



page 2 ANS March output down 1.9% from February; Inlet liquids volume flat

Vol. 30, No. 18 • www.PetroleumNews.com

A weekly oil & gas newspaper based in Anchorage, Alaska

Week of May 4, 2025 • \$2.50

## DNR approves North Fork unit leases to be assigned to Hilcorp

Retroactive to Feb. 1, the Alaska Department of Natural Resources' Division of Oil and Gas approved the assignment of the five North Fork unit leases from Vision Resources LLC to Hilcorp Alaska LLC on April 30.

As reported in the April 13 issue of Petroleum News, Hilcorp is in the process of buying the North Fork unit, or NFU.

The NFU leases involved include ADL 2095, 390603, 391210, 391211 and 733.

One hundred percent working interest is being transferred.

Hilcorp has previously agreed to certain conditions set out in the "Ninth Amended and Restated Financial Assurances Agreement" dated and effective Oct. 29, 2024, that require Hilcorp to provide DNR with certain financial assurances and information to ensure that Hilcorp is capable of satisfying its financial obligations, as lessee, to DNR, as lessor, for the dismantle and removal, and restoration (DR&R) obligations under the assigned leases and applicable statutes and regulations.

—KAY CASHMAN

## Finnex advancing production, work in Southern Miluveach unit

The largest increase in North Slope oil production in March was from the Southern Miluveach unit, which averaged 216 barrels per day in March, compared to a February average of 12 bpd.

The field is operated by Mustang Holding, a Finnex company.

During March one well, North Tarn-1A, was in production for 25 days and a second well, Southern Miluveach Unit M-03A, was online for two days, accounting for just 3% of the March production.

The Southern Miluveach unit, or SMU, began continuous production in December, producing one day each month, December through February. All production came from the North Tarn-1A, the discovery well.

### Unit history

The SMU was formed on March 31, 2011, and currently

see **SMU PRODUCTION** page 9

## BOEM seeks public comment on new OCS oil, gas leasing program

The U.S. Department of the Interior said April 29 that the Bureau of Ocean Energy Management would request information and comments on the 11th National Outer Continental Shelf Oil and Gas Leasing Program, beginning with publishing the request for information and comments in the Federal Register April 30.

Interior said the public comment period would be from April 30 through June 16 at 11:59 p.m. eastern time, with comments to be accepted via [www.regulations.gov/docket/BOEM-2025-0015](http://www.regulations.gov/docket/BOEM-2025-0015) or by U.S. mail.

A map shows Alaska planning areas covering the state's entire coastline, with a new "High Arctic" planning area north of the Chukchi Sea and Beaufort Sea planning areas off the North Slope.

Starting off Southeast Alaska the planning areas are Gulf of Alaska, Kodiak, Shumagin, Aleutian Arc, Cook Inlet, North Aleutian Basin, St. George Basin, Bowers Basin, Aleutian Basin, Navarin Basin, St. Mathew Hall, Norton Basin and Hope Basin,

see **OCS LEASING** page 10



HARRY BOCKMEULEN

### EXPLORATION & PRODUCTION

# Successful test

Armstrong, Apache, Santos flow test at Sockeye-2 meets expectations

By KAY CASHMAN

Petroleum News

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

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

The Sockeye-2 well, located approximately 10 miles from the Badami oil field and its open access

see **SOCKEYE-2 FLOW TEST** page 9



Bill and Liz Armstrong.

ARMSTRONG

### FINANCE & ECONOMY

# Supply up/demand down

OPEC+ eyes strategy shift to production boost in quest for market share

By STEVE SUTHERLIN

Petroleum News

Alaska North Slope crude plunged \$1.74 April 30 to close at \$64.92 per barrel, West Texas Intermediate plummeted \$2.21 to close at \$58.21 and Brent dove \$1.13 to close at \$63.12 as price weakness accelerated on the specter of swelling supply and diminished demand.

ANS crossed below \$65 on the day and WTI slid into the \$50s, catalyzed by signals from Saudi Arabia that it is not willing to prop up crude prices with additional supply reductions and can weather a prolonged phase of lower prices.

Reuters broke the news of the kingdom's strategy shift based on five sources with knowledge of

An April survey of 40 economists and analysts projected Brent to average \$68.98 in 2025, down from March's estimate of \$72.94. WTI is expected to average \$65.08, versus a \$69.16 outlook the prior month.

talks between the Saudis, allies and industry experts. The move suggests that the Saudis may flood the market to squeeze out competitors with higher production costs and discipline over-quota producers in the Organization of the Petroleum Exporting Countries plus its allied producing

see **OIL PRICES** page 8

### EXPLORATION & PRODUCTION

# Whiskey Gulch gas coming

Hilcorp applies to install production infrastructure at Kenai Peninsula pad

By KRISTEN NELSON

Petroleum News

Hilcorp Alaska is planning to bring new gas into production on the lower Kenai Peninsula.

The company has applied to the Alaska Department of Natural Resources' Division of Oil and Gas to install gas production infrastructure on its existing Whiskey Gulch Pad near Anchor Point, north of the company's Seaview unit.

The division said in a public notice posted April 28 that it received the lease plan of operations application April 9 and is taking public comments through May 28.

In its application Hilcorp said it would "install

Hilcorp began exploration work at Whiskey Gulch in 2019 and 2020 with a dozen stratigraphic test wells, progressing to exploration wells in 2021.

subsurface piping and new infrastructure to produce gas to sales from the existing well(s) at Whiskey Gulch" with activities to occur on the existing pad.

Hilcorp said work at the existing Whiskey Gulch pad would begin in mid-May, subject to permit approval, and run through the end of July.

This is Hilcorp's second attempt to produce gas

see **WHISKEY GULCH** page 11



# ANS production down 1.9% month over month

March output averaged 476,063 bpd, down 9,200 bpd from February; largest February to March decline at Prudhoe, down 8,053 bpd

## Cook Inlet gas production up 3.21%

Cook Inlet natural gas production averaged 198,755 thousand cubic feet per day in March, up 6,188 mcf per day, 3.21% from a February average of 192,567 mcf per day but down 3.35% from a March 2024 average of 205,643 mcf per day.

Seven large fields accounted for 87.19% of Cook Inlet gas production in March, 173,288 mcf per day, with 15 smaller fields making up the remainder.

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

The Hilcorp Alaska-operated Beluga River field (Chugach Electric Association is the majority working interest owner) averaged 42,105 mcf per day in March, 21.18% of the inlet total, down 1,596 mcf per day, 3.65%, from a February average of 43,701 mcf per day and down 6.48% from a March 2024 average of 45,023 mcf per day.

Hilcorp’s North Cook Inlet averaged 41,167 mcf per day in March, 20.71% of the total, down 1,252 mcf per day, 2.95%, from a February average of 42,420 mcf per day and down 4.29% from a March 2024 average of 43,012 mcf per day.

Hilcorp’s Ninilchik averaged 38,421 mcf per day in

see **INLET GAS** page 5

By **KRISTEN NELSON**  
*Petroleum News*

Alaska North Slope production averaged 476,063 barrels per day in March, down 9,200 bpd, 1.9%, from a February average of 485,263 bpd and down 1.1% from a March 2024 average of 481,347 bpd. ANS crude accounted for 89.43% of March production, 425,734 bpd, down 4,166 bpd, 0.97%, from a February average of 429,900 bpd but up 0.47% from a March 2024 average of 423,728 bpd. Natural gas liquids averaged 50,328 bpd in March, 10.57% of the total, down 5,035 bpd, 9.09%, from a February average of 55,363 bpd and down 12.65% from a March 2024 average of 57,619 bpd.

The North Slope Borough temperature averaged -1.6 degrees F in March, up from -6.2 degrees F in February, and up 8.6 degrees from a 1925-2000 mean of -10.2 degrees F. Temperature data are from the county time series maintained by NOAA’s National Centers for Environmental Information, which has North Slope Borough temperatures beginning in 1925.

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

### Month-over-month increases

Some North Slope fields did have month-over-month production increases.

The largest percentage increase, 1,697.58%, was at Mustang Holding’s Southern Miluveach field, which averaged 216 bpd in March, compared to a February average of 12 bpd, with one well, North Tam 1A, in production for 25

days and a second well, Southern Miluveach Unit M-03A, online for two days. Southern Miluveach Unit M-03A accounted for just 3% of the field’s March production. The field began continuous production in December, producing for three days; in January and February the field was only in production one day each month. December through February production was only from North Tam 1A.

The largest volume increase, 1,616 bpd, was at Savant Alaska’s Badami, which averaged 3,099 bpd in March, up 108.92%, from a February average of 1,483 bpd and up 267.11% from a March 2024 average of 844 bpd. The field’s most productive well, Badami B1-33A, which came online in September, was on production 31 days in March, compared to only 11 days in February. Savant is a Glacier Oil and Gas company.

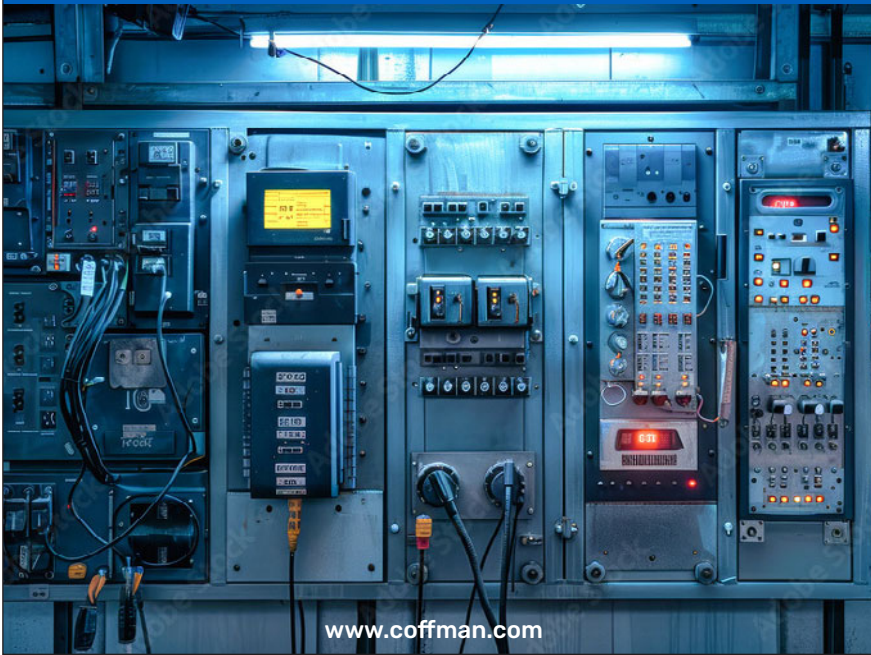

Nikaichuq, which Hilcorp Alaska acquired from Eni in November along with Ooguruk, averaged 16,766 bpd in March, up 1,527 bpd, 10.02%, from a February average of 15,239 bpd and up 22.31% from a March 2024 average of 13,708 bpd.

The Hilcorp-operated Point Thomson field averaged 4,225 bpd in March, up 56 bpd, 1.34%, from a February average of 4,169 bpd; the field was not in operation in March 2024 following a pipeline leak. Operator Hilcorp holds 36.148% of Point Thomson, with ExxonMobil Alaska Production the majority working interest owner at 61.637% and other owners collectively holding 2.215%.

ConocoPhillips Alaska’s Greater Mooses Tooth in the National Petroleum Reserve-Alaska averaged 17,978 bpd in March, up 30 bpd, 0.17%, from a February average of

see **ANS OUTPUT** page 5

contents		Petroleum News	Alaska’s source for oil and gas news
<b>ON THE COVER</b>			
<b>Successful test</b> Armstrong, Apache, Santos Sockeye-2 flow test meets expectations			
<b>Supply up/demand down</b> OPEC+ eyes strategy shift to output boost in market share quest			
<b>Whiskey Gulch gas coming</b> Hilcorp applies to install infrastructure at Kenai Peninsula pad			
<b>DNR approves North Fork unit leases to be assigned to Hilcorp</b>			
<b>Finnex advancing production, work in Southern Miluveach unit</b>			
<b>BOEM seeks public comment on new OCS oil, gas leasing program</b>			
<b>EXPLORATION &amp; PRODUCTION</b>			
2	ANS production down 1.9% month over month <b>SIDEBAR, PAGE 2:</b> Cook Inlet gas production up 3.21%		
7	Baker Hughes US rig count up by 2 at 587		
8	Division approves Cook Inlet Energy PODs		
<b>THIS MONTH IN HISTORY</b>			
4	<b>Governor: Slope gas negotiations moving</b>  20 years ago: Gov. Murkowski updates legislators on Alaska Stranded Gas Development Act negotiations with producers		
<b>UTILITIES</b>			
7	<b>Enstar applies to RCA for rate increase</b>  Utility: current rates do not allow it to earn authorized rate of return; increase would average 5.28% for customer		



www.coffman.com

# AUTOMATION AND CONTROLS



Innovative and reliable automation solutions to enhance operational efficiency, reduce downtime, and improve overall productivity.

### CAPABILITIES

- ▶ Piping and Instrumentation Diagrams
- ▶ Control Panel Design
- ▶ Ladder Logic and Control Schematics
- ▶ Interconnection and Loop Diagrams
- ▶ Instrument Schedules and Data Sheets
- ▶ System Level Architecture and Network Design

- ▶ PLC Programming
- ▶ HMI Development
- ▶ DCS Design and Standards
- ▶ ICS Master Planning
- ▶ Commissioning and Startup Planning
- ▶ Validated Architecture Design Reviews



# Alaska-Mackenzie Rig Report

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

## Alaska Rig Status

### North Slope - Onshore

<b>All American Oilfield LLC</b>			
IDECO H-37	AAO 111	Magtec Yard, Stacked	Available
<b>Doyon Drilling</b>			
Dreco 1250 UE	14 (SCR/TD)	Milne Point, S-54	Hilcorp Alaska LLC
Dreco 1000 UE	16 (SCR/TD)	Deadhorse, Standby	Available
Dreco D2000 Uebd	19 (SCR/TD)	Deadhorse, Standby	Available
AC Mobile	25	Kuparuk, 3S-721	ConocoPhillips
OIME 2000	141 (SCR/TD)	Deadhorse, Standby	Available
	142 (SCR/TD)	Kuparuk, 3T-730	ConocoPhillips
TSM 700	Arctic Fox #1	Deadhorse, Standby	Available
ERD	26	Alpine, Standby	ConocoPhillips
<b>Hilcorp Alaska LLC</b>			
Rotary Drilling	Innovation	Prudhoe Bay, Z Pad	Hilcorp Alaska LLC
TSM-850	169	Prudhoe Bay	Hilcorp Alaska LLC
<b>Nabors Alaska Drilling</b>			
AC Coil Hybrid	CDR-2 (CTD)	Prudhoe Bay	Hilcorp Alaska LLC
AC Coil	CDR-3 (CTD)	Prudhoe Bay	Hilcorp Alaska LLC
Dreco 1000 UE	7-ES (SCR-TD)	Kuparuk, Workover	ConocoPhillips
Dreco 1000 UE	9-ES (SCR/TD)	Stacked	Available
Oilwell 2000 Hercules	16-E (SCR/TD)	Stacked	Brooks Range Petroleum
Emsco Electro-hoist			
Oilwell 2000 Canrig 1050E	27-E (SCR-TD)	Stacked	Available
Academy AC Electric CANRIG	99AC (AC-TD)		Available
OIME 2000	245-E (SCR-ACTD)	12 Acre Pad, stacked	Available
Academy AC electric CANRIG	105-E (AC-TD)	Megrez-1	Pantheon Resources
Academy AC electric Heli-Rig	106AC (AC-TD)	Stacked	Available
NOV ADS-10SD	272	Pikka	Santos
NOV ADS-10SD	273	Milne Point	Hilcorp Alaska LLC
<b>Nordic-Calista LLC</b>			
Superior 700 UE	1 (SCR/CTD)	Deadhorse	Available
Superior 700 UE	2 (SCR/CTD/TD)	Deadhorse, stacked	Available
Ideco 900	3 (SCR/TD)	Kuparuk	ConocoPhillips
Rig Master 1500AC	4 (AC/TD)	Oliktok Point	Hilcorp Alaska LLC

### North Slope - Offshore

<b>Doyon Drilling</b>			
Sky top Brewster NE-12	15 (SCR/TD)	Nikaitchuq, Standby	Hilcorp Alaska LLC
<b>Nabors Alaska Drilling</b>			
OIME 1000	19AC (AC-TD)	Oooguruk, Cold Stacked	Hilcorp Alaska LLC

### Cook Inlet Basin – Onshore

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

### Cook Inlet Basin – Offshore

<b>Hilcorp Alaska LLC</b>			
National 110	C (TD)	Platform C, Stacked	Hilcorp Alaska LLC
	Rig 51	Steelhead Platform, Stacked	Hilcorp Alaska LLC
	Rig 56	Monopod A-13, stacked	Hilcorp Alaska LLC
Baker Marine			
ILC-Skidoff, jack-up	Spartan 151	Cook Inlet	Hilcorp Alaska LLC
<b>Glacier Oil &amp; Gas</b>			
National 1320	35	Osprey Platform, activated	Glacier Oil & Gas

## Mackenzie Rig Status

### Canadian Beaufort Sea

<b>SDC Drilling Inc.</b>			
SDC Mobile Offshore Drilling Unit Rig #2		Set down at Roland Bay	Available

The Alaska-Mackenzie Rig Report as of April 30, 2025.  
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\*

	April 25	April 17	Year Ago
United States	587	585	613
Canada	128	134	118
Gulf of Mexico	11	11	15

#### 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:





## THIS MONTH IN HISTORY

# Governor: Slope gas negotiations moving

20 years ago this month: Gov. Murkowski updates legislators on Alaska Stranded Gas Development Act negotiations with producers

*Editor's note: This story first appeared in the May 1, 2005, issue of Petroleum News.*

By KRISTEN NELSON

Petroleum News

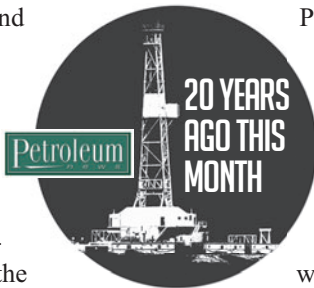
It's going to be historic, and the decision will be made soon, Alaska Gov. Frank Murkowski said April 27, 2005, when he updated members of the Alaska Legislature on negotiations under the Alaska Stranded Gas Development Act.

"We stand on the brink of making probably the most important decision in our state's history relative to the resources within our state," the governor said. "Actions we soon will be taking are

going to have a profound affect on Alaska's economy for generations to come, and the quality of life for Alaskans as well."

As to how soon "soon" might be, the governor said he wasn't yet in a position to help members of the Legislature plan their summers, but he thought they would have at least a couple of months off before they would be called back to consider a gas contract.

The state received an application from the North Slope producers (BP Exploration (Alaska), ConocoPhillips Alaska and ExxonMobil) Jan. 20, 2004, an application from TransCanada



Pipeline on June 1, 2004, and an application from the Alaska Gasline Port Authority on March 30, 2005.

The governor said "a decision of this scope and magnitude is surrounded with a great deal of emotion, enthusiasm and deeply held opinions. Some are founded on facts; some are not. As governor I'm charged with the solemn responsibility of evaluating all the gas line development proposals and determining which is in the best interests of all the people of Alaska."

Once general terms have been agreed to there will be a lot of detailed legal work before a contract is ready for a public process. Commissioner of Revenue Bill Corbus said Revenue will do a best interest finding which will go out with the contract for the public process.

Asked if the Legislature might end up looking at two contracts, the governor said there would be input on all three proposals in the public process. "I would hope that I am satisfied with that process and with our own internal review and I can recommend one coming out of the public process to be submitted to the Legislature for your up-down vote."

## Goals include 'fair share of revenues'

The governor said he would send the Legislature the best contract for Alaska, but he doesn't expect universal approval: "What is best will be a product of raw economic reality: it will not be one based on emotion. And you should also know that my decision will not be without some second guessing or some criticism, no matter which way we go. And I promise you that my decision, the contract I send to you for your approval, will be based on what I believe is right."

Murkowski said he had a number of goals in the negotiations: to achieve "a fair share of the revenues for Alaska"; include provisions for in-state use of natural gas; provide pipeline access to companies exploring for gas; have a pipeline that "may be expanded"; have "state equity ownership in the pipeline"; and have jobs, and job training, for Alaskans.

Contracts for an equity share are generally negotiated between project proponents and nations, not states, Murkowski said: This is the "first time a state, to my knowledge, has ever entered into a con-

tract of this nature."

On the equity issue Corbus said "we would also have to pick up our proportional share of the debt that is issued ... (and) probably the federal loan guarantee would come into play there."

The administration is also pushing the earliest possible in-service date. Murkowski said the administration still favors 2012. Commissioner of Natural Resources Tom Irwin said his department looks at it from the technical side and economic side: net present value makes an early start-up date important to the state. But "if you do something so fast and you start expediting, you can ruin your capital-cost side, and so you've got to balance the risks between both, but ... sooner is significant to the state."



GOV. FRANK MURKOWSKI

## Producer application most complex

The producer application is "by far the most complex of the three" because it embraces "every aspect of gas transportation beginning at the bottom of the production well — through the gathering system and the gas conditioning facility — into the proposed pipeline across Canada ... and back into the United States, through the marketing process and ending up right on the consumer's front door," Murkowski said.

The state is negotiating an equity position in the hope that this will accelerate the project and because it offers an "opportunity to significantly increase the financial benefits of the project to the state of Alaska." Royalty and taxes would be converted into ownership "of a significant portion of the in-place gas reserves," taking an equity position in the gas pipeline and processing facilities "proportionate to our gas ownership share;" and marketing the state's gas and "taking firm transportation capacity in the pipeline" to deliver the gas to purchasers, he said.

The state has made "tremendous progress" in putting these concepts into a contract, Murkowski said. "I'm convinced that the producers are fully committed to

see HISTORY page 6

## Bombay Deluxe

*The Spice of Life...*

*Serving the finest Indian Cuisine in Alaska*



Traditional chicken, lamb, seafood dishes  
& Indian naan bread cooked in our  
Tandoor (clay oven).

**Vegetarian Specialties**  
**Delicious Appetizers — Samosas, Pakoras**

### SOUTH ANCHORAGE

1120 Huffman Road, Suite 5  
Open seven days a week: 3-9 p.m.

**907-644-4521**

www.BombayDeluxe.com

### MIDTOWN ANCHORAGE

555 W. Northern Lights (Valhalla Center)  
Monday through Friday: 11 a.m.-9 p.m.  
Saturday & Sunday: 12-9

**907-277-1200**

Order on-line for pick-up or delivery at [www.FoodOnTheWay.com](http://www.FoodOnTheWay.com)

**Petroleum**  
news

[www.PetroleumNews.com](http://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**  
281.978.2771  
circulation@petroleumnews.com

**ADVERTISING**  
Susan Crane • 907-250-9769  
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. 30, No. 18 • Week of May 4, 2025

Published weekly. Address: 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.

**A HIGHER LEVEL OF RELIABILITY®**

Acuren provides state-of-the-art NDT, inspection, engineering and rope access enabled industrial services. We strive to exceed our customers' expectations while maintaining the highest industry standards, providing safe working environments, and minimizing our impact on the environment.

**ACUREN**

[www.acuren.com](http://www.acuren.com) | [info@acuren.com](mailto:info@acuren.com) **BEYOND INSPECTION**



continued from page 2

## ANS OUTPUT

17,948 bpd and up 8.45% from a March 2024 average of 16,578 bpd. The field produces from two pools, Lookout and Rendezvous, with Rendezvous accounting for the majority of the volume, 93.92% in March.

Hilcorp Alaska's Oooguruk averaged 6,189 bpd in March, up 23 bpd, 0.38%, from a February average of 6,166 bpd and up 9.76% from a March 2024 average of 5,639 bpd.

### Month-over-month decreases

The largest month-over-month decrease from February to March was at the Hilcorp North Slope-operated Prudhoe Bay, which averaged 255,416 bpd in March, down 8,053 bpd, 3.06%, from a February average of 263,469 bpd and down 7.12% from a March 2024 average of 274,985 bpd. Prudhoe crude averaged 208,051 bpd in March, 81.46% of total volume, down 3,050 bpd, 1.44%, from a February average of 211,101 bpd and down 5.65% from a March 2024 average of 220,519 bpd. Prudhoe NGL production averaged 47,365 bpd in March, 18.54% of total volume, down 5,003 bpd, 9.55%, from a February average of 52,368 bpd and down 13.04% from a March 2024 average of 54,466 bpd.

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

Raven and Schrader Bluff.

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

The ConocoPhillips-operated Kuparuk River field averaged 80,904 bpd in March, down 3,029 bpd, 3.61%, from a February average of 83,933 bpd but up 3.12% from a March 2024 average of 78,454 bpd. In addition to the main Kuparuk pool, Kuparuk produces from Coyote, Tabasco, Tarn, Torok and West Sak.

ConocoPhillips is the majority working interest owner at Kuparuk. The only other WIO, ExxonMobil, holds just 0.36%.

ConocoPhillips' Colville River averaged 33,562 bpd in March, down 1,086 bpd, 3.14%, from a February average of 34,648 bpd and down 9.53% from a February 2024 average of 37,098 bpd. In addition to oil from the main Alpine pool, Colville includes production from the Nanuq and Qannik oil pools.

Hilcorp Alaska's Endicott averaged 5,452 bpd in March, down 323 bpd, 5.6%, from a February average of 5,775 bpd and down 9.17% from a March 2024 average of 6,002 bpd. Endicott crude averaged 4,919 bpd in February, 90.23% of the total, down 440 bpd, 8.21%, from a February average of 5,359 bpd and down 5.33% from a March 2024 average of 5,196 bpd. Endicott NGLs averaged 533 bpd in March, 9.77% of the total, up 117 bpd, 28.06%, from a March average of 416 bpd but down 33.92% from a March 2024 average of 806 bpd.

Hilcorp Alaska's Northstar averaged 5,182 bpd in March, down 94 bpd, 1.78%, from a February average of 5,276 bpd and down 3.38% from a March 2024 average of 5,363 bpd. Northstar crude averaged 2,752 bpd in March, 53.1% of the total, up 54 bpd, 2.02%, from a February average of 2,697 bpd but down 8.08% from a March 2024 average of 3,017 bpd. Northstar NGLs averaged 2,431 bpd in March, 46.9% of the total, down 148 bpd, 5.75%, from a February average of 2,579 bpd but up 3.59% from a March 2024 average of 2,346 bpd.

Hilcorp Alaska's Milne Point averaged 47,073 bpd in March, down 70 bpd, 0.15%, from a February average of 47,143 bpd, but up 10.3% from a March 2024 average of 42,676 bpd. Milne Point produces primarily from the Schrader Bluff and Kuparuk oil pools, with minor Sag River and Ugnu volumes.

### Cook Inlet liquids hold steady

Cook Inlet liquids averaged 7,781 bpd in March, unchanged from February but down 15.45% from a March 2024 average of 9,203 bpd. Crude averaged 7,734 bpd in March, 99.4% of the total, while NGLs, all from Swanson River, averaged 47 bpd, 0.6% of the total.

Hilcorp Alaska's McArthur River averaged 2,209 bpd in March, up 159 bpd, 7.76%, from a February average of 2,049, but down 13.87% from a March 2024 average of 2,564 bpd.

Hilcorp's Trading Bay averaged 857 bpd in March, up 52 bpd, 6.48%, from a

February average of 804 but down 10.79% from a March 2024 average of 960 bpd.

Hilcorp's Granite Point averaged 1,870 bpd in March, up 13 bpd, 0.7%, from a February average of 1,857 bp but down 11.86% from a March 2024 average of 2,122 bpd.

BlueCrest's Hansen averaged 529 bpd in March, up 4 bpd, 0.78%, from a February average of 525 bpd, but down 22.47% from a March 2024 average of 682 bpd.

Cook Inlet Energy's West McArthur River averaged 894 bpd in March, down 101 bpd, 10.18%, from a February average of 996 bpd and down 15.88% from a March 2024 average of 1,063 bpd. CIE is a Glacier Oil and Gas company.

CIE's Redoubt Shoal averaged 559 bpd in March, down 76 bpd, 11.95%, from a February average of 635 and down 17.64% from a March 2024 average of 679 bpd.

Hilcorp's Swanson River averaged 718 bpd in March, down 38 bpd, 4.96%, from a February average of 756 bpd and down 10.22% from a March 2024 average of 800 bpd.

Hilcorp's Beaver Creek averaged 146 bpd in March, down 13 bpd, 8.44%, from a February average of 159 bpd and down 48.71% from a March 2024 average of 284 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

continued from page 2

## INLET GAS

March, 19.33% of the inlet total, up 12,116 mcf per day, 46.06%, from a February average of 26,306 mcf per day and up 8.12% from a March 2024 average of 36,207 mcf per day. The increase appears to come from Hilcorp drilling at the Kalotsa Pad, where it completed two new wells in March. Kalotsa accounted for 38.61% of Ninilchik production in February, increasing to 59.39% in February.

Hilcorp's Kenai field averaged 16,781 mcf per day in March, 8.44% of the inlet total, down 3,216 mcf per day, 16.08%, from a February average of 19,997 mcf per day and down 7.74% from a March 2024 average of 18,188 mcf per day.

Furie's Kitchen Lights averaged 13,137 mcf per day in March, 6.61% of inlet production, down 1,376 mcf per day, 9.48%, from a February average of 14,513 mcf per day but up 13.42% from a March 2024 average of 11,582 mcf per day.

Hilcorp's McArthur River averaged 11,191 mcf per day in March, 5.63% of inlet production, up 660 mcf per day, 6.27%, from a February average of 10,531 mcf per day but down 9.38% from a March 2024 average of 12,350 mcf per day.

Hilcorp's Swanson River averaged 10,486 mcf per day in March, 5.28% of inlet production, down 168 mcf per day, 1.58%, from a February average of 10,654

mcf per day but up 102% from a March 2024 average of 5,191 mcf per day.

Fifteen smaller fields in total accounted for 12.81% of inlet production in March

Hilcorp's Beaver Creek averaged 5,080 mcf per day in March, down 296 mcf per day, 5.5%, from a February average of 5,375 mcf per day and down 57.35% from a March 2024 average of 11,911 mcf per day.

Hilcorp's Cannery Loop averaged 4,370 mcf per day in March, up 1,777 mcf per day, 68.51%, from a February average of 2,593 mcf per day but down 11.76% from a March 2024 average of 4,952 mcf per day.

Hilcorp's Granite Point averaged 2,686 mcf per day in March, down 93 mcf per day, 3.33%, from a February average of 2,779 mcf per day and down 11.15% from a March 2024 average of 3,023 mcf per day.

Hilcorp's Deep Creek averaged 2,629 mcf per day in March, unchanged from February, but down 23.74% from a March 2024 average of 3,448 mcf per day.

Hilcorp's Lewis River averaged 2,470 mcf per day in March, up 206 mcf per day, 9.09%, from a February average of 2,265 mcf per day and up 60.59% from a March 2024 average of 1,538 mcf per day.

AIX's Kenai Loop averaged 1,711 mcf per day in March, down 132 mcf per day, 7.18%, from a February average of 1,844 mcf per day and down 16.82% from a March 2024 average of 2,057 mcf per day.

Vision Operating's North Fork averaged

1,671 mcf per day in March, down 33 mcf per day, 1.96%, from a February average of 1,704 mcf per day and down 14.11% from a March 2024 average of 1,946 mcf per day.

Hilcorp's Pretty Creek averaged 1,424 mcf per day in March, down 172 mcf per day, 10.77%, from a February average of 1,596 mcf per day but a gigantic leap from March 2024 when the field averaged 3 mcf per day. Hilcorp brought a sidetrack online in November and has other drilling planned at the field.

Hilcorp's Ivan River averaged 1,178 mcf per day in March, down 307 mcf per day, 20.65%, from a February average of 1,485 mcf per day and down 51.43% from a March 2024 average of 2,436 mcf per day.

Hilcorp's Trading Bay averaged 807 mcf per day in March, up 55 mcf per day, 7.35%, from a February average of 752 mcf per day but down 22.46% from a March 2024 average of 1,041 mcf per day.

BlueCrest's Hansen averaged 590 mcf per day in March, up 29 mcf per day, 5.17%, from a February average of 561 mcf per day, but down 46.27% from a March 2024 average of 1,098 mcf per day.

Amaroq's Nicolai Creek averaged 454

mcf per day in March, up 83 mcf per day, 22.46%, from a February average of 370 mcf per day and up 1,790.05% from a March 2024 average of 24 mcf per day.

Cook Inlet Energy's West McArthur River averaged 236 mcf per day in March, up 29 mcf per day, 14.25%, from a February average of 207 mcf per day but down 7.45% from a March 2024 average of 255 mcf per day. CIE is a Glacier Oil and Gas company.

CIE's Redoubt Shoal averaged 107 mcf per day in March, down 28 mcf per day, 20.59%, from a February average of 134 mcf per day and down 38.92% from a March 2024 average of 175 mcf per day.

Hilcorp's Nikolaevsk averaged 54 mcf per day in March, down 98 mcf per day, 64.65%, from a February average of 152 mcf per day and down 72.38% from a March 2024 average of 194 mcf per day.

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

—KRISTEN NELSON

Contact Kristen Nelson  
at knelson@petroleumnews.com



Fairbanks: 907-455-6777  
Anchorage: 907-344-6777  
www.abrinc.com

**ABR**  
Environmental Research & Services



nanaworley.com | in f

- Engineering & Design
- Project Management
- Procurement & Logistics
- Construction Support
- Laser Scanning
- Project Support Services
  - Controls, Scheduling, Estimating







## PARTNERS IN QUALITY GROWING TOGETHER



**Surveying • Engineering • GIS • Oil & Gas**

**experience you can use**  
ESTABLISHED 1949

[www.lounsburyinc.com](http://www.lounsburyinc.com)

## BUILDING ALASKA'S RESOURCE INDUSTRIES



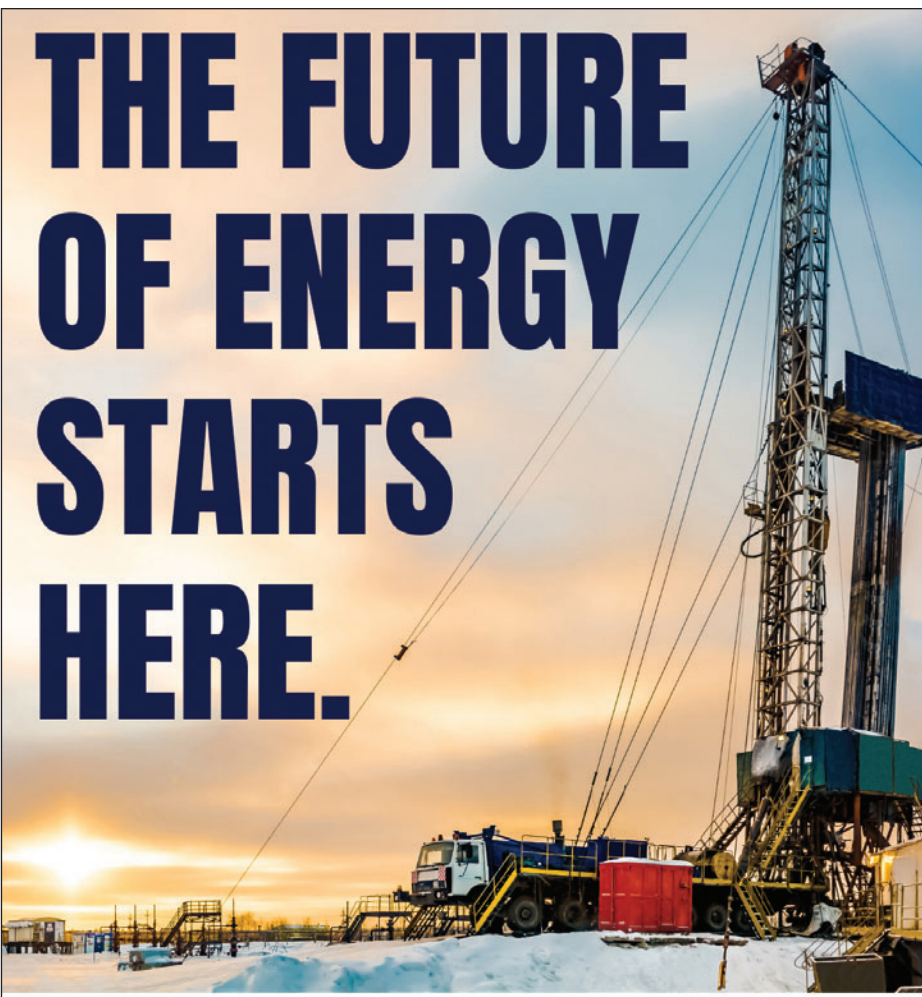
- Oil & Gas Construction Services
- Mining Construction & Maintenance
- Pipeline Construction
- Design Build & EPC
- General Contracting & Management




COMMITMENT TO SAFETY & QUALITY

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


# THE FUTURE OF ENERGY STARTS HERE.





## Alaska Sustainable ENERGY CONFERENCE

**June 3 -5, 2025**  
**Anchorage, AK**  
[AlaskaSustainableEnergy.com](http://AlaskaSustainableEnergy.com)



continued from page 4

## HISTORY

successfully concluding these negotiations” and are providing the support necessary for discussions with the state.

The producers’ proposal has “solid financial and technical underpinning,” but this project must deal with regulatory uncertainties in Canada as well as procuring enough steel to construct more than 2,000 miles of 52-inch pipeline.

### Equity also in TransCanada discussions

State equity ownership in the gas conditioning facility and the pipeline are also being discussed with TransCanada, Murkowski said, as is “the possibility of the state taking the responsibility for the transportation and marketing of its own gas,” if the producers sell their reserves rather than shipping on an independent pipeline.

Under the TransCanada proposal, the state and the pipeline company would negotiate with the producers for purchase of the gas on the North Slope, or for the producers to make a firm commitment to ship. The governor said the TransCanada negotiations are also “well advanced — very well advanced — with all parties committed to finalizing discussions in the very, very, very near future.”

Murkowski said TransCanada has been working with the state team to create a tariff framework which embraces both his gas development policies and Federal Energy Regulatory Commission regulations.

In addition to regulatory uncertainty in Canada and the need to buy enough steel to build 1,800 miles of 48-inch pipeline, this proposal, the governor said, has the additional challenge of presuming “the producers will be commercially reasonable and either ship their gas on an independent pipeline or sell their gas at a commercially reasonable rate.”

### Port authority is an LNG proposal

The Alaska Gasline Port Authority would take gas in a 56-inch pipe to Delta Junction and in a 48-inch pipe from there to Valdez, where the gas would be liquefied and shipped to West Coast or other markets. “And in addition natural gas liquids such as propane, ethane, butane, would be extracted and sold on the markets of the world as well,” Murkowski said.

The port authority would need to buy gas from the producers and the state at the wellhead.

The state would not have direct participation in this project, but the project recognizes “the North Slope producers may need a degree of fiscal certainty on gas production taxation.”

*In addition to regulatory uncertainty in Canada and the need to buy enough steel to build 1,800 miles of 48-inch pipeline, this proposal, the governor said, has the additional challenge of presuming “the producers will be commercially reasonable and either ship their gas on an independent pipeline or sell their gas at a commercially reasonable rate.”*

The governor said the state’s analytical team is just beginning to evaluate the port authority proposal “and it is really too early to make any risk or value judgments pertaining to that proposal.”

Challenges to the port authority project include obtaining sales contracts with the producers. “They must also get a formal approval from the Internal Revenue Service to retain their tax-free status.” They need long-term sales contracts and “they must obtain a permanent exemption from the Jones Act,” as well as dealing with LNG terminal site issues on the West Coast.

There have not yet been any detailed negotiations with the port authority, the governor said.

The port authority is “radically different” than the highway pipeline proposals and its risk-reward profile. “Before I will be in a position to make any recommendations on this project we will need to be able to do a comparison, an apples-to-apples comparison, on the risk-reward profiles of all three proposals.”

### The spur line to Cook Inlet

While it isn’t part of stranded gas negotiations, the Alaska Natural Gas Development Authority “has been working on a spur line which will bring gas to the lower Cook Inlet area and other parts of Alaska,” the governor said.

He said whatever happens with the three proposals, any agreement will include “an opportunity to construct a pipeline to the Cook Inlet area.” He said he has asked ANGDA to lead that effort.

The governor said the problem with Southcentral is that the industrial facilities need cheap gas because they ship to foreign markets and have to be competitive. As far as bringing in North Slope gas, the Southcentral can’t afford to lose those facilities because they’re the big users of natural gas and would be required to make a spur line economic, “and without their continued operation, it would have a negative effect on the economics.” ●

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








ALASKANS BUILDING ALASKA

WWW.GREERTANK.COM



• EXPLORATION & PRODUCTION

# Baker Hughes US rig count up by 2 at 587

By KRISTEN NELSON  
Petroleum News

**B**aker Hughes' U.S. rotary drilling rig count was 587 on April 25, up by two from the previous week, down by 26 from 613 a year ago and down by four from two weeks ago. Over the last eight weeks the rig count was up in three weeks, down in four and unchanged in one with a combined loss of 11 against a gain of five.

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

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

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

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

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

The April 25 count includes 483 rigs targeting oil, up by two from the previous week and down 23 from 506 a year ago, with 99 rigs targeting natural gas, up by one from the previous week and down six from 105 a year ago, and five miscellaneous rigs, down by one from the previous week and up by three from a year ago.

Forty-five of the rigs reported April 25 were drilling directional wells, 527 were drilling horizontal wells and 15

were drilling vertical wells.

## Alaska rig count unchanged

Oklahoma (55) was up by two rigs from the previous week and California (6) was up by one rig, while Utah (11) was down by a single rig.

Rig counts in other states were unchanged from the previous week: Alaska (10), Colorado (8), Louisiana (30), New Mexico (100), North Dakota (32), Ohio (12), Pennsylvania (18), Texas (274), West Virginia (8) and Wyoming (21).

Baker Hughes shows Alaska with 10 rotary rigs active April 25, unchanged from the previous week and down by four from a year ago when the state's count was 14.

The rig count in the Permian, the most active basin in the country, was unchanged from the previous week at 289 and down by 28 from 317 a year ago. ●

Contact Kristen Nelson  
at knelson@petroleumnews.com

• UTILITIES

# Enstar applies to RCA for rate increase

Utility tells regulator current rates do not allow it to earn authorized rate of return; increase would average 5.28% for customer

By KRISTEN NELSON  
Petroleum News

**E**nstar Natural Gas Co. has filed with the Regulatory Commission of Alaska for a rate increase.

In prefiled testimony, Enstar President John Sims said RCA ordered Enstar to file a rate case in 2025 or 2026 based on a 2024 or 2025 test year. He said the company is requesting an overall increase of 5.28%. That increase, Sims said, includes the cost of natural gas and 24.52% on non-gas revenue requirements, allowing Enstar "an opportunity to recover its just and reasonable costs and earn a fair return of and on prudent capital investments" in the company's Southcentral Alaska transmission and distribution system.

In its filing with RCA, Enstar said its current rates do not provide a reasonable return. Both the Alaska Supreme Court and the U.S. Supreme Court have ruled that rates which do not provide a reasonable return on property used in the public service

are confiscatory. While a permanent increase of 5.28% in total revenue is requested, an interim and refundable increase of 4.52% is requested effective June 1.

Sims said the increase in rates is based on \$127 million in capital investments and increases in annual operating expenses totaling some \$8.8 million since the 2021 test year on which the company's current rates are based.

Sims said that in 2021, the last test year, normalized operations and maintenance expenses were some \$38.3 million. Those costs have increased and in 2024 were some \$47 million, with the increase due to inflation, cost of labor, safety related costs with Pipeline and Hazardous Materials Safety Administration regulations for pipeline integrity, insurance, cybersecurity and additional regulatory changes and compliance efforts.

Sims said Enstar's cost to deliver natural



JOHN SIMS

gas is one of the lowest in the country, and assuming the company's application is approved, cost of natural gas delivery service, not including the cost of the gas, would be \$3.67 per thousand cubic feet, well below the national average as reported by the Energy Information Administration of \$13.14 per thousand cubic feet.

He said Enstar has not earned its authorized returns since the 2021 rate case was

filed, "significantly" underearning compared to the authorized rate or return in the last three years, with the 2022 return somewhat below that authorized and decreasing to a return in 2024 less than half of that authorized. Sims said Enstar plans to file a ratemaking mechanism allowing it to adjust its base rates annually, similar to the rate mechanism used by Cook Inlet Natural Gas Storage Alaska. ●

Contact Kristen Nelson  
at knelson@petroleumnews.com

## we make projects EASIER.

F. Robert Bell & Associates (BELL) has been providing efficient, effective, safe, and quick solutions to the everyday problems in our region for more than 42 years. We use innovative solutions with the latest technology to make projects easier for you.

Call for a free 3D scanning demo today!

Engineering | Surveying | 3D Laser Scanning  
Project Management | Construction Administration

www.bellalaska.com | 907.274.5257



# TMI?



## MOST LIKELY.

To subscribe: Call 281-978-2771  
or visit petroleumnews.com

# Form Function Fabric



TOLL FREE 1.855.455.7712

FAIRBANKS | ANCHORAGE | WASHINGTON

www.ALASKADREAMSINC.COM

SALES@ALASKADREAMSINC.COM



## EXPLORATION &amp; PRODUCTION

# Division approves Cook Inlet Energy PODs

West McArthur River, Redoubt development plans cover May 1 through April 30, 2026; both saw year-over-year production increase

By KAY CASHMAN

Petroleum News

On April 17, Cook Inlet Energy's Chief Operating Officer David Pascal received approval for proposed plans of development for the West McArthur River and Redoubt units from Derek Nottingham, director of Alaska's Division of Oil and Gas.

The units saw a 29% and 22% increase, respectively, for the average daily oil rate compared to the prior 12-month period.

Cook Inlet Energy, or CIE, became operator of the two units effective Dec. 1, 2009.

The 33rd POD for the West McArthur River and the 24th POD for the Redoubt unit were both approved for May 1, 2025, through April 30, 2026.

The West McArthur River unit, or WMRU, was formed on July 27, 1990, and currently is comprised of 6,970 acres and two participating areas: Area #1 PA and the Sword PA.

The Redoubt unit formed on Aug. 15, 1997, is currently comprised of 9,668.50 acres and one PA, the Hemlock PA.

From March 1, 2024, through Jan. 31, 2025, WMRU production averaged 896 barrels of oil per day, 232 thousand cubic feet of gas per day and has cumulatively produced 16.36 million barrels of oil and 4.15 billion cubic feet of gas.

From March 1, 2024, through Jan. 31, 2025, Redoubt averaged 537 barrels of oil per day and 138 thousand cubic feet of gas per day and has cumulatively produced 6.15 million barrels of oil, and 2.825 billion cubic feet of gas.

## Commitments

CIE's commitments for its WMRU 33rd POD include the following:

- Continue exploring ways to enhance production, manage production decline, and increase total ultimate recovery from existing WMRU wells;
- Implement cost-effective solutions to handle increasing water cuts from existing WMRU wells through proper water disposal, and possibly expanding disposal operations to other shut-in wells;
- Continue evaluating and updating the WMRU geological model for shallow gas potential;
- Continue evaluating capital avenues and exploration and development options for the Saber prospect;
- Convert one of the existing shut-in wells into produced water injectors via the Free Water Knock Out project, which was launched in 2023 to simplify disposal at West McArthur River and Redoubt;
- Conduct a site cleanup of unused equipment from the



DAVID PASCAL

old WMRU facility; and

- Conduct a caliper survey on the Class I disposal well RU-4D.

For the 24th Redoubt POD CIE commits to the following operations:

- Continue exploring ways to enhance production, manage production decline, and increase total ultimate recovery from existing wells;
- Evaluate the viability of retrieving the fish and replacing the failed ESP in the RU-2A well;
- Evaluate the viability of replacing the failed ESP in the RU-1A well and return the well to production;
- Conduct an acid stimulation job on the Class II disposal well, RU-6A, using temporary diverters to enhance injectivity in underperforming zones;
- Conduct a flow test, gather reservoir data, and advance efforts to replace the failed ESP in the RU-9 well;
- Continue to evaluate development options for the high-risk prospects in the Northern and Southern fault block;
- Perform surveys on the subsea lines, including underwater inspections, as part of the Integrity Management Plan, or IMP; and
- Conduct a caliper survey on its Class I disposal well RU-DI to ensure well bore integrity. ●

Contact Kay Cashman  
at publisher@petroleumnews.com

continued from page 1

## OIL PRICES

nations.

"Now there is a feeling that the Saudis could go old school 2020-style and open the taps for size," Mizuho's Robert Yawger said in a note quoted in a Wall Street Journal report.

"The very real possibility that OPEC+ will continue to bring extra barrels to the market as it fights to keep order within its ranks is added to the diplomatic thrusts in Ukraine and Iran, which if successful means more international crude on the water at a time when a trade war will squash any hope of demand growth," said PVM analysts quoted in a CNBC report.

"It raises concern that we could be headed towards another production war," said Phil Flynn, senior analyst with Price

Futures Group. "Are the Saudis trying to send a message that they are going to get back their market share? We'll have to wait and see."

OPEC+ will bump production up by 411,000 barrels per day May 1, followed by a May 5 meeting to discuss boosting June output levels.

A surprise drawdown of U.S. crude supplies was not enough to staunch the red ink.

U.S. commercial crude oil inventories for the week ending April 25 dropped 2.7 million barrels from the previous week to 440.4 million barrels — 6% below the five-year average for the time of year, according to U.S. Energy Information Administration data released April 30.

Analysts answering a Wall Street Journal survey called for a build of 100,000 barrels, while a Reuters poll pre-

dicted a jump of 429,000 barrels.

Total motor gasoline inventories fell 4 million barrels for the period to 225.5 million barrels — 4% below the five-year average for the time of year, the EIA said. Distillate fuel inventories fell 0.9 million barrels to 107.8 million barrels 13% shy of the five-year average for the time of year.

ANS plunged \$1.55 April 29 to close at \$66.67, while WTI plunged \$1.63 to close at \$60.42 and Brent plunged \$1.61 to close at \$64.25.

On April 28, ANS retreated \$1.07 to close at \$68.22, WTI slid 97 cents to close at \$62.05 and Brent dipped \$1.01 to close at \$65.86.

Trading was placid April 25, with ANS and WTI each slipping by 23 cents to close at \$69.28 and \$63.02 respectively, while Brent trimmed 32 cents to close at \$66.87.

ANS fell 54 cents April 24 to close at \$69.05, as WTI fell 52 cents to close at \$62.79 and Brent dipped 43 cents to close at \$66.55.

From Wednesday to Wednesday, ANS dropped \$3.59 from its April 23 close of \$68.51 to \$64.92 on April 30.

On April 30, ANS closed at a \$6.71 premium to WTI, and at a \$1.80 premium to Brent.

Over the month of April, crude prices turned in the steepest decline in three and one-half years. ANS tumbled \$12.41 from its close March 31 of \$77.33, to close at \$64.92 April 30.

## Demand seen as threatened

On the demand side, chinks were seen in economic data on both sides of the U.S./China trade dispute.

China's export orders cratered in April and manufacturing activity turned in the weakest performance in more than a year, while newly released U.S. data showed consumer confidence eroding on concerns over tariffs, the Wall Street Journal reported April 30. "There are also concerns that recent strength in U.S. economic data was only temporary, due to stockpiling ahead of the tariffs that now appears to be abating," ANZ analysts said.

Technical analysis portended future demand dissipation.

"The Brent crude oil forward curve has displayed a very unusual shape lately with front-end backwardation combined with deferred contango," said Bjarne Schieldrop, SEB Research chief commodities analyst. "Market pricing tightness today but weakness tomorrow."

Trade war clouded demand visibility coupled with rising OPEC+ production likely will hit crude oil prices this year, based on a Reuters poll released April 30.

An April survey of 40 economists and analysts projected Brent to average \$68.98 in 2025, down from March's estimate of \$72.94. WTI is expected to average \$65.08, versus a \$69.16 outlook the prior month. ●

Contact Steve Sutherland  
at ssutherland@petroleumnews.com



## THE GAME CHANGER

The GMK4080L is an outstanding four-axle taxi crane that, with its 60-meter-long boom, offers both the longest boom and the lowest gross vehicle weight in its class

- 85 USt capacity**
- 197 ft boom**
- 28'-49' swing away jib extension**
- 253 ft max tip height**

**MACHINES AVAILABLE FOR IMMEDIATE DELIVERY**

BUY / RENT / RPO  
PARTS / SERVICE / MAINTENANCE

AN AUTHORIZED DISTRIBUTOR OF:



**Manitowoc**
 **GROVE**
 **NATIONAL CRANE**
 **MANITOU**

6720 Arctic Blvd., Anchorage, AK 99518
 (907) 331-4876 \ (855) 342-7263
 [wpcrane.com](http://wpcrane.com)



continued from page 1

## SMU PRODUCTION

contains five tracts covering approximately 8,960 acres. On Dec. 4, 2020, Alaska’s Division of Oil and Gas approved Mustang Holding as operator of the SMU, after the previous operator and field developer Brooks Range Petroleum Corp. defaulted on its loan agreement with the Alaska Industrial Development and Export Authority.

Despite the default initiated by AIDEA, Brooks Range was the first small independent to bring an oil field online on Alaska's North Slope, producing its North Tarn-1A well from the Kuparuk River pool for one month in 2019, a total of 10,999 barrels over 23 days.

Mustang Holding was a wholly owned subsidiary of AIDEA, but ownership of Mustang passed to Finnex on Oct. 27, 2023.

The most significant work done in 2024 during the 10th plan of development, or POD, was the successful drilling and completion of the M-03A and M-01B wells. Additionally, the North Tarn-1A well that was completed in 2012 was prepared to return to production.

Oil production from the SMU began flowing into the Alpine Pipeline on New Year’s Eve, Dec. 31, Harry Bockmeulen told Petroleum News that day.

During the 2024, or 10th POD period, and continuing into the 2025 11th POD period, the company reported that early process facilities, or EPFs, are being refurbished when possible, and new equipment is being installed as necessary.

The Kuparuk oil pool in the SMU is a continuation of Kuparuk C and Kuparuk A sands “adjacent to the southwest portion of the Kuparuk River Unit,” Mustang Holding told the Alaska Oil and Gas Conservation Commission.

Phase 1, which was completed in the 10th POD period, included re-installation of the production facilities, re-enter-

ing existing wells, reconnecting the Mustang Pipeline and returning the field to production.

Additional wells will be drilled in Phase 2 to keep production in the target range of 4,000 barrels per day, and will include expansion of waterflood operations, Mustang Holding told AOGCC.

Depending on results from earlier phases, additional wells will be drilled to bring the total to as many as 11 horizontal or vertical producers and 10 horizontal or vertical injectors. The company said the EPFs would be “debottle-necked or replaced by additional facilities modules if warranted by longer term production results, reservoir performance, and potential third party or multi-horizon Mustang field development.”

—KAY CASHMAN

Contact Kay Cashman  
at publisher@petroleumnews.com

continued from page 1

## SOCKEYE-2 FLOW TEST

pipeline, was successfully drilled to a depth of approximately 10,500 feet and encountered a high-quality Paleocene-aged clastic reservoir with an average porosity of 20%.

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

Bill Armstrong, CEO of Armstrong Oil & Gas, described the Sockeye-2 well as “very old school in its performance, in that there was no stimulation or fracking required. It was completely natural.”

The well performed in line with expectations during the 12-day production test, averaging 2,700 barrels of oil per day during the final flow period, without artificial lift.

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

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

“We are excited about the performance from the Sockeye-2 well, which could greatly benefit the state of Alaska and the U.S.,” Armstrong said in an April 24 interview with Petroleum News. “This discovery significantly extends the prolific Brookian topset play first established with our Pikka discovery in 2013. We have identified analogous anomalies to investigate following on

this success.”

“The results from the Sockeye-2 flow test are consistent with our expectations, demonstrating a high-quality reservoir, confirming our geologic and geophysical models and de-risking additional prospectivity in the block. We will evaluate the data from the Sockeye-2 well to determine the next steps in our Alaska program,” said John J. Christmann, APA Corp. CEO.

### Reprocessed 3D seismic

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

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

“We think it might cover a big area, similar to so many other fields on the North Slope, such as Alpine, Willow, and Pikka. One of the advantages of the North Slope is the lack of structural complexity. It’s that quiescence which lends itself to such large fields,” he said.

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

“We still have to apprise this discovery for size and how we would most likely develop it, but we are really encouraged by what we have seen,” he said.

### State of Alaska lands

Armstrong made a point of repeating that the discovery and the entire Lagniappe block is on state of Alaska lands.

The base royalty on the Lagniappe block is 16.66%.

In the National Petroleum Reserve-Alaska, or NPR-A, where Willow is located, the royalty is 12.5% but the federal government gets half of that whereas the state of Alaska gets all of the 16.66% royalty from the Lagniappe block.

### Unexpected surprise

Lagniappe is a Cajun word that loosely translates into “a good unexpected surprise” — apropos for the Nanushuk play west of Prudhoe Bay on the North Slope, which Armstrong and a partner first drilled and identified as a huge oil reservoir in 2013 (Qugruk 3 well).

The discovery led to the 2-plus billion barrel Pikka oil field, today operated and being developed by Santos.

Since that discovery, the oil industry on the North Slope has been on a tear, drilling at Horseshoe, Putu, Mitquq, Stirrup, Willow and elsewhere.

Now Armstrong is leading the charge to find Pikka-look-alikes east of Prudhoe Bay. All reports say the play concept in Armstrong’s Lagniappe’s acreage is very similar: Multiple zones, onshore, good gravity oil, reasonably close to infrastructure.

The targeted objectives are slightly younger than what Santos has at Pikka et al but with better reservoir qualities — porosity and permeability — even though they are somewhat deeper. ●

Contact Kay Cashman  
at publisher@petroleumnews.com



## Advertiser Index

# Companies involved in Alaska’s oil and gas industry

ADVERTISER	PAGE AD APPEARS	ADVERTISER	PAGE AD APPEARS	ADVERTISER	PAGE AD APPEARS
<b>A</b>		Computing Alternatives		<b>N-P</b>	
ABR, Inc. ....	5	CONAM Construction .....	6	Nabors Alaska Drilling	
Acuren .....	4	Construction Machinery Industrial (CMI) .....	12	NANA Worley .....	5
AES Electric Supply, Inc.		Cook Inlet Tug & Barge		Nature Conservancy, The	
Airgas, an Air Liquide Company		Cruz Construction		NEI Fluid Technology	
Airport Equipment Rentals		Doyon Associated		Nordic Calista	
Alaska Air Cargo		Doyon Drilling, Inc.		NORTECH	
Alaska Dreams .....	7	Doyon, Limited		Northern Solutions	
Alaska Frontier Constructors (AFC) .....	11	EXP Energy Services		NSTI (North Slope Telecom Inc.)	
Alaska Fuel Services		F. R. Bell & Associates, Inc. ....	7	Owl Ridge Natural Resource Consultants	
Alaska Marine Lines		Flowline Alaska		Petroleum Equipment & Services, Inc.	
Alaska Materials		Frost Engineering, a division of PumpTech LLC		PND Engineers, Inc.	
Alaska Railroad				PRA (Petrotechnical Resources of Alaska)	
Alaska Resource Education (ARE)				Price Gregory International	
Alaska Steel Co.		<b>G-M</b>		<b>Q-Z</b>	
Alaska Textiles		GCI .....	11	Republic Services (formerly US Ecology)	
Alaska West Express		GeoLog		Resource Development Council	
Arctic Controls		Greer Tank & Welding .....	6	Sheet Metal Inc.	
Armstrong .....	3	Guess & Rudd, PC		Steelfab	
ASRC Energy		Inspirations		Strategic Action Associates	
ASTAC (Arctic Slope Telephone Assn. Coop, Inc)		Judy Patrick Photography .....	10	Tanks-A-Lot	
<b>B-F</b>		Lennon Crane		TOTE Maritime Alaska	
Bombay Deluxe Restaurant .....	4	Little Red Services, Inc. (LRS)		Udelhoven Oilfield System Services Inc.	
Brooks Range Supply		Lounsbury & Associates .....	6	Western Pacific Crane & Equipment .....	8
Calista Corp.		Lynden Air Cargo			
Coffman Engineers .....	2	Lynden Inc.			
Colville Inc.		Lynden Logistics			
		Lynden Oilfield Services			
		Lynden Transport			
		Matson			



continued from page 1

## OCS LEASING

with the Chukchi and Beaufort sea planning areas in the north and a new planning area, the High Arctic, bordering those planning areas and extending north.

### Revision of OCS planning areas

There are two relevant April 30 Federal Register notices.

In one, Interior’s BOEM said OCS planning areas have been revised to address jurisdictional changes since the agency last established the subdivisions, resulting in the addition of a 27th planning area, the “High Arctic” off northern Alaska.

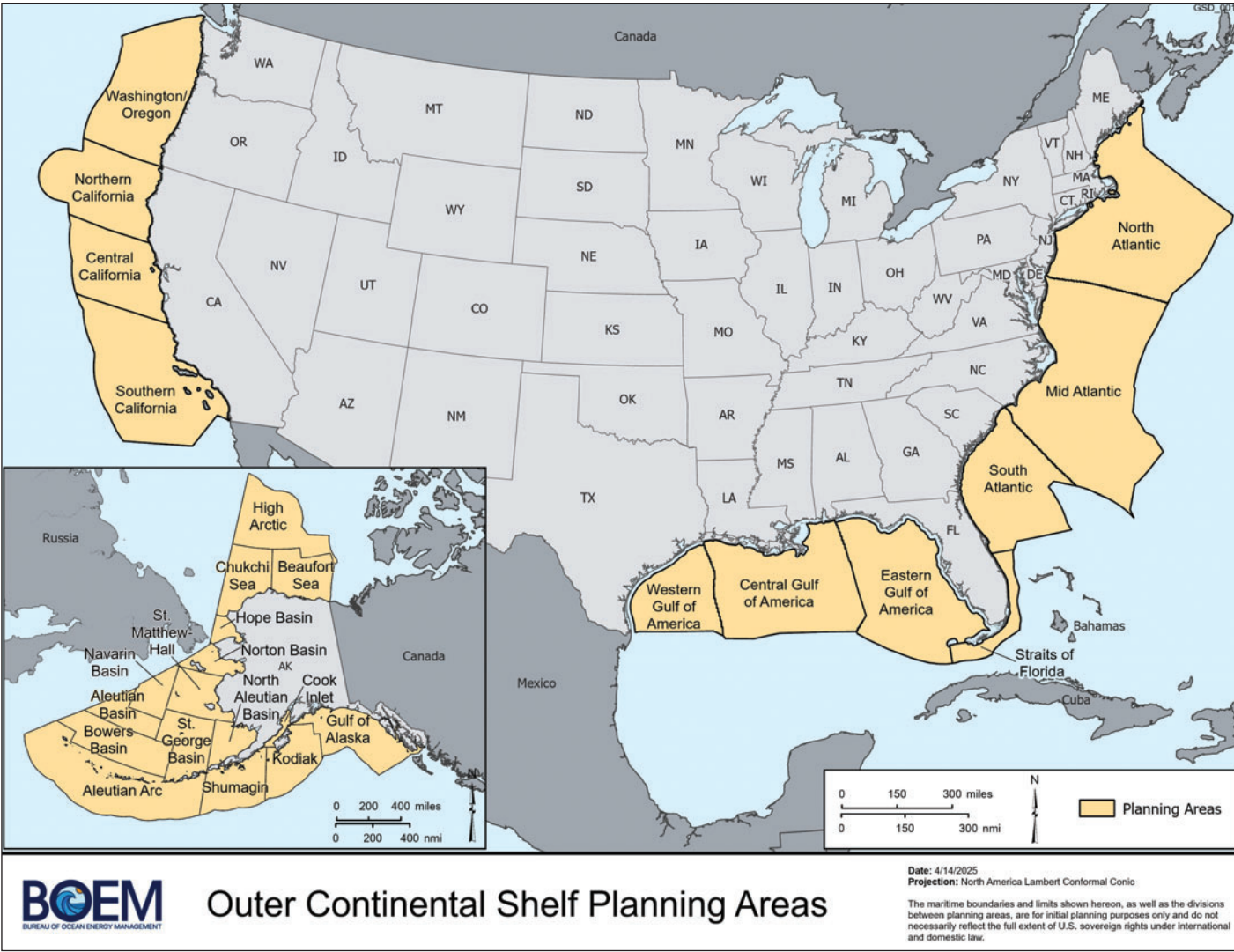
The changes are a result of updated information on the outer limits of the U.S. continental shelf provided by the U.S. Department of State in the Federal Register on Dec. 21, 2023.

“The boundaries of the OCS Regions now extend from the Submerged Lands Act boundary to the outer limits of the continental shelf beyond 200 miles, or, as appropriate, to the 200-nautical-mile (nm) limit, Treaty Boundary, or Territorial Sea limit, depending on location,” BOEM said in its Federal Register notice.

Total OCS acreage in Alaska planning areas is now 1,047.17 million acres, including the new High Arctic area at 109.14 million acres.

In the April 30 Federal Register notice on its leasing program, BOEM said the 11th program, once preparation is complete, will replace the 10th program.

Information is requested on all 27 planning areas, including those “restricted from leasing by Presidential withdrawal or Congressional moratorium,” the agency said.



“An area that is currently unavailable for leasing could still be part of a National OCS Program, but could not be offered for sale until Congress and/or the President, as applicable, makes it available,” BOEM said.

### Alaska OCS

The current leasing program, the 10th,

does not include any lease sales in the Alaska Region.

BOEM said that in the Chukchi Sea and Beaufort Sea planning areas it “assesses a mean volume of 29.88 BBOE and 8.61 BBOE, respectively, of undiscovered oil and gas resource potential.”

Three leases are active in the Beaufort Sea planning area, all producing hydrocar-

bons, the agency said, with eight active leases in the Cook Inlet planning area, none producing hydrocarbons.

The Beaufort Sea leases are at Northstar. The Cook Inlet leases are held by Hilcorp Alaska.

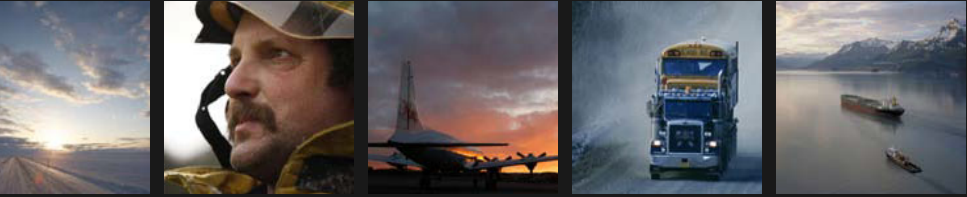
—KRISTEN NELSON

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

# WHATEVER



# WHENEVER



# WHEREVER

Creative photography for the oil & gas industry.  
[judypatrickphotography.com](http://judypatrickphotography.com)  
907.258.4704

**JUDY PATRICK**  
PHOTOGRAPHY



continued from page 1

## WHISKEY GULCH

from the lower Kenai Peninsula. It brought the Seaview unit online in June 2021, but production from that gas field ceased after August 2022.

At one point Hilcorp had considered expanding the Seaview unit to include Whiskey Gulch, but later said it was abandoning that plan.

### Exploration work

Whiskey Gulch is some 3 miles northeast of the community of Anchor Point, north of Hilcorp's Seaview unit, which is west and south of Anchor Point.

Hilcorp began exploration work at Whiskey Gulch in 2019 and 2020 with a dozen stratigraphic test wells, progressing to exploration wells in 2021.

The existing 2.75-acre gravel Whiskey Gulch pad was constructed in 2021 to support the exploration wells. It is on private surface land at the end of Cape Ninilchik Avenue, about 1 mile east of the Sterling Highway. Hilcorp said when applying for approval for that work that the pad, 300-feet by 400-feet, was being permitted "on partially improved private lands" with access from existing Kenai Peninsula Borough roadways to the intersection of Cape Ninilchik Avenue and Opportunity Lane, with access roadway improvements to be over an existing driveway at the intersection extending west to the pad.

The Whiskey Gulch 1 and Whiskey Gulch 14 wells were drilled from the pad.

A map accompanying the application shows three wells on the pad.

Alaska Oil and Gas Conservation Commission records show Whiskey Gulch 1 was completed in 2021 and Whiskey Gulch 14 in 2022. Whiskey Gulch 15, also shown on the map, shows on AOGCC records as having been permitted but the lack of spud and completion dates indicates the well has not yet been drilled.

Whiskey Gulch 1 had a measured depth of 10,271 feet and a true vertical depth of 9,331 feet; Whiskey Gulch 14 had a MD of 8,013 feet and a TVD of 7,261 feet; detailed results of the wells remain confidential.

AOGCC lists both as single completion gas wells and shows the pool as Whiskey Gulch undefined gas. Whiskey

*Whiskey Gulch is some 3 miles northeast of the community of Anchor Point, north of Hilcorp's Seaview unit, which is west and south of Anchor Point.*

Gulch 1 was drilled to a target southwest of the pad; Whiskey Gulch had a target northeast of the pad.

Hilcorp told the commission in a spacing exception application for Whiskey 14 that it was targeting the Sterling, Beluga and Tyonek formations within Whiskey Gulch undefined oil and gas pools, and

said results from the Whiskey Gulch 1 well and data from surrounding fields "suggests that the Whiskey Gulch Undefined Gas Pool consists of a series of thin, discontinuous, stacked channel sands with a low net-to-gross ratio."

### Pad work this summer

Work proposed at the pad includes installation of subsurface piping and new infrastructure to produce gas for sale from the existing wells, Hilcorp said in its application, with all proposed activities on the existing gravel facilities, with existing infrastructure used as available to support the project.







Installation work includes:

- An enclosed separator package;
- A 200-barrel produced water tank;
- An enclosed compressor package;
- An enclosed glycol dehydration package;
- A control building;
- A utility building;
- Piping, valves and associated structural supports; and
- Heat trace, instrumentation cables, electrical cables, instrument air and fuel gas lines. ●

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

# THE TEAM THAT DELIVERS

Safety Health Environment Quality



(907) 562-5303 | [akfrontier.com](http://akfrontier.com)

# WE GO THE EXTRA 10,000 MILES FOR YOUR BUSINESS.

Alaska's only redundant fiber network means safer systems and better efficiency.





**WEIR** ESCO

**OPTIMIZE MACHINE PERFORMANCE WITH ESCO®  
AND CONSTRUCTION MACHINERY INDUSTRIAL**

Ultralok® Tooth System

SXDP Super Extreme-Duty Plate Lip Bucket



**CONTACT THE BRANCH NEAREST YOU  
FOR ALL YOUR EQUIPMENT NEEDS**

[www.cmiak.com](http://www.cmiak.com)



**ANCHORAGE**  
**Mike Miller**  
**P: 907-563-3822**  
**F: 907-563-1381**



**FAIRBANKS**  
**Clayton Dunn**  
**P: 907-931-8808**  
**F: 907-931-8838**

**JUNEAU**  
**P: 907-802-4242**  
**F: 907-802-4340**

**KETCHIKAN**  
**P: 907-247-2228**  
**F: 907-247-2229**