



## Jade seeks Sourdough reset; files reconsideration request

On March 1, Jade Energy sent John Boyle, commissioner of the Alaska Department of Natural Resources, by certified mail a “Request for Reconsideration of Commissioner Decision Relayed in Point Thomson Area F 2024 6th POD — Held in Abeyance.” (That decision was made on Feb. 24.)

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**SERIES**



ERIK OPSTAD

The request for reconsideration is a step in a process that must be followed before Jade can sue DNR in Alaska Superior Court. Erik Opstad, Jade managing member, has not publicly said whether court is his next step.

Another option for the independent is to walk away and take an estimated \$20 million loss without recompense.

see **SOURDOUGH RESET** page 11

## City of Unalaska exits Makushin geothermal, ends power agreement

During its monthly meeting on Feb. 27 the Unalaska City Council allowed the expiry of a power purchase agreement with Ounalashka Chena Power LLC, or OCCP, for the purchase of electricity from a planned geothermal power plant on the flank of the Makushin volcano on Unalaska Island in the Aleutians. The decision leaves OCCP, developer of the project, without a customer for electricity from the geothermal system. And, with the company already experiencing difficulty in securing sufficient investment and grant funding to complete the project, the Unalaska city decision has presumably brought the project to a halt.

### PPA modification

In early November OCCP requested a modification to the PPA that would increase the price of the electricity from the planned power plant from 16 cents per kilowatt hour to 22 cents per kilowatt hour. During a Nov. 28 Unalaska council meeting David Matthews, OCCP program manager for the Makushin project, commented that the electricity rate in the PPA was associated with the price of diesel fuel and that the

see **POWER AGREEMENT** page 10

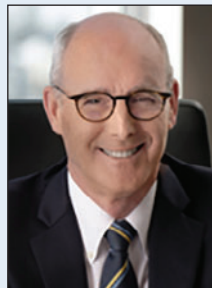
## Alberta revenues from TMX look good; no in-service date yet set

The number crunching for Canada’s Trans Mountain pipeline expansion, TMX, is now in full swing with the new pipeline connection of 890,000 barrels per day from the Alberta oil sands to Vancouver’s tanker terminal expected to generate C\$40 billion in royalties and taxes over two decades, more than covering the C\$31 billion price tag of the expansion project.

So far, so good for Alberta.

Although the TMX owner — the Canadian government — has yet to set an in-service date for TMX, the company has served notice to producers to start moving crude into Trans Mountain.

“TMX has issued a call for line-fill ... as a matter of fact they are looking for 2.1 million barrels per day in April and another 2.1 million bpd in May,” said Derek Evans, chief



DEREK EVANS

see **TMX NUMBERS** page 8

### EXPLORATION & PRODUCTION

## Excited but cautious

APA views exploration drilling on E. North Slope as risky but high reward

By KAY CASHMAN

Petroleum News

When asked to provide more color on the risk profile for the exploration drilling program APA Corp. is participating in this winter on Alaska’s eastern North Slope, the company’s CEO and President John J. Christmann said, “these are 3D and amplitude supported but this is a step-out in an area where there is risk associated with it so I’m not going to give you a number on a ratio. ... We’re going to drill three wells and they are risky but they’re high reward.”

APA is the holding company for Apache Corp. Its partners in the venture are operator Bill Armstrong’s Lagniappe Alaska and Santos’ Oil

“What interested us in the block was that we do see materiality with these prospects that warranted exploration.”

—Tracy Henderson

Search (Alaska), both of which hold a 25% working interest ownership in the 148-lease block on 275,000 acres being explored. APA holds a 50% working interest.

Christmann was participating in a Feb. 22 conference call covering fourth quarter and full year 2023 financial and operational results.

He asked Tracy Henderson, the company’s

see **APA DRILLING** page 10

### ALTERNATIVE ENERGY

## What about using coal?

Study recommends coal-biomass plant with CCS for low-cost Southcentral power

By KRISTEN NELSON

Petroleum News

A new coal- and biomass-fired power plant, coupled with carbon capture and storage, CCS, may provide the cheapest, lowest carbon and longest lasting answer to the problem of providing future electrical power to Southcentral Alaska as Cook Inlet’s natural gas supply is depleted.

This was the conclusion of studies that Frank Paskvan, with the University of Alaska Fairbanks’ Institute of Northern Engineering, reviewed for the House Special Committee on Energy March 5.

One, by the Alaska CCUS Workshop, published as SPE Paper 213051 last year (“Alaska CCUS Workgroup and a Roadmap to Commercial

The study also found that biomass-coal energy supply with CCS is lower cost than natural gas generated energy, with or without CCS, “and biomass-coal energy supply with CCS provides lower CO2 emissions than the current natural gas energy supply without CCS.”

Deployment”) focuses on carbon capture, utilization and storage, and a second, released Feb. 28, a joint project of UAF-INE and the Energy & Environmental Research Center at the University of North Dakota, focuses on the potential of low-carbon

see **WHAT ABOUT COAL?** page 12

### FINANCE & ECONOMY

## ANS tests mid-\$80s

A March 1 breakout fades, but ANS recovers for a mere 5-cent weekly loss

By STEVE SUTHERLIN

Petroleum News

ANS held its own in the \$80s on the trading week ending Wednesday March 6, slipping just 5 cents over the week as it gained 84 cents on the day to close at \$82.34 per barrel. West Texas Intermediate gained 98 cents to close at \$79.13 and Brent gained 92 cents to close at \$82.96.

The Alaska benchmark tested the mid \$80s March 1, jumping \$1.14 to close at \$83.05. WTI leapt \$1.71 to close at \$79.97 and Brent slipped 7 cents to close at \$83.55.

But all three benchmarks gave up ground on March 4 and March 5.

On March 4 ANS fell 75 cents to close at

On March 3, the Saudi Arabia Press Agency reported that Saudi Arabia will extend its voluntary crude production cut of 1 million barrels per day through end of second quarter 2024.

\$82.30. WTI plunged \$1.23 to close at \$78.74 and Brent dropped 75 cents to close at \$83.55.

ANS dropped 80 cents March 5 to close at \$81.51, while WTI shed 59 cents to close at \$78.15 and Brent fell 76 cents to close at \$82.04.

Red ink was the order of the day Feb. 29, as

see **OIL PRICES** page 9