Petroleum news

page 4 USGS releases assessment of North Chukchi Basin; little O&G potential

Vol. 29, No. 23 • www.PetroleumNews.com A weekly oil & gas newspaper based in Anchorage, Alaska Week of June 9, 2024 • $2.50

## 2024 Explorers inside

Inside this week's issue is the annual Explorers magazine, a look at oil and gas companies investing in Alaska's future.

## Expanding resource, 88's Tiri-1, RDC event, Bird latest Pathfinder

**ROBERT BRADLEY** from the Institute for Energy Research, or IER, wrote a great piece May 31, titled Fossil Fuels: An Expanding Resource.

Here's the beginning: "Depletable resources deplete — which would seem to mean less and less for the future with ongoing production. But the actual statistics of oil, natural gas, and coal show the opposite. The

see **INSIDER** page 8

## Hilcorp buys Spartan 151, keeping jack-up in Cook Inlet, available

Hilcorp Alaska has acquired the Spartan 151 jack-up rig.

The company said in a June 3 email that the sale closed May 31, and it now owns the rig through a wholly owned subsidiary.

"We are proud to make this investment and ensure the only jack-up rig in Alaska remains drilling in the Cook Inlet," said Luke Saugier, Hilcorp Alaska senior vice president. "This nearly $40 million investment demonstrates Hilcorp Alaska's

see **HILCORP JACK-UP** page 8

## AGDC-Pantheon reach natural gas sales precedent agreement

Alaska Gasline Development Corp. and Pantheon Resources plc said June 4 that they have reached a gas sales precedent agreement. This follows a March 28 statement from Pantheon on its discussions with AGDC to provide natural gas to an AGDC gas pipeline with initial delivery in 2029 and full delivery by 2032.

AGDC is the state-owned entity leading development of the Alaska LNG Project, while Pantheon Resources owns

see **GAS SALES** page 6

FINANCE & ECONOMY

# ANS hovers higher

*ANS stays above $80 as crude stumbles on OPEC+ production reinstatement*

**By STEVE SUTHERLIN**
*Petroleum News*

Alaska North Slope crude added 86 cents to close at $80.92 per barrel June 5 — the single up day in a five-day trading week which saw ANS plummet $5.44 from its close of $86.36 the previous Wednesday, May 29.

West Texas Intermediate rose 82 cents June 5 to close at $74.07, and Brent rose 89 cents to close at $78.41. ANS traded at a $6.25 differential over WTI, and at $2.51 over Brent.

ANS didn't descend into the $70s over the week, but it came close, closing at $80.07 June 4 after shedding $1.14, while WTI fell 97 cents to close at $73.25 and Brent fell 84 cents to close at $77.52.

*It may be unwise to attempt to rationalize the market reaction to the June 2 OPEC+ meetings, according to analysts led by Commodities Research Head Paul Horsnell at Standard Chartered Bank.*

The most dramatic downdraft of the week came June 3 when ANS plummeted $3.00 to close at $81.21, WTI plunged $2.77 to close at $74.22 and Brent plummeted $3.26 to close at $78.36.

see **OIL PRICES** page 5

EXPLORATION & PRODUCTION

# Hilcorp growing Milne

*Division OKs part of expansion requested; AOGCC OKs new pool definitions*

**By KRISTEN NELSON**
*Petroleum News*

DEREK NOTTINGHAM

Hilcorp Alaska has been growing production from the Milne Point unit on the North Slope since it acquired a half interest in the unit and took over as operator in 2014, increasing production from just over 7 million barrels of oil in calendar year 2014 to 14.8 million barrels in calendar year 2023, according to Alaska Oil and Gas Conservation Commission data. As part of its acquisition of BP Exploration (Alaska)'s Alaska assets, finalized in mid-2020, Hilcorp acquired the remaining 50% interest in the unit.

Last year the company applied to the Alaska Department of Natural Resources' Division of Oil and Gas to expand the unit to the north and southeast, and to AOGCC to revise oil pool definitions to include the requested expansion areas.

This was the first Hilcorp-requested physical expansion of Milne, which was last expanded in 2003 under BP, which took over Milne Point from Conoco, the original developer, in 1989. Milne production peaked in 1998 at 20.4 million barrels for the calendar year.

AOGCC approved the new pool definitions

see **GROWING MILNE** page 7

INTERNATIONAL

# Big play hunt off Aruba

*Armstrong's international firm signs deal with CAP to explore offshore Aruba*

**By KAY CASHMAN**
*Petroleum News*

On May 31, Compania Arubano di Petroleo (CAP), Aruba's national oil company, announced the signing of a Product Sharing Contract with Andicuri Oil & Gas Exploration VBA (AOGX), a subsidiary of Armstrong International LLC, for the exploration, development and production of hydrocarbons offshore Aruba.

The signing ceremony took place in the presence of Evelyn Wever-Croes, Prime Minister of Aruba. The contract area covers a surface of 14,356 square kilometers, equivalent to approx. 3.5 million acres.

*Armstrong said their "preliminary geological and geophysical work indicates that there are multiple large play opportunities in Aruban waters with look-alike fields in the nearby countries of Venezuela, Trinidad-Tobago, Colombia and Guyana."*

The Armstrong companies, among which are Armstrong Oil & Gas Inc. and Lagniappe Alaska LLC, have an outstanding exploration track record over the last 40 years, finding multiple giant fields

see **ARMSTRONG DEAL** page 6