



Alaska offshore added to proposed 11th OCS oil & gas leasing program

Secretary of the Interior Doug Burgum has directed the Bureau of Ocean Energy Management to begin the process of developing a new schedule for oil and gas leasing in the federal outer continental shelf, including offshore Alaska.

“Launching the process to develop the 11th National Outer Continental Shelf Program marks a decisive step toward securing American Energy Dominance,” Burgum said April 18.

BOEM will publish a request for information and comments in the Federal Register. Publication of that notice will begin a 45-day public comment period. The date of the Federal Register publication was not provided by Interior in its release, and as of the publication of this issue of Petroleum News the RFI had not appeared in the Federal Register.

Interior said “BOEM’s jurisdiction on the OCS has recently

see **OCS LEASING** page 11

Hilcorp gets OK for more Tyonek conductors, up to 20 more wells

Hilcorp Alaska is planning to install as many as 10 dual-well, 30-inch steel conductors and ice breakers at the Tyonek Platform in the North Cook Inlet unit over the next 5 years, enabling it to drill as many as 20 additional wells from the platform.

North Cook Inlet is one of the company’s most productive gas fields, averaging 42.42 million cubic feet per day in February, the most recent month for which Alaska Oil and Gas Conservation Commission production data is posted, 22% of inlet gas production in that month. AOGCC data show production from 20 wells, including nine sidetracks. In February only the Beluga River field, operated by Hilcorp on behalf of itself and majority working interest owner Chugach Electric Association, was more productive, accounting for 22.7% of inlet production and averaging 43.7 million cubic feet mcf per day.

Hilcorp acquired North Cook Inlet from ConocoPhillips Alaska effective Oct. 31, 2016.

In that month, the field’s production averaged 12.52 million cubic feet per day with eight wells in production, including one

see **TYONEK CONDUCTORS** page 11

DNR releases Augustine Island geothermal lease sale 2025 results

The Alaska Department of Natural Resources’ Division of Oil and Gas released preliminary results for the 2025 Augustine Island competitive geothermal lease sale on April 22.

The following bids are subject to further lease adjudication, as actual acres and bonus bids will change after title and survey review is complete:

Total Valid Bids: 6
Highest Bonus Bid: \$4,620.56
Total Tracts Sold: 6
Estimated Total Acres Sold: 11,991
Estimated High Bonus Bid Sum: \$17,741.28
Highest Bid per Acre: \$2.23
Average High Bid per Acre: \$1.48

In an April 22 press release GeoAlaska LLC said it was pleased to announce it was the apparent high bidder on all six tracts in the 2025 state of Alaska Augustine Island competitive geothermal lease sale. GeoAlaska bid on 100% ownership in the following six tracts: AI0010, AI0011, AI0012, AI0019, AI0023,

see **AUGUSTINE LEASES** page 10

EXPLORATION & PRODUCTION

Drilling for more gas

John Hendrix aims to have two new wells on production by July 15

By **KAY CASHMAN**

Petroleum News

In an April 21 interview with John Hendrix, he confirmed that Furie Operating has been drilling a new natural gas well in the Kitchen Lights unit from the Julius R Platform with Hilcorp Jack-Up Rig Co.’s Spartan 151 which Furie took delivery of on April 10.

Long-time Alaskan Hendrix is the owner of HEX Cook Inlet, the owner of Furie. HEX CI is the only 100% Alaskan-owned oil and gas company currently operating in the state.

“We’ve been drilling a surface hole at A-6 today, running in the casing 13 and 18 inches, going to run it down to 2,906 feet and cement it



JOHN HENDRIX

and then pull out and move over to A-5 in a couple of days and drill that surface and continue to total depth of about 9,300 feet and then move back to A-6 and drill it down to total depth,” Hendrix said.

“We committed last year that if we received royalty relief we would drill,” he said. The company’s royalty relief application was approved by the Alaska Department of Natural Resources in early February, Hendrix said, and Furie has

committed to a drilling program which will cost some \$40 million in 2025.

“We are an Alaskan owned company, and we are executing on our commitments. Drilling will

see **FURIE DRILLING** page 6

FINANCE & ECONOMY

OPEC+ discord hits ANS

Cartel considering adding additional supply boost beginning in June

By **STEVE SUTHERLIN**

Petroleum News

Alaska North Slope crude plunged \$1.66 April 23 to close at \$68.51 per barrel, while West Texas intermediate plummeted \$2.04 to close at \$62.27 and Brent plunged \$1.32 to close at \$66.12.

Crude prices were hit after news broke that the Organization of the Petroleum Exporting Countries and its allied exporting nations might accelerate oil output boosts in June for a second consecutive month, based on comments to Reuters made by three sources familiar with OPEC+ talks.

OPEC+ will meet on May 5 to discuss output changes in June.

Reportedly, tensions were on the rise in the group as a dispute over compliance with production quotas

worsened.

Erlan Akkenzhenov, Kazakhstan’s energy minister, told Reuters April 23 that his country would try to adjust its output in line with the OPEC+ plans but that it had to act in its own “national interests,” adding that the country had limited control over international oil companies that dominate its oil production.

“We will try to adjust our actions,” Akkenzhenov said. “If our partners ...are not satisfied with the adjustment of our actions, then again we will act in accordance with national interests with all the ensuing consequences.”

“The Kazakhstan story quickly morphed into other OPEC+ states wanting to increase production further,” Mizuho’s Robert Yawger said in a note, as

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EXPLORERS PREVIEW

Jade gains at Sourdough

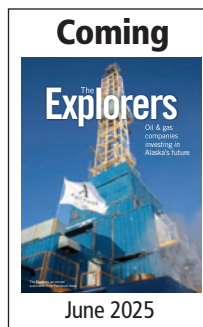
Opstad makes progress at far eastern North Slope project with 2 BP 1990s wells

By **KAY CASHMAN**

Petroleum News

Going back in history, Area F was created more than a decade ago as part of the Point Thomson unit settlement talks between the state of Alaska and the Point Thomson unit working interest owners. They brought together 7,647 acres of non-contiguous leases in the northeast and southeast corners of the Point Thomson unit. Jade Energy’s Sourdough project targets the southeastern leases, known as Tract 32, in which Jade has a 100% working interest.

Jade’s acreage holds BP’s two mid-1990s oil discovery wells, Sourdough 2 and 3. BP drilled the



12,562-foot Sourdough No. 2 well in March 1994 and the 12,475-foot Sourdough 3 well in March 1996.

In 1997 BP estimated the prospect held 100 million barrels of recoverable oil.

But BP never pursued development because at the time there was no pipeline near the Sourdough prospect, which borders the 1002 Area of the Arctic National Wildlife Refuge.

One hundred million barrels of oil did not justify the cost of a pipeline and related facilities.

The Point Thomson project had yet to be developed.

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