



page 4 ANS January output down 5% year over year; Cook Inlet down 21%

## ConocoPhillips requests decision by July 1 in Willow court case

On Feb. 22 ConocoPhillips requested the federal District Court in Alaska to issue an expedited decision by July 1 in a court case in which Sovereign Inupiat for a Living Arctic and several environmental organizations have challenged the validity of the Bureau of Land Management's approval of the development of the Willow oil field in the northeastern National Petroleum Reserve-Alaska. The company has asked the court to follow a briefing schedule that it and BLM have proposed in a parallel case in District Court, in which some other environmental organizations have also challenged the Willow development.

ConocoPhillips, in its request, argues that synchronizing the court case schedules would enable efficient, consolidated

see **WILLOW CASE** page 8

## AOGCC rules KLU wells P&A'd; requires site clearance, bonding

The Alaska Oil and Gas Conservation Commission has ruled on applications from Furie Operating Alaska to change the status of three offshore exploration wells within the Cook Inlet Kitchen Lights unit.

The wells, KLU Nos. 1, 2A and 4, were suspended by a previous operator in 2012 and 2013 with 15 feet of casing stub above the seabed.

Furie's new owner, HEX Cook Inlet, which acquired Kitchen Lights out of bankruptcy effective July 1, said the wells had been plugged and abandoned, and also asked for a variance from the commission's site clearance requirements, which do not allow casing stub above the seabed.

see **KLU WELLS** page 10

## Dunleavy proposes \$60M in FY22 to retire some cashable tax credits

Alaska Gov. Mike Dunleavy has entered a \$60 million appropriation in his proposed fiscal year 2022 budget towards oil and gas tax credits that are eligible for repurchase by the state through the Oil and Gas Tax Credit Fund.

The funds, if appropriated, will make a small dent in the \$732.5 million outstanding balance of credits as of Jan. 1.

The earliest possible payout would occur in July, or the start of the 2022 fiscal year, a spokesperson for the governor's office told Petroleum News in an email.

There were no oil and gas tax credit certificates purchased by the Department of Revenue in calendar year 2020.

The state is still paying on balances of credits applied for

see **TAX CREDITS** page 10

## Biden, Trudeau reset relations, tackle climate change, energy pact

Canadian Prime Minister Justin Trudeau seems wedded to the idea that he should proceed down the energy aisle, arm-in-arm with President Joe Biden.

It's now apparent that Trudeau is ready to give up what he views as a no-win fight with Biden over the new president's sinking of Keystone XL and trade that for an aggressive pursuit of a comprehensive North American energy strategy.

Dominating the promise of a return to the good-old-days of harmonious U.S.-Canada relations, after four years of chaos under Donald Trump, is a move to green

see **BIDEN-TRUDEAU** page 10



JOE BIDEN

### EXPLORATION & PRODUCTION

# Firing up the Beast

Doyon's ERD rig enters 90-day commissioning for Fiord West Kuparuk well

By **KAY CASHMAN**

Petroleum News

Doyon 26, the extended reach drilling rig nicknamed the Beast because of its immense size, will begin drilling in ConocoPhillips' Fiord West prospect early this summer from the Alpine CD2 drill site, with rig commissioning and startup starting the week of Feb. 28.

Before ConocoPhillips shut down its North Slope winter drilling season last year, which was done early because of COVID-19 concerns, the big ERD rig had been assembled at CD2 and rig commissioning activities had been underway.

"The rig stayed cold stacked through the

remainder of 2020 and into the first part of this year," Rebecca Boys, senior advisor, communications, at ConocoPhillips Alaska, told Petroleum News March 2. "The commissioning and startup will take 90 days and will start this week," she said, noting start-up activities include "rig crew onboarding, equipment commissioning, and final acceptance testing."

"The planned spud date for the first Fiord West Kuparuk well is early summer," Boys said

### Combining oil pools

ConocoPhillips said in 2019 that six wells were

see **RIG COMMISSIONING** page 8

### EXPLORATION & PRODUCTION

# Hilcorp plans CI survey

Applies to BOEM for permit for geohazard surveying in lower Cook Inlet leases

By **ALAN BAILEY**

For Petroleum News

Hilcorp Alaska has applied to the Bureau of Ocean Energy Management for a permit to conduct geohazard and geotechnical surveys over federal lease blocks in the lower Cook Inlet.

According an environmental evaluation associated with the permit application, the surveying would encompass four lease blocks — a map accompanying the application indicates that the lease blocks lie about halfway across the inlet, to the west of Kachemak Bay. Hilcorp has previously indicated that it anticipates drilling two to four exploratory wells in the Lower Cook Inlet. Federal regulations require a geohazard evaluation to be conducted over the entire

area within about 1.5 miles of a planned offshore well site, before the start of drilling.

In 2019 Hilcorp conducted a 3D seismic survey in the area of its federal leases: the environmental evaluation says that this survey covered eight of Hilcorp's lease blocks. In a letter to BOEM accompanying its permit application Hilcorp explained that its new geohazard survey permit application is for "essentially the same program" that BOEM had permitted for 2020 and that Hilcorp had planned to carry out that year. The survey program had been delayed because of COVID-19, Hilcorp said.

Hilcorp has previously indicated that it would bring a jack-up drilling rig to Cook Inlet for

see **INLET SURVEY** page 12

### FINANCE & ECONOMY

# US burns up gasoline

Oil rally resumes on massive fuel inventory draw, hopes of OPEC+ discipline

By **STEVE SUTHERLIN**

Petroleum News

Alaska North slope crude jumped \$1.65 March 3 to close at \$64.21 per barrel, West Texas Intermediate popped \$1.53 to close at \$61.28 and Brent rose \$1.37 to close at \$64.07.

Oil moved higher on the day with news of a massive drop in U.S. fuel inventories. The American Petroleum Institute reported a draw in gasoline inventories of 9.933 million barrels for the week ending Feb. 26. Analysts had expected a 2.3 million barrel draw for the week.

The strong demand for fuel offset worries about a build in crude oil inventories of 7.356 million barrels for the week. Analysts had expected an inven-

*The oil and gas industry could generate record free cash flow in 2021, but caution about spending could lead to supply shortages in the future, according to Wood Mackenzie.*

tory draw of 928,000 barrels.

Supply and demand, rather than speculation, have underpinned oil's rally so far, traders and analysts say, according to a March 3 report by the Wall Street Journal.

The ratio of positions held by money managers in WTI futures and options contracts betting oil

see **OIL PRICES** page 11

## • UTILITIES

# Continued progress on ERO regulations

The RCA is moving forward developing rules governing the operation of businesses that would oversee Alaska electrical systems

By ALAN BAILEY

For Petroleum News

The Regulatory Commission of Alaska is continuing with the development of regulations for the oversight of electricity reliability organizations, or EROs, in Alaska. However, the regulation development is taking a slightly different route from what the commission had originally envisaged.

The regulations are required for implementation of Senate Bill 123, a statute passed last year enabling RCA to regulate EROs. The initial purpose is to enable implementation of an ERO for the Alaska Railbelt electrical system, to bring a more unified approach to the management and operation of the system. Railbelt electric utilities are in the process of forming the Railbelt Reliability Council, or RRC, a form of ERO. SB 123 set a deadline of July 1 this year for the completion of ERO regulations.

## Three dockets

Last summer, in the interest of enabling early regulatory clarity for a prospective ERO, such as the RRC, the commission split the regulation development into three separate dockets: one for ERO certification and governance; one for integrated resource planning and large project pre-approval; and one for reliability standards and rules for ERO operation.

The concept was to enable the formal public noticing of regulations developed in each of the dockets in sequence, so that final draft regulations for, in particular, ERO certification and governance, could be published while work was still proceeding on draft regulations in the other dockets. This approach would provide early clarity for a prospective ERO over expectations for successful certification. The hope was to publicly notice governance regulations by late September or early October.

## Complications

In the event, the development of certification and governance regulations is taking much longer than expected, given the complexities of specifying requirements for appropriately balanced ERO governance and addressing some associated legal issues relating to Alaska company law. During a January 13 RCA meeting Commissioner Antony Scott said that the draft certification and governance regulations need to be reviewed by attorneys from the state Department of Law before the commission continues to make further revisions to the draft, using public input on the regulation proposals.

A further complication has arisen, in that it turns out that there are cross linkages between some of the regulations being developed in the different dockets. During a

see **ERO REGULATIONS** page 4

## contents

Petroleum News

Alaska's source for oil and gas news

### ON THE COVER

#### Firing up the Beast

Doyon's ERD rig enters commissioning for Fiord West Kuparuk well

#### Hilcorp plans CI survey

Applies for permit for geohazard surveying in lower Cook Inlet

#### US burns up gasoline

Oil rally resumes on massive fuel inventory draw

#### ConocoPhillips requests decision by July 1 in Willow court case

#### AOGCC rules KLU wells P&A'd; requires site clearance, bonding

#### Dunleavy proposes \$60M in FY22 to retire some cashable tax credits

#### Biden, Trudeau reset relations, tackle climate change, energy pact

### EXPLORATION & PRODUCTION

#### 4 ANS January production down 5% from 2020

Month-over-month decline less than 1%, 1% crude decline and 2.5% increase in natural gas liquids; Cook Inlet down 21% from 2020

**SIDEBAR, PAGE 4:** Cook Inlet gas down marginally in January

#### 6 US drilling rig count grows by 5 to 402

### GOVERNMENT

#### 6 So much for those days: grim years ahead

Alberta's debt soars into stratosphere; Kenney government opts to hold line on spending, won't cave to pressure for sales tax

#### 7 Prudhoe gas treatment plant hits snag

SES Midstream appeals division's decision on Deadhorse lease to DNR commissioner; Ray Latchem says project is shovel ready

#### 7 Village of Kaktovik: Biden reneges on promise to consult w. indigenous tribes

### LAND & LEASING

#### 6 Preliminary finding for NS Foothills area

#### 9 State approves two CIE Redoubt requests

Cook Inlet Energy request included voluntary relinquishment of some acreage, request for delay of mandatory contraction of unit

### UTILITIES

#### 2 Continued progress on ERO regulations

RCA moving forward developing rules governing the operation of businesses that would oversee Alaska electrical systems



Maritime Helicopters

HOMER  
DUTCH HARBOR  
FAIRBANKS  
KODIAK  
KENAI  
PRUDHOE BAY



(907) 235-7771 • [www.maritimehelicopters.com](http://www.maritimehelicopters.com) • [info@maritimehelicopters.com](mailto:info@maritimehelicopters.com)

# 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	On Merlin-1 well location, rigging up to spud	Emerald House LLC (88 Energy subsidiary)
<b>Doyon Drilling</b>			
Dreco 1250 UE	14 (SCR/TD)	Milne Point, MP L-01A	Hilcorp Alaska LLC
Dreco 1000 UE	16 (SCR/TD)	Standby	
Dreco D2000 Uebd	19 (SCR/TD)	Standby	
AC Mobile	25	Colville River Unit, CD5-31	ConocoPhillips
OIME 2000	141 (SCR/TD)	Standby	
	142 (SCR/TD)	Standby	
TSM 700	Arctic Fox #1	Standby	
<b>Hilcorp Alaska LLC</b>			
Rotary Drilling	Innovation	Milne Point, I Pad	Hilcorp Alaska LLC
<b>Nabors Alaska Drilling</b>			
AC Coil Hybrid	CDR-2 (CTD)	Deadhorse, Cold Stacked at Nabors Deadhorse Yard	Available
AC Coil	CDR-3 (CTD)	Kuparuk, Cold Stacked at 12 Acre Pad	ConocoPhillips
Ideco 900	3 (SCR/TD)	Deadhorse, Stacked	Available
Dreco 1000 UE	7-ES (SCR-TD)	Kuparuk, Cold Stacked	Oil Search
Mid-Continental U36A	3-S	Stacked	Available
Oilwell 700 E	4-ES (SCR)	Stacked	Available
Dreco 1000 UE	9-ES (SCR/TD)	Stacked	ConocoPhillips
Oilwell 2000 Hercules	14-E (SCR)	Deadhorse	Available
Oilwell 2000 Hercules	16-E (SCR/TD)	Stacked	Brooks Range Petroleum
Oilwell 2000 Canrig 1050E	27-E (SCR-TD)	Stacked	Glacier Oil & Gas
Oilwell 2000	33-E	Deadhorse	Available
Academy AC Electric CANRIG	99AC (AC-TD)	Stacked	Repsol
OIME 2000	245-E (SCR-ACTD)	12 Acre Pad, stacked	ENI
Academy AC electric CANRIG	105AC (AC-TD)	Stacked	Oil Search
Academy AC electric Heli-Rig	106AC (AC-TD)	Stacked	Great Bear Petroleum
<b>Nordic Calista Services</b>			
Superior 700 UE	1 (SCR/CTD)	Deadhorse	Available
Superior 700 UE	2 (SCR/CTD/TD)	Deadhorse, stacked	Available
Ideco 900	3 (SCR/TD)	Talitha A	Great Bear Pantheon
Rig Master 1500AC	4 (AC/TD)	Oliktok Point	ENI
<b>Parker Drilling Arctic Operating LLC</b>			
NOV ADS-10SD	272	Deadhorse, Stacked	Available
NOV ADS-10SD	273	Deadhorse, Stacked	Available

### North Slope - Offshore

<b>Doyon Drilling</b>			
Sky top Brewster NE-12	15 (SCR/TD)	Spy Island, SP23-N3L1	ENI
<b>Nabors Alaska Drilling</b>			
OIME 1000	19AC (AC-TD)	Oooguruk, Stacked	ENI

### Cook Inlet Basin – Onshore

<b>BlueCrest Alaska Operating LLC</b>			
Land Rig	BlueCrest Rig #1	Stacked	BlueCrest Alaska Operating LLC
<b>Glacier Oil &amp; Gas</b>			
	Rig 37	West McArthur River Unit Workover	Glacier Oil & Gas
<b>Hilcorp Alaska LLC</b>			
TSM-850	147	Stacked	Hilcorp Alaska LLC
TSM-850	169	Beluga River Unit	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
<b>Nordic Calista Services</b>			
Land Rig	36 (TD)	Kenai, stacked	Available
<b>Spartan Drilling</b>			
Baker Marine ILC-Skidoff, jack-up		Spartan 151, stacked at Rig Tenders where pre mobilization work is being performed	Hilcorp Alaska LLC
<b>Furie Operating Alaska</b>			
Randolf Yost jack-up		Nikiski, OSK dock	Available
<b>Glacier Oil &amp; Gas</b>			
National 1320	35	Osprey Platform, activated	Glacier Oil & Gas

## Mackenzie Rig Status

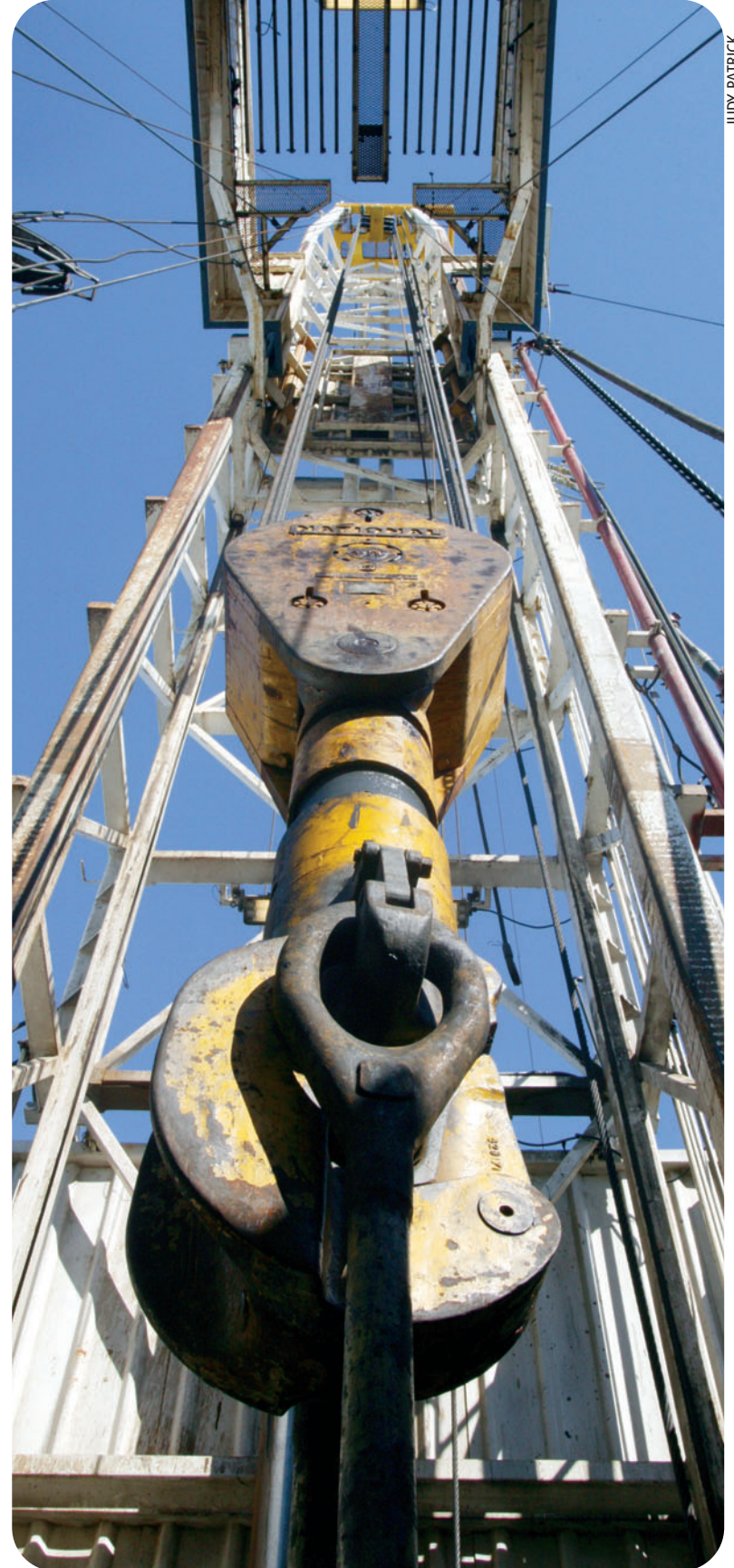
### Canadian Beaufort Sea

SDC Drilling Inc.			
SSDC CANMAR Island Rig #2	SDC	Set down at Roland Bay	Available

The Alaska-Mackenzie Rig Report as of March 3, 2021.  
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 Marti Reeve



JUDY PATRICK

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

	Feb. 26	Feb. 19	Year Ago
United States	402	397	790
Canada	163	172	240
Gulf of Mexico	17	16	22

### Highest/Lowest

US/Highest	4530	December 1981
US/Lowest	244	August 2020

\*Issued by Baker Hughes since 1944

The Alaska-Mackenzie Rig Report is sponsored by:



## • EXPLORATION &amp; PRODUCTION

# ANS January production down 5% from 2020

Month-over-month decline less than 1%, 1% crude decline and 2.5% increase in natural gas liquids; Cook Inlet down 21% from 2020

## Cook Inlet gas down marginally in January

Natural gas production from Cook Inlet averaged 225,761 thousand cubic feet per day in January, down marginally — 0.1%, 207 mcf per day — from a December average of 225,968 mcf and up 4% from a January 2020 average of 217,174 mcf.

Data are from the Alaska Oil and Gas Conservation Commission, which reports production on a month-delay basis. For natural gas AOGCC reports measurements in thousands of cubic feet, mcf.

Some 85% of Cook Inlet natural gas comes from the inlet's eight largest fields.

Hilcorp's Kenai gas field averaged 48,727 mcf per day in January, some 22% of total inlet production, up 7.2%, 3,254 mcf per day, from a December average of 45,473 mcf per day and up 46% from a January 2020 average of 33,368 mcf per day.

Hilcorp's Ninilchik field averaged 31,284 mcf per day in January, some 14% of inlet production, down 0.1%, 43 mcf per day, from a December average of 31,326 mcf per day and down 19.4% from a January 2020 average of 38,800 mcf per day.

Hilcorp's McArthur River field, the inlet's largest oil field, averaged 25,137 mcf per day in January, some 11% of inlet gas production, down 10.5%, 2,959 mcf per day, from a December average of 28,096 mcf per day but up 16.3% from a January 2020 average of 21,610 mcf per day.

The Hilcorp-operated Beluga River field averaged 23,972 mcf per day in January, some 11% of inlet production, up 77 mcf per day, 0.3%, from a December average of 23,895 mcf per day and up 27.7% from a January 2020 average of 18,773 mcf per day.

Hilcorp's Swanson River averaged 18,754 mcf per day in January, some 8% of inlet production, down 3.5%, 688 mcf per day, from a December average of 19,442 mcf per day and down 45.3% from a January 2020 average of 34,283 mcf per day.

Hilcorp's North Cook Inlet averaged 16,369 mcf per day in January, some 7% of inlet production, down 5.4%, 933 mcf per day, from a December average of

see **COOK INLET GAS** page 5

By **KRISTEN NELSON**

Petroleum News

Alaska North Slope production averaged 504,078 barrels per day in January, down 3,107 bpd, 0.6%, from a December average of 507,185 bpd and down 4.75% from a January 2020 average of 529,217 bpd.

Crude oil production, 88.7% of the volume, averaged 447,298 bpd in January, down 4,500 bpd, 1%, from a December average of 451,798 bpd and down 4.5% from a January 2020 average of 468,446 bpd.

Natural gas liquids production averaged 56,780 bpd, up 2.5%, 1,393 bpd, from a December total of 55,387 bpd but down 6.6% from a January 2020 average of 60,770 bpd.

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

## Prudhoe

The largest month-over-month volume drop was at the Hilcorp-operated Prudhoe Bay field, the Slope's largest, which averaged 276,037 bpd in January, down 4,225 bpd, 1.5%, from a December average of 280,262 bpd and down 1.4% from a January 2020 average of 280,004 bpd.

Prudhoe volumes include crude oil, 80.8% of the field's total, and NGLs. January crude production at Prudhoe averaged 223,044 bpd, down 4,031 bpd, 1.8%, from a December average of 227,076 bpd and down 0.2% from a January 2020 average of 223,474 bpd.

NGL production at Prudhoe averaged 52,993 bpd in January, down 0.4%, 194 bpd, from a December average of 53,186 bpd and down 6.3% from a January 2020 average of 56,530 bpd.

In addition to the primary reservoir, production volumes from Prudhoe

Hilcorp's Milne Point field averaged 35,566 bpd in January, down 418 bpd, 1.2%, from a December average of 35,984 bpd but up 12.1% from a January 2020 average of 31,729 bpd.

include Aurora, Borealis, Lisburne, Midnight Sun, Niakuk, Polaris, Point McIntyre, Put River, Raven and Schrader Bluff.

## Endicott, Colville, Milne, also down

Other fields with month-over-month production declines include Endicott, Colville River, Milne Point, Badami, Ooguruk and Greater Mooses Tooth.

The Hilcorp-operated Endicott field averaged 5,774 bpd in January, down 20%, 1,444 bpd, from a December average of 7,219 bpd and down 18.8% from a January 2020 average of 7,100 bpd. Endicott volumes include 88.1% crude and 11.9% NGLs. Crude production at the field averaged 5,089 bpd in January, down 1,173 bpd, 18.7%, from a December average of 6,262 bpd and down 18% from a January 2020 average of 6,211 bpd. NGL production averaged 685 bpd in January, down 271 bpd, 28.4%, from a December average of 956 bpd and down 23.7% from a January 2020 average of 898 bpd.

ConocoPhillips Alaska's Colville River field averaged 43,879 bpd in January, down 710 bpd, 1.6%, from a December average of 44,589 bpd and down 18.7% from a January 2020 average of 53,984 bpd.

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

Hilcorp's Milne Point field averaged 35,566 bpd in January, down 418 bpd,

see **ANS PRODUCTION** page 5

**SUBSCRIBE**  
to *Petroleum News*

981.278.2771

**Petroleum**  
NEWS

www.PetroleumNews.com

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

### ADDRESS

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

### NEWS

907.522.9469  
publisher@petroleumnews.com

### CIRCULATION

907.522.9469  
circulation@petroleumnews.com

### ADVERTISING

Susan Crane • 907.770.5592  
scrane@petroleumnews.com

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



OWNER: Petroleum Newspapers of Alaska LLC (PNA)  
Petroleum News (ISSN 1544-3612) • Vol. 26, No. 10 • Week of March 7, 2021  
Published weekly. Address: 5441 Old Seward, #3, Anchorage, AK 99518  
(Please mail ALL correspondence to:

P.O. Box 231647 Anchorage, AK 99523-1647)  
Subscription prices in U.S. — \$118.00 1 year, \$216.00 2 years  
Canada — \$206.00 1 year, \$375.00 2 years  
Overseas (sent air mail) — \$240.00 1 year, \$436.00 2 years  
"Periodicals postage paid at Anchorage, AK 99502-9986."

POSTMASTER: Send address changes to Petroleum News, P.O. Box 231647 Anchorage, AK 99523-1647.

continued from page 2

## ERO REGULATIONS

Feb. 24 public meeting Scott said that, as a consequence, completed draft regulations from each of the three dockets will need to be synchronized with each other before a complete set of formal SB 123 draft regulations can be publicly noticed.

Meanwhile, on Feb. 26 the commission approved a draft version of integrated resource planning and major project pre-approval regulations from the second docket. And from Feb. 23 to 25 the commission held a technical conference, to discuss issues relating to regulations being developed in the third docket.

## RRC moving ahead

During a Feb. 19 RCA public meeting executives involved the RRC development said that the RRC implementation committee is making much progress in developing the structure of the RRC, with a view to filing an application for ERO certification. They said that the committee is following the regulations being developed by the RCA, but that it is concerned about being able to conform the RRC implementation work products with the eventual regulations within the anticipated remaining time before filing the application. ●

Contact Alan Bailey  
at abailey@petroleumnews.com

**ALASKA**  
**STEEL CO.**

Since 1982

**Full Line Steel and Aluminum Distributor**

**Specializing in low temperature steel**

6180 Electron Drive  
Anchorage, AK 99518  
**(907) 561-1188** www.alaskasteel.com

**(800) 770-0969**  
Kenai • Fairbanks

continued from page 4

## COOK INLET GAS

17,302 mcf per day and down 6.6% from a January 2020 average of 17,529 mcf per day.

Furie's Kitchen Lights averaged 14,571 mcf per day in January, some 6.5% of inlet production, down 0.8%, 119 mcf per day, from a December average of 14,690 mcf per day and up 0.5% from a January 2020 average of 14,496 mcf per day.

Hilcorp's Beaver Creek averaged 12,526 mcf per day in January, some 5.5% of inlet production, up 4.7%, 566 mcf per day, from a December average of 11,961 mcf per day and up 80.4% from a January 2020 average of 6,944 mcf per day.

### Smaller gas fields

Hilcorp's Ivan River averaged 6,267 mcf per day in January, up 1.6%, 98 mcf per day, from a December average of 6,169 mcf per day and up 1,883.2% from a January 2020 average of 316 mcf per day.

Hilcorp's Cannery Loop averaged 5,568 mcf per day in January, up 7.9%, 410 mcf per day, from a December average of 5,158 mcf per day and up 4.2% from a January 2020 average of 5,344 mcf per day.

The Kenai Loop field, operated by AIX, averaged 5,032 mcf per day in January, down 1%, 53 mcf per day, from a December average of 5,085 mcf per day and down 3.7% from a January 2020 average of 5,223 mcf per day.

Hilcorp's Granite Point averaged 3,744 mcf per day in January, down 0.8%, 29 mcf per day, from a December average of 3,773 mcf per day but up 13.5% from a January 2020 average of 3,299 mcf per day.

Hilcorp's Deep Creek averaged 3,368 mcf per day in January, down 3.7%, 128 mcf per day, from a December average of 3,496 mcf per day and down 15.8% from a January 2020 average of 3,998 mcf per day.

BlueCrest's Hansen field averaged 3,204 mcf per day in January, up 15.1%, 419 mcf per day, from a December average of 2,784 mcf per day but down 32.6% from a January 2020 average of 4,753 mcf per day.

Gardes Holdings' North Fork field averaged 3,048 mcf per day in January, down 2.5%, 78 mcf per day, from a December average of 3,126 mcf per day and down 5.5% from a January 2020 average of 3,225 mcf per day.

Hilcorp's Trading Bay averaged 2,307 mcf per day

in January, up 2.6%, 57 mcf per day, from a December average of 2,250 mcf per day but down 9.2% from a January 2020 average of 2,540 mcf per day.

Hilcorp's Lewis River averaged 953 mcf per day in January, down 2.1%, 21 mcf per day, from a December average of 973 mcf per day and down 35% from a January 2020 average of 1,465 mcf per day.

Amaroq's Nicolai Creek averaged 387 mcf per day in January, up 1.7%, 6 mcf per day, from a December average of 381 mcf per day and up 74% from a January 2020 average of 222 mcf per day.

Hilcorp's Nikolaevsk averaged 323 mcf per day in January, down 1.5%, 5 mcf per day, from a December average of 328 mcf per day and down 21.8% from a January 2020 average of 414 mcf per day.

Hilcorp's Middle Ground Shoal averaged 222 mcf per day in January, down 14.8%, 38 mcf per day, from a December average of 260 mcf per day and down 4.4% from a January 2020 average of 232 mcf per day.

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

—KRISTEN NELSON

Contact Kristen Nelson  
at knelson@petroleumnews.com

continued from page 4

## ANS PRODUCTION

1.2%, from a December average of 35,984 bpd but up 12.1% from a January 2020 average of 31,729 bpd.

Badami, operated by Savant, a Glacier Oil & Gas company, averaged 1,538 bpd in January, down 84 bpd, 5.2%, from a December average of 1,622 bpd but up 9.1% from a January 2020 average of 1,410 bpd.

Eni's Oooguruk averaged 7,555 bpd in January, down 53 bpd, 0.7%, from a December average of 7,608 bpd and down 17.6% from a January 2020 average of 9,173 bpd.

ConocoPhillips' Greater Mooses Tooth field in the National Petroleum Reserve-Alaska averaged 3,457 bpd in January, down 16 bpd, 0.5%, from a December average of 3,473 bpd and down 34.3% from a January 2020 average of 5,264 bpd.

### Volumes up at Northstar, Point Thomson and Nikaitchuq

Three North Slope fields had month-over-month production increases.

The largest was at Hilcorp's Northstar field, which averaged 8,722 bpd in January, up 1,812 bpd, 26.2%, from a December average of 6,910 bpd although down 15.1% from a January 2020 average of 10,271 bpd. Northstar has the largest percentage, 35.6%, of NGLs of any North Slope field, averaging 3,102 bpd in January, up 1,858 bpd, 149.3%, from a December average of 1,244 bpd but down 7.2% from a January 2020 average of 3,342 bpd. Crude production at Northstar averaged 5,620 bpd in January, down 46 bpd, 0.8%, from a December average of 5,666 and down 18.9% from a January 2020 average of 6,929 bpd.

The ExxonMobil Production-managed Point Thomson field averaged 8,921 bpd in January, up 16.7%, 1,277 bpd, from a December average of 7,644 bpd and up 68.6% from a January 2020 average of 5,292 bpd.

The ConocoPhillips-operated Kuparuk River field averaged 96,527 bpd in January, up 501 bpd, 0.5%, from a December average of 96,026 bpd but down 7.8% from a January 2020 average of 104,716 bpd.

In addition to the main Kuparuk pool, Kuparuk produces from satellites at Meltwater, Tabasco and Tarn, and from West Sak.

Eni's Nikaitchuq averaged 16,101 bpd in January, up 1.6%, 252 bpd, from a

December average of 15,849 bpd, but down 20.6% from a January 2020 average of 20,265 bpd.

### Cook Inlet down 1.5%

Cook Inlet production averaged 10,996 bpd in January, down 1.5%, 166 bpd, from an average of 11,161 in December, and down 21.5% from 14,003 bpd in January 2020.

Hilcorp's Beaver Creek averaged 51 bpd in January, down 75 bpd, 59.4%, from a December average of 127 bpd and down 76.9% from an average of 222 in January 2020.

Hilcorp's Granite Point averaged 2,865 bpd in January, down 39 bpd, 1.4%, from a December average of 2,904 and

down 13.4% from a January 2020 average of 3,308 bpd.

BlueCrest's Hansen field averaged 1,018 bpd in January, up 91 bpd, 9.8%, from a December average of 927 bpd but down 5.2% from a January 2020 average of 1,073 bpd.

Hilcorp's McArthur River field, Cook Inlet's largest, accounting for just over a third of inlet production, averaged 3,823 bpd in January, down 2.7%, 107 bpd, from a December average of 3,930 bpd and down 14% from a January 2020 average of 4,447 bpd.

Hilcorp's Middle Ground Shoal averaged 1,272 bpd in January, up 0.9%, 12 bpd, from a December average of 1,260 bpd and up 3.3% from a January 2020

average of 1,231 bpd.

Hilcorp's Swanson River field averaged 816 bpd in January, up 1%, 8 bpd, from a December average of 808 bpd and up 5.9% from a January 2020 average of 770 bpd.




Hilcorp's Trading Bay averaged 1,151 bpd in January, down 4.6%, 55 bpd, from a December average of 1,206 bpd and down 14.4% from a January 2020 average of 1,345 bpd.

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

Contact Kristen Nelson  
at knelson@petroleumnews.com

# THE TEAM THAT DELIVERS

**Safety Health Environment Quality**

**(907) 562-5303 | akfrontier.com**

## LAND & LEASING

### Preliminary finding for NS Foothills area

The Alaska Department of Natural Resources' Division of Oil and Gas said Feb. 24 that a preliminary written finding of the director for the North Slope Foothills areawide oil and gas lease sale is available for public comment. Best interest findings for the state's five areawide sale areas — Alaska Peninsula, Beaufort Sea, Cook Inlet, North Slope and North Slope Foothills — are required every 10 years. Prior to each annual sale, the division issues a call for any substantial new information.

On May 5 of last year the division initiated the 10-year review for the North Slope Foothills area with a request for information to state and federal agencies, and boroughs, cities and villages.

A preliminary best interest finding has been prepared and is available on the division's website at <http://dog.dnr.alaska.gov/Services/BIFAndLeaseSale>.

Comments must be received by 5 p.m. April 26.

The state currently has no active leases in the foothills area. The last sale to draw bids in that area was in 2012, when Anadarko Petroleum, which left the state in 2018 and has since merged with Chevron, bid on eight tracts, some 46,000 acres.

—KRISTEN NELSON

## EXPLORATION & PRODUCTION

### US drilling rig count grows by 5 to 402

The Baker Hughes U.S. rotary drilling rig count, 402 for the week ending Feb. 26, was up by five from the week ending Feb. 19 and down 388 from a count of 790 a year ago.

When the count bottomed out at 244 in mid-August last year, it was not just the low for 2020, but the lowest the count has been since the Houston based oil-field 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, where it remained through mid-March, 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 when it gained back 10 rigs.

The Feb. 26 count includes 309 rigs targeting oil, up by four from the previous week and down 369 from 678 a year ago, 92 rigs targeting gas, up one the previous week but down 18 from 110 a year ago, and one miscellaneous rig, unchanged from the previous week and down one from a year ago.

Eighteen of the holes reported Feb. 26 were directional, 359 were horizontal and 25 were vertical.

Texas (197), with the most active rigs, was up by three from the previous week.

Pennsylvania (20) was up by two rigs and New Mexico (62) was up by one.

West Virginia (11) was down by one rig from the previous week.

Counts in all other states remained unchanged: Alaska (3), California (7), Colorado (8), Louisiana (47), North Dakota (14), Ohio (7), Oklahoma (17), Utah (3), West Virginia (12) and Wyoming (5).

Baker Hughes shows Alaska with three rigs active Feb. 26, unchanged from the previous week and down by seven from a year ago, when the state's count stood at 10.

The rig count in the Permian, the most active basin in the country, was up by four from the previous week at 208, but down by 203 from a count of 411 a year ago.

—KRISTEN NELSON

## GOVERNMENT

# So much for those days: grim years ahead

*Alberta's debt soars into stratosphere; Kenney government opts to hold line on spending, won't cave in to pressure for sales tax*

By GARY PARK

For Petroleum News

In the midst of the annual Calgary Stampede, then-premier of Alberta, Ralph Klein, wearing a cowboy hat, held high a sign declaring "Paid in Full."

That was his signal Alberta had paid off its remaining debt of C\$3.7 billion, making it the only jurisdiction in the western world to enter such a heady financial realm.

"Never again will this government or the people of this province have to set aside another tax dollar on debt," Klein declared.

The claim was made in 2004, just 17 years ago, which to Albertans might as well be a lifetime ago.

At some point in the new fiscal year, the province's debt will rocket past C\$100 billion on its way to a projected C\$116 billion in 2022 and likely C\$132 billion-plus by 2024. Finance Minister Travis Toews is willing to bet that Alberta will post a balanced budget before 2027.

Annual debt-servicing costs are rising quickly, on track for more than C\$3 billion. That will exceed Alberta's estimate for resource royalty revenues in 2021-22 of C\$2.9 billion, once the comfortable underpinning of extreme wealth in Canada's richest province.

### Growth of debt

The budget troubles started long before the downturn in oil prices in 2014 as Klein's successor governments found their budget surpluses irresistible and started showering their windfalls around like confetti.

None more so than the four-year



JASON KENNEY

administration of the socialist New Democratic Party administration of Premier Rachel Notley, who was at the helm when the debt climbed from C\$11 billion in 2015 to C\$63 billion. In a desperate attempt to retain power in 2019, she pushed annual spending to about C\$53 billion, buying off labor unions that are now bracing for a contract showdown with the current government of Premier Jason Kenney.

Under Klein there was a broad-based budget slashing, reducing per-person program spending to C\$7,447, a level that has since almost doubled.

All the while, Alberta was feeding Canada's gross domestic product, making a gross contribution through individual and corporate taxes of C\$512 billion between 2007 and 2018 and a net contribution to federal government finances of C\$252 billion.

### Sideswiped

Just as Albertans were awakening to their fiscal plight they got sideswiped by a downward spiral in oil and natural gas royalties, then by the devastation wrought by COVID-19.

In a belated rescue mission, the government of Kenney announced Feb. 25 that it would freeze spending, while still projecting an C\$18.2 billion deficit for 2021-22, down a mere C\$2 billion from the current budget year.

Notley, now leader of the Alberta opposition party and holding fast to her belief that the province can spend its way out of trouble, said Kenney's budget curb will amount to severe cuts to services, including health care and education.

She said the Kenney government has failed to account for population growth or inflation over the next several years.

But neither she nor Kenney have agreed it is time for Alberta to join Canada's other nine provinces and impose a sales tax.

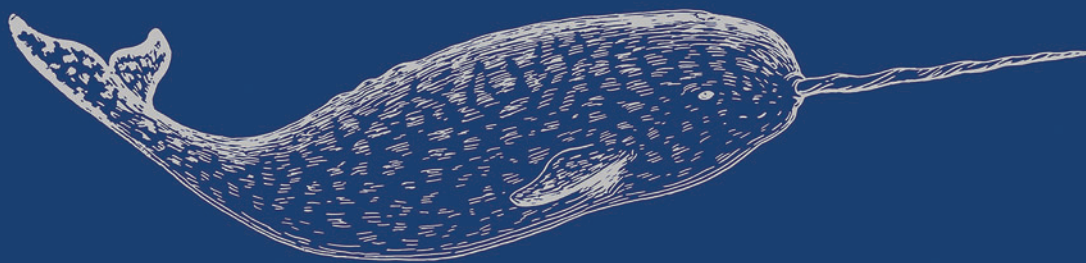
In a pre-budget report, the Business Council of Alberta — a group of 90 chief executive officers — called for the adoption of a 3% tax and the reintroduction of a provincial carbon tax of C\$50 per metric ton.

In his only hint of bending to the pressure, Kenney has said he would not impose a sales tax without a referendum, pointing to the 2023 election as earliest time for such a vote.

The new budget relies heavily on Alberta's oil price forecasts that are below private-sector projections. It assumes West Texas Intermediate will average US\$46 a barrel in the coming year, increasing to US\$56.50 by 2023-24.

Over the near term, Alberta is counting on crude oil revenues rising from C\$1.98 billion in the fiscal year that ends on March 31 to C\$2.86 billion in 2022 and C\$5.87 billion in 2024, with the oil sands contribution growing from C\$1.1 billion to C\$3.89 billion over the same period. Crude oil revenues are expected to rise from C\$418 million to C\$926 million, with natural gas edging up from C\$296 million to C\$707 million. ●

Contact Gary Park through [publisher@petroleumnews.com](mailto:publisher@petroleumnews.com)



# CALTAGIRONE LEGAL, LLC

Oil, Gas, & Mining • Litigation • Local Counsel

[WWW.CALTAGLEGAL.COM](http://WWW.CALTAGLEGAL.COM)

GOVERNMENT

# Prudhoe gas treatment plant hits snag

SES Midstream appeals division's decision on Deadhorse lease to DNR commissioner; Ray Latchem says project is shovel ready

By **KAY CASHMAN**  
Petroleum News

SES Midstream's plan to begin construction of a small compressed natural gas and sales quality natural gas plant at Deadhorse to serve the local oilfield support contractors and Norgasco, the local gas distribution firm, has run into permitting roadblock, which ultimately resulted in a Jan. 29 appeal filed with Corri Feige, commissioner of the Alaska Department of Natural Resources.

The appeal is still being adjudicated, so DNR was unable to comment on the case, which means the following information is largely from SESM's perspective.

"DNR was briefed in the Fall of 2019 and we received advice from them about how to lease the SOA land needed for the facility. We followed their advice," SESM's manager, Raymond Latchem, said.

On July 23, SESM received a final finding and decision that approved issuance of a 25-year lease for construction and operation of a gravel pad and gas treatment plant from the Northern Regional Land Office of DNR's Division of Mining, Land and Water.

"We concurrently permitted with the COE for the installation of a gravel pad. Things were on track for 2021 construction in Deadhorse," Latchem said.

SESM had already determined the location of its gravel pad, applied for and received a permit from the U.S. Army Corps of Engineers, and made "substantial investments in furtherance of the project," he said.

Moreover, SESM decided not to build a supply pipeline subject to AS 38.35. Rather, Latchem said, "SESM is pursuing an alternative to a new pipeline to supply the treating and processing plant with untreated gas, and to discharge the treated gas into an adja-

cent natural gas distribution system."

In a Feb. 22 plea for intervention from Alaska Gov. Mike Dunleavy, Latchem wrote: "The train left the tracks on August 19th of 2020 when the DNR, without notice or discussion, rescinded its Final Finding and Decision. The DMLW in Fairbanks had done a good job of processing the application and issuing the FFD. However, the DOG (Division of Oil and Gas) in Anchorage apparently felt that they should have jurisdiction over gas treating. The only way they can reach this project is through the land rights. If we could have located on private land — there isn't any — or even NSB (North Slope Borough) land in Deadhorse, then the DOG could not grab this turf."

## Founder of Norgasco

In Latchem's letter to the governor, he described SESM as a "small family-owned company" with "a long history of natural gas development in Alaska. Past projects include bringing natural gas service to Prudhoe Bay/Deadhorse in the 1980's, Fairbanks and Talkeetna in the 1990's, and developed and built Alaska's second LNG plant at Pt. McKenzie. We also started another LNG project in Prudhoe Bay but sold it to AIDEA after Governor Parnell created the Interior Energy Project in 2013."

All of this can be substantiated in public records and news reports. Latchem was actually the founder of Norgasco, the Prudhoe Bay/Deadhorse natural gas distributor he mentioned and that SESM's proposed gas plant would serve.

## Conflicting regulations

"Natural gas is normally a very clean fuel. However, Prudhoe Bay gas contains a large amount of CO2 and H2S," Latchem told the governor. "SES Midstream is endeavoring to build a small gas treating facility in Deadhorse that could remove the contaminants from the gas that is used locally for power generation and heating. This would bring the quality of the gas up to the same standards as Anchorage, Fairbanks, Wasilla and the Kenai Peninsula, as well as the rest of North America."

see **TREATMENT PLANT** page 8



**CORRI FEIGE**



**RAYMOND LATCHEM**

## GOVERNMENT

### Village of Kaktovik: Biden reneges on promise to consult w. indigenous tribes

On March 1, the Native Village of Kaktovik, the only federally recognized tribe in the Arctic National Wildlife Refuge, issued a press release in protest of the Biden-Trudeau announcement to "safeguard the Porcupine caribou herd calving grounds" in ANWR.

"Alaska Native tribes are sovereign governments recognized under the Constitution of the United States of America," Kaktovik's release said.

"The Native Village of Kaktovik will always support the protection of our subsistence resources but making decisions without tribal consultation often results in unintended consequences for indigenous people."

"People live in ANWR too," the release pointed out. "The Iñupiat of Kaktovik have been here for as long as the caribou, but nobody is issuing statements promising to protect our sovereign rights. The government isn't fighting to give us a voice about what can and cannot happen on our lands," said Eddie Rexford Sr., president of the Native Village of Kaktovik. "Instead we read about the Biden-Trudeau agreement in the news at the same time as the rest of America. There was absolutely no attempt to communicate or work with the tribe," he said.

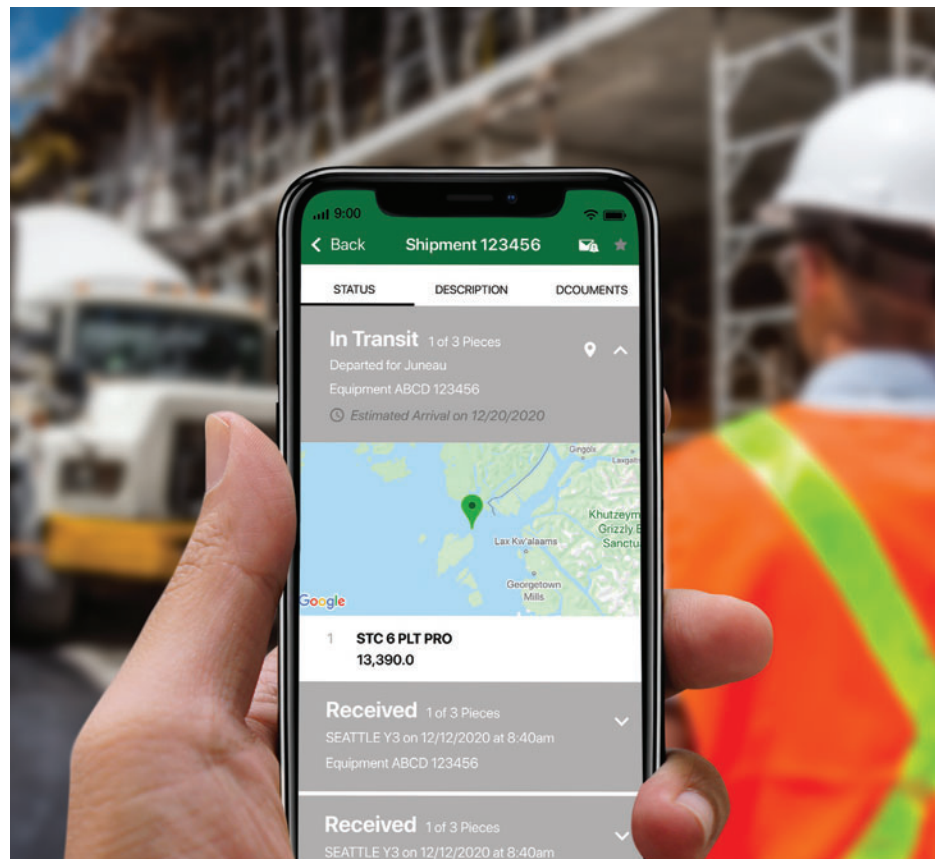
In Biden's Jan. 26 Memorandum on Tribal Consultation, he said it's a priority of his administration to make respect for tribal sovereignty and self-governance, and robust consultation with tribal nations, a cornerstone of federal Indian policy.

The Native Village of Kaktovik is "extremely disappointed that the president has not lived up to those commitments."

"Tribal consultation isn't a favor to indigenous people; it's required by law. What we've seen from the president's administration so far is the issuance of dozens of executive actions, many of which directly affect our people. I would remind the president that Executive Order 13175 charges all executive departments and agencies with engaging in regular, meaningful, and robust consultation with tribal officials in the development of federal policies that have tribal implications. His actions directly contradict the law as well as his own promises made to indigenous people," added Rexford.

"This announcement by the United States and Canadian governments makes absolutely no mention of the Iñupiat people who reside at the heart of their decision, but at the same time vows to work with tribes living hundreds of miles away to ensure their interests are protected," said Ida Angasan, secretary-treasurer, Tribal Council of the Native Village of Kaktovik.

—PETROLEUM NEWS



## PLANS CHANGE. DEADLINES DON'T.

With Lynden you can choose the mode – air, land, or sea – that best fits your schedule and budget. Important shipment? Track it from anywhere using Lynden's mobile app, or choose to receive email updates as the status changes.

Download at [www.lynden.com/mobile](http://www.lynden.com/mobile)



## BUILDING ALASKA'S RESOURCE INDUSTRIES

- Oil & Gas Construction Services
- Mining Construction & Maintenance
- Pipeline Construction
- Design Build & EPC
- General Contracting & Management

A QUANTA SERVICES COMPANY

Commitment to Safety & Quality

Anchorage | Kenai | Deadhorse | 907-278-6600 | [www.conamco.com](http://www.conamco.com)

continued from page 7

## TREATMENT PLANT

DNR, he said, “is quick to point out, albeit a year or more too late, that they do not have any problem with gas treating. But they want the treating facilities authorized under an AS38.35 pipeline ROW lease rather than the AS38.05 land lease they originally pointed to and we followed. This would delay our project at least a full year and add costs to it that could make it uneconomic.”

Further, Latchem wrote, “AS38.35 points to getting a Pipeline Common Carrier Certificate from the RCA under AS42.06. This is another process that could take over a year to get and places a large burden on the project. Also, AS42.06 also specifically excludes gas treating facilities. The statutes are not harmonious. I am sure the Legislature never foresaw the day that DNR would suggest that gas treating facilities should be confused with gas pipelines.”

### Reduce Deadhorse’s carbon footprint

Latchem also told the governor that he enjoyed his 2021 State of the State address, particularly this part: “We’re taking a hard look at regulations that stifle innovation and frustrate Alaskans.” And “I’ll be working with my departments and the Legislature to review as many of these regulations as possible for potential modification or repeal.” Even better, he said, “If Alaska is to survive on its own, we must prioritize energy independence. For too long, our economy has been held back by the extreme cost of energy in many parts of our state.”

Latchem asked the governor to “please understand” that SESM’s project not only

“DNR was briefed in the Fall of 2019 and we received advice from them about how to lease the SOA land needed for the facility. We followed their advice,” SESM’s manager, Raymond Latchem, said.

provides cleaner gas for Deadhorse but is also “the first critical step in reducing the carbon footprint of Deadhorse.”

Additionally, he said, “it is the first step in producing compressed natural gas (CNG) as a more viable fuel on the Slope,” noting that currently the diesel and gasoline used on the North Slope is “trucked from as far away as Valdez. That oil could have been sold out of state if we would use our natural gas resources instead.”

SESM’s project can also support other processes, Latchem wrote, such as “small-scale LNG production that can be trucked to several places outside of Prudhoe Bay, or methanol for local use in the oil fields” instead of importing it from the Lower 48.

“If you support us now, in 2022 you will have a great example to point out what happens when you walk the talk with respect to removing stifling regulations.”

Latchem asked Dunleavy to intervene and urge DNR to reinstate its final finding and decision.

“While we have hired lawyers and filed a formal appeal, the timeline is not in our favor for building anything this year without your help,” he wrote. ●

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



CONOCOPHILLIPS ALASKA

Doyon Rig 26, also known as the Beast, will drill first Fiord West Kuparuk well.

continued from page 1

## RIG COMMISSIONING

planned at Fiord West, which was expected to produce 20,000 barrels per day gross at its peak.

On Feb. 3 of this year, the Alaska Oil and Gas Conservation Commission approved an application by the company to amend a conservation order to essentially roll the Fiord oil pool into the Alpine oil pool. (Conservation orders define producing areas and the commission’s rules for the area.)

In its order AOGCC said the vertical extension of the Alpine oil pool, incorporating the former Fiord oil pool, is now defined as the stratigraphic interval between 6,920 and 7,559 feet measured depth in the Alpine No. 3 well.

Reservoirs included in the revised pool are the Jurassic-aged Alpine and Nechelik sandstones within the Kingak formation and the Lower Cretaceous-aged “C sandstones” of the Kuparuk River formation (Kuparuk C), informally known as the Nanuq-Kuparuk, Fiord-Kuparuk and Fiord West Kuparuk reservoirs, the commission said.

“The three reservoirs within the expanded AOP share the same confining intervals for injected fluids,” the commission said.

Well, production and pressure data provide evidence of communication between the Alpine, Nechelik and Kuparuk reservoirs. “In addition to direct sand-on-sand contacts between these reservoirs in other portions of the CRU, it has been demonstrated that the Kuparuk C and Alpine

The existing CD2 drill site, which was expanded to 12 acres to accommodate the ERD rig and development, was an alternative to a new pad in the Fiord West area, which ConocoPhillips has described as less desirable because it was along the coast in wetlands.

reservoirs are in hydraulic communication through natural fractures,” the same basis, AOGCC said, on which the former Nanuq-Kuparuk oil pool was previously incorporated into the Alpine oil pool.

### Expanded development from CD5

In its application ConocoPhillips said the proposed expansion included the future Fiord West development that was to be drilled from CD2 and would “accommodate continued western and southern development from CD5 drill site” and update and standardize pool rules for deep intervals within the Colville River unit “to enable efficient operation and development under a single set of rules for these similar, related and interconnected intervals,” effectively incorporating the Fiord oil pool into the Alpine oil pool.

The existing CD2 drill site, which was expanded to 12 acres to accommodate the ERD rig and development, was an alternative to a new pad in the Fiord West area, which ConocoPhillips has described as less desirable because it was along the coast in wetlands. ●

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

continued from page 1

## WILLOW CASE

briefings in the two cases and that the proposed schedule “would also allow the case to be promptly resolved without causing another season of delay in the planning and construction of the Willow project.”

The company had to cancel its gravel mining and road construction planned for this winter because of a court injunction associated with the cases. Although the District Court originally rejected an injunction request against this winter’s gravel work, the court subsequently issued a temporary injunction when the appellees appealed their injunction request to the U.S. Court of Appeals for the 9th Circuit. The 9th Circuit Court subsequently extended the temporary injunction until the appeal is resolved, thus nixing any realistic possibility of gravel work this year.

If the District Court finds a legal error in BLM’s approval decision, it will take time to correct the error,

ConocoPhillips said in its court filing. And so, an adverse decision by the court “any time after mid-summer will ... almost certainly result in another lost construction season in the winter 2021-22,” the company said. Off-road construction activities have to take place during the winter, to prevent damage to the tundra.

The Willow project, with first oil anticipated in 2026 and likely ensuing production in excess of 100,000 barrels per day, offers major employment opportunities and billions of dollars in North Slope Borough, state and federal revenues. While many North Slope residents support responsible oil development in the region, there are also significant concerns about the impacts of development on traditional activities, especially subsistence hunting. Environmental organizations are adamantly opposed to Arctic Alaska oil development.

—ALAN BAILEY

Contact Alan Bailey  
at [abailey@petroleumnews.com](mailto:abailey@petroleumnews.com)

**Dine In  
or  
Take Out**



**907-274-2739**

**GLACIER BREWHOUSE**



*Scan me*



• LAND & LEASING

# State approves two CIE Redoubt requests

*Cook Inlet Energy request included voluntary relinquishment of some acreage, request for delay of mandatory contraction of unit*

By **KRISTEN NELSON**  
*Petroleum News*

The Alaska Division of Oil and Gas has approved requests from Cook Inlet Energy, a Glacier Oil & Gas Corp. company, for voluntary relinquishment of some acreage within the Redoubt unit a request the division said also included a request for a one-year delay in mandatory unit contraction.

The Feb. 24 decision, signed by division Director Tom Stokes, said the division is deferring the automatic contraction and approving the voluntary relinquishment.

Last May, the division said, Cook Inlet Energy applied for and was granted suspension of operations and production until April 30, 2021. This followed approval, earlier in May, of a plan of development which included near- and long-term plans for the unit.

Subsequent to the approval of the suspension of operations, CIE notified the division that it had converted the Redoubt unit and its infrastructure from warm shutdown to

cold shutdown, effective Sept. 29. In its most recent report on the suspension of operation, CIE told the division the Redoubt unit is “entirely shut-in, powered down, unmanned, and subject only to minimum monthly integrity inspections.” Unless extended by the division, the suspension of operations ends April 30.

In its application CIE told the division it did not want to defer mandatory contraction — a requirement 10 years after sustained production begins — but did request retention of acreage outside the Hemlock participating area and “areas currently facilitating production, the area to which it would regulatorily be required to contract.”

The division said the director has discretion to delay contraction under the regulations after consideration of environmental costs and benefits, geological and engineering characteristics of the reservoir or potential hydrocarbon accumulations, prior exploration in the unit area, applicant’s plans for exploration or development, economic costs and benefits to the state and any other relevant factor.

The voluntary relinquishment protects the public interest,

the division said, “by contracting acreage from the RU and making it available for competitive lease.”

The decision also “promotes conservation by allowing CIE to retain RU acreage that can be explored and produced from the existing Osprey platform infrastructure, requiring no new facilities to development the resource,” thus protecting interests of both the state and CIU “by allowing reasonable additional time to explore and produced from that acreage.”

The division retains the authority to require further contraction if the acreage remains unexplored and said it “strongly encourages CIE to proceed with pragmatic expediency vis-à-vis its long-range plans to evaluate the oil and gas potential of the areas identified as having production potential.” The approvals are subject to CIE submitting a lease action request to sever and terminate the relinquished acreage. ●

Contact *Kristen Nelson*  
at [knelson@petroleumnews.com](mailto:knelson@petroleumnews.com)



## Oil Patch Bits



### Lynden’s Ken Hall named volunteer of the year

As reported by Lynden News Feb. 24, Lynden Transport’s Fairbanks Account Manager, Ken Hall, received the George Nehrbus Volunteer of the Year Award for 2020 from the Fairbanks Chamber of Commerce. The award is presented to a member of the chamber who has distinguished themselves as an outstanding volunteer. “I’ve been very fortunate to have the opportunity to be involved in many different activities over the years,” Hall says. “I was surprised and flattered to get this recognition.”

Hall has taken on leadership roles within Lynden Transport and has contributed 10 years to serving the Special Olympics of the Tanana Valley and organizing critical fundraisers for them. He has also dedicated 23 years to the Fairbanks Curling Club as a volunteer and board member. Over the course of 30 years, Hall has volunteered with youth-focused groups in Fairbanks like the Boy Scouts and at PTA events at the school where his wife taught. He also serves as a member of the Fairbanks North Star Borough climate change task force.



**KEN HALL**

*Call today to spotlight  
your company and key  
people here!*

**Call 907-522-9469 for details.**

## Companies involved in Alaska’s oil and gas industry

ADVERTISER	PAGE AD APPEARS	ADVERTISER	PAGE AD APPEARS	ADVERTISER	PAGE AD APPEARS
<b>A</b>				<b>N-P</b>	
Acuren		Cruz Construction		Nabors Alaska Drilling	
AES Electric Supply, Inc		Denali Universal Services (DUS)		NANA Worley	
Afognak Leasing LLC		Doyon Anvil		Nature Conservancy, The	
Ahtna, Inc.		Doyon Associated		NEI Fluid Technology	
Airport Equipment Rentals		Doyon Drilling		Nordic Calista	
Alaska Dreams	12	Doyon, Limited		North Slope Borough	
Alaska Frontier Constructors (AFC)	5	EEIS Consulting Engineers, Inc.		North Slope Telecom	
Alaska Fuel Services		exp Energy Services		Northern Air Cargo	
Alaska Marine Lines		F. R. Bell & Associates, Inc.		Northern Solutions	
Alaska Materials		Flowline Alaska		NRC Alaska, a US Ecology Co.	
Alaska Railroad		Frost Engineering Service Co. – NW		Oil Search	3
Alaska Steel Co.	4	Fugro		PND Engineers, Inc.	
Alaska Textiles				PRA (Petrotechnical Resources of Alaska)	
Alaska West Express		<b>G-M</b>		Price Gregory International	11
Arctic Controls		GCI		<b>Q-Z</b>	
ARCTOS Alaska, Division of NORTECH		GMW Fire Protection		Raven Alaska – Jon Adler	
Armstrong		Greer Tank & Welding		Resource Development Council	
ASTAC (Arctic Slope Telephone Assn. Coop, Inc)		Guess & Rudd, PC		SeaTac Marine Services	11
AT&T		HDR Engineering, Inc.		Security Aviation	
Avalon Development		ICE Services, Inc.		Shoreside Petroleum	
<b>B-F</b>		Inlet Energy		Soloy Helicopters	
Bombay Deluxe		Inspirations		Sourdough Express	
BrandSafway Services		Judy Patrick Photography		Strategic Action Associates	
Brooks Range Supply		Little Red Services, Inc. (LRS)		Tanks-A-Lot	
C & R Pipe and Steel		Lounsbury & Associates	7	Weston Solutions	
Calista Corp.		Lynden Air Cargo	7	Wolfpack Land Co.	
Caltagirone Legal, LLC	6	Lynden Air Freight	7	Yukon Fire Protection	
ChampionX		Lynden Inc.	7		
Colville Inc.		Lynden International	7		
Computing Alternatives		Lynden Logistics	7		
CONAM Construction	7	Lynden Transport	7		
		Maritime Helicopters	2		

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

continued from page 1

## BIDEN-TRUDEAU

energy, starting with a pledge they reached on Feb. 23 to collaborate a renewable future.

That framework includes joint efforts to manufacture electric vehicles, supply critical minerals needed to make batteries for cars and accelerate the development of other clean/green technologies.

“The integration of our economies, of our supply chains ... I think gives a real opportunity to take a leap forward,” Trudeau said after an hour-long “virtual” meeting with Biden, who chose Trudeau for his first “face-to-face meeting” with another foreign leader.

### Rare-earth minerals

Trudeau noted that Canada has many of the rare-earth minerals needed for batteries and solar panels, assuring the U.S. that it has a “secure supply for a friend and ally.”

Until now, China has been the main source of critical minerals for the U.S., but Biden is reportedly poised to conduct a review of those supply sources.

Canada’s mineral wealth “is part of why so many automakers are looking at setting up their (vital supply chains) to build zero-emission vehicles in Canada,” Trudeau said. General Motors, Ford Motor and Stellantis (a multinational automotive manufacturer) have all announced plans to manufacture new-age vehicles in Canada.

Trudeau said the auto industry has already invested about C\$6 billion in Canada in zero-emission or low-emission vehicles.

“There’s a lot of really great opportunities to develop partnerships and production facilities, not just for the North American market, but for the world,” Trudeau claimed.

“The president and I discussed an ambitious new partnership roadmap (towards cleaner energy), based on shared values and priorities, that will guide our work together over coming years ... this is our moment to act,” Trudeau said.

### Concern from history

But countless Canadian energy leaders can point to a long history of hopes raised and hopes dashed in their dealings with the U.S.

Biden said the United States return to the Paris climate accord gives the U.S. and Canada a chance to “spur other countries to raise their own ambitions.”

Jim Carr, a member of Trudeau’s cabinet, said he was minister of natural resources when the Obama administration cancelled Keystone XL, making Biden’s cancellation of the pipeline a “deep disappointment.”

“We have to look forward, however, to a continental energy strategy,” he said.

A read out of discussions between the two leaders indicated Trudeau did nothing more than express his concern over Biden’s burial of Keystone XL without any prior consultations.

### Continental energy

The prospect of moving in a continental energy direction had previously been advocated by Alberta Premier Jason Kenney, who noted that the U.S. and Canada share a highly integrated industry, including a network of oil and gas pipelines and electricity transmissions system.

In fact, a continental pact was a talking point for 15 years at multiple trilateral meetings, including Mexico, ending with consensus, but seldom any measurable outcomes.

Five years ago the three countries agreed to collaborate on energy technologies, energy efficiency, carbon capture and emissions reduction, but the surge in shale oil and gas development in the U.S. overpowered any U.S. desire to work on other energy initiatives.

Monica Gattinger, director of the Institute for Science, Society and Policy at the University of Ottawa, said there are now renewed signs that Trudeau and Biden are ready to



JUSTIN TRUDEAU

*The article warned that an oil world where prices are increasingly set by Saudi Arabia, Russia and Iran has negative long-term implications for U.S. energy security and the U.S. trade deficit.*

seek a potential breakthrough.

David Knight Legg, chief executive officer of the Invest Alberta Corp., and Adam Waterous, founder of Waterous Energy Fund which invests in established North American oil assets, said in an article that the need for a partnership is urgent.

They said the U.S. is no longer energy independent, with a sharp decline in shale production last year contributing to a decrease from 13 million barrels per day to 11 million bpd.

At the same time, global oil demand is expected to rise by 5 million bpd to 105 million bpd need by 2025, stirring competition to meet that need by “foreign, often despotic state national oil companies (NOCs),” Legg and Waterous said.

They said that trend points to NOCs controlling 80% of global output by 2030.

“In this context, it is important to note that the U.S. and Canada are the only open democracies among the top 10 energy powers,” making them key players in protecting democratic values and investor-led marketplaces that point the way to efficiency, innovation and the development of greener and cleaner fuels, along with accountability and regulatory oversight, they said.

The article warned that an oil world where prices are increasingly set by Saudi Arabia, Russia and Iran has negative long-term implications for U.S. energy security and the U.S. trade deficit.

—GARY PARK

Contact Gary Park through publisher@petroleumnews.com

continued from page 1

## KLU WELLS

In arguing against a requirement that the casing be cut back, the company said Cook Inlet’s extreme tides “present unique challenges and potential risk to any surface or subsea operation,” and said it “believes the human safety risk associated with cutting off the remaining 15 feet of casing stub is high and not commensurate with the operational outcome.”

In a March 1 order, AOGCC granted the change in status from suspended to plugged and abandoned for the three wells, but not

the site clearance request.

### Suspension requests

The commission said the original decision to classify the three wells as suspended “was based upon Furie’s request to preserve the ability to reenter the wells,” based on applications to suspend the wells submitted in 2012 and 2013.

In all cases, “Furie stated that the purpose of the work was to temporarily suspend the wells in anticipation of future reentry.”

The current owners have a different view of the wells.

The commission said that during the Dec.

23, 2020, hearing on the request for reclassification (see story in Jan. 3 issue of Petroleum News), “Furie stated that the three wells have no future utility as service or production wells, and they are most likely not viable candidates for redrill.”

### Regulation change

In its 2020 request, Furie cited six wells which were granted site clearance in the 1960s with casings extending above the mudline. The commission said site clearance for those wells was granted before the current offshore site clearance regulation was enacted in 1986. Since then, the commission said, 17 offshore wells have been drilled from a mobile offshore drilling unit, including Furie’s KLU Nos. 1, 2A and 4, and of the 17, six are producers, four are suspended and seven are plugged and abandoned. “All seven of the wells deemed plugged and abandoned were granted site clearance only after removal of the well casings,” the commission said.

Since Furie’s wells were suspended after the 1986 regulations, allowing them variance from site clearance requirements “could set a precedent for future offshore site clearances in the Cook Inlet and in all of Alaskan waters,” the commission said.

It granted the change of status from suspended to plugged and abandoned but denied waiver of site clearance regulations which would have allowed structural casing to remain 15 feet above the seafloor.

“Until site clearance is granted by the AOGCC, wells KLU 1, KLU 2A and KLU 4 will be included in Furie’s wellhead count for bonding purposes,” the commission said, and ordered Furie to provide well location coordinates and casing heights to the National Oceanic and Atmospheric Administration for inclusion on NOAA’s navigational chart for Cook Inlet and provide evidence by March 15 that the information has been submitted.

There is a 20-day appeal period for the order; the commission has 10 days to grant or refuse the application for reconsideration. There is a 30-day appeal period of the com-

*Since Furie’s wells were suspended after the 1986 regulations, allowing them variance from site clearance requirements “could set a precedent for future offshore site clearances in the Cook Inlet and in all of Alaskan waters,” the commission said.*

mission’s final decision to Superior Court.

### Views on the issue

The commission said Cook Inlet Regional Citizens Advisory Council and Cook Inletkeeper opposed Furie’s request to leaving the casing stubs in place based on navigational risks for marine vessels and the potential of setting a precedent in Alaska for wells drilled from MODUs.

The Department of Natural Resources Division of Oil and Gas supported Furie’s request to reclassify the wells from suspended to plugged and abandoned and to grant site clearance.

In a Jan. 25 letter, division Director Tom Stokes noted the “swift moving tides and high turbidity” in the area and said challenging diving conditions would be a risk “to human safety during operations” to remove the casing.

He said navigation hazards could be mitigated by identification of the wells on NOAA navigation charts.

DNR supports AOGCC’s site clearance regulations, Stokes said, “and contends this action should not establish a change in policy or set precedent. Future application of the regulation can ensure compliance by removing wellhead equipment, casing, piling, and other obstructions to a depth at least five feet below the mudline before removing the drill rig. In the case of Furie’s request, the situation must be evaluated with the drill rig already removed, and the recognition of the balance between safety versus real impact.”

—KRISTEN NELSON

Contact Kristen Nelson at knelson@petroleumnews.com

continued from page 1

## TAX CREDITS

during calendar year 2016, the source said. By statute, the credits are isolated by application year into a pool.

Distribution is made on a pro rata basis to all credit holders in the oldest application year pool until that application year pool is fully paid, before moving on to the next application year pool. Currently the state is unable to estimate what percentage would be paid against the 2016 application pool, as the status of tax credits can change over time if taxpayers elect to use their credits against their tax liability or transfer them. If disbursement is made in this calendar year, DOR will be able to report that information next year under current statutes.

According to DOR, the last calendar year in which it purchased oil and gas tax credit certificates was 2019, in the total amount of \$101,001,391.

Payments went out to 30 recipients in 2019. Top recipients were Repsol E&P USA Inc. at \$23,594,885, Cornucopia Oil and Gas Co. LLC at \$21,544,235, Caelus Natural Resources Alaska LLC at \$16,899,138,

BlueCrest Energy Inc. at \$8,418,882, Great Bear Petroleum Operating LLC at \$6,691,494, Mustang Operations Center 1 LLC at \$4,159,365, Caelus Energy Alaska Smith Bay LLC at \$3,503,691, Caracol Petroleum LLC at \$2,572,830, TP North Slope Development LLC at \$2,152,632, Caelus Alaska Exploration Co. LLC at \$2,057,471, Borealis Alaska Oil Inc.(formerly Nordaq) at \$1,888,640, Accumulate Energy Alaska Inc. at \$1,575,296, PetroCanada Alaska Inc. at \$1,404,179, Arctic Slope Regional Corp. at \$1,202,525 and Cook Inlet Region Inc. at \$1,064,002.

The outstanding tax credit certificates for which purchase has been requested were applied for in the years 2016 through 2019.

As of Jan. 1, 2020, the 2016 application pool balance stood at \$290,177,516; the 2017 pool balance stood at \$338,113,182 — not including conditional 2017 certificates in the amount of \$39,265,103; the 2018 pool balance stood at \$52,906,166; and the 2019 pool stood at \$5,806,043.

—STEVE SUTHERLIN

Contact Steve Sutherland at ssutherland@petroleumnews.com

continued from page 1

## OIL PRICES

prices will rise, versus positions betting on a fall, is below levels seen during the last big run-up in oil prices in 2018, the report said. “That suggests investors aren’t in the driving seat.”

Prices were bolstered March 3 by a Reuters report citing three sources that said that the Organization of the Petroleum Exporting Countries and allied producing countries was considering extending production cuts from March into April, rather than raising output.

The positive March 3 performance capped four days of losses that followed Feb. 24 closing prices that marked a record high since the pandemic price crash in April. ANS hit \$66.29 that day.

While ANS and Brent weathered the four-day swoon with closes solidly in the \$60s, WTI dipped below \$60 on March 2, closing at \$59.75 before recovering the next day.

Price weakness may have begun as a technical correction after the rapid recovery in prices since April.

The U.S. dollar was stronger as the week began March 1, pushing prices lower. Near-term risks in the market also weighed on the market, Bloomberg reported March 1.

“China’s Unipac was re-offering cargoes of April Angolan crude amid weaker sales; diesel demand in India was also down versus a year earlier amid record pump prices in the country,” Bloomberg said. “Both point to a limit on some of the recent firmness seen within the oil market.”

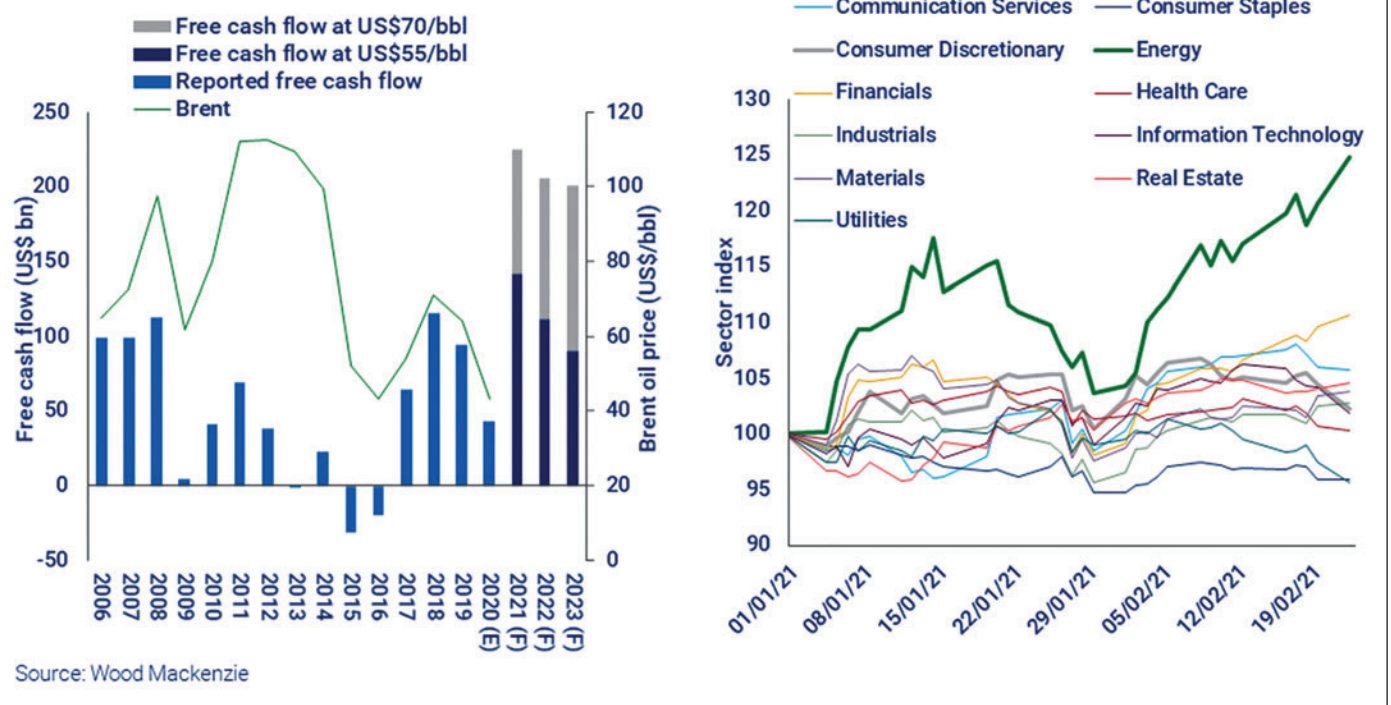
Downward pressure may also have been accelerated by concerns that OPEC+ might decide to raise production too aggressively at its pivotal 14th OPEC and non-OPEC Ministerial Meeting on March 4, where the fate of existing production curbs of 7 million bpd would be decided.

Traders had few clues as to the outcome of the meeting. Russia reportedly was anxious to raise production, while Saudi Arabia urged caution, as did OPEC.

Mohammad Sanusi Barkindo, OPEC Secretary General, in remarks to the 49th Joint Technical Committee March 2 said OPEC+ needs to stay the course on restoring sustainable oil market stability.

“Both the global economic outlook and oil market prospects show signs of continued improvement,” Barkindo said. “We have come a long way from a year ago. The days of GDP and oil demand figures

## Industry free cash flow could reach record highs in 2021 and the stock market (RHS) has started to notice



Source: Wood Mackenzie

being in the red because of the pandemic-induced shock appear to be behind us.”

Yet continued uncertainties exist, he said, adding, “We must emphasize in strong terms: cautious optimism, cautious optimism, cautious optimism.”

### Free cash flow beckons in 2021

The oil and gas industry could generate record free cash flow in 2021, but caution about spending could lead to supply shortages in the future, according to Wood Mackenzie.

“We think the world may be sleepwalking into a supply crunch in a few years’ time,” Tom Ellacott, Wood Mackenzie senior VP of research said in a Feb. 26 report. “It’s a new thing for IOCs to have access to cash but lack the appetite to invest.”

Ellacott said the longer investment stays low, the higher the probability Brent will be above \$70 per barrel in the next few years.

By cutting distributions to shareholders, investment and operating costs, companies reduced the Brent price breakeven from \$54 per barrel a year ago to \$38 per barrel in 2021, he said. At an average price of \$55 Brent, 40 companies WoodMac analyzed will generate \$140 billion of free cash flow in 2021 before dividends, buybacks and interest — at \$70, it’s over \$200 billion.

“Both would be the highest this centu-

ry,” he said.

“But this upcycle is different,” Ellacott said. “Companies are keenly aware they need to prove that they can deliver on returns and cash generation to win back investors’ confidence; most will use any spare cash flow after dividends to pay down debt and bolster financial resilience.”

Company forecasts indicate planned spend for 2021 is 3.5% above the lows of

2020, but 28% or \$53 billion below pre-crisis levels, he said.

“We won’t see a return to the boom years when the sector was spending way over cash flow,” he said. “U.S. independents are limiting spend to 70% to 80% of operating cash flow, and some even lower.” ●

Contact Steve Sutherland  
at [ssutherland@petroleumnews.com](mailto:ssutherland@petroleumnews.com)

**PRICE GREGORY**  
A QUANTA SERVICES COMPANY

Thousands of Miles of **Experience**  
Committed to Client Satisfaction  
Dedicated to **Safety Excellence**

Pipeline Construction & Maintenance | EPC Contracting  
Powerplant Construction | General Contracting

Anchorage | Deadhorse | 907.278.4400 | [www.pricegregory.com](http://www.pricegregory.com)

## WHAT'S THE BIG ATTRACTION?



- A. an industry institution
- B. quality, accurate reporting
- C. attractive, readable design

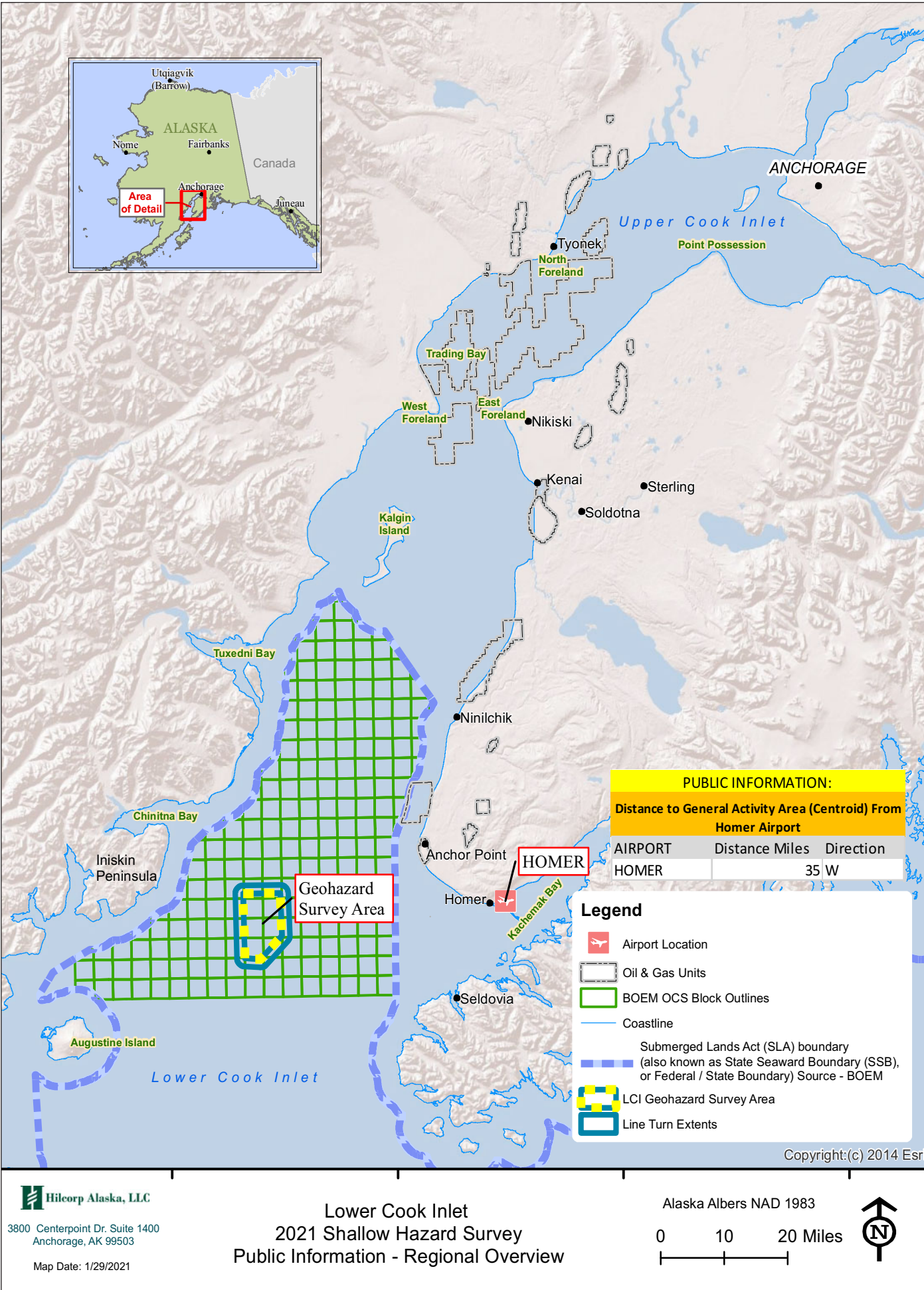
To advertise in Petroleum News, call Susan Crane at 907-250-9769

Subscribe at: [www.petroleumnews.com](http://www.petroleumnews.com)

**SEATAC MARINE**

**Waterfront Terminal and Barge Services**

**SEATACMARINE.COM | 206-767-6000**



In a letter to BOEM accompanying its permit application Hilcorp explained that its new geohazard survey permit application is for “essentially the same program” that BOEM had permitted for 2020 and that Hilcorp had planned to carry out that year. The survey program had been delayed because of COVID-19, Hilcorp said.

continued from page 1  
**INLET SURVEY**

exploratory drilling in its federal acreage. The company has also indicated that it is particularly interested in testing the Blackbill prospect, penetrated by ARCO’s Raven No. 1 well in 1982 and situated about halfway across the inlet. The prospect is known to hold oil in a Cretaceous reservoir. Hilcorp’s seismic survey found that the oil discovery is associated with a 65,000-acre, four-way closure in the rock strata.

The area of interest lies some distance south of most of the producing oil and gas fields of the upper Cook Inlet but not far from BlueCrest Operating Alaska’s Cosmopolitan oil field offshore the southern Kenai Peninsula and Hilcorp’s nearby Seaview gas field.

The federal offshore leases lie north of the Augustine-Seldovia Arch, a geologic structure to the south of which the Tertiary strata that host the producing Cook Inlet fields thin out. However, the Cretaceous rocks associated with the Blackbill prospect are part of the Mesozoic sequence that underlies the Tertiary.

**Survey objectives**

The survey now planned for this year will focus on locating drilling hazards, determining a suitable location for a jack-up rig, and looking for archaeological features on the seabed, Hilcorp told BOEM. A single deep-draft vessel, the Research Vessel Woldstad, owned and operated by Support Vessels of Alaska, will conduct the survey. Another vessel owned by eTrac Inc. will support the operations. The surveying will involve several technologies, including the use of a multi-beam echosounder, side scan sonar, a sub-bottom profiler and a magnetometer. The previously collected 3-D seismic will also be used to assess shallow subsurface hazards. Core samples from below the seafloor will be collected. And a cone device will determine soil stability and the characteristics of the seafloor for supporting a jack-up rig.

Hilcorp had previously also filed a marine mammal monitoring and mitigation plan, in support of a petition for approval of the incidental and unintended disturbance of small numbers of sea otters. This plan and petition encompass both the geohazards surveying and any subsequent drilling activities. The plan also references oil and gas exploration and development that Hilcorp may undertake in the future, onshore the Iniskin Peninsula, on the west side of Cook Inlet, opposite Anchor Point in the southern Kenai Peninsula.

In association with the new geohazard survey permit application Hilcorp has also filed a new environmental evaluation document, assessing the potential environmental impacts of the survey. ●

Contact Alan Bailey  
at [abailey@petroleumnews.com](mailto:abailey@petroleumnews.com)

**ALASKA DREAMS INC.**  
STRUCTURAL BUILDING SOLUTIONS

**TOLL FREE 1.855.455.7712**  
FAIRBANKS | ANCHORAGE | WASHINGTON  
[WWW.ALASKADREAMSINC.COM](http://WWW.ALASKADREAMSINC.COM)  
SALES@ALASKADREAMSINC.COM