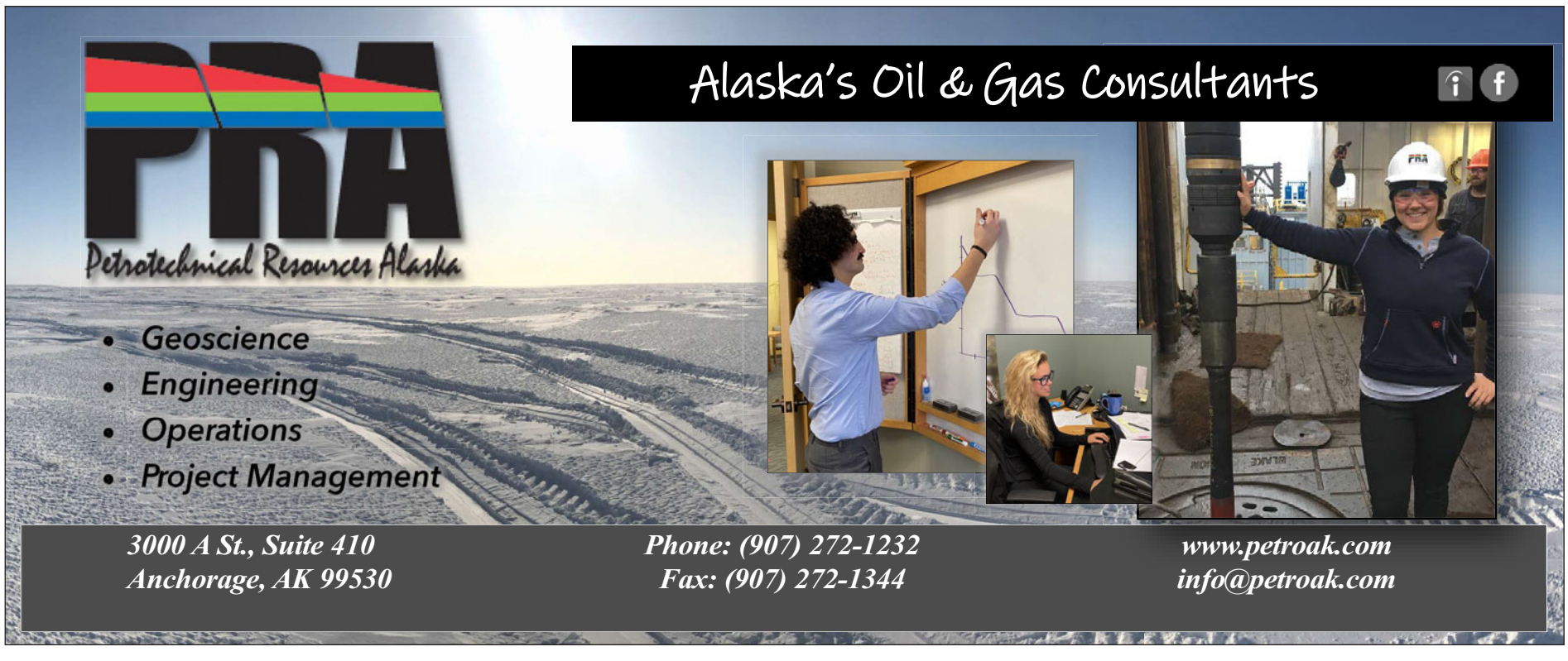

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HISTORY

in Norway, "and may someday have application in Alaska." The company's most recent subsea to beach tieback is at the Goldeneye field off northern Scotland where there are harsh offshore conditions. This prospect was "originally regarded as marginal," but innovative technology made it possible. It produces from an unmanned platform through a 65 miles offshore tie-back.

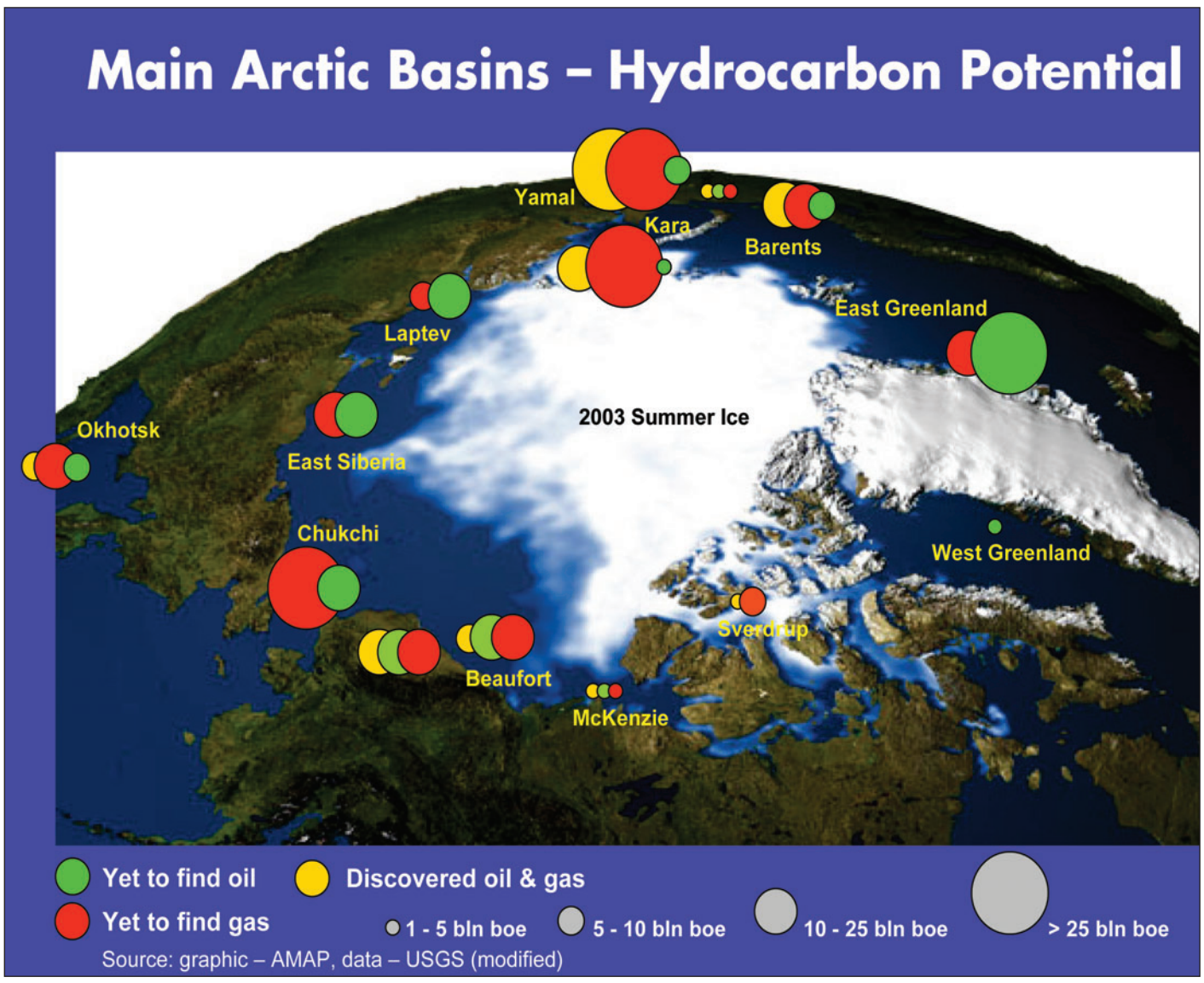
Shell has also gained experience applicable to other projects at Sakhalin 2, the largest oil and gas investment industry has made. Shell has, he said, experience in engineering solutions for remote locations, short operating seasons and extreme climate and ice.

Arctic gas prone

Gas solutions are also an issue because Arctic basins tend to be gas-prone, Wilhelm said. The "abundance of gas in the Arctic so far from main markets" will require moving gas long distances. Shell was one of the pioneers in developing global liquefied natural gas, he said, and is "the largest private supplier of LNG in the world" and so is well positioned to bring gas to market, "including potentially gas from Alaska."

"We believe this particularly has application in some parts of southern Alaska," but he said Shell believes the construction of an Alaska North Slope gas pipeline "will be of supreme importance," not only for gas exploration but also for continued oil exploration and the future of the trans-Alaska pipeline. Associated gas, he said, is "the Achilles heel of frontier exploration" around the world.

Shell is in favor of a gas pipeline, he said, and wants fair access for participants.



PETROLEUM NEWS FILE

Cost effective exploration important

There are three "fundamental elements" to successful exploration, he said: "good regional geologic analysis, knowing what neighborhood to be in; the focused application of world-class technology, knowing which door to knock on when you're in that neighborhood; and excellence in operational execution, enabling you to open that door."

The petroleum systems "of the Arctic are truly world class," Wilhelm said, but being in the right place doesn't get you there — state-of-the-art technology is also important.

The short operating season is a challenge and Shell uses a real-time operations center with satellite connection to adjust well execution.

Shell is also working on research and development: extending the season; cost reduction; systems reliability; and subsea systems.

"We have a long history of innovation and our experience in the deepwater we think can serve as a guide for the possible impact of technology in bringing oil and gas from hostile offshore environments to market," he said. ●

Contact Kristen Nelson at knelson@petroleumnews.com

LAND & LEASING

Interior revokes 2024 rule

The Department of the Interior recently announced a final rule rescinding the 2024 Bureau of Land Management rule governing the National Petroleum Reserve in Alaska, a major step in unlocking the energy potential of the roughly 23-million-acre reserve.

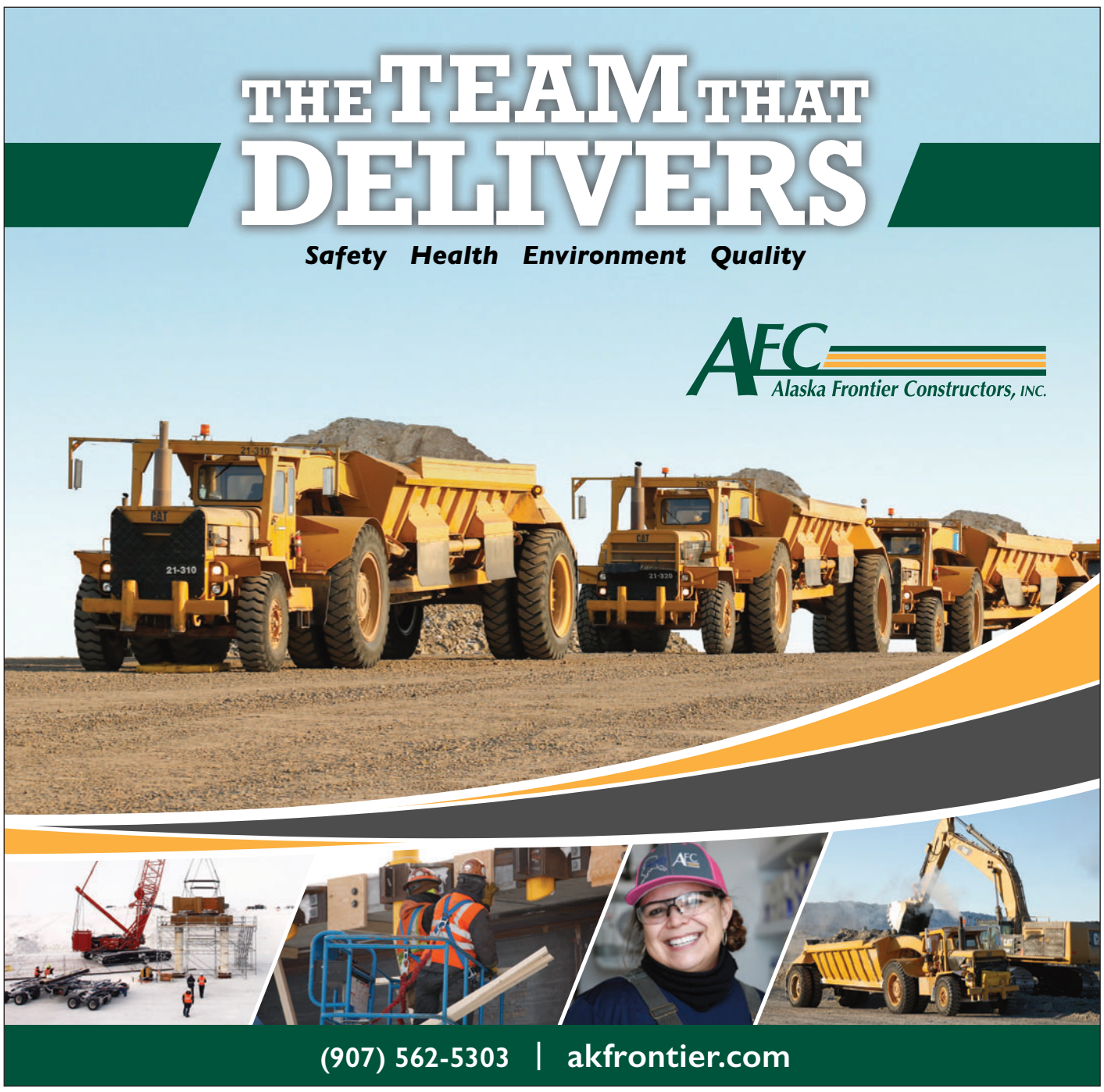
By reversing Biden-era restrictions for the petroleum reserve the Trump Arctic drilling policy unlocks access to billions more recoverable oil.

DOUG BURGUM

"By rescinding the 2024 rule, we are following the direction set by President Trump to unlock Alaska's energy potential, create jobs for North Slope communities and strengthen American energy security," said Secretary of the Interior Doug Burgum. "This action restores common-sense management and ensures responsible development benefits both Alaska and the nation."

Since 1923, the National Petroleum Reserve Alaska, or NPR-A, has been set aside as a petroleum reserve to support the nation's energy security. By reversing the 2024 rule, the department is taking action to

see **2024 BLM RULE** *page 4*



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KENAI LNG PLANT

energy infrastructure," said Jason C. Rebrook, Harvest CEO. "Earlier this year we delivered the first ever North Slope LNG to Fairbanks and now we are building on that momentum by putting existing LNG infrastructure back to work to help meet Southcentral Alaska's near-term gas needs and strengthen long-term reliability for the state."

In February Harvest and Anchorage-based Chugach Electric Association announced an agreement with Marathon Petroleum Corp, the then owner of the LNG facility, for Harvest to acquire the facility for use for LNG importing. The LNG terminal first went into operation in 1969 as a means of exporting natural gas to Japan during the heyday of Cook Inlet gas production. But with the later decline in production, the terminal stopped operating in 2016 and since then it has remained in long-term warm shutdown mode.

Harvest, the pipeline affiliate of Hilcorp Alaska, plans to convert the facility, currently a mothballed LNG export facility, into an LNG import facility, in response to anticipated drops in Cook Inlet natural gas production.

FERC approval sought

The deal for the Hilcorp purchase of the LNG facility involved the transfer to Hilcorp of ownership of Trans-Foreland Pipeline Company, the Marathon subsidiary that legally owned the facility.

According to Federal Energy Regulatory Commission filings, in 2020 FERC had authorized Trans-Foreland to convert the facility into an LNG import facility, with an anticipated startup date by Dec. 17, 2022.

However, in 2022 FERC granted Trans-Foreland a three-year time extension because of the economic impacts of the COVID-19 pandemic and the volatility of the LNG market.

Trans-Foreland, now owned by Hilcorp, has requested FERC approval of an extension of the facility startup deadline until Dec. 17, 2028. FERC invites public comments on Trans-Foreland's request by Dec. 2 and anticipates issuing an order in response to the request within 45 days.

New sources of gas needed

Chugach Electric urgently needs new sources of natural gas, the primary fuel for its power generation facilities.

The utility does obtain 50% of its gas from the Beluga River gas field, in which it has a two-thirds working interest ownership. But the utility also obtains a significant amount of gas through a firm supply contract with Hilcorp that expires on March 31, 2028.

Although Hilcorp will presumably be able to continue to produce gas, the company has previously indicated that it will not be able to extend its existing firm supply contracts.

The utilities need firm gas supplies to fully meet their needs while ensuring the reliability of their services.

Glenfarne LNG import facility

Meanwhile Southcentral natural gas utility Enstar Natural Gas Co. is working with Glenfarne Energy Transition to develop a new LNG import facility at another location on the shores of the Cook Inlet.

In a separate project Glenfarne is also working with Alaska Gasline Development Corp. on the potential development of a gas pipeline from the North Slope to the Cook Inlet. If the pipeline is completed, the planned LNG import terminal could be converted to an export terminal.

Chugach Electric expects to need to bolster its firm gas supplies several years prior to the anticipated completion of the Glenfarne import facility – hence the need for the Nikiski facility. Enstar, on the other hand, anticipates it and Chugach Electric together having to import more LNG than the Nikiski facility would be able to handle — hence the need for the Glenfarne facility.

Scale of Nikiski facility

Harvest said that its acquisition of the Nikiski LNG terminal site includes about 100 acres of industrial water front, 107,000 cubic feet of LNG storage capacity and a legacy dock infrastructure historically capable of handling LNG tankers carrying LNG equivalent to about 2.9 billion cubic feet of natural gas.

In the summer of this year the company completed a full inspection of the onshore facility and dock infrastructure. The company is seeking an amendment to the existing Federal Energy Regulatory Commission permit for the facility to increase the facility's import capacity. The company says that it is "in advanced talks with global LNG suppliers and potential offtake customers."

"Harvest is targeting a final investment decision in the second quarter of 2026 and first LNG imports in the first half of 2028," the company says.

—ALAN BAILEY

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2024 BLM RULE

strengthen American energy dominance and reduce reliance on foreign oil.

The final rule implements direction President Donald J. Trump issued on his first day in office through Executive Order 14153 and responds to calls from Alaskans, including North Slope leaders, to restore the previous regulatory framework.

Interior said it can now focus on expanding responsible development in the reserve to fuel Alaska's economy, support national security and increase domestic energy production.

Interior's Bureau of Land Management can move forward with managing the reserve under new 2025 regulations that align with those originally established in 1977. Reversing the 2024 rule reduces regulatory burdens and positions the reserve to deliver full economic benefits for the nation and communities on the North Slope.

Interior's Bureau of Land Management can move forward with managing the reserve under new 2025 regulations that align with those originally established in 1977.

This action is part of a broader effort by Interior to modernize resource policy in Alaska. It complemented recent withdrawals of three restrictive policy documents that had expanded special-area restrictions, reflecting the department's commitment to responsible development while protecting the environment.

The final rule published in the Federal Register on Nov. 17

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ACTIVITY TREND

have to navigate the challenges, and you have to take advantage of the opportunities and that's what I think we're seeing."

The North Slope hasn't "moved in an upward direction and overall year on year production increase in a measurable sense – in a double-digit percentage sense – since the fields started up on the slope and so it really is a new paradigm for Alaska," Crowther said.

"With challenging market conditions overall, we saw lease positions continue to build because of major exploration successes. We saw those prospects mature into projects and all of that is tremendously encouraging. Even in a tight time, there's effort to explore and develop new projects. That brings us to today."

Much North Slope activity is "driven by Alaska's stable fiscal regime," he said, noting that State of Alaska lease positions have continued to build.

But "federal lease sales are important, too", he said, referencing recent notices from Interior about an "NPR-A lease sale in January and ANWR shortly after that."

Reinvestment at Prudhoe

Crowther referred to another bright spot – the largest ever turnaround at Prudhoe Bay this past summer.

"The turnaround at GC1 and GC2 was critical to future production and development at Prudhoe Bay and is an indication of Hilcorp's continued reinvestment and commitment to the field. … It means Prudhoe Bay is going to continue to be in operation for years and years to come," he said.

Additionally, "production continues to remain relatively flat from legacy fields" on the North Slope which also speaks to company reinvestment.

Not for decades

"Depending on what metric you measure – potential peak throughput, total investment, new facility capacity – the combination of Pikka and Willow are something that hasn't been seen on the North Slope in decades," Crowther said.

"We've had a lot of activity on the slope in the last decade, but we haven't had a true new greenfield development with its own standalone processing capacity at this scale in a long, long time," he said, referring to Pikka Phase 1 and Willow.

"And then you go one step back, we've got the recent Armstrong discovery out east.

We've got the West Harrison Bay potential exploration out west. And major projects in between," Crowther said.

"As I understand it, the workforce is busier than it's ever been or than it has been in generations," he said.

"Alaska's economic engine is running at full speed … and has a lot of runway left and so that's very encouraging in and of itself," Crowther said. ●

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GAS STORAGE

the gas supply situation evolves, Enstar anticipates needing additional gas storage, starting in 2027.

Moreover, the means whereby gas is stored in the future will depend to some extent on how the gas is obtained, taking into account factors including the variability of gas deliveries and the total volume of gas that may need to be stored at some point in time.

"Once we combined all this information together it became very clear that we do indeed have storage requirements that we need to figure out how to fill in the future," Johansen said.

Hilcorp Alaska, the primary supplier of natural gas from the Cook Inlet basin, has indicated that it will not be able to extend its existing firm gas supply contracts with its customers. Enstar has said that, as a consequence, it will need alternative sources of gas, beginning in 2032 or 2033 — the company is working with Glenfarne Energy Transition on a potential liquefied natural gas import terminal on the shores of the Cook Inlet. An alternative possibility would be to obtain gas from a proposed natural gas pipeline from the North Slope.

Hilcorp has recently made some gas storage reservoirs in its Kenai gas field available for use as a public utility. However, the characteristics of the Kenai gas field facility differ from those of CINGSA, presumably because of differences in the gas reservoirs used. Essentially, providing the exceptionally high gas delivery rates required in the winter requires gas storage reservoirs than can maintain relatively high gas pressures. And the maximum pressures that can be achieved depend on the commercial ability to store sufficient volumes of base gas for maintaining that pressure.

Gas storage capabilities

Essentially, CINGSA has the capability to both store the excess gas needed to support winter demand and to provide the needed high deliverability rates in winter. The Kenai facility, on the other hand, can provide value for the storage of gas for seasonal load balancing and for stockpiling gas obtained when gas prices are low. However, the facility cannot deliver gas rapidly enough to support peak deliverability rates or for ensuring supply reliability in the event of an unforeseen supply problem, Johansen said.

In addition, the characteristics and scale of the future storage requirements differ significantly, depending on future gas supply arrangements, she said.

The current storage arrangements support the use of gas produced from gas and oil fields in the Cook Inlet basin. Gas is produced year-round, with a significant portion of the summer produced gas being placed in storage, for use in the winter, to supplement the produced gas when demand is high.

Storage for LNG importing

However, if gas is imported as LNG, the gas would be supplied as a series of LNG tanker cargoes. Johansen said that Enstar anticipates the potential need for 10 or 11 LNG deliveries per year to support its needs, including its contractual obligations to supply gas to Homer Electric Association on the Kenai Peninsula.

If Chugach Electric Association or Homer Electric Association requires gas through the planned import terminal, the number of LNG deliveries would be higher. And each LNG cargo would likely have to deliver around 3.8 bcf of gas very quickly into the Cook Inlet gas delivery system, Johansen said.

On the basis that the LNG import terminal would need to act as a kind of insurance policy against some problem with Cook Inlet gas supplies, the projected LNG delivery rate assumes that it could be necessary for all of Enstar's gas to be imported.

Given the high cost of LNG in the winter and difficult ice conditions in the Cook Inlet at that time of year, LNG deliveries would probably run from April through October, Johansen suggested. Thus, there would be a series of regular high peaks in gas storage needs when LNG cargoes are delivered, together with the need for adequate storage capacity to ensure sufficient gas supplies over the winter.

Gas pipeline delivery

The delivery of gas through a gas pipeline would have a very different profile, given that the contractual arrangements for the gas supply would likely involve a relatively constant daily rate of delivery from the pipeline year-round.

Thus, in a similar manner to what happens at present, it would be necessary to have sufficient gas storage capacity to store gas in the summer for use in the winter. It would also be necessary to hold sufficient stored gas to mitigate the impacts of weather fluctuations around the year, Johansen said.

John Sims, president of Enstar, commented that Enstar has spent multiple years looking into both how to ensure the availability of the volumes of gas needed annually and how to solve issues relating to daily gas demand.

"There's been a ton of work and effort on this — we're close to presenting a solution," Sims said. ●

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SLOPE LEASE SALE

build momentum," said DNR Acting Commissioner John Crowther. "Over the last decade we've seen significant exploration, major new discoveries, and more and more acres under lease — and today projects with significant new production are on the verge of coming online. Now we have a record-setting lease sale at the same time we're heading into one of the busiest construction seasons on the Slope in years. The future is bright."

As is normal, the sale was split into three areas: the North Slope, which covers most of the central North Slope region; the North Slope Foothills region to the south; and the Beaufort Sea region covering nearshore state waters of the Beaufort Sea to the north.

Maps of the areas and the locations of the tracts that were bid on can be found on the division's website.

North Slope area

Nine businesses bid for leases in the North Slope area, making a total of 273 bids on 271 tracts, the highest number of tracts since sales began in 1998.

There was an estimated high bonus bid total of about $16.9 million on the 271 tracts that were sold.

Surprise Valley Resources LLC was the largest bidder, winning bids on 116 tracts for a total of nearly $7.997 million in two blocks of tracts: one block east of the Haul Road, about 50 miles south of Deadhorse, and a smaller block off the southwest corner of the Kuparuk River unit.

Repsol E&P USA LLC, a partner in the development of the Pikka oil field, won 45 tracts for a total of $2.516 million. The tracts occupy two large areas of land south of the Kuparuk River unit.

Oil Search, the company that merged with Santos Ltd, the operator of the Pikka oil field, won 18 tracts for a total of $2.324 million, four of them south of the Quokka unit in the western part of the area, and 12 in a block of land adjacent to the eastern border of the National Petroleum Reserve-Alaska, immediately south of the Horseshoe unit.

Burgundy Exploration LLC won 57 tracts for a total of $2.052 million in two blocks west of the Haul Road in the southern part of the area.

Three Mountain Oil LLC won one tract for $6,970 adjacent to the eastern border of the NPR-A, south of the Colville River unit.

The area saw two new entrants to the bidding: Duncan Resources LLC and Frontier Exploration LLC. Duncan Resources won three tracts for a total of $256,000 immediately southwest of Deadhorse. Frontier Exploration won three tracts for a total of $151,574 immediately west of the Haul Road, on the north side of the Alkaid unit.

Foothills and Beaufort Sea

The North Slope Foothills area saw bids from AK Frontier Energy LLC, also a company new to Alaska. The company won seven tracts for a total of $200,582, four immediately east of the Haul Road at the northern edge of the area, and three further west, about halfway between the Haul Road and Umiat.

Veteran bidder Samuel Cade successfully bid on nine tracts for a total of $364,346 in the eastern part of the Beaufort Sea region. The tracts are continuous with the Greater Point Thomson unit, with working interest owners Daniel Donkel and Samuel Cade and approved by the Division of Oil and Gas in June. The unit is adjacent the Hilcorp-operated Point Thomson unit. ●

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Petroleum news

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OIL PRICES

Motor gasoline levels jumped by 2.3 million barrels to 207.4 million barrels – 3% below the five-year average for the season, the EIA said. Gasoline demand fell 500,000 barrels per day to 8.5 million bpd.

Analysts in the WSJ poll expected gasoline stocks to be down 100,000 barrels.

Distillate fuel inventories were up 171,000 barrels to 111.1 million barrels – 7% below the five-year average for the time of year, the EIA said.

Distillate inventories were forecast to have dropped 1.5 million barrels in the WSJ poll.

On Nov. 18, ANS and WTI each rose 83 cents to close at $65.98 and $60.74 respectively. Brent added 69 cents to close at $64.89.

ANS fell 17 cents Nov. 17 to close at $65.15, while WTI fell 18 cents to close at $59.91, and Brent fell 19 cents to close at $64.20.

Nov. 14 saw positive price action with ANS rising 85 cents to close at $65.32, WTI leaping $1.40 to close at $60.09, and Brent leaping $1.38 to close at $64.39.

ANS slipped 35 cents Nov. 13 to close at $64.47, as WTI inched 20 cents lower to close at $58.69, and Brent slipped 30 cents to close at $63.01.

Crude oil took a hit Nov. 12 when the Organization of the Petroleum Exporting Countries revised its production forecast upward but kept its demand forecast unchanged, erasing its earlier projections of a supply deficit in 2026.

ANS plunged $2.06 to close at $64.12 on the day, WTI plummeted $2.55 to close at $58.49, and Brent plummeted $2.45 to close at $62.71.

ANS fell 20 cents over 5 trading days from its close of $66.18 Nov. 11 to a close of $65.96 Nov. 18.

WoodMac: Oil and gas is back

Oil and gas returned to the forefront at ADIPEC 2025 in Abu Dhabi Nov. 3-6, as the world's biggest energy conference drew a record crowd of more than 239,000 visitors over its four days, according to Simon Flowers, Wood Mackenzie chairman and chief analyst.

"After a few years of subdued mood, the return of confidence among oil and gas participants was almost palpable," Flowers wrote in the Nov. 13 edition of The Edge. "IOCs and NOCs talked tactically about building resilience into their portfolios in anticipation of price weakness and volatility in the near term."

Flowers said the concerted message from senior executives and ministers was an expectation that oil demand will continue to grow well into the next decade, and perhaps beyond.

"The big implication is that upstream must deliver the required supply to meet sustained oil demand," he said. "Strategically, companies are positioning to invest with the aim of strengthening their oil and gas production profiles for the 2030s."

"Governments in many developed countries have chosen to secure affordable energy over sustainability goals," Flowers wrote Nov. 6 in The Edge.

"It is clear that we cannot quickly swap the current fossil fuel-based energy system for a new, low-carbon one," he said, adding that over the past decade, renewables have jumped from 5% to 20% of global power supply – barely covering incremental demand growth. "Scaling up low-carbon supply faster than demand growth and building a new, deeply decarbonized, resilient energy system is proving far tougher than envisaged," he said.

—STEVE SUTHERLIN

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VOICE RESPONSE

engagement or consultation, resulting in litigation led by VOICE.

"DOI's decision … serves to strengthen North Slope communities and advance self-determination for Atqasuk, which has stewarded our NPR-A homelands for more than 10,000 years," said Native Village of Atqasuk President Mary Bordeaux, whose community sits within the NPR-A.

"Our lands – and the ability for local voices to shape durable policies affecting them – are vital to both our economy and Iñupiaq culture," she said.

"Today's action by the federal government is further evidence that it appreciates the importance of North Slope Iñupiaq self-determination," said VOICE President and CEO Nagruk Harcharek. "VOICE led the charge against DOI for issuing the 2024 NPR-A Rule, which violated their obligations of consultation, ignored the Iñupiaq elected leadership, and threatened our ability to live on our homelands. We appreciate the new final rule and are cautiously optimistic it proves durable as we turn the page toward respect between the federal government and the elected leadership of the North Slope."

Over 95% of the North Slope's tax revenue is derived from taxation of resource development infrastructure, not output. These funds advance North Slope Iñupiat self-determination and strengthen communities across the region by providing modern community infrastructure and services like education, health care, modern water and sewer systems, and power generation.

This tax revenue is also invested in world-class wildlife management and research departments that support Indigenous North Slope Iñupiat subsistence traditions. The proliferation of these services – and the good paying job opportunities they provide – is directly connected to significant increases in average North Slope Iñupiat life expectancy from just 34 years in 1969 to 77 years today.

"We are grateful to Secretary Burgum and the Trump Administration for recognizing that the North Slope is key to unlocking American energy dominance," said North Slope Borough Mayor Josiah Patkotak. "The rescission of the 2024 Final Rule in the NPR-A is a meaningful step toward restoring a federal process that respects local knowledge and leadership. Good policy comes from good process, which requires hearing directly from the people who live, work, and hunt here. North Slope residents, through elected leadership, must be at the table as partners, not afterthoughts. That is how we ensure decisions serve our communities, our culture, and our long-term stewardship responsibilities. We look forward to continuing our strong, mutually respectful partnership."

JOSIAH PATKOTAK

"The Trump-Vance administration correctly understands that policies affecting our homelands should be informed by North Slope Iñupiat voices," Iñupiat Community of the Arctic Slope Executive Director Morrie Lemen. "Engaging with federally recognized tribes and other elected leaders in the region is the most effective way for the federal government to craft durable policies that advance our Iñupiaq self-determination."

"The rescission of the 2024 NPR-A Rule is a positive sign that policymakers in Washington are recognizing and listening to North Slope Iñupiaq leaders. When the Rule was released and finalized, not a single North Slope Iñupiaq organization signaled its support for the rule," said ASRC President and CEO Rex A. Rock, Sr. "We appreciate the administration's continued willingness to engage with and listen to the elected leadership of the North Slope to ensure our perspectives are reflected in durable policy that impacts our people and communities."

About VOICE

VOICE is a nonprofit organization established in 2015 by the region's collective elected Iñupiat leadership and is dedicated to preserving and advancing North Slope Iñupiat cultural and economic self-determination. Its members include local governments, Alaska Native Corporations, federally recognized tribes, and tribal non-profits across the North Slope of Alaska.

In 2024, VOICE was the first organization to file a lawsuit to challenge the 2024 National Petroleum Reserve in Alaska NPR-A Rule, which was crafted without meaningful engagement with those who live on the North Slope and presented serious risks to survival of Indigenous communities and North Slope Iñupiaq culture.

—PETROLEUM NEWS

Oil Patch Bits

Airgas earns 4th consecutive Military Friendly® gold designation

As reported by Airgas News, Nov. 11, Airgas, an Air Liquide company, has been awarded Gold Level Recognition on the 2026 Military Friendly® employers list by VIQTORY for the fourth consecutive year, following three years of the silver level designation. This acknowledgement underscores Airgas' sustained commitment to creating meaningful, comprehensive benefits and career opportunities for veterans and their spouses.

Airgas continues its 43-year history of actively supporting veterans and military families. The company proudly employs nearly 1,200 veterans across its divisions and business units, who successfully contribute to the company in a wide variety of roles.

Airgas' commitment includes actively recruiting associates with military experience and providing policies and tools that support service members and transitioning veterans in identifying career growth, mentorship, and training opportunities in their post-military careers. In addition to its hiring efforts, Airgas supports the military community through its long-standing partnership with Operation Homefront, a non-profit organization whose mission is to support military families so they can thrive in their communities. Airgas has donated over $1.7 million since 2008 to the organization in support.

Stamy Paul, senior vice president – Airgas human resources, commented: "Achieving the Military Friendly® Gold Designation for a fourth consecutive year is a profound honor that truly reflects Airgas' culture. The nearly 1,200 veterans on our team are invaluable; their unparalleled leadership skills, mission-driven mindset, and deep commitment to service are the very qualities that drive our success. We are dedicated to providing these talented individuals with the resources and opportunities they need to build thriving careers at Airgas."

Institutions earning the Military Friendly® employers designation were evaluated using both public data sources and responses from a proprietary survey. Over 1,200 companies participated in the Military Friendly® survey. Final ratings were determined by combining an organization's survey score with an assessment of the organization's ability to meet and exceed thresholds for recruitment, new hire retention, employee turnover, and promotion & advancement of veterans and military employees. Airgas will be showcased in the 2026 Military Friendly® Employers Guide in the Winter issue of G.I. Jobs® magazine and on MilitaryFriendly.com.

Editor's note: Some of these news items will appear in the next Arctic Oil & Gas Directory, a full color magazine that serves as a marketing tool for Petroleum News' contracted advertisers. The next edition will be released in September.

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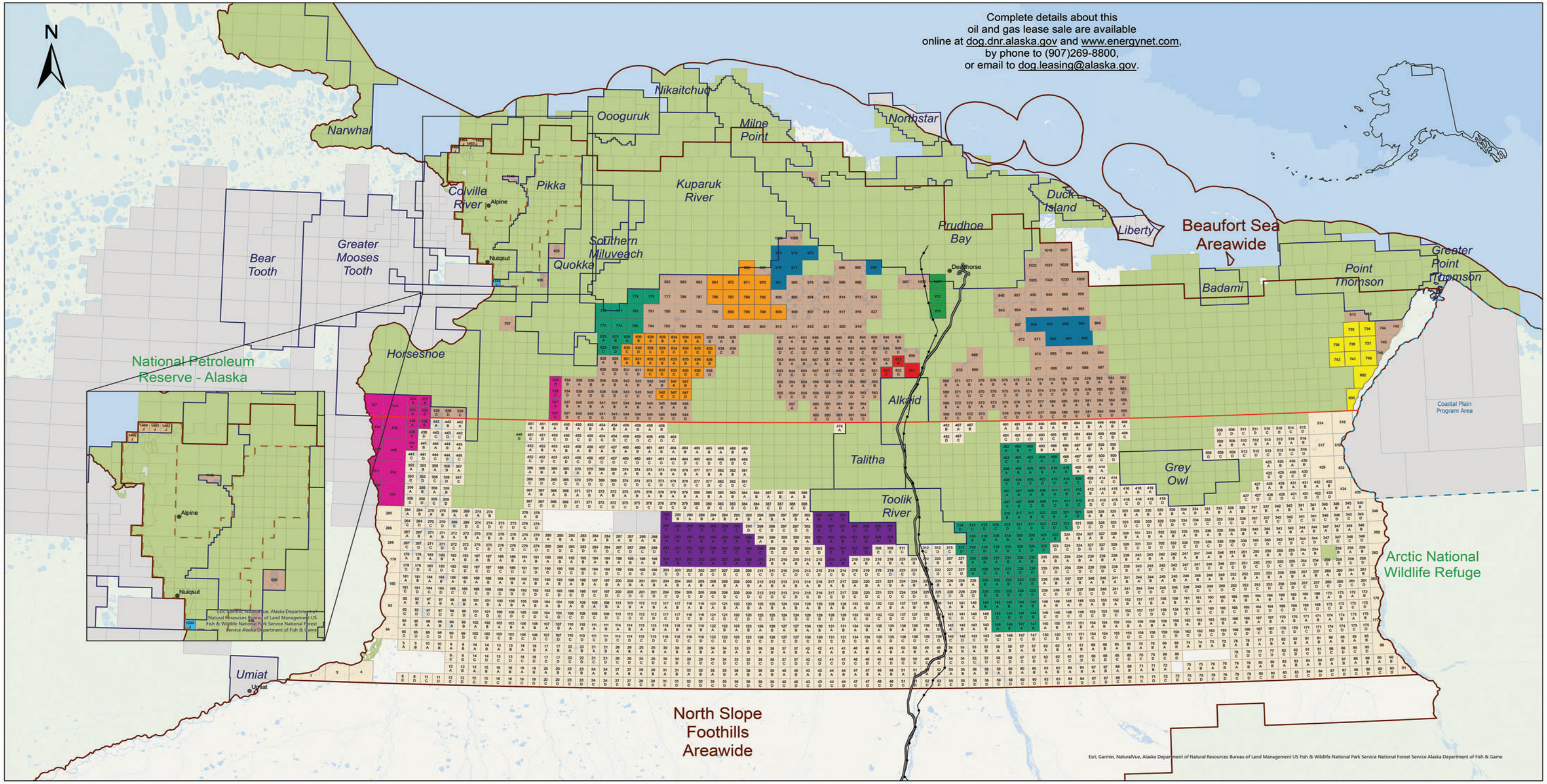

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- Highway
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- Areawide Boundary
- Unit Boundary
- Issued State Lease
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Available Lease Sale Tract

- North Sub-Region Tract
- South Sub-Region Tract
- State/ASRC Tract

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North Slope Areawide 2025W

Competitive Oil and Gas Lease Sale Results Map

November 19, 2025

0 25 50 75 100 Kilometers
0 20 40 60 Miles

Apparent High Bidder

- Burgundy Xploration, LLC
- Captivate Energy Alaska, Inc.
- Duncan Resources, LLC
- Frontier Exploration, LLC
- Lagniappe Alaska, LLC
- Oil Search (Alaska), LLC
- Repsol E&P USA, LLC
- Surprise Valley Resources, LLC
- Three Mountain Oil, LLC

This map was created, edited, and published by the State of Alaska, Department of Natural Resources (DNR), Division of Oil & Gas (DOG).

The information displayed is for graphic illustration only. Discrepancies in boundaries, pipeline alignment, and infrastructure are the result of merging multiple data sets from a number of different sources.

To see current maps and data, please visit: www.dog.dnr.alaska.gov/Information/MapsAndGIS.