



## **Senate Resources Committee: SB 92**

*April 2, 2025 • Luke Saugier, Hilcorp Alaska Senior Vice President*

# Hilcorp Alaska Overview



## Highlights

### Overview:

- Employee Count: ~1,700
- Contractor Count: ~2,500
- Gross Oil Production: 350 kboe/d
- Net Oil Production: 159 kboe/d
- More than 700 partnerships with local business, generating over \$750 million in annual spend with Alaska vendors

### Hilcorp Alaska Key Events:

- 2012** – Hilcorp enters Alaska with the purchase of Chevron's Cook Inlet assets
- 2014** – An acquisition from BP expands our operations to include the North Slope
- 2020** – Hilcorp buys BP's remaining assets in the state, becoming Alaska's largest operator
- 2024** – Hilcorp's footprint on the Slope expands as Eni and Chevron exit the state
- Hilcorp purchases the Spartan 151 jack-up rig to prevent it from leaving Alaska

## Alaska Asset Snapshot



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### Cook Inlet

Production (kboe/d)	25
Percent Gas	56%
Well Count <sup>1</sup>	323

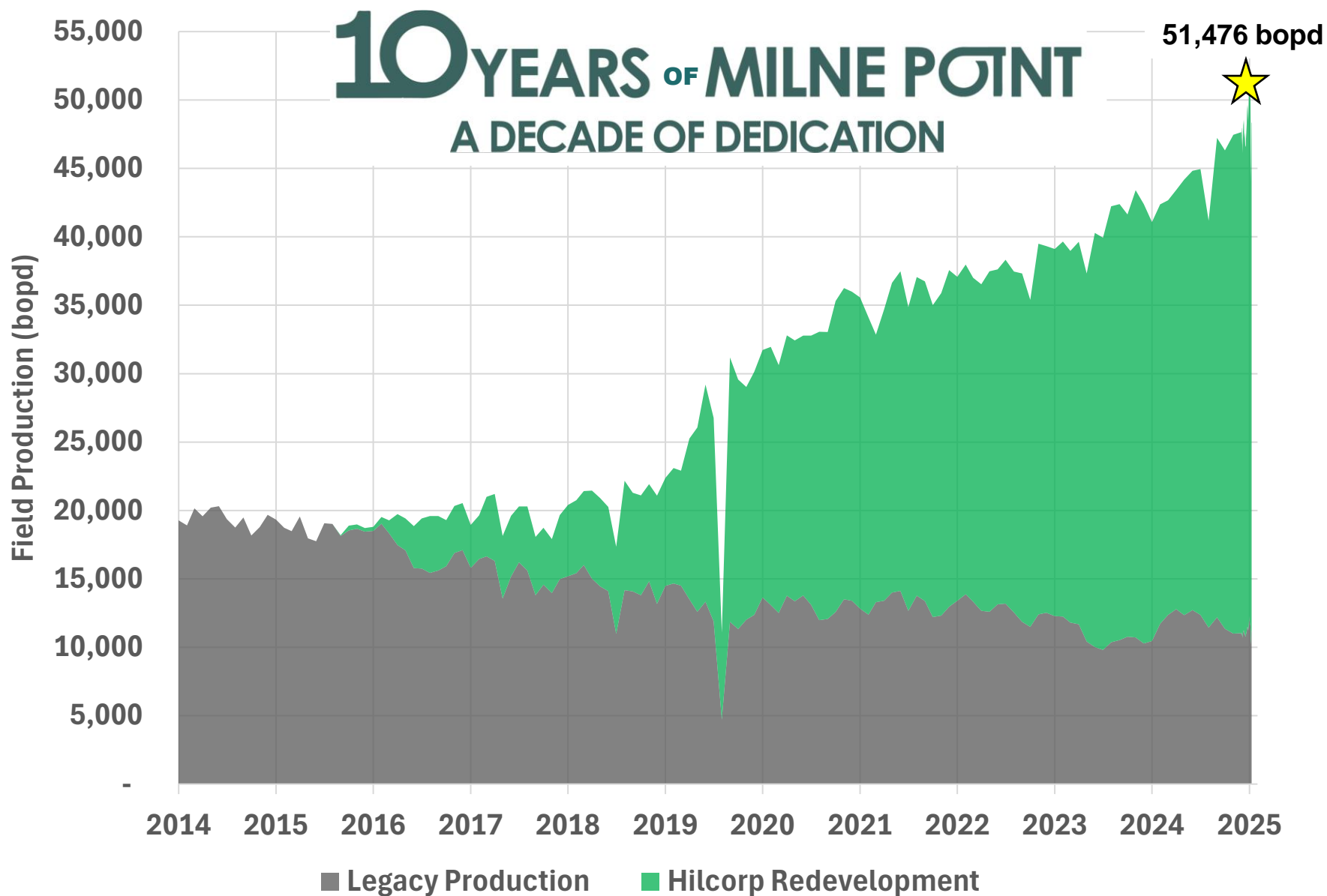
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### North Slope

Production (kboe/d)	134
Percent Oil	100%
Well Count <sup>1</sup>	1,728

<sup>1</sup>Enverus active producers + injectors

# Setting Records at Milne

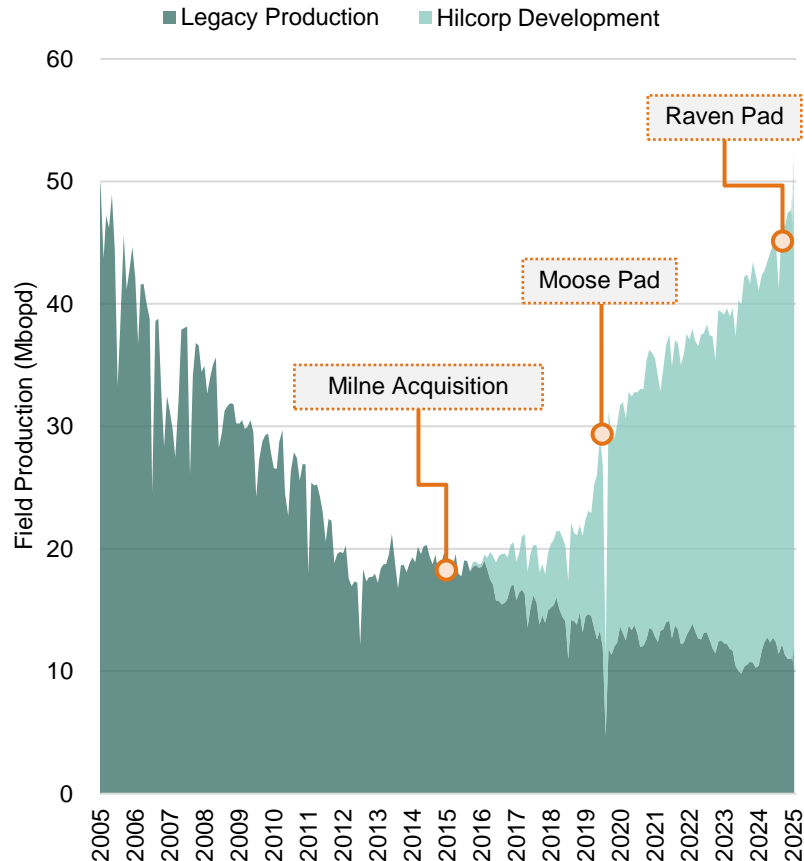


# Milne Point Case Study

Finding New Opportunities and Growing Production



## Milne Point Production<sup>1</sup>



## Development Highlights

- Grew production by 250% since acquisition in 2014
  - 127 wells drilled (14 with coiled tubing)
  - 58,000 bbls of polymer solution injected daily
  - 60% more produced fluid processed daily vs pre-acquisition
  - 21 ESP to jet pump conversions
  - Two new pads constructed
  - Increased field production by more than 30,000 BOPD since acquisition, more than doubling production
  - Tripled proved reserves since acquisition while replacing runoff
  - Invested \$1.5 billion in development capital

## Impact of Milne Growth

**Hilcorp's Milne Point Development has provided an incremental \$500mm in revenue to the State<sup>2</sup>**

**\$290 million**  
Property Tax

**\$130 million**  
Royalties

**\$80 million**  
Production Tax

<sup>1</sup> Per Enverus through December 2023

<sup>2</sup> Pro-rated production tax, property tax and royalties for Hilcorp development wedge. Assumes 12.5% royalty. Excludes NPSL.

# Operating Efficiency

## Hilcorp's Core Values Drive Success



### Keys to Success

#### Ownership & Alignment

- Investing in equipment upgrades
- Empowering employees to make decisions

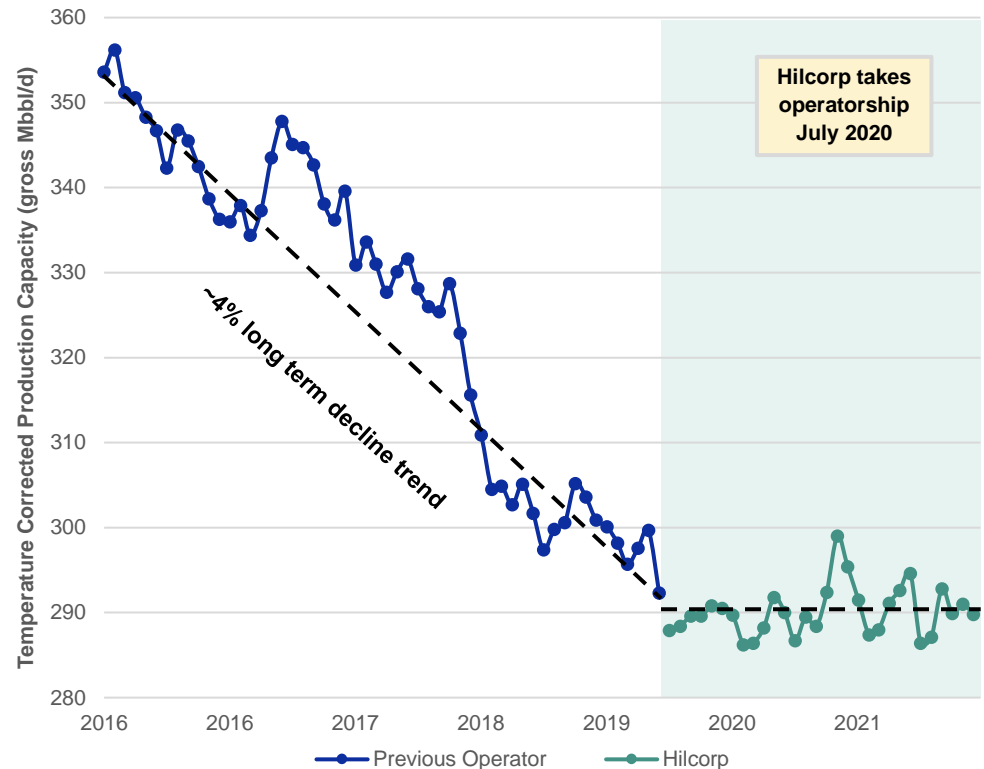
#### Urgency

- Field and office alignment results in innovative wins
- Improving operating efficiency requires hundreds of small wins

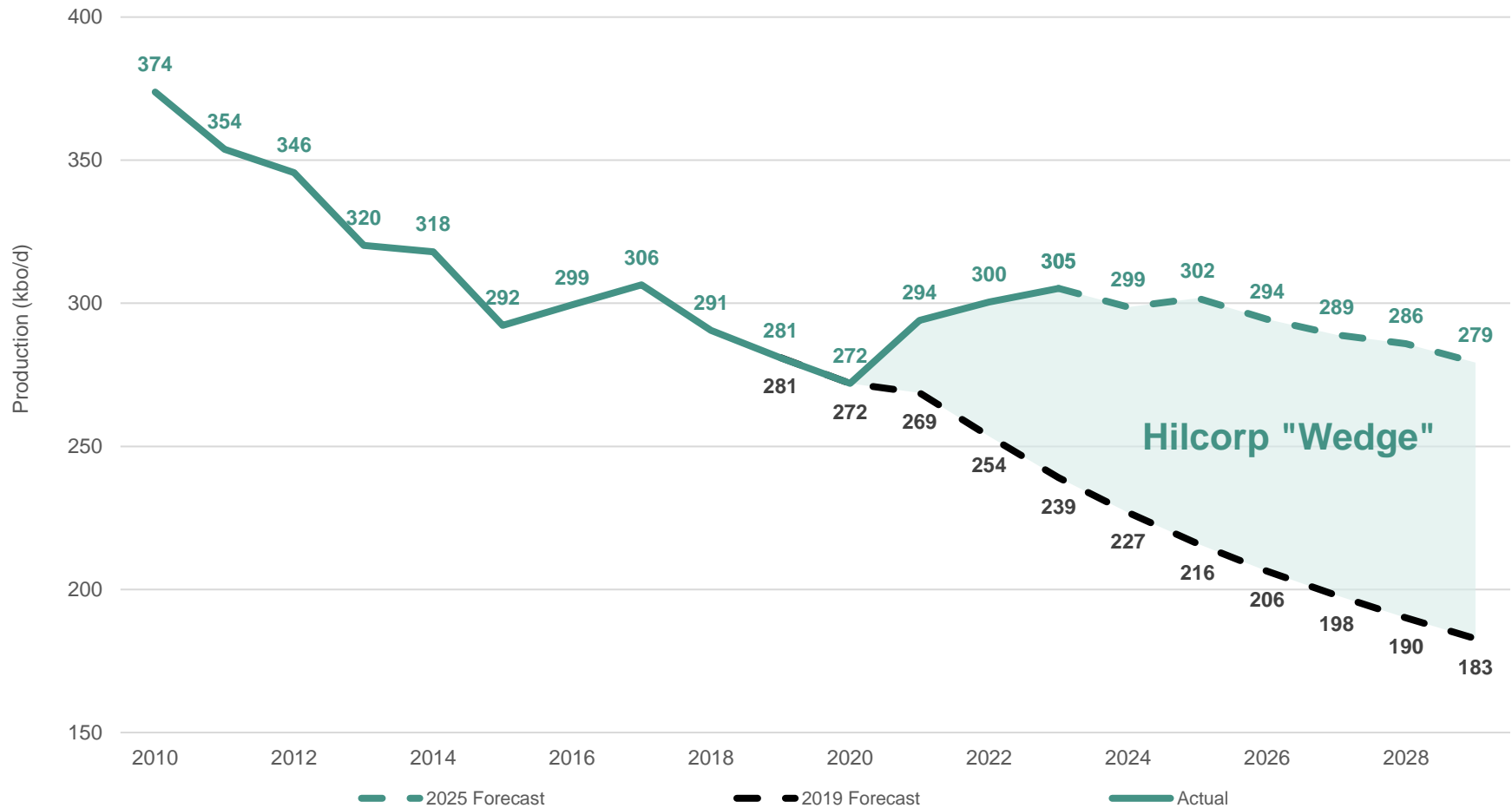
#### Integrity & Innovation

- Investing in new wells
- Reduce emissions
- Operate safely and responsibly

### Prudhoe Bay



# The Hilcorp “Wedge”





# Appendix

# Hilcorp Alaska Activity

Investing in the State Since 2012



## Since Entering Alaska

**\$5.6 billion**

Royalties<sup>1</sup>, Production, and Property Taxes Paid to AK

**\$9.0 billion**

Completed Acquisitions

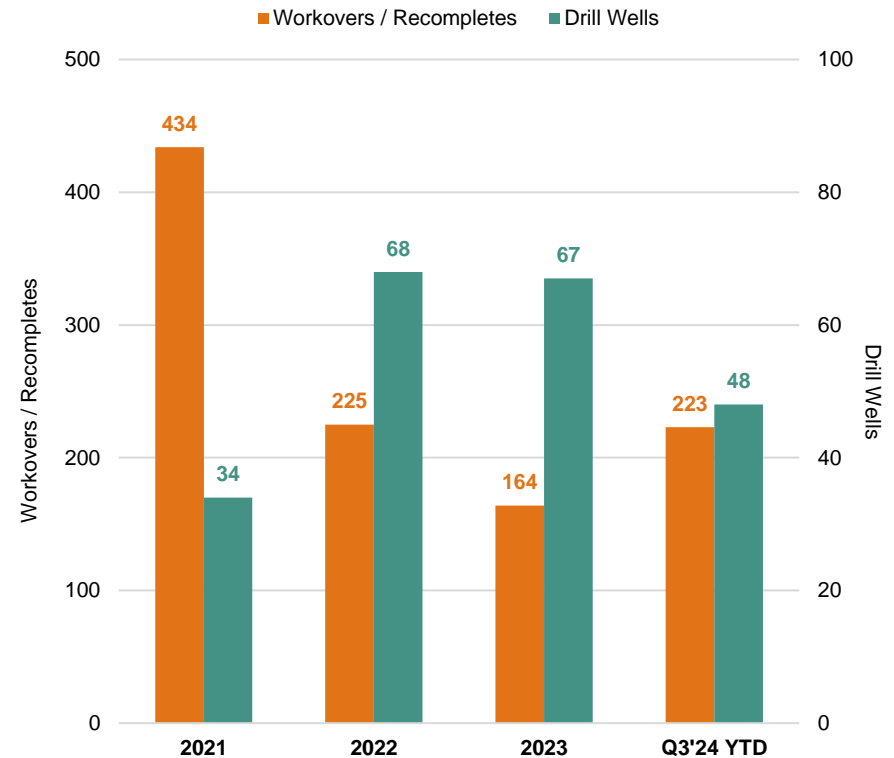
**\$5.3 billion**

Capital and Expense Investment

**360 million**

Barrels of Oil Equivalent Produced

## Recent Alaska Activity



<sup>1</sup> Estimated royalties at 12.5%

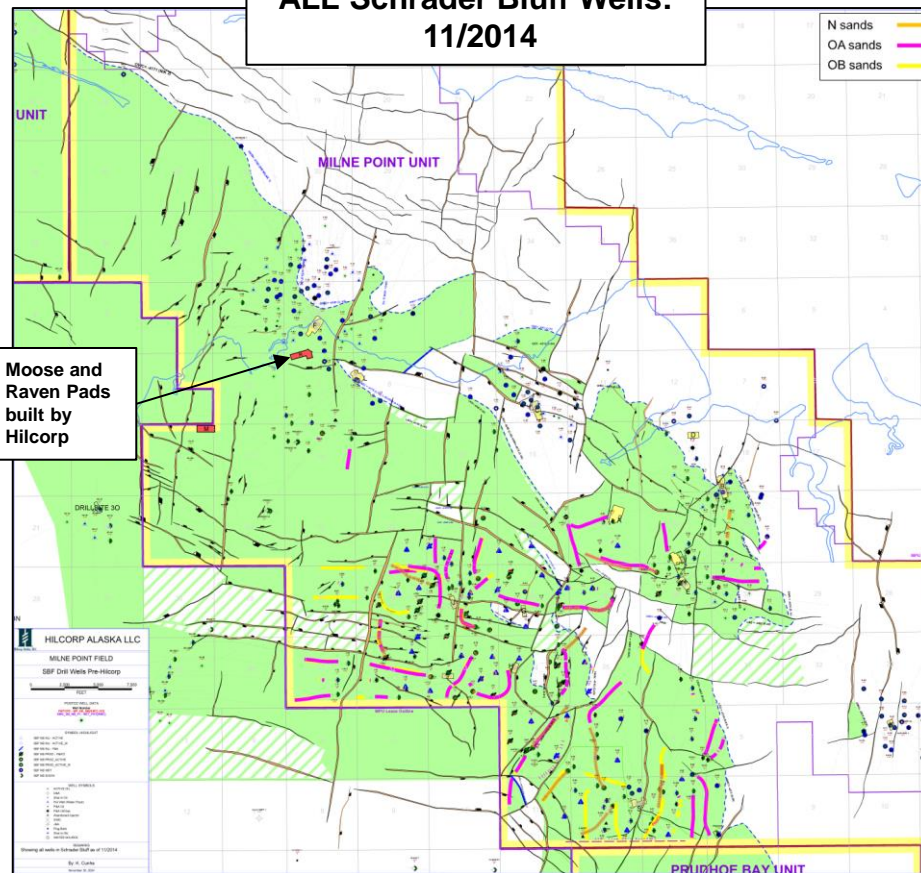


# Milne Schrader Bluff Development

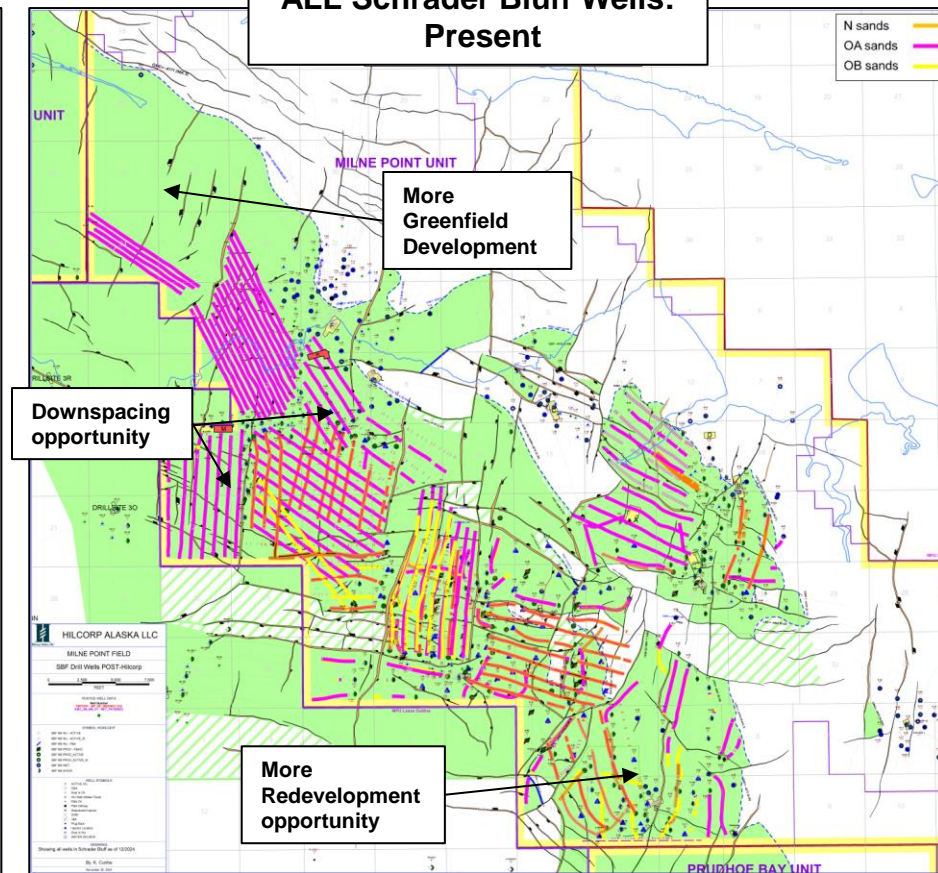


- 161 New Wells, 430 Miles Drilled
- 110 MMBO Produced by Hilcorp
- Many more drilling opportunities to grow Milne even more!

**ALL Schrader Bluff Wells:  
11/2014**



**ALL Schrader Bluff Wells:  
Present**



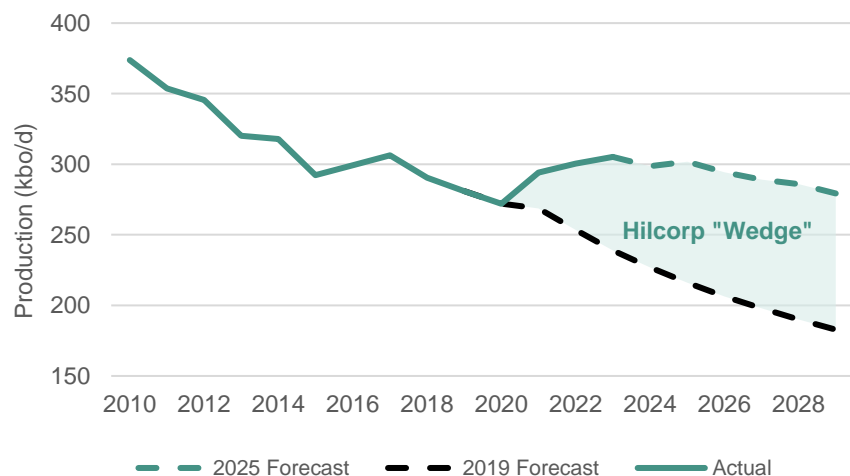


# Hilcorp Activity is Growing State Revenue

## Reversing Production Decline

- Hilcorp has cumulatively invested \$2.6bn in capital and expense projects on the North Slope
- We have reversed the declining trend in production in the fields that we operate
- Incremental rate added by this activity is expected to reach nearly 100 kbo/d – more than the Pikka project
- Our efforts have significantly expanded revenue for AK

## 2019 vs 2025 DOR Production Forecast<sup>1</sup>



## 5-Year Impact of the Hilcorp "Wedge" <sup>1,2</sup>

**167 million**

Million Barrels of Oil

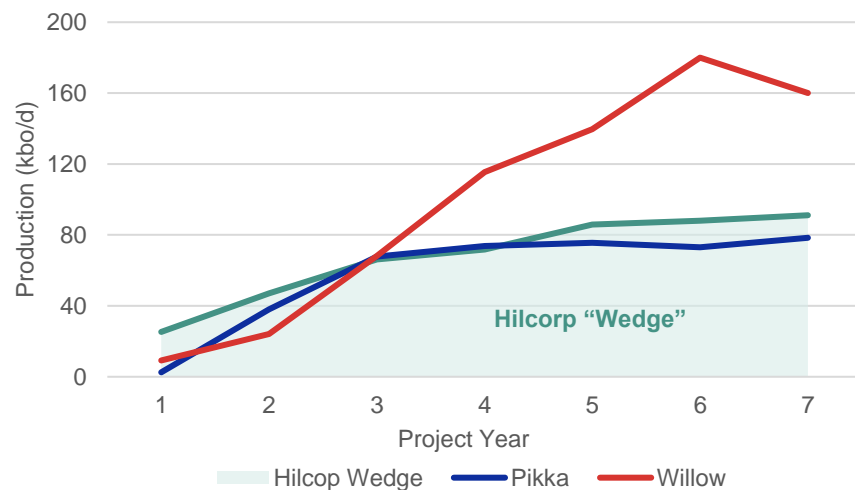
**\$1.2 billion**

North Slope Royalties

**\$600 million**

North Slope Production Tax

## North Slope Project Comparison<sup>1</sup>



<sup>1</sup> Production forecasts from AK Department of Revenue (DOR) Spring 2025 Revenue Sources Book  
<sup>2</sup> 12.5% royalty rate. Production tax rate based on Hilcorp analysis using 2025 Spring RSB forecasts.



# Continued Investment in Alaska

## Hilcorp North Slope 2025 Plan

- **Hilcorp will invest \$750mm on the Slope in 2025**
  - Initiate polymer injection at newly acquired Nikaitchuq and Oooguruk fields
  - Drill 50+ wells at Prudhoe Bay
  - \$200mm campaign at Milne Point primarily exploiting the Schrader Bluff formation
  - Prepping a ~ \$180M project to drill the first well at Point Thompson in 10 years.
  - Invest \$50-60MM per year at Prudhoe Bay to maintain rotating equipment
- **Hilcorp expects to expand North Slope production by 5% in the near term with a five-year goal of 10%**
  - Forecasted 2025 production of 41 million net barrels of oil, a 5% increase compared to 2024.

## Incremental Value to the State

- The 2025 DOR Revenue Sources Book expects ~300kbo/d production from Hilcorp operated fields
- **Annual Impact of Hilcorp Prod Growth to State of Alaska:**

Growth (%)	Rate (kbo/d)	Annual (MMbo)	Royalties <sup>1</sup> (\$mm)	Prod Tax <sup>2</sup> (\$mm)	Total (\$mm)
5%	15	5.5	\$44	\$19	\$63
10%	30	11.0	\$87	\$38	\$125

<sup>1</sup> 12.5% royalty rate and DOR 2025 ANS price

<sup>2</sup> 8% production tax rate based on average of AK DOR 2024 and 2025 ANS production tax estimates.



# *Thank You*



## **Hilcorp Alaska**

Hilcorp looks forward to continuing to responsibly produce Alaskan oil and natural gas, create Alaskan jobs and contribute to the State's economy for decades to come.

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