**BP CEO Bob Dudley to retire; no decision yet on timing**

BP’s top executive, Bob Dudley, recently confirmed rumors that he will step down as chief executive officer but says BP’s board has not yet decided on the timing.

The major’s first American CEO has indicated several times in private exchanges that he’d like to retire at the age of 65, which he’ll turn in September 2020. On Sept. 28, Sky News reported that Dudley planned to retire within a year and that BP’s board would be announcing it by the end of 2019. The rumor was first confirmed by Dudley at the Russia Energy Week conference in Moscow, where he told reporters.

**Governor names Jeremy Price to AOGCC seat currently vacant**

Alaska Gov. Mike Dunleavy has named Jeremy Price to the public seat on the three-member Alaska Oil and Gas Conservation Commission and has also named him chair of the commission. This seat has been vacant since the governor removed Hollis French in February.

Price, who begins work at the commission Oct. 7, has been the governor’s deputy chief of staff.

“Jeremy Price shares my vision for a state that is both economically competitive and protects the interest of Alaska’s future,” said Dunleavy.

**Furie asset sale set**

*By Steve Sutherland*

Petroleum News

U.S. Bankruptcy Judge Laurie Selber Silverstein signed a bidding procedures order Sept. 26 in the Furie Operating Alaska LLC Chapter 11 case in U.S. Bankruptcy Court for the District of Delaware.

The order set forth a schedule for the sale of the company’s assets, which include the Cook Inlet Kitchen Lights unit and its related infrastructure such as the Julius R offshore platform, the onshore processing facility and all related pipelines.

The deadline for the debtors to file a proposed form of Sale Order is 5 p.m. on Oct. 25.

Debtors shall file a Stalking Horse Supplement with the court on or before 5 p.m. on Oct. 25. The deadline to file an objection with the court to the Stalking Horse Bidder to serve as the minimum bid for substantially all of the debtors’ assets or any grouping or subset of the debtors’ assets.

The debtors, in consultation with their consultation parties, may select a qualified bidder (Stalking Horse Bidder) to serve as the minimum bid for substantially all of the debtors’ assets or any grouping or subset of the debtors’ assets.

**Wulff takes top position**

*By Kay Cashman*

Petroleum News

Wulff estimates that after the transition to his new position is complete, he will be spending about 20% of his time in Alaska.

What do the changes mean for the state? “Alaska has a champion at the very top of the company,” was Wulff’s response, noting the leadership change has been internally progressing for about two years.

To ensure a smooth transition of responsibilities, Wulff was appointed chief executive officer of Oil & Gas newspaper based in Anchorage, Alaska.
Steep drop in ANS production in August

Crude, NGL volumes, average 398,850 bpd, down 16% from July; Prudhoe, Milne top volume drops; Milne, Oooguruk top percentage drops

By KRISTEN NELSON
Petroleum News

Crude oil and natural gas liquids production on Alaska’s North Slope was down in August — a drop of 16% from July — with an average of 398,850 barrels per day, down 75,769 bpd from a July average of 474,619 bpd and down 12.3% from an August 2018 average of 454,602 bpd.

August was warm, and production facilities are less efficient in warm weather. August is also part of the annual turnaround period for North Slope fields, scheduled maintenance which takes advantage of the warmer weather.

NGL production had a larger percentage drop than crude.

Crude production on the Slope averaged 368,387 bpd in August, down 15.2%, 65,775 bpd, from a July average of 434,162 bpd, and down 10.8% from an August 2018 average of 412,870 bpd, while NGL production averaged 30,463 bpd in August, down 24.7%, 9,995 bpd, from a July average of 40,458 bpd and down 27% from an August 2018 average of 41,732 bpd.

Production data reported here is from the Alaska Oil and Gas Conservation Commission, which provides volumes by field and well on a month delay basis.

Prudhoe, Milne, lead drop

The month-over-month ANS production drop was led by the BP Exploration (Alaska)-operated Prudhoe Bay field, which averaged 185,433 bpd (combined crude and NGLs) down 19.5%, 44,892 bpd, from a July average of 230,325 bpd, and down 21.1% from an August 2018 average of 234,986 bpd.

Crude oil production at Prudhoe averaged 156,917 bpd in August, down 18.2%, 35,019 bpd, from a July average of 191,936 bpd, and down 19.8% from an August 2018 average of 195,571 bpd.

Prudhoe NGL production averaged 28,516 bpd in August, down 25.7%, 9,873 bpd, from a July average of 38,389, and down 27.7% from an August 2018 average of 41,415 bpd.

In addition to the primary reservoir, production volumes from Prudhoe include Aurora, Borealis, Lisburne, Midnight Sun, Niaakuk, Polaris, Point McIntyre, Put River, Raven and Schrader Bluff.

The Hilcorp Alaska-operated Milne Point field averaged 156,917 bpd in August, down 18.2%, 35,019 bpd, from a July average of 191,936 bpd, and down 19.8% from an August 2018 average of 195,571 bpd.

Crude oil production at Milne averaged 11,066 bpd in August, down 58.7%, 15,699 bpd, from a July average of 26,765, and down 50.1% from an August 2018 average of 22,172 bpd.

Other fields also dropped

The ConocoPhillips Alaska-operated Colville River field averaged 46,504 bpd in August, down 8.8%, 4,488 bpd, from a July average of 50,991 bpd, but up 11.9% from an August 2018 average of 41,565 bpd.

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

The Eni-operated Oooguruk field averaged 5,918 bpd in August, down 32.1%, 2,802 bpd, from a July average of 8,720, and down 39% from an August 2018 average of 9,699 bpd.

see ANS PRODUCTION page 5
Alaska - Mackenzie Rig Report


Petroleum News • WEEK OF OCTOBER 6, 2019

Mackenzie Rig Status

Alaska Rig Status

North Slope - Onshore

Doyon Drilling

Draco 1200 UE
14 (SCR/TD)
Milne Point, M-17
Hilcorp

Draco 1000 UE
16 (SCR/TD)
Standby
Hilcorp

Draco O2000 Ustd
19 (SCR/TD)
Kuparuk, Standby
ConocoPhillips

Alpax
25
Alpax, CDR-2
ConocoPhillips

OMV 2000
141 (SCR/TD)
Kuparuk, 38K-11
ConocoPhillips

TSM 700
Arctic Fox #1
Standby
Oil Search

Hilcorp Alaska LLC

Rig No.1
Milne Point
Hilcorp Alaska LLC

Kuuskop Drilling

5
Deadhorse
Available

Nabor Alaska Drilling

AC Cur C3
CDR-1 (CTD)
Deadhorse 14-1
BP

AC Cur
CDR-1 (CTD)
Kuparuk 1C-06
ConocoPhillips

Ideco 1000 UE
7-45 (SCR-TD)
Kuparuk Stacked
ConocoPhillips

Mid-Continental U36A
3-5
Stacked
Available

Oilwell 700 E
4-45 (SCR)
Stacked
Available

Draco 1000 UE
9-65 (SCR/TD)
Kuparuk
ConocoPhillips

Oilwell 2000 Hercules
14-4 (SCR)
Deadhorse
Available

Oilwell 2000 Hercules
16-4 (SCR)
Kuparuk
Brooks Range Petroleum

Oilwell 2000 Camieg 1005E
27-6 (SCR-RD)
Stacked
Glacier Oil & Gas

Oilwell 2000
3-4
Deadhorse
Available

Academy AC Electric CAMING
98AC (AC-TD)
Repos
ENI

Academy AC Electric CAMING
102AC (AC-TD)
Stacked
Oil Search

Academy AC Electric Helig-Rig
106AC (AC-TD)
Stacked
Great Bear Petroleum

NordicCilica Services

Superior 700 UE
1 (SCR/TD)
Deadhorse
Available

Superior 700 UE
2 (SCR-TD)
Prudhoe Bay
Available

Ideco 900
3 (SCR-TD)
Charlie #1
Accumulate Energy Alaska

Rig Master 1500AC
4 (AC/TD)
Olkotak Point
ENI

Parker Drilling Arctic Operating LLC

NOV AOS-105D
272
Prudhoe Bay S-202
BP

NOV AOS-110D
273
Stacked in Deadhorse
Available

North Slope - Offshore

BP
Top Drive, superized
Liberty rig
Inactive
BP

Doyon Drilling

Sky Top Brewer NE-12
15 (SCR/TD)
Sny Island STP3-NE2
ENI

Nabor Alaska Drilling

OMV 1000
19AC (AC-TD)
Doogonuk Stacked
Caelus Energy LLC

Cook Inlet Basin – Onshore

BlueCrest Alaska Operating LLC

Land Rig
BlueCrest Rig #1
Anchor Point, drilling production section of H14

BlueCrest Alaska Operating LLC

Glacier Oil & Gas
Rig 37
West McArthur River Unit Workover
Glacier Oil & Gas

All American Oilfield LLC

IDECO H-37
AAO 111
North Slope stacked
Available

Hilcorp Alaska LLC

TSM-850
147
Stacked
Hilcorp Alaska LLC

TSM-850
169
Stacked
Hilcorp Alaska LLC

Cook Inlet Basin – Offshore

Hilcorp Alaska LLC

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

Spartan Drilling

Baker Maritime LLC-Skidoff, jack-up
Spartan 151, stacked at Rig Tenders
Hilcorp Alaska LLC

Faris Operating Alaska

Randoff Yoo, jack-up
Nikiski, OSK dock
Available

Glacier Oil & Gas

National 1320
35
Oxygyn Platform, activated
Glacier Oil & Gas

Mackenzie Rig Status

Canadian Beaufort Sea

SDC Drilling Inc.

SSDC CANNAR Island Rig #2
SDC
Set down at Roland Bay
Available

Central Mackenzie Valley

Alita
TSM-7000
37
Racked in Norman Wells, NT
Available

Baker Hughes North America rotary rig counts*

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<td>106AC (AC-TD)</td>
<td>Oil Search</td>
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Mat-Su continues to fight for MacKenzie

By KRISTEN NELSON
Petroleum News

The Matanuska-Susitna Borough is continuing its fight to locate a liquefied natural gas facility and terminal for the Alaska LNG Project at Port MacKenzie, even as the Federal Energy Regulatory Commission takes public comment on a draft environmental impact statement for a project with a liquefaction facility and terminal at Nikiski on the Kenai Peninsula.

The borough asked FERC in a Sept. 27 filing to issue a supplemental draft EIS for the Alaska Gasline Development Corp.’s Alaska LNG Project “in order to cure the foundational defects in the current draft.”

During the scoping period for the draft EIS, which was issued in late June, there was considerable interest in alternatives — a different route for the pipeline through Denali National Park and Preserve, running the pipeline to Valdez and building the LNG facility and terminal there or placing the LNG facility and terminal at Port MacKenzie rather than at Nikiski.

The Mat-Su Borough was a late intervenor in the FERC process, filing in January 2018 because it wanted Port MacKenzie considered; the Kenai Peninsula Borough intervened in August 2018 to protect the Nikiski site selection.

In September 2018 the Mat-Su Borough asked FERC to delay a decision on the project until Port MacKenzie had been adequately considered as a site for the project’s LNG facility and terminal.

In September 2018 the Mat-Su Borough asked FERC to delay a decision on the project until Port MacKenzie had been adequately considered as a site for the project’s LNG facility and terminal. AGDC told FERC in October 2018 that it had provided data in July 2018 to allow the commission to quantitatively compare the Port MacKenzie alternative to Nikiski. It said it had “in good faith analyzed the information necessary to do a comparative analysis of the Nikiski and Port MacKenzie sites.

In its current motion for a supplemental draft EIS, the Mat-Su Borough said there were technical deficiencies in the draft EIS which it would address in a later filing, but said it was “filing this motion with the Commission separately in an effort to draw attention to, and correct, certain significant flaws in the report.”

The borough argued that the draft EIS does not do an adequate analysis of Port MacKenzie as an alternative and does not provide enough factual information to determine if the Nikiski site is the LEDPA, the least environmentally damaging practicable alternative, the requirement for a U.S. Army Corps of Engineers permit under Section 404 of the Clean Water Act.

The borough’s motion calls the alternative site analysis in the DEIS “ cursory.” It says the DEIS only provides a summary overview of the Port MacKenzie alternative in the Environmental Analysis sections. Rather, FERC eliminates the Port MacKenzie Alternative from full consideration as a reasonable alternative site” because it fails to satisfy one objective of the project, allowing for future interconnection with the Enstar pipeline for gas delivery nearer to the Kenai Peninsula, one of three future delivery points identified as objectives of the project.

The Mat-Su Borough told FERC that gas delivery to the Kenai Peninsula is not an objective in the DEIS — just commercializing North Slope natural gas; being competitive for delivery to foreign markets; and providing interconnections along the way for in-state gas delivery.

The Kenai Peninsula Borough also told FERC that Port MacKenzie would lengthen the shipping route and said the Mat-Su Borough’s proposal was not significantly different from one of its previous options, one that Mat-Su “has admitted presents significant challenges.”

MacKenzie; the Kenai Peninsula Borough intervened in August 2018 to protect the Nikiski site selection. The other contender for the site, Valdez, which intervened in 2017, has long wanted an LNG facility and terminal there.

In September 2018 the Mat-Su Borough asked FERC to delay a decision on the project until Port MacKenzie had been adequately considered as a site for the project’s LNG facility in 2013. The other contender for the site, Valdez, which intervened in 2017, has long wanted an LNG facility and terminal there.

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The Mat-Su argues that no specific interconnect points were identified.
Court rejects walrus listing appeal

Says that Fish and Wildlife provided adequate justification for 2017 decision not to list Pacific walrus as endangered under ESA

BY ALAN BAILEY
For Petroleum News

The federal District Court in Alaska has rejected an appeal by the Center for Biological Diversity against a 2017 decision by the U.S. Fish & Wildlife Service not to list the Pacific walrus as endangered under the Endangered Species Act. In a Sept. 26 court order Judge Sharon Gleason rejected each of the arguments that the CBD had put forward in its challenge to the FWS decision.

Loss of sea ice habitat

The issue regarding whether to list the walruses emanates from the fact that the animals constitute one of the species impacted by the shrinkage of the Arctic sea ice extent, as the Arctic climate warms. The question of whether and to what extent sea ice loss will impact future animal wellbeing has continued from page 2

ANS PRODUCTION

The Hilcorp-operated Northstar field averaged 6,627 bpd in August, down 28%, 2,571 bpd, from a July average of 9,198 bpd, and down 30% from an August 2018 average of 9,447 bpd. Crude oil production at Northstar averaged 5,592 bpd in August, down 29.3%, 2,319 bpd, from a July average of 7,911, and down 29% from an August 2018 average of 7,877 bpd, while NGLs averaged 1,035 bpd in August, down 19.6%, 252 bpd, from a July average of 1,287 bpd, and down 34.1% from an August 2018 average of 1,570 bpd.

Eni’s Nikaitchuq field averaged 17,684 bpd in August, down 11.4%, 2,971 bpd, from a July average of 20,175 bpd, and down 0.3% from an August 2018 average of 17,933 bpd.

ConocoPhillips’s Great Gosses Tooth, which came online in the National Petroleum Reserve-Alaska in October 2018, averaged 9,936 bpd in August, down 12.3%, 1,399 bpd, from a July average of 11,335 bpd. The field is producing from three wells, but 86% of production in August was coming from a single well.

The ConocoPhillips-operated Kuparuk River field, the second largest on the Slope, averaged 103,016 bpd in August, down 1%, 1,088 bpd, from a July average of 104,024, and down 5.8% from an August 2018 average of 109,407 bpd. In addition to the main Kuparuk pool, the field produces from satellites at Melwater, Tabasco and Tarn, and from West Sak.

The ExxonMobil Production-operated Point Thomson field averaged 3,345 bpd in August, down 20.4%, 855 bpd, from a July average of 4,201 bpd, but up 3.38% from an August 2018 average of 96 bpd.

Two small increases

The Hilcorp-operated Endicott field averaged 7,602 bpd in August, up 2.9%, 215 bpd, from a July average of 7,387 bpd. Crude oil at Endicott averaged 6,691 bpd, up 1.3%, 85 bpd, from a July average of 6,606 but down 1.2% from an August 2018 average of 6,770, while NGL production averaged 911 bpd, up 16.6%, 130 bpd, from a July average of 781 bpd and up 22% from an August 2018 average of 747 bpd.

Badami, operated by Savant Alaska, a Glacier Oil & Gas company, averaged 1,518 bpd in August, up 1.4%, 21 bpd, from a July average of 1,497 bpd, but down 11.1% from an August 2018 average of 1,708 bpd.

Cook Inlet production down by 5%

Cook Inlet production averaged 13,628 bpd in August, down 4.9%, 708 bpd, from a July average of 14,336 bpd, and down 8.7% from an August 2018 average of 14,929 bpd.

Hilcorp’s Beaver Creek field averaged 362 bpd in August, down 52.1%, 303 bpd, from a July average of 755 bpd, but up 42.4% from an August 2018 average of 254 bpd. Hilcorp redrilled a well at the field last October, and by November the field was averaging 904 bpd.

Hilcorp’s Granite Point field averaged 2,703 bpd in August, up 6.4%, 162 bpd, from a July average of 2,541 bpd, but down 1% from an August 2018 average of 2,730 bpd.

BlueCrest’s Hansen field, the Cosmopolitan project, averaged 1,230 bpd in August, down 10.3%, 141 bpd, from a July average of 1,371 bpd, but up 79.3% from an August 2018 average of 686 bpd.

Hilcorp’s McArthur River field, Cook Inlet’s largest, averaged 4,394 bpd in August, down 5.5%, 256 bpd, from a July average of 4,650 bpd, and down 11.8% from an August 2018 average of 4,984 bpd.

Hilcorp’s Middle Ground Shoal field averaged 1,379 bpd in August, down 0.8%, 10 bpd, from a July average of 1,389 bpd, and down 11.1% from an August 2018 average of 1,555 bpd.

Redoubt Shool, operated by Cook Inlet Energy, a Glacier Oil & Gas company, averaged 932 bpd in August, down 9.2%, 95 bpd, from a July average of 1,026 bpd, and down 26.7% from an August 2018 average of 1,271 bpd.

Hilcorp’s Swanson River field averaged 966 bpd in August, up 10.2%, 99 bpd, from a July average of 877 bpd, but down 27.6% from an August 2018 average of 1,335 bpd.

Hilcorp’s Trading Bay field averaged 1,379 bpd in August, up 3.2%, 42 bpd, from a July average of 1,337 bpd, but down 2.7% from an August 2018 average of 1,417 bpd.

West McArthur River, operated by Glacier Oil & Gas company Cook Inlet Energy, averaged 284 bpd in August, down 27.3%, 107 bpd, from a July average of 390 bpd, and down 67.8% from an August 2018 average of 882 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 kristie nilson at knelson@petroleumnews.com

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Blood Tests

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For those 18 and older.

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First small independent to go from discovery to production on North Slope, Brooks Range Petroleum tells state online this quarter

By KAY CASHMAN
Petroleum News

With approvals and permits in place, the first small independent to take an oil field from discovery to production on the North Slope will be delivering oil to the trans-Alaska pipeline sometime this quarter.

In a Sept. 30 filing of its seventh annual plan of development with the Alaska Department of Natural Resources’ Division of Oil and Gas, operator Brooks Range Petroleum Corp. said the holdup from anticipated first quarter startup for the Mustang project in the Southern Miluveach unit was in part tied to the early production facility, or EPF, being delayed, which in turn impacted some drilling.

That said, functional checkout of the EPF has begun, BRPC said in its proposed plan of development, or POD.

First oil from existing wells

BRPC drilled the Mustang discovery well, North Tarn 1A, in January 2012, and confirmed it at the Mustang 1 in February 2012.

Mustang is the first development in the Southern Miluveach unit, which is adjacent to the southwest edge of the Kuparuk River unit and sits in the increasingly crowded “billion-dollar fairway” ARCO Alaska’s description of the land between the Kuparuk River unit and the Colville River unit, both now operated by ARCO’s successor, ConocoPhillips.

BRPC had originally planned to start the field using permanent 15,000 barrel of oil per day production facilities. However, that plan was based on a $120 oil price in 2012.

Following the subsequent oil price crash, the company had to put the project into “warm standby” mode before coming up with the plan to install the modestly priced temporary production facility.

The idea was to start production at relatively low rates and then, as production ramped up to about 6,000 barrels, use the revenue to upgrade the production facilities to a larger scale.

Planned initial production will be from two existing wells — North Tarn 1A and SMU M-02. Mustang 1A will be next but the suspended well “requires drilling lateral extension/possible sidetrack,” which will occur in January, BRPC said.

Up to four new wells will be drilled in 2020 — one scheduled per quarter, the company said.

Full development plans

Longer range proposed development activities remained much the same as originally planned, involving the following:

• Central processing facilities with a capacity to handle 15,000 bpd, 15 million standard cubic feet per day of gas, and 7,500 barrels of water per day.

• Drill site facilities.

• Non-process infrastructure including buildings and equipment.

• Up to 10 production wells and 11 injection wells.

Kuparuk sands

As far as plans for the exploration or delineation of any land in the Southern Miluveach unit not included in a participating area, BRPC said it continues to review all potential targets within the unit, including but not limited to the Kuparuk C and A sands, which the company has said are part of the Kuparuk oil pool that is a continuation of the Cretaceous age Kuparuk sands from the Kuparuk River unit.

The Kuparuk A sand consists of a relatively fine-grained shallow marine sandstone overlain by the coarser grained Kuparuk C sands. The Kuparuk A, with its fine grain size, is generally less permeable than the Kuparuk C. Both sands have porosities of around 22%.

The oil trap is formed by a major geologic structure called the Colville anticline. Oil is sealed in the Kuparuk sands by the overlying Kalubik shale, an extensive thick shale found in the region. Another impervious shale, the Miluveach, underlies the sands.

In a recent filing with the Alaska Oil and Gas Conservation Commission, Lawrence Vendell, BRPC’s exploration and subsurface development manager, said the Kuparuk oil pool within the Southern Miluveach unit lies between minus 5,800 feet true vertical depth subsea and minus 6,400 feet TVDSS.

More development specifics

Some of the details of BRPC’s proposed operations for the first year and beyond were:

• Studies for the tie-in of the seawater cross country pipeline to the Alpine seawater pipeline.

• Completion of the initial gas compression and water injection capabilities of the EPF that might continue into 2020.

• Planning activities focused on bringing the modules built for the Mustang operations center, or MOC, to the North Slope during 2020, transporting and integrating MOC 1 in first quarter 2021.

• Planning for integration and substitution of temporary EPF with the permanent MOC process modules.

• In addition to the four wells drilled in 2020, non-process infrastructure including buildings and equipment.

• Up to 10 production wells and 11 injection wells.

Kuparuk sands

As far as plans for the exploration or delineation of any land in the Southern Miluveach unit not included in a participating area, BRPC said it continues to review all potential targets within the unit, including but not limited to the Kuparuk C and A sands, which the company has said are part of the Kuparuk oil pool that is a continuation of the Cretaceous age Kuparuk sands from the Kuparuk River unit.

The Kuparuk A sand consists of a relatively fine-grained shallow marine sandstone overlain by the coarser grained Kuparuk C sands. The Kuparuk A, with its fine grain size, is generally less permeable than the Kuparuk C. Both sands have porosities of around 22%.

The oil trap is formed by a major geologic structure called the Colville anticline. Oil is sealed in the Kuparuk sands by the overlying Kalubik shale, an extensive thick shale found in the region. Another impervious shale, the Miluveach, underlies the sands.

In a recent filing with the Alaska Oil and Gas Conservation Commission, Lawrence Vendell, BRPC’s exploration and subsurface development manager, said the Kuparuk oil pool within the Southern Miluveach unit lies between minus 5,800 feet true vertical depth subsea and minus 6,400 feet TVDSS.

More development specifics

Some of the details of BRPC’s proposed operations for the first year and beyond were:

• Studies for the tie-in of the seawater cross country pipeline to the Alpine seawater pipeline.

• Completion of the initial gas compression and water injection capabilities of the EPF that might continue into 2020.

• Planning activities focused on bringing the modules built for the Mustang operations center, or MOC, to the North Slope during 2020, transporting and integrating MOC 1 in first quarter 2021.

• Planning for integration and substitution of temporary EPF with the permanent MOC process modules.

• In addition to the four wells drilled in 2020, non-process infrastructure including buildings and equipment.

• Up to 10 production wells and 11 injection wells.

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Land & Leasing

Supplemental notice, tract maps, for sales

The Alaska Department of Natural Resources’ Division of Oil and Gas has released tract maps for its fall competitive oil and gas lease sales and the related block sales, and issued a supplemental notice describing availability of the July 12 Beaufort Sea areawide oil and gas lease sale final finding by the director.

The original sales notice for the fall sales was issued in June. The sales are the Beaufort Sea, North Slope and North Slope Foothills areawide sales, and three block sales: Gwydyr Bay, Harrison Bay and Storms.

The public bid opening will be held Dec. 11 at 9 a.m. in the Dena’ina Center in Anchorage.

Tract maps are available on the division’s website at https://dog.dnr.alaska.gov/Services/BIFAndLeaseSale.

—PETROLEUM NEWS

continued from page 6

PRODUCERS PREVIEW

2020, toward the end of that year and through third quarter 2021 six producer and seven injector wells will be drilled.

The surface location of the Mustang facilities, drill pads, roads, docks, causeways, material sites, base camps, waste disposal sites, water supplies, airstrips, etc. were also provided in the POD.

Water and gas injection

In June, the Alaska Oil and Gas Conservation Commission approved an application from BRPC to inject fluids at Mustang for pressure maintenance and enhanced recovery of hydrocarbons from the Kuparuk River oil pool within the Southern Miluveach unit.

Waterflood is planned first, followed eventually by lean or miscible gas flood.

Water will be produced water from the field and seawater from the ConocoPhillips seawater pipeline, with gas to be sourced from Mustang processing facilities.

The commission said the anticipated peak daily injection rate for individual wells would be 6,000 barrels of water and 6 million standard cubic feet of gas.

Water and water-alternating-gas injection into the Kuparuk River oil pool in the Southern Miluveach unit, AOGCC said, “will provide a substantial EOR benefit over primary recovery alone” and maximize ultimate recovery, as well as prevent waste.

Vendl told the commission that audited Kuparuk reserves are 21.2 million barrels of oil (proven oil in place).

Presentation materials at an AOGCC hearing showed 2P at 32.8 million barrels of 1P (proven oil in place).

Kuparuk reserves are 21.2 million barrels of oil.

One of the most important goals of the project, he said, is to go from actual discovery to production within the upcoming term. Overall, several companies have been involved in the Mustang project, he said.

The workforce at the site has peaked at about 90 people. Overall, 59 Alaska companies have been involved in the Mustang project, he said.

“We will be the first small, independent to go from actual discovery to production on the North Slope of Alaska,” Armfield said in April.

Lease ownership

On the southwest edge of the Kuparuk River unit, Southern Miluveach unit working interest owners are Caracol Petroleum LLC, with approximately a 36% interest; TP North Slope Development LLC, 22.5%; Mustang Operations Center 1 LLC, 20%; Brooks Range Petroleum Corp., 10%; Nabor’s Drilling Technologies USA Inc., 6%; AVCG LLC, 4%; Mustang Road LLC, 1%.

Alaska-based Caracol is owned by a Singapore investment company.

The leases in the unit are ADL 390680, 2,560 acres; ADL 390681, 2,560 acres; ADL 390690, 640 acres; ADL 390691, 2,560 acres; and ADL 390692, 640 acres.

AIDEA support

The Alaska Industrial Development and Export Authority has been providing financing assistance for the Mustang project.

Bart Armfield, president and CEO of BRPC, commented on the value of the agency’s assistance, in particular the construction of the field’s gravel pad and the gravel access road to the pad.

With gravel infrastructure a key to accessing relatively undeveloped areas of the North Slope, several companies have been able to make use of the Mustang gravel infrastructure. For example, he said, Oil Search has been using the Mustang road for access to its work sites in connection with the neighboring Pikka development. And the Nanushuk access road will follow the existing Mustang road for 4.7 miles, although the exact length could vary slightly due to wider curves and other topographical features, Oil Search has said.

Workforce peak 90

Armfield is proud that his company is close to bringing Mustang into production.

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**ENVIRONMENT & SAFETY**

**BC wrestles with carbon levels**

British Columbia’s fondly held goal of being a global role-model for reducing greenhouse gas emissions made little progress in the decade after 2007 when the province became one of the world’s first jurisdictions to impose a carbon tax on gasoline, along with other measures.

Data released by the British Columbia Ministry of Environment and Climate Change showed GHG emissions dropped by only a fraction from 64.76 million metric tons in 2007 to 64.46 million metric tons in 2017.

Environment Minister George Heyman was quick to acknowledge the disappointing results.

“There’s no question we have a lot of work to do and we have no question that it’s challenging, not just for us, obviously, but for Canada and the world,” he said.

Andrew Weaver, leader of the B.C. Green Party which is keeping the NDP government of Premier John Horgan in power, said ordinary British Columbians are doing their part to fight carbon output, but industry emissions are largely rising.

He said the province’s carbon tax has spurred innovations in the green economy and prompted people to conserve energy, but government programs to advance LNG projects and support oil and gas production will only increase GHG emissions.

**Carbon tax**

British Columbia introduced North America’s first broad-based move in 2008 to tax carbon pollution, which currently stands at $34 per metric ton and is scheduled to reach $50 in 2021, matching the federal government’s timetable.

CleanBC, a government agency, has set targets to cut GHG emissions by 40% by 2030, 60% by 2040 and 80% by 2050 and will require new buildings to achieve net-zero energy consumption by 2032 and all new cars to be zero-emissions by 2040.

Carbon tax revenues offer incentives to energy-efficient initiatives. Emissions data is published every second year and tracks GHG emissions from most industries including transportation, mining, waste and oil and gas, plus emissions from domestic vehicles.

The ministry said 2017 emissions dropped in several sectors, including petroleum, oil and gas extraction, road transport and public electricity and heat production.

Heyman said B.C. continues to have a strong economy despite the carbon tax and prompted people to conserve energy, but government programs to advance LNG projects and support oil and gas production will only increase GHG emissions.

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**EXPLORATION & PRODUCTION**

**US rig count continues down, drops by 8**

Baker Hughes reports the number of rigs drilling for oil and natural gas in the U.S. continues to drop, down by eight the week ending Sept. 27 to 860, following a drop of 19 the week ending Sept. 20.

In its weekly rig count, the Houston oilfield services company said the active rig count was down 194 from 1,054 active rigs a year ago.

The company reported that 713 rigs targeted oil (down six from the previous week, down 150 from a year ago) and 146 targeted natural gas (down two from the previous week; down 43 from a year ago). There was one miscellaneous rig active (unchanged from the previous week; down one from a year ago).

The company said 57 of the U.S. holes were directional, 752 were horizontal and 80% were vertical.

No states had increased rig counts from the previous week. The following states had unchanged rig counts: Alaska, California, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, Utah and West Virginia.

Colorado, Louisiana and Wyoming were each down one rig from the previous week.

Texas, the state with the largest number of active rigs, 418, was down five rigs from the previous week.

Baker Hughes shows Alaska with eight rigs active for the week ending Sept. 27, up from six a year ago.

The U.S. rig count peaked at 4,530 in 1981. It bottomed out in May 2016 at 404.

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**Walrus listing**

**Walrus Listing**

change and sea ice shrinkage from 2100 to 2060, arguing that forecasting the climate and sea ice situation beyond 2060 was too speculative for reliable prediction.

Fish & Wildlife found that recent studies and data have indicated that the walrus habitat needs for breeding and birthing would be met through to 2060.

The Center for Biological Diversity sued in District Court, arguing that, in reversing its 2011 ruling, Fish & Wildlife had violated the Endangered Species Act and the Administrative Procedures Act. The environmental organization cited, among other things, evidence of walrus death from trampling in onshore haulouts. The organization also argued that ocean acidification from carbon dioxide is impacting the walrus prey.

**Adequate explanation**

In making her decision to uphold Fish & Wildlife’s position, Judge Gleason adopted the normal court approach to an administrativa appeal by determining whether the agency decision had been “arbitrary and capricious” or not in accordance with law, while also deferring to agency expertise in the subject matter at issue. She said that a change in an agency ruling can be justified if the agency has found compelling evidence that alters a previous perspective. She found that the agency had provided an adequate and reasoned explanation for its new viewpoint. The 2017 assessment relied on recent studies and data that justify a change in the agency’s position, she said.

Gleason also commented that, following legal precedent from another challenge to a sea ice related species listing decision, an agency can change its policy for what it views as the “foreseeable future” for assessing future trends in climate change and sea ice loss, provided that the agency presents an adequately reasoned explanation for the policy change. And, in relation to the potential walrus listing, the agency had “provided good reasons to end the foreseeable future at the year 2060;” Gleason wrote.

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 banks in oil sands companies on envi-
ronmental, social and governance (ESG) grounds.
But he had solid backing from indus-
ty leaders such as Steve Laut, executive
vice chairman of Canadian Natural
Resources, who argued Canada is “doing very well if not better” in lower-
ning greenhouse gas intensity while per-
forming at the “very top” of the social and
governance issues.

Good timing?
Fleetingly it seemed as if Kenney’s timing might have been impeccable.
It coincided with one report from the United States that pointed to a souring
of market sentiment in the ailing U.S. oil sector — notably development of
shale deposits — as investors and global analysts predicted a glutting out of
the plays, bankruptcies rose and drilling stocks swooned.
It has been an astonishing reversal of the surge in shale production that played
a leading role in the crumbling of Canada’s petro-sector.

The emergence of a bear market is viewed by observers as a rebellion by
investors against the strategy of produc-
tion growth at any cost.
Peter Ternouth, director of the ARC Energy Research Institute, told the
Globe and Mail that investors have sud-
denly demanded a dividend and near-
term returns. He criticized the state’s reliance on
the crude oil export market as
unsustainable.

A second lift to Alberta’s confidence occurred with the attacks on Saudi
Arabia’s oil infrastructure that prompted
the Kenney government to consider
relaxing its oil production limits while presenting itself as a reliable, responsi-
bale and low-risk source of oil.
“Alberta is the most secure major source of energy on Earth,” he imme-
donely told those he met with on a trip
that also took in Ohio and Texas.

Attractive prospects
And even if Saudi Arabia’s loss of production accounting for 5% of global
supply is short lived, Kenney offered a
promising future for the province’s
narrow and fattened pipelines to markets such as the U.S. Gulf Coast that
would benefit both pro-
duction and refining sectors.
“By doing that we can keep our price differentials (between West Texas
Intermediate and Western Canada Select, Alberta’s heavy crude bench-
mark) as narrow as possible and get the best price for our crude by allowing vol-
umes to be high through the crude-by-

rail policy. We can maximize both
volume and price.”

Hicups
But, typical of the setbacks Alberta has experienced over the past five years,
the efforts to relax construction on the C$7.4 billion, 590,000 bpd Trans
Mountain expansion has experienced another in a series of hiccups.

The British Columbia Court of
Appeal ordered the B.C. government
to reconsider environmental assessment certificates on the basis that those
approvals had been over-extended by the
Canada Energy Regulator (formerly the National Energy Board).

However, Alberta Energy Minister
and more projects in Alberta

He told a teleconference from New
York he is counting on advances in tech-
nology and new oil-by-rail contracts to
boost Alberta’s exports by 200,000 bar-
rels per day within the next year.
He said opposition within Canada to
ew and expanded pipelines is shrink-
ing, including from indigenous people.
In addition, Kenney forecast that
Enbridge’s Line 3 from Alberta to
Wisconsin should raise output by
370,000 barrels per day by late 2020
which he said generated a “tremendous-
ly positive” response.

Among other selling features in
Alberta is low real estate prices in
Calgary and Edmonton, a large, talented
labour pool left over from layoffs in the
hundreds of thousands since 2014, stream-
lined provincial immigration policies
and a series corporate tax cuts planned
over the next three years.

Jackie Forrest, senior director of the
ARP Energy Research Institute, told the
Calgary herald that any move to relax
production caps to markets such as the
U.S. Gulf Coast would benefit both pro-
duction and refining sectors.

He said that he has long intended to retire when
he turns 65, per an Oct. 2 report from
Carl Surran, Seeking Alpha’s news editor.
Dudley took over as BP’s CEO in
April 2010 when Tony Hayward resigned in the wake of the Deepwater Horizon
disaster in the Gulf of Mexico that
caused the biggest oil spill in U.S. his-
tory and resulted in the deaths of 11 rig
workers.
Per Seeking Alpha, BP’s
London-traded
shares have gained 14% since Dudley
has been at the helm.

A Reuters story on Ron Bousso said
that Dudley’s retirement plans were
discussed at a mid-September board meeting.

“Preparations for his departure were
accelerated after Helge Lund became BP
chairman in January 2019 with a mandate
to oversee succession plans,” and no deci-
sion on a successor has been made, per
the news agency’s unnamed sources.

Likely successors include Looney
Bernard Looney, chief executive of
upstream, and Brian Gilvary, chief finan-
cial officer, are likely candidates to suc-
cceed Dudley, sources previously told
Reuters.
Looney, 48, is responsible for explo-
ration, development and production.

He joined BP in 1991 as a drilling
engineer, working in the North Sea,
Vietnam and the Gulf of Mexico. In 2005
Looney became senior vice president for
BP Alaska before becoming head of the
group chief executive’s office in 2007.
In 2009 he became the managing
director of BP’s North Sea business, also
becoming a member of the Oil & Gas UK
Board.

Looney became executive vice presi-
dent, development, in October 2010, and
in February 2013 became chief operating
officer, production, serving in the role
until April 2014.

Gilvary, 57, is responsible for finance, tax,
treasury, mergers and acquisitions,
investor relations, audit, global business
services, information technology and pro-
curement. He also has accountability for
both integrated supply and trading, and
the shipping division responsible for BP’s
tanker fleet.

He joined BP in 1986. Following a broad
range of roles in upstream, down-
stream and trading in Europe and the
U.S., Gilvary became downstream com-
mercial director from 2002 to 2005.
From 2005 until 2009 he was chief executive of
the integrated supply and trading function.
In 2010 he was appointed deputy group
chief financial officer.
He was a director of TNK-BP from
2003 to 2005 and from 2010 until the sale
of the business and BP’s acquisition of
Rosneft equity in 2013. He served on the
HF Treasurer Financial Management
Review Board from 2010 to 2013.
continued from page 1

OIL SEARCH MOVES

designate on Sept. 30. He will retain his Alaska responsibilities until mid-December to help oversee the company’s entry into front-end engineering and design for the North Slope Pikka development, while also engaging with stakeholders and being involved in budget and planning for 2020 and beyond.

“The transition is a very measured . . . well thought out . . . process. Nothing has been rushed,” he said.

“We have three fantastic projects we have to develop, including Alaska, and the beauty of it is we have the time to do so in an economically sound and environmentally sensitive manner,” Wulf said.

He will move from Anchorage to Sydney in mid-December, assuming his role as managing director and joining the Oil Search board on Feb. 25.

Directed company’s growth

Botten, whose retirement was flagged at the May annual meeting, is one of the longest-serving CEOs in the ASX 200.

He will continue to be employed by Oil Search until Aug 25, focusing primarily on the LNG expansion projects, as well as assist in other matters as required.

Botten said he felt privileged to have led Oil Search for 25 years.

“Over that time, the company has grown from a small exploration player . . . to a regionally significant operator, with world class producing assets in PNG and outstanding development opportunities in both PNG and Alaska,” he said, noting that during his tenure Oil Search expanded from 12 to approximately 1,700 employees.

Alaska team, ConocoPhillips rapport

Wulf, a geologist with a Ph.D., spoke highly of the Alaska leadership team, mentioning individuals by name and offering background on most of them.

For example, when talking about Oil Search Alaska’s vice president of exploration and new ventures and former geoscientist with the state, Wulf said “there is no doubt Joe Chmielowski is very knowledgeable and has a deep understanding of the geology of the North Slope, but Joe is also genuinely a good person . . . a great leader . . . someone who empowers his staff.”

Currently the Oil Search Alaska group numbers 151 — 36 contractors and 115 employees.

The Alaska leadership team, which has several people with extensive North Slope experience, Wulf said, includes Dingeman, Elmer, Senior Vice President External Affairs Joe Balash, Executive Advisor Cindy Bailey, Vice President Commercial and Strategy Patrick Flood, Vice President Exploration and New Ventures Josef (Joe) Chmielowski, Vice President People and Culture Wanda Lewis, Vice President Finance and Projects Jonathan Dance, Senior Vice President Projects Bill Wrrtt, Vice President Supply Chain and Ops Support Lea Souliotis, Senior Vice President Drilling and Completions Steve Robinson, Senior Vice President HSES James Robinson, Senior Vice President Subsidiary Mark Ireland and IT and Data Management Manager Stephanie Kreibich.

When asked whether his experience as a Phillips Petroleum employee in the early years of his career had anything to do with his success in building a good relationship with North Slope neighbor ConocoPhillips, Wulf said no.

“Our playmates elsewhere are the majors, so I think it’s more a matter of we were taken seriously” by the bigger company, he said, making the relationship easier to establish.

Contact: Kay Cashman
at pkashman@petroleumnews.com

continued from page 1

CHARLIE 1 WELL

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AEASaid the primary objectives of thedrilling includetesting and
evaluating the Seabce formation for oil.

post 386. Facilities for the operation will include a satellite office camp, storage and laydown areas, a communication tower and maintenance shops.

88 Energy is an subsidiary of Australia independent 88 Energy Ltd., a West Perth-based ASX and AIM listed firm. The company’s Alaska arm has three fully owned subsidiaries doing business in the state — Accumulate, Captivate Energy Alaska and Regenerate Energy Alaska.

Captivate drilled the Wink 1 exploratio

Wink 1 exploration well in the 2018-19 winter drilling season in a western block of leases on which Great Bear Petroleum was operator of record. The primary target was the Namushuk, with Torok a secondary objective.

88 Energy reported low oil saturations in the Namushuk “not conducive to success fully flowing the formation.” That well was plugged and abandoned.

— KRISTEN NELSON
The deadline to file an objection with the court to the proposed assumption and assignment of an assumed contract including any objection relating to the cure claim, is 4 p.m. on Oct. 23.

The deadline to file a qualified bid is 12 p.m. on Nov. 6. A bid is considered timely if received by the court before the deadline with respect to the assets or any lot of assets, or if in the judgment of the debtors an alternative transaction is in the best interest of the estate, the debtors may, in consultation with the court, elect to conduct an auction with respect to such assets and seek approval of the transactions contemplated in the bid at the Sale Hearing.

Prior to the conclusion of the auction, the debtors shall review and evaluate each bid on the basis of financial and contractual terms and other relevant factors, determine and identify the highest or otherwise best offer or collection of offers, and determine and identify the next highest or otherwise best offer or collection of offers.

Prior to auction adjournment, the debtors shall notify all qualified bidders participating in the auction of the identity of the successful bidder or bidders, the amount and other material terms of the successful bid or bids, the identity of the any party that submitted alternate bids, and the amount and other material terms of any alternate bid. No additional bids may be considered after the auction is closed.

At the Sale Hearing Nov. 20, the debtors will seek the court’s approval of successful bid(s), and alternate bid(s).

The debtors’ presentation to the court of any successful bid or alternate bid will not constitute the debtors’ acceptance of the bids, which acceptance will only occur upon approval of any such bids by the court.

The court’s entry of the Sale Order (if any) approving any bids, the debtors and the successful bidder(s) shall proceed to consummate the transaction(s) contemplated by the successful bid(s), within the milestones set in the DIP credit agreement, failing which the debtors shall file a notice with the court advising of such failure.

Upon the filing of notice with the court, the alternate bid(s) will be deemed to be the successful bid(s) and the debtors will be authorized but not directed to effectuate the transaction(s) with the alternate bidder(s) subject to the terms of the alternate bid(s) without further order of the court. The sale of the assets will be on an “as is, where is” basis and without representations or warranties of any kind, nature or description by the debtors, their agents or their estates, except as provided in any agreement with respect to the transaction(s) approved by the court.

The debtors will seek an order approving the sale of all of the debtors’ right, title and interest in and to the assets, free and clear of any pledges, liens, security interests, encumbrances, claims, charges, options and interests to the maximum extent permitted by section 361 of the Bankruptcy Code, with such interests to attach to the net proceeds of the sale of the assets with the same validity and priority.

Contact Steve Sutherlin at ssutherlin@petroleumnews.com
PIKKA EVOLVES

components, such as the Nanushuk processing facility, or NPF.

Data released during a Sept. 23-25 Oil Search investor tour of its Anchorage office and the North Slope reveal that the company’s Alaska team through a value engineering process is looking to increase early production to 50,000 bpd, as well as increase the nameplate size of the Pikka proj-
et to 135,000 bpd. (The process of value engineering involves brainstorming ways to reduce initial or lifecycle costs while still maximizing function and maintaining safety and environmental standards. So far, the team has evaluated 86 different ideas.)

Primary changes

In the Sept. 26 modifications to the Pikka plan of develop-
ment filed with the Alaska Department of Natural Resources’ Division of Oil and Gas, Oil Search says early production will come from the ND-B pad. “Multi-phase fluids from ND-B will be transported for processing at Kuparuk CPF2 via the 24-inch multiphase pipeline to the NPF, and the 18-inch Nanushuk export pipeline from the NPF to Kuparuk CPF2.”

The changes requested in the filing are “based on local community input” and “enhance engineering operational efficiency,” Oil Search says.

Other project alterations proposed by the company involve the following:

1. Modify the ND-B pad layout.
2. Relocate the tie-in pad and modify its layout.
3. Modify the water source access road and pump house pad.
4. Update road and pad footprint and fill volumes by about 0.2 acre and a net increase in total fill volume of approximately 5,000 cubic yards.
5. Relocate the boat ramp and associated boat ramp access road.
6. Implement early production.

Regarding the ND-B pad modifications, Oil Search wants to change its size and layout to accommodate the newly designed grind and inject facility, which will reduce the gravel footprint on the west and south sides of the pad and increase it on the east side.

The modified pad will be 20.8 acres, an increase of 1.3 acres from the previously proposed 19.5-acre pad.

Oil Search originally planned to construct underground injection control, or UIC, wells at each drill site within the well row. These wells were only capable of handling waste generated from the respective well pad. In October 2018, Oil Search reduced the overall number and location of UIC wells and relocated them to ND-B. In order to maintain dis-
posal well sustainability with the reduced number of UIC wells, the company designed the grind and inject facility at ND-B to handle all drilling and operational wastes, includ-
ing having to do with processing and fracturing equipment, pipelines, and drill rigs “as recommended by detailed facility siting reviews and advanced engineering,” all of which will reduce overall drill site congestion and enhance safety, Oil Search says.

Tie-in pad, boat ramp changes

The tie-in pad relocation from near the Kuparuk River unit 2C pad to northeast of the Kuparuk central processing facility 2, or CPF2, is based on a request from ConocoPhillips, Oil Search says.

The new location will reduce the project pipeline length by 1 mile, including re-routing the pipeline “north of Lake K213/M8103 and eliminating two pipeline road crossings.”

The tie-in pad size will increase from 0.8 to 0.9 acre to accommodate access to existing powerlines, a telecom tower, and space for additional equipment during project development and production.

Oil Search’s proposal to move the boat ramp and its access road from the permitted location on the Kachemach River, west of ND-B, to north of ND-B on the Colville River was requested by the Nuiqsut community, who will be using both to launch and retrieve boats. The new location will give subsistence users direct access to the east channel of the Colville.

Oil Search also proposes to change the permitted pump house pad location and realign the water source access road.

The modification will result in an overall increase in foot-
print from 2.2 acres (1.1-acre pad and 1.1-acre road) to 2.5 acres (1.1-acre pad and 1.4-acre road), an increase of approximately 0.3 acre, the company says.

The new pad location, approximately 500 feet west of the

original site, will “improve access to a deeper portion of Lake MC7903 and provide more consistent access to unfrozen water during the winter,” Oil Search says.

The location and configuration of the water source access road intersection with the access road will also change; the first increasing from 24 to 32 feet surface width, which will allow the company “to maintain consistency with all roads and pipeline/road crossings on the project.”

Oil Search says it will also “allow for construction and maintenance equipment to gain access to the north side of the pipeline; and allow straight-line removal and replace-
ment of pumps year-round.”

Finally, the pipelines near the pump house pad will be realigned to cross the water source access road south of the pump house pad, which will change the pipeline length but won’t alter the overall estimate of total vertical support members, the company says.

The proposed project modifications, Oil Search says, necessitate changes to its response to DNR’s mitigation measures.

Regarding mitigation measure A.1.e., the updated boat ramp location and associated access road is within one-half mile of the banks of the Colville River. This location was selected based on additional community input and proximity to the river is required for the boat ramp to function as intended, the company says.

In regard to mitigation measure A.1.h.i, the “proposed pipeline between DS2M and the tie-in pad near Kuparuk CPF2 will parallel existing pipelines and/or gravel roads associated with the Kuparuk River unit with the exception of approximately 1.75 miles where the pipeline will be re-erect-
ed north of Lake K213/M8103,” Oil Search says, reminding the agency that the realignment is being made at the request of ConocoPhillips to avoid interference with existing Kuparuk unit operations.

Next Horseshoe?

The investor tour slides also identified the exploration prospects Oil Search will be drilling this winter, Mitquq and Stirrup, to test Nanushuk analogues (see story with map in the Sept. 29 edition of Petroleum News).

The Stirrup prospect is adjacent to the Horseshoe Block and “could de-risk additional fairways to underpin a possible standalone” Horseshoe development, the company says, noting Stirrup is a direct analogue to the Horseshoe 1 Nanushuk discovery drilled by Armstrong in 2015.