



BlueCrest advancing plans, files 11th POD, has investor interest

BlueCrest Alaska has filed its 11th plan of development for the Cosmopolitan unit in the Cook Inlet basin with the Alaska Department of Natural Resources' Division of Oil and Gas Sept. 30.

Four state leases are involved with the plan of development, or POD, running from Jan. 1, 2025, through Dec. 31, 2025.

Under the previous calendar year and 10th POD, BlueCrest actively pursued the investment required to restart its onshore oil and gas drilling program and the Offshore Tyonek Gas project.

see **COSMOPOLITAN POD** page 11



JOHN MARTINECK

Fewer wells planned in 2025 for Prudhoe Western Satellites area

In its proposed 2025 plan of development for the Western Satellites area of Prudhoe Bay, operator Hilcorp North Slope said it anticipates completing seven wells in the area in 2025 (the POD covers the 2025 calendar year), with eight more possible "depending on rig availability."

This is a substantial stepdown from the 2024 Western Satellites POD, which proposed up to 19 wells, with drilling at four of the five participating areas — Aurora, Borealis, Orion and Polaris. Only Midnight Sun, the least productive of the participating areas, had no drilling proposed.

In the 2025 proposed POD, dated Oct. 2 and addressed to Derek Nottingham, director of the Alaska Division of Oil and

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BESS commissioned, to save fuel and boost reliability on Railbelt

On Oct. 7, representatives from Chugach Electric Association Inc., Matanuska Electric Association Inc. (MEA), the Alaska Energy Authority, state lawmakers, and other officials gathered to celebrate the commissioning of the new Battery Energy Storage System (BESS) at Chugach's south campus.

The BESS, a 40-megawatt, two-hour storage system, is co-owned by Chugach (75%) and MEA (25%).

Situated near Chugach's Southcentral Power Project, the system consists of 24 Tesla Megapack modules. It is set to bring significant benefits to the Railbelt's electric grid.

"The BESS enhances system flexibility, boosts reliability, saves fuel, and brings cutting-edge technology to the

see **BATTERY STORAGE** page 10

CPAI agrees to buy Chevron assets in Kuparuk, Prudhoe

ConocoPhillips Alaska Inc. said Oct. 3 that it has signed a purchase and sale agreement to acquire Chevron U.S.A. Inc.'s and Union Oil Company of California's non-operated interest in the Kuparuk River unit and a portion of its non-operated interest in the Prudhoe Bay unit for approximately \$300 million, subject to customary adjustments at closing.

The transaction is expected to close by the end of the year.

Upon closing, CPAI's working interest will increase approximately 5% to a range of 94-99% in the Kuparuk River

see **CONOCO BUY** page 10



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EXPLORATION & PRODUCTION

More inlet gas

Jack-up rig arrives at Kitchen Lights platform to drill for natural gas

By **KAY CASHMAN**

Petroleum News

John Hendrix's message on Oct. 3 to his fellow Alaskans: "Great day for HEX/Furie and Alaska. Jack-up rig on our platform today at 10 a.m.!! Drilling local natural gas for Alaskans!"

The Enterprise 151 is the jack-up.

The platform is the Julius R. Platform.

The field is the Kitchen Lights unit.

And long-time Alaskan John Hendrix is the owner of HEX, the parent of HEX Cook Inlet. HEX CI is the only 100% Alaskan-owned oil and gas



JOHN HENDRIX

company currently operating in the state.

Hendrix formed the HEX companies for the purpose of purchasing Furie, its sister companies and their Cook Inlet assets — principally to switch the Cook Inlet Kitchen Lights unit from foreign and Outside ownership to Alaska ownership. He accomplished this on June 30, 2020, making the purchase from a Delaware bankruptcy court.

In addition to the 83,000-acre Kitchen Lights unit, the assets he acquired include the JRP, a 15-mile subsea gathering line and an onshore natural gas processing facility at Nikiski on the

see **INLET JACK-UP RIG** page 9

EXPLORATION & PRODUCTION

Yukon Flats exploration

Hilcorp plans to drill two wells in Doyon land in the basin near Birch Creek

By **ALAN BAILEY**

For Petroleum News

Hilcorp Alaska has applied to the Alaska Department of Environmental Conservation for approval of an oil discharge prevention and contingency plan for the drilling of two exploration wells in subsurface land owned by Alaska Native regional corporation Doyon Limited in the Yukon Flats in the Alaska interior. Both proposed wells sites are adjacent Birch Creek, a tributary of the Yukon River. The drill sites are roughly 10 and 15 miles northwest of Birch Creek Village and are located on surface land owned by Tihtet'aii, the Native corporation for the village.

Hilcorp told ADEC that it anticipates the explo-

In 2019 Hilcorp entered into an oil and gas exploration agreement with Doyon. And in 2020 Hilcorp conducted an aerial gravity survey of the entire basin.

ration drilling to commence during the summer of 2025. Alaska's Division of Oil and Gas has approved the installation of two water level gauges in the Lower Mouth Birch Creek, for use in conjunction with the drilling operations.

In 2021 Hilcorp drilled 13 shallow stratigraphic test wells in the Yukon Flats basin, as a prelude to potential oil and gas exploratory drilling. A number

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FINANCE & ECONOMY

ANS treads mid \$70s

Huge US crude inventory build offsets Middle East supply concerns

By **STEVE SUTHERLIN**

Petroleum News

Alaska North Slope crude dropped by 80 cents Oct. 9, closing a nickel into the upper \$70s at \$75.05 per barrel. West Texas intermediate shed 33 cents to close at \$73.24 and Brent dropped 60 cents to close at \$76.58.

Prices headed down as the U.S. Energy Information Administration reported a massive 5.8 million barrel increase in the nation's commercial crude inventories, which — together with China demand worries — offset concerns about Gulf of Mexico hurricane disruption and escalating tensions in the Middle East.

The average analyst expectation in a survey

Hurricane Milton, having spared significant petroleum production assets in the Gulf of Mexico, is shifting to a potential drag on demand rather than a threat to supply.

conducted by S&P Global Commodity Insights was an increase of 1.4 million barrels, compared with analysts' expectations in a Reuters poll of a 2 million barrel rise.

Crude inventories for the week ended Oct. 4 stood at 422.7 million barrels, 4% below the five-year average for the time of year, the EIA said.

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