



Ninilchik unit POD and delay of unit contraction both approved

On May 1, the Alaska Department of Natural Resources' Division of Oil and Gas received the proposed 2024-25 20th Ninilchik unit plan of development, or POD, from Hilcorp Alaska for the period of Aug. 1 through July 31, 2025. The company was notified on June 25 that the POD for the Cook Inlet basin unit had been approved.



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Among other things, in its 20th 2024-25 POD period Hilcorp committed to maintaining and enhancing production of the Ninilchik unit through adding perforations to the Blossom No. 1 exploration well and evaluating the potential for drilling one well targeting prospective deep gas in the Paxton structure.

A few days earlier, on June 20, Hilcorp received approval from the division to delay mandatory contraction of the Ninilchik unit until July 31, 2025.

Both approvals were signed by division Director Derek Nottingham.

After its May 1 request for delayed contraction, on June 5

see **NINILCHIK POD** page 7

Badami's latest development plan approved, includes exploration wells

On June 20, the Alaska Department of Natural Resources' Division of Oil and Gas approved the proposed annual Badami unit plan of development, or POD, from operator Savant Alaska LLC. Among other things, Savant committed to continue exploration and development of the new Badami and Killian sand prospects, drill two Badami sand wells from the Badami Main Pad and evaluate targets for a third Killian exploration well.

The POD is referred to throughout the approval as the 2024 POD, although it runs from July 16, 2024, through July 15, 2025, in the eastern North Slope unit. It is the 21st plan of development for the Badami unit.

In addition to those listed above, the company committed to the following operations in the 2024 POD period.

- Evaluating Killian sand prospects for acreage outside the participating area and Badami unit boundary;
- Evaluating an additional well workover on the B1-01 Class 1 injection well to expand injection zones;

see **BADAMI PLAN** page 6

Portion of Oliktok Pipeline to be expanded from 8 to 16 inches

Oliktok Pipeline has applied to the Regulatory Commission of Alaska for a construction permit to replace 1,400 feet of the line to match the remainder of the line's 16-inch diameter pipe.

RCA said in a June 20 public notice that the replacement line would be from the tie-in at Skid 50 to Module 501, enabling the line to expand capacity from 90 million cubic feet per day of natural gas to 114 million cubic feet.

The agency is accepting comments on the application through 5 p.m. July 11.

The company said in its June 13 application that the line is primarily a 16-inch pipeline. It runs from Prudhoe Bay near Pump Station No. 1 of the trans-Alaska pipeline to Central Processing Facility 1 of the Kuparuk River unit.

The Oliktok Pipeline is certificated to transport natural gas and natural gas liquids. From 1985 to 1988 it carried natural gas and from 1995 to 2014 it carried NGLs. Shippers requested

see **OILKOK PIPELINE** page 8

FINANCE & ECONOMY

Hilcorp expanding

Acquiring Eni's Nikaitchuq and Oooguruk, as that company leaves state

By KRISTEN NELSON

Petroleum News

Another major oil and gas company, Eni, is pulling out of Alaska, with Hilcorp Alaska acquiring Eni's assets in the state, the Nikaitchuq and Oooguruk units on the North Slope.

Hilcorp specializes in maximizing production from declining fields as majors move on to newer prospects and began doing that in Alaska in 2012 when it acquired Chevron/Union Oil Company of California's Cook Inlet assets, followed in 2013 by the acquisition of



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LUKE SAUGIER

Marathon Oil's Cook Inlet assets. In 2014 Hilcorp acquired half of BP Exploration (Alaska)'s working interest in the Milne Point unit on the North Slope, taking over as operator, and in 2020 acquired BPXA's Alaska assets, becoming operator of the Prudhoe Bay unit.

With the addition of Nikaitchuq and Oooguruk, Hilcorp owns and operates or has a working interest in and operates fields across the Slope, from Point Thomson in the east, and including Duck

see **HILCORP EXPANDING** page 8

FINANCE & ECONOMY

ANS stable over \$85

Israel-Hezbollah tensions offset bearish surprise US inventory build

By STEVE SUTHERLIN

Petroleum News

Alaska North Slope crude bolstered its position above the \$85 mark June 26, tacking on 12 cents to close at \$85.91. West Texas Intermediate added 7 cents to its margin above \$80 with a close of \$80.90 and Brent rose 24 cents to close at \$85.25.

Prices firmed up despite a surprise jump in U.S. reserves according to Energy Information Administration data released June 26.

U.S. commercial crude inventories for the week ending June 21 — excluding the Strategic Petroleum Reserve — increased by 3.6 million barrels from the previous week to 460.7 million barrels, 2% below the five-year average for the time of year,

While traders were underwhelmed by summer driving gasoline demand, Jet fuel is set to be an overperformer.

the EIA said.

Analysts polled by Reuters had expected a 2.9 million barrel drawdown.

Total motor gasoline inventories jumped 2.7 million barrels for the period, reaching 233.9 million barrels, matching the five-year average for the time of year, the EIA said.

The Reuters poll predicted a 1 million barrel draw. Distillate fuel inventories fell by 0.4 million

see **OIL PRICES** page 8

EXPLORATION & PRODUCTION

A record energy year

Statistical Review: 2023 sets consumption, oil, coal, renewables records

By KRISTEN NELSON

Petroleum News

The year 2023 set records for global energy consumption as well as global oil and coal production and growth in renewable energy.

Those were among the key takeaways in the 2023 Statistical Review of World Energy, released June 20 by the Energy Institute and co-authors KPMG and Kearney. The Statistical Review had been produced for many years by bp; the Energy Institute took over with the 2022 edition.

The Energy Institute summarized the Statistical Review findings:

Global primary energy consumption set a

record high at 620 Exajoules, EJ, up 2% from 2022, with global fossil fuel consumption also at a new record of 505 EJ, a 1.5% increase, with both coal and oil hitting record levels, although, at 81.5% of the energy mix that share was down from 82% in 2022. With increased consumption, emissions were also up, by 2%, and reached 40 gigatonnes of CO2 for the first time.

Solar and wind increased, pushing renewable generation up 13% to a new record of 4,748 TWh, terawatt hours. Wind and solar accounted for 74% of the net increase in electricity generation. Renewables, excluding hydro, accounted for 8% of primary energy use — 15% with hydro included.

see **STATISTICAL REVIEW** page 6