



Hilcorp plans Cook Inlet seismic, exploration over next five years

Potential Hilcorp Alaska Cook Inlet exploration and development plans for the next five years are listed in an application the company filed with the National Marine Fisheries Service for an incidental take authorization.

Work covered under the application ranges from seismic and exploration drilling to maintenance activities on the company's existing infrastructure.

The earliest activities described are in federal outer continental shelf waters in lower Cook Inlet: a 3-D seismic survey planned for April through June of 2019, followed by an OCS geohazard survey in the fall of 2019 or the spring of 2020. That work would be preparatory to OCS exploratory wells to be drilled April through October of 2020-22.

see **HILCORP PLANS** page 6

Conoco's Hirshberg retiring; Fox to be EVP, COO, Walette, EVP, CFO

ConocoPhillips said Oct. 31 that Al Hirshberg is retiring as executive vice president, production, drilling and projects, after more than 35 years in the industry, including eight years with ConocoPhillips.

In conjunction with this retirement, the company is realigning executive leadership responsibilities.

Matt Fox, currently executive vice president, strategy, exploration and technology, will be named executive vice president and chief operating officer, with responsibility for worldwide exploration and production operations, corporate planning and technology. Fox has more than 30 years of industry experience in a broad range of technical and leadership roles, including leading ConocoPhillips' exploration and

see **CONOCO LEADERSHIP** page 10

IEA report catalogues risks faced by countries dependent on crude

A new report, published by the International Energy Agency and titled "Outlook for Producer Economies 2018," examines the challenges faced by countries with economies dependent on oil production and makes recommendations for how those countries may respond to those challenges. The report comments on how the rollercoaster ride of oil prices in recent years has exposed the structural weaknesses in the economies of many of the major oil producers. And the report recommends that these countries reform their economies, maintaining their hydrocarbon industries while also finding ways of extracting value from hydrocarbon products and diversifying into areas such as natural gas production, renew-

see **IEA REPORT** page 10

Rail to the rescue; Alberta premier urges more tanker car purchases

Alberta Premier Rachel Notley is calling for an "extraordinary intervention" by the Canadian government to purchase new locomotives and at least 200 tanker cars to get stranded heavy crude to port in Vancouver for shipment to Asia.

She told reporters that "tens of millions of dollars extra are being pulled out of the Canadian economy because we can't get our act together to get our product to market," referring to the freeze in new pipeline construction.



RACHEL NOTLEY

see **RAIL RESCUE** page 10

UTILITIES

Chasing parallel paths

IGU board agrees to MOU with Siemens; also moving on Titan expansion FEED

By **ALAN BAILEY**
Petroleum News

During a work session on Oct. 23 the board of the Interior Gas Utility passed a resolution endorsing a memorandum of understanding with industrial company Siemens for an investigation into the development of a new liquefied natural gas plant near Houston, on the Alaska Railroad. During the same session the board also discussed how to move towards the commissioning of front-end engineering and design for the expansion of the Titan LNG plant near Point Mackenzie.

The overall objective is to expand the supply of LNG for the city of Fairbanks and its surrounds, as part of the Interior Energy Project, an Alaska

Assuming that the term sheet is signed by the end of this year, that would lead to a firm price for the Knik/Siemens LNG by June 1.

Industrial Development and Export Authority sponsored project designed to bring an expanded supply of affordable natural gas to the Fairbanks region.

The IGU board seeks clarification of the cost of LNG that would come from Siemens' proposed Houston plant, and refinement of the estimated cost of the Titan expansion. That could then enable

see **PARALLEL PATHS** page 11

EXPLORATION & PRODUCTION

GMT-2 development a go

ConocoPhillips sanctions development; reports increased Alaska income

By **ALAN BAILEY**
Petroleum News

Following a federal record of decision, allowing ConocoPhillips to proceed with its proposed Greater Mooses Tooth 2 development in the northeastern National Petroleum Reserve-Alaska, the ConocoPhillips board has sanctioned the project. On Oct. 25 the company announced that a final investment decision had been made, enabling the GMT-2 project to proceed.

Increased earnings

The announcement coincided with the company's publication of its results for the third quarter of this year, results which reflect a positive situa-

The GMT-2 development, to which ConocoPhillips has now committed, is the latest of a series of step-out developments from the Colville River delta west into the NPR-A.

tion for the company in Alaska. The company reported that its third quarter adjusted earnings in Alaska had increased from \$103 million in 2017 to \$427 million in 2018. Earnings for the first nine months of the year increased from \$291 million to \$1.3 billion. Those results came in the context of a similar uptick of ConocoPhillips' worldwide earn-

see **GMT-2 DEVELOPMENT** page 8

NATURAL GAS

Canadian gas eyes rebound

Analysts, industry leaders downplay hopes of short-term gas price revival

By **GARY PARK**
For Petroleum News

Natural gas was leader of the Canadian petroleum pack through most of the 1990s and the first decade of the current century and looked set for a sustained run as proposed LNG projects piled up.

Not any more, with only a handful of LNG plans remaining active, capital spending beaten back by shale gas activity in the U.S. and commodity prices forecast to fall from a predicted C\$3 per thousand cubic feet to under C\$1.60 in 2019 and Bank of America Merrill Lynch warning the slide could dip under C\$1 in 2020.

Encana was once the largest gas producer in North America and briefly held the largest market

Greg Colman, National Bank Financial analyst, said in a research note that LNG development tends to occur in waves rather than isolation because "if the economics make sense for one project, they make sense for many."

capitalization on the Toronto Stock Exchange.

It was so confident in the outlook for gas that it spun off its oil sands holdings into Cenovus Energy, a move it came to rue, eventually forcing it to embark on a steady rebuilding of liquid holdings.

Given that history, it's understandable that key

see **PRICE REVIVAL** page 8