



page 2 Mustang initially developed by small independent, an ANS first

Kuparuk 2024 POD lists new pad, 17 wells in 3 participating areas

ConocoPhillips Alaska, operator of the Kuparuk River unit, filed the 2024 plan of development for the unit with the Alaska Department of Natural Resources' Division of Oil and Gas on May 15. The 2024 POD covers Aug. 1 through July 31, 2025. ConocoPhillips is the majority working interest owner at Kuparuk, with some 90%, while Exxon Mobil Production Alaska and Chevron USA combined hold the remaining working interest.

The 2024 POD proposes 17 new wells and a new drill site along with other facilities/infrastructure work.

Eight of the wells are in the proposed Torok participating area, a Moraine reservoir, six in the proposed Coyote PA, a Nanushuk reservoir, and three in the West Sak PA.

ConocoPhillips said the Coyote and Torok PAs are awaiting a DNR decision.

Field statistics

ConocoPhillips provided statistics for the unit as of the end of 2023.

There were 774 active wells in the Kuparuk PA (403 producers and 371 injectors); 115 active wells in the West Sak PA

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Hilcorp plans as many as 20 stratigraphic test wells on Kenai

Hilcorp Alaska plans as many as 20 stratigraphic test wells on the Kenai Peninsula this summer and has applied to the Alaska Department of Natural Resources' Division of Oil and Gas to permit the eight wells which are on state of Alaska subsurface, the company said in its May 15 application. A total of 20 wells are planned with the remaining 12 on private surface and subsurface lands. The company said authorization for those test wells will be obtained separately.

The program is scheduled from June to August, with a proposed start date of June 15, subject to receipt of authorizations, project constraints, scheduling, weather, and other factors, the company said.

The eight test wells in the state application are on the southern end of the Kenai Peninsula between Ninilchik and Anchor Point.

While all eight are on state subsurface, the division said four of the test wells are on private surface lands, one on

see **HILCORP TEST WELLS** page 8

KRU mobile grind & inject unit proposed; would move with rig

ConocoPhillips Alaska, the Kuparuk River unit operator, has applied to the Alaska Department of Environmental Conservation to modify an existing solid waste disposal permit to include a mobile grind and inject unit that would follow a drill rig and operate throughout Kuparuk.

The company's existing permit is for a permanent grind and inject unit, a hammer mill, in an enclosed module on the Drill Site 1B pad at Kuparuk. The existing facility recirculates drill cuttings through processing pits and equipment before the waste is pumped through a pipeline into a Class II underground injection control disposal well permitted by the Alaska Oil and Gas Conservation Commission, ConocoPhillips said in its April 22 application to amend its existing permit.

The amendment application is for a mobile ball mill which would grind drilling waste at the drilling rig prior to the drilling waste being transported on vac trucks to DS-1B for injection into a Class II disposal well. ConocoPhillips said the

see **MOBILE G&I UNIT** page 6

EXPLORATION & PRODUCTION

Mustang striding

Has drilling rig, re-start targeted for third quarter, beginning of fourth

By **KAY CASHMAN**

Petroleum News

Mustang Holding is moving forward at a steady clip with owner Finnex's plan to conduct a multi-year onshore oil and gas project year-round in the Mustang field in the Southern Miluveach unit of Alaska's North Slope. (The unit lies between the Kuparuk River and Colville River units.)

The Mustang field re-start could be as early as third quarter or the beginning of fourth quarter, unit operator Mustang Holding's Chief Operating Officer Harry Bockmeulen told Petroleum News in a recent interview.

He also confirmed a Petroleum News rig report that said Mustang Holding has secured a rig contract for Doyon Rig 141.

"We hope to be spudding before too long," Bockmeulen said.

The company plans to re-enter and complete two Mustang Pad wells that were previously drilled but not completed, Bockmeulen said.

In a May 15 unit plan of operations amendment application, Mustang Holding said it will complete Mustang-03 and M-01B wells and re-enter existing discovery well North Tarn-1A and the M-02 well. Both endeavors were to begin July 1 and be done by Sept. 11.

see **MUSTANG FIELD** page 5

GOVERNMENT

Mixed energy bill fates

Carbon capture, transmission system bills pass; royalty reduction fails to move

By **KRISTEN NELSON**

Petroleum News

As the 33rd Alaska Legislature ended its second session May 15, two major energy bills — both from the governor — passed, while other bills aimed at the Cook Inlet natural gas shortage, including a bill to reduce Cook Inlet royalties to encourage more natural gas production and a bill aimed at bringing another jack-up rig to the inlet, failed.

House Bill 50, introduced in the 2023 session as a companion to HB 49, establishes the framework for carbon storage in the state. Bills rolled into HB 50 included one allowing the Regulatory



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Commission of Alaska to regulate natural gas storage in Cook Inlet, another allowing the Alaska Industrial Development and Export Authority to pursue reserve-based lending for gas producers in Cook Inlet and a third modernizing the state's geothermal leasing program.

HB 307 is the Railbelt transmission bill, aimed at eliminating wheeling, where a fee is charged for energy transmission

each time energy crosses lines owned by a different utility. The bill includes provisions creating a board for the Alaska Energy Authority separate from the AIDEA board, increasing qualifications for

see **ENERGY BILLS** page 7

FINANCE & ECONOMY

ANS grips mid-\$80s

Bearish demand factors stack up, but ANS maintains most of recent gains

By **STEVE SUTHERLIN**

Petroleum News

Despite plunging \$2.40 in three consecutive trading days, Alaska North Slope crude persevered in the mid-\$80s May 22, closing at \$84.35 per barrel after falling \$1.04 on the day. WTI plunged \$1.60 on the day to close at \$77.57 and Brent fell 98 cents to close at \$81.90.

All three benchmarks ended the day down more than 1% as U.S. crude inventories staged a bearish surprise gain.

Meanwhile, the U.S. Federal Reserve indicated higher interest rates may continue into the near future, raising the specter of fading U.S. demand. Even in China and other Asian markets, demand for

crude appears to be waning.

Given the bearish sentiment, the Organization of the Petroleum Exporting Countries and its allied exporting nations (OPEC+) is expected to agree to keep its current production cuts in place when it meets in June to review its cooperative supply management program.

For the week ending May 17, U.S. commercial crude oil inventories — excluding Strategic Petroleum Reserve barrels — jumped 1.8 million barrels from the previous week to 458.8 million barrels, 3% shy of the five-year average for the time of year, the Energy Information Administration said in its May 22 weekly summary.

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