



88 Energy's Toolik River unit approved 'in part' by Alaska DNR

The North Slope Toolik River unit proposed by 88 Energy's operator Accumulate Energy Alaska was approved "in part" on Feb. 27 by Alaska's Division of Oil and Gas; "in part" meaning that instead of the 82,846 acres requested by Accumulate, 59,942 acres were included in the new unit.

The leases approved for inclusion in the Toolik River unit, or TRU, cover the western and central Project Phoenix lease area. They are as follows: ADLs 392296-392315, 392540, 392541, 392756, 392759, 392770, 392771, 392773, 392779-392785, 393078-393080, 393087, 393089, 393090, 393131 and 393133. Many of these leases were close to expiring but the unit approval with a unit plan of exploration extended the leases beyond their primary term through to February 2028.

Leases excluded from the TRU are on the eastern side of the approved leases and include the following: ADLs 393081, 393083, 393085, 393086, 393088, 393091, 393132, 393134 and 393139-393146.



DEREK NOTTINGHAM

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Harvest applies for easement for LNG plant on existing Slope pad

Harvest Alaska has applied to the Alaska Department of Natural Resources for an easement for the construction of a North Slope liquefied natural gas plant on part of an existing gravel pad adjacent the Spine Road, about one mile southeast of Trans-Alaska Pipeline's Pump Station 1.

As previously reported by Petroleum News, Harvest has signed a contract with Fairbanks-based Interior Gas Utility to manufacture LNG for IGU, using North Slope natural gas supplied by Hilcorp Alaska. IGU will truck the LNG from the North Slope to its LNG storage facilities in central Fairbanks and North Pole, thus shifting its entire gas supply arrangements from the Cook Inlet to the North Slope. Harvest is Hilcorp's midstream affiliate that owns and operates pipelines in Alaska.

The Interior Energy Project

IGU's gas supply business evolved through the Interior Energy Project, an Alaska Industrial Development and Export

see **LNG PLANT** page 10

Geothermal bill heard in House Energy; CCUS in Resources

Gov. Mike Dunleavy's bill to update the state's geothermal statutes, House Bill 74, had its first legislative hearing in the House Special Committee on Energy on Feb. 28. The bill was scheduled for a second hearing in that committee March 2.

The governor's carbon storage bill, HB 50, has been heard numerous times in House Resources. A committee substitute was adopted March 1 with committee amendments on the bill due March 7.

Companion bills in the Senate had not been scheduled for hearings when this issue of Petroleum News went to press.

The geothermal bill, HB 74, was referred to Energy, Resources and Finance. The CCUS bill had Resources and Finance referrals — both Senate bills had Resources and Finance referrals in that body.

CCUS

The governor's carbon storage bills are designed to set the

see **DUNLEAVY BILLS** page 9

GEOTHERMAL ENERGY

Ignis enters Alaska

Partners with GeoAlaska to explore for and deliver geothermal energy

By **KAY CASHMAN**

Petroleum News

On March 1, Ignis H2 Energy Inc., a global leader in connecting advanced technologies to establish reliable baseload energy from geothermal resources, and GeoAlaska LLC, a geothermal focused exploration and development company based in Anchorage, announced a new partnership to explore for and produce reliable baseload energy from geothermal resources in Alaska.

"Alaska is blessed with an abundance of natural resources that can be responsibly exploited in order to deliver power, for the benefit of all Alaskans," Richard Calleri, CEO and owner of Ignis, said.

"Currently, geothermal resources in Alaska are under-developed and provide little or no contribution to the state energy mix. Our aim, supported by our sister company Geolog is to work with GeoAlaska to explore for and generate reliable, carbon zero baseload energy, that is sustainably produced and sensitive to local ESG policies and practices," he said.

Paul L. Craig, CEO and majority owner of GeoAlaska added, "GeoAlaska is excited to have this opportunity to partner with Ignis who will bring valuable experience in geothermal exploration and production and assist GeoAlaska with

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FINANCE & ECONOMY

ANS retakes the \$80s

Spring-loaded: recovering China oil demand will collide with tight supply

By **STEVE SUTHERLIN**

Petroleum News

Alaska North Slope crude climbed 69 cents higher March 1, closing at \$80.90 per barrel, while West Texas Intermediate rose 64 cents to close at \$77.69 and Brent edged up 42 cents to close at \$84.31.

ANS regained the \$80 range Feb. 28, up \$1.05 to close at \$80.21, while WTI jumped \$1.37 to close at \$77.05 and Brent jumped \$1.44 to close at \$83.89.

Higher prices were supported by factory reports out of China that suggested that the country's rebound from COVID-19 restrictions was picking up steam.

"We created new supply not through investment but through China contracting through lockdowns."

—Jeff Currie, Goldman Sachs

ANS had fallen to \$77.48 — its second lowest close of February — on Wednesday Feb. 22, but one week later its March 1 close of \$80.90 took it \$3.42 higher.

Despite the fluctuation, ANS remained in a narrow trading band established in late 2022 that has seen it trading within several dollars plus or minus the \$80 mark — a period of relative stability for the

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EXPLORATION & PRODUCTION

Hickory 1 plan approved

88 Energy's North Slope exploration drilling ops to begin in late February

By **KAY CASHMAN**

Petroleum News

88 Energy Ltd.'s Alaska operator, Accumulate Energy Alaska Inc., received approval Feb. 23 from Alaska's Division of Oil and Gas for its lease plan of operations to carry out the Hickory 1 Exploration Well Project about 30 miles south of Deadhorse on the North Slope.

The project area is on state lands; none of which are jointly managed.

After state land is leased for oil and gas development, projects follow a phased progression. These phases include exploration, development and transportation.

The Division of Oil and Gas, which is part of the

Alaska Department of Natural Resources, or DNR, continually examines effects of oil and gas activities as projects transition through each phase.

Before the next phase of a project may proceed, the division must provide notice to the public and the opportunity to comment before issuing a decision. Accumulate's proposed operations would begin the exploration phase for oil and gas lease ADL 392314.

Hickory 1 project components are the pad and well, which will be located at meridian, township, range and section Umiat, T005N, R014E, Sec 19.

The four Hickory 1 project milestones are as follows:

1. Mobilize drill rig (start date 2/25/2023, end date 3/8/2023).

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HICKORY 1 PLAN

2. Drill and evaluate Hickory 1 (start date 3/1/2023, end date 4/5/2023).

3. Demobilize drill rig, camp and support operations (start date 4/5/2023, end date 4/30/2023).

4. Clean up, remediate ice infrastructure — pad and road areas (7/1/2023, end date 8/20/23).

In a Feb. 27 ASX release 88 Energy said that Hickory 1 ice pad construction is nearing completion and that pre-spud operations are on schedule.

The company also said that mobilization of the Nordic Calista rig and operations equipment would begin “shortly.”

Deepest zone Kuparuk

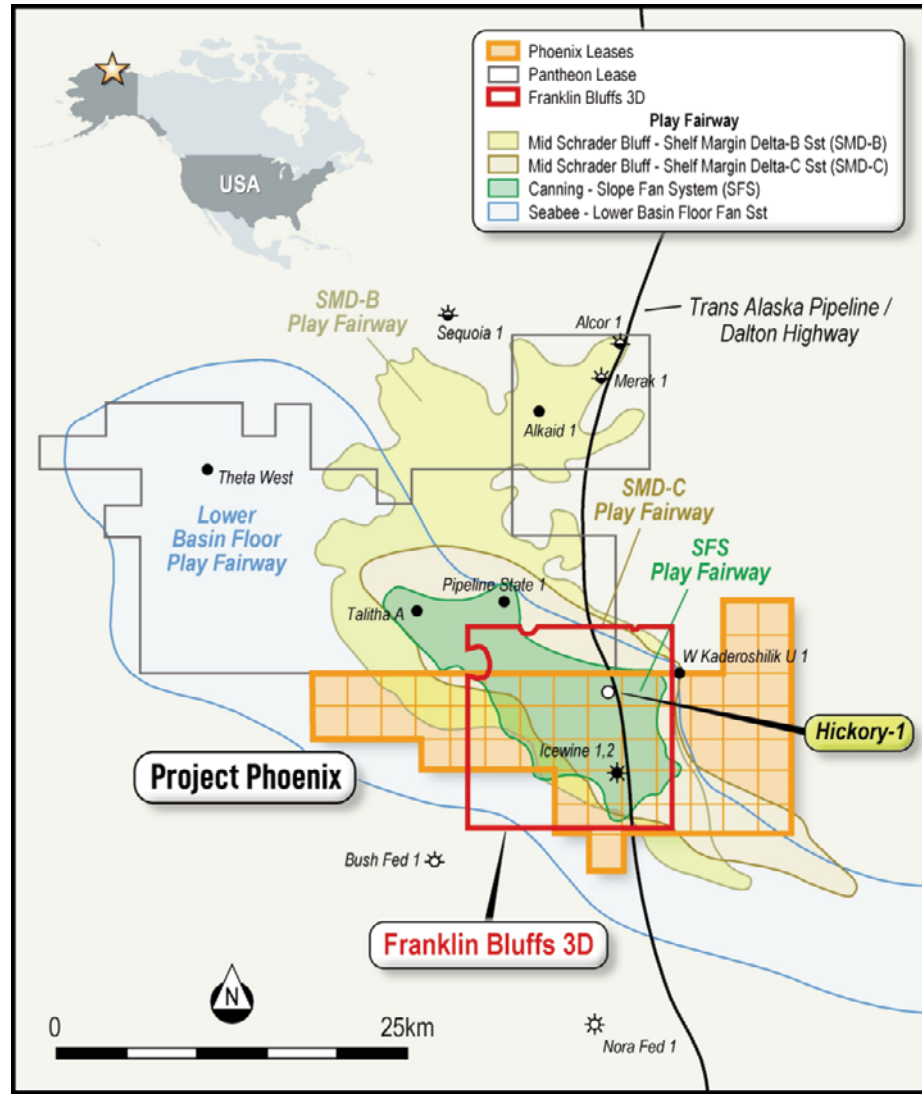
As mentioned, Hickory 1 will be approximately 30 miles south of the Deadhorse. The pad will be located 400 feet west of the Dalton Highway, approximately 0.3 miles south of Milepost 382.

The well will be situated on a 600-foot by 600-foot ice pad, for a total of 8.26 acres, and connected to the Dalton Highway by a 500-foot-long ice road.

The ice pad and road are expected to be built 2 to 3 feet thick. The road is expected to be roughly 500 feet in length and 35 feet in width, for a total of approximately 0.4 acres. The total ice footprint will be approximately 8.66 acres.

The final configuration of the road and pad may be slightly modified to account for on-site conditions.

The Hickory 1 plan is derived from relevant drilling and geological data obtained from seismic data, as well as from historical offset wells in the surrounding area.



Using the Nordic Calista Rig-2 the Hickory 1 well will be drilled to a vertical depth of 12,500 feet through various hydrocarbon zones of interest, with the deepest zone being the Kuparuk sands.

In the Feb. 27 release 88 Energy was more specific, saying: “The well is

designed to appraise up to six conventional reservoir targets within the SMD, SFS, BFF and KUP reservoirs and 647 million barrels of oil and is permitted to a total depth of up to 12,500 feet. The primary targets for the well are the 3 SMD reservoirs (SMD-A, B and C), with the SFS and BFF

reservoirs considered secondary targets. The Kuparuk reservoir is a tertiary target and will be drilled subject to time remaining in the season, borehole conditions and other technical considerations.”

The formations will be logged and sidewall cores may be taken in specific zones of interest as needed. At the end of the project the Hickory 1 well will be plugged and abandoned or suspended in accordance with Alaska Oil and Gas Conservation Commission requirements.

The Feb. 27 release said flow testing of the Hickory 1 well is planned to be undertaken during the 2023/24 winter season, subject to well results. “This will provide ample time, subsequent to drilling of the well, to optimize the flow test program, design, permitting and implementation.”

Temporary structures

All structures required to complete the Hickory 1 project will be temporary. Facilities located on the drill ice pad to support the project will include a camp, storage and laydown areas, communication tower and connexes, and maintenance shops.

The camp will be equipped with offices, a medic/camp clinic, bathroom facilities, dining area, kitchen and food storage facilities, recreation area, and laundry facilities.

During the public notice period in December and early January no comments were received.

A status report for the activities conducted under the division’s approval must be filed on May 1 and Nov. 1 each year, from the date the approval was issued and until a final completion report is filed with the division. ●

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GEOTHERMAL ENERGY

its ultimate goal of producing net zero-carbon baseload power at competitive rates for the benefit of all Alaskans.”

Craig said that “working hand in hand with Ignis, GeoAlaska believes we can accomplish that goal.”

In its March 1 release, Ignis said it is focused on evaluating and advancing technologies that lead to a sustainable energy path. The company is “currently assessing and evaluating geothermal

opportunities based on their technical, resource sustainability and financial risks with a view to quickly becoming a geothermal power producer in multiple countries.”

Within this role, Ignis is partnering with companies that offer “step change innovations to improve reliability, cost, and efficiency in geothermal energy delivery.”

The end goal for Ignis? 100% Green Hydrogen production from geothermal.

GeoAlaska is an Alaska based geothermal exploration company that currently holds exploration permits in the Cook

Inlet region of Alaska with a focus on Augustine Island and Mount Spurr, both situated along the west shore of the Cook Inlet, with potential for connection to the Alaska Railbelt power grid.

For more information about Ignis Energy go to www.ignisenergy.com. Geolog can be found at www.Geolog.com.

Recent articles about GeoAlaska can be found in Petroleum News story archive www.petroleumnews.com. ●

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An artistic rendering of a geothermal power plant on Augustine Island.

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