



# FALL 2021 PRODUCTION FORECAST

HW&M Committee

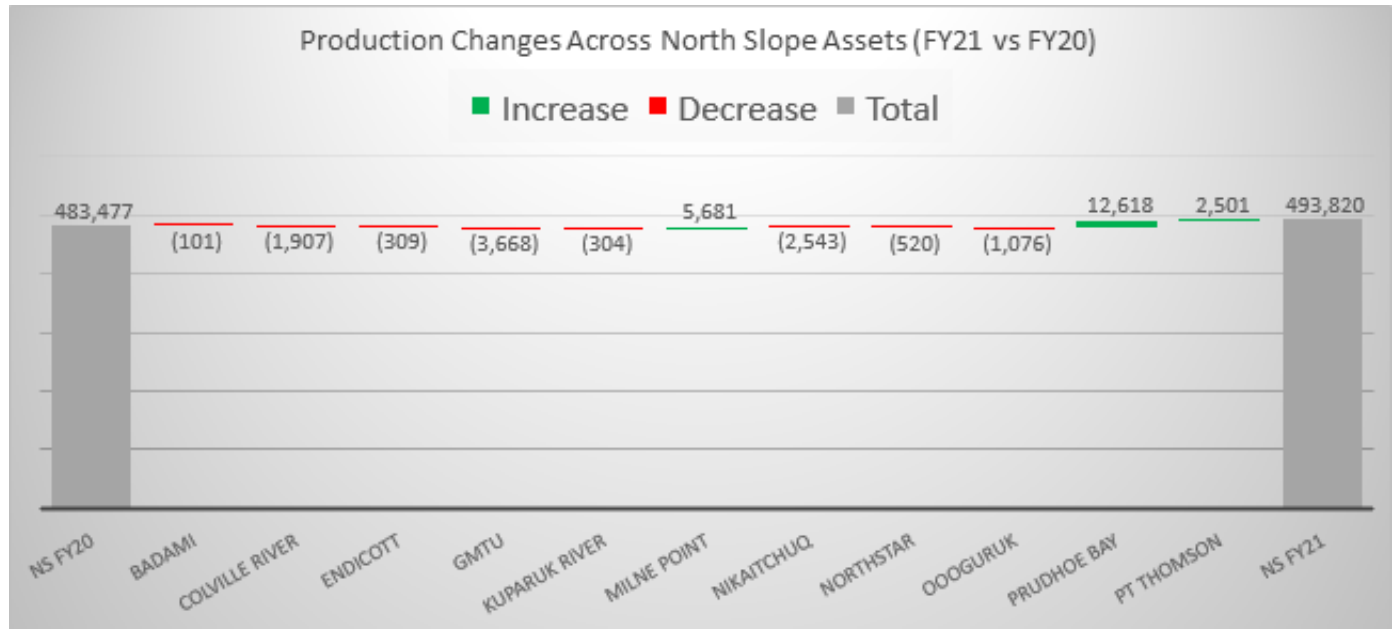
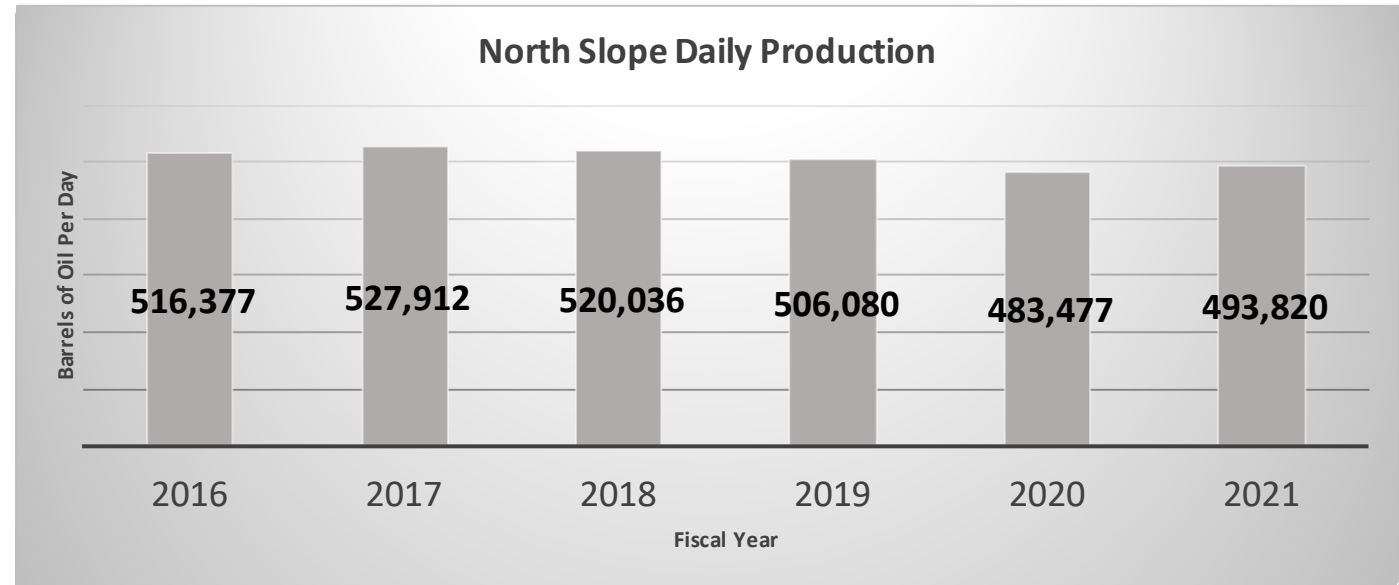
Presented by Maduabuchi Pascal Umekwe, Ph.D.  
Division of Oil & Gas  
Alaska Department of Natural Resources  
January 20, 2022



# FY 2021 SUMMARY: NORTH SLOPE

## Highlights (FY2021 vs FY2020)

- All fields are generally expected to see a year-on-year decline
- Compared to FY2020, in FY 2021 North Slope production increased by ~2% (~10,000 bopd)
- **Increases**
  - GPBU: 5% production growth due to well/facility optimization efforts
  - MPU: 20% production growth due to consistent drilling efforts
  - PTU: Over 40% growth; improved facility reliability
- **Decreases**
  - KRU: Production essentially held flat at FY20 levels
  - GMT1: Over ~50% drop. Reservoir challenges persist
  - Oooguruk: Absence of drilling since 2016



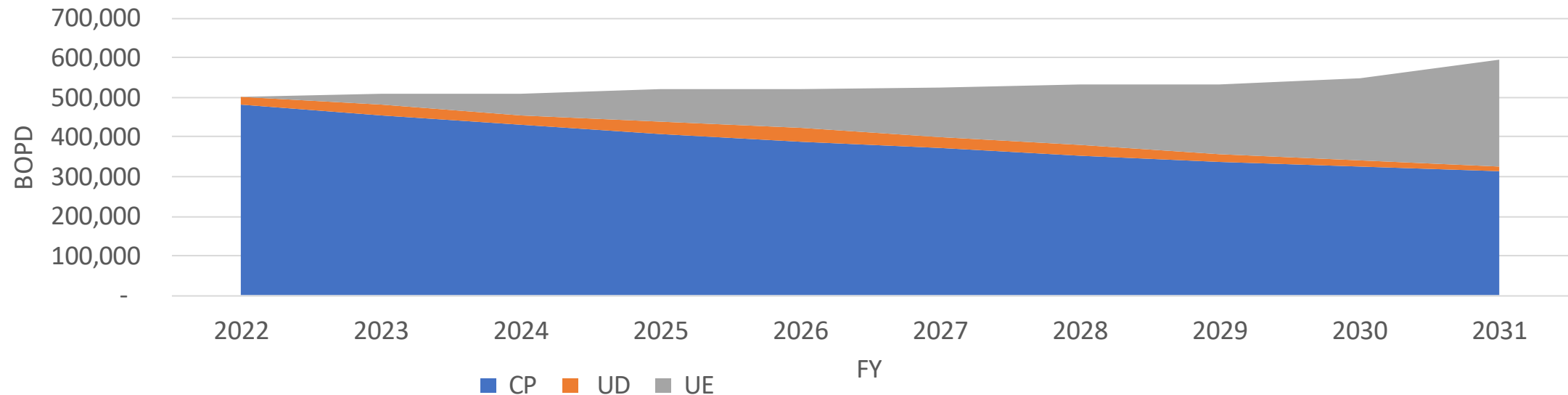
# STATUS UPDATE OF KEY FUTURE PROJECTS: NORTH SLOPE

	Status: January 2021	Status: January 2022	Production Rate Estimates
<b>CRU – Fiord West Kuparuk</b>	6 wells planned	Extended reach drilling (Doyon 26 “The Beast”)	Reaching ~20,000 BOPD
<b>CRU - CD5 2<sup>nd</sup> Expansion</b>	Ongoing drilling by YE 2020 after Covid-related interruption	Ongoing; 3 injectors drilled so far by Nov 2021	Reaching over 10,000 BOPD
<b>CRU – Narwhal</b>	NA	<b>First oil</b> Dec 2021. Produced ~1600 BOPD. More drilling expected from CD4 to total ~12 wells and full dev’t of 20 to 40 wells from CD8 in ~2028.	Initial peak from single start-up well: 1,000 to 5,000 BOPD; full peak DNR estimates >32,000 BOPD
<b>GMT2</b>	GMT2 First oil YE 2021	<b>First oil</b> , Nov 2021 (1,326 BOPD); 4 wells drilled by Nov 2021	Peak rate: 35,000 to 40,000 BOPD; 2022 update: 30,000 BOPD.
<b>Pikka</b>	-Now planned for 2-phases; start of production (Phase 1: 2025); -To move to FEED 2021; FID & 15% AK divestment YE2021 through 2022	-Ongoing FEED; start of production (Phase 1: 2025; Phase 2 FID expected by ~2024/2025); Santos/Oil Search Merger completed	Peak design capacity rate, Phase 1: 80,000 BOPD
<b>Willow</b>	Plan to submit Supplemental EIS. Record of decision achieved, FEED FID expected YE 2021 Announced first oil: 2025-2026	Addressing AK District Court remand; likely to target a new BLM Record of Decision anticipated by YE 2022. Construction expected to start Q12023. First oil post 2025/2026	Peak rate: 130,000 BOPD



# ALASKA STATEWIDE OIL PRODUCTION FORECAST – FALL 2021 EXPECTED CASE AND CATEGORIES OF PRODUCTION

AK Fall 2021 Production Forecast (**Expected Case**): Production Categories



- *Current Production (CP): volumes from producing fields; remains backbone of state production in near and medium term*
- *Under Development (UD): segment represents production expected from wells drilled in FY2022*
- *Under Evaluation (UE): begins to play a more significant role in production in the next 5-10 years*
- *Production outlook depends on several factors including operators' plans, oil price, fiscal system*
- **Short Term:**
  - DNR forecasts FY2022 annualized average daily statewide production at 500 MBOPD, and North Slope production at 492 MBOPD, with a range of 430 MBOPD and 555 MBOPD
- Outlook on production assumes that operators' plans and other project drivers stay unchanged

# FALL 2021 PRODUCTION FORECAST - SUMMARY

- DNR Forecast continues to use the best information available to DNR/DOR, to generate production outlook for oil fields within the state, with a focus on generating accurate near-term, and realistic long-term, forecasts.
- Fall 2021 Forecast is a static view on production; DNR's outlook is updated annually (Fall and Spring) to incorporate latest operator plans and the State's official updated price outlook.
- DNR's Fall 2021 outlook shows mean annual production of approximately 500 MBOPD across much of the outlook period, based on the current snap-shot of operators' plans.
- Production from projects under evaluation reflects uncertainty in operators' plans towards return to pre-pandemic activity levels, specific project uncertainties, as well as project scope and timing risks.

# THANK YOU

**Thank you on behalf of the DOG Fall 2021**

**Production Forecasting Core Team:**

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# MAJOR PROJECTS [UNDER EVALUATION/DEVELOPMENT] CONSIDERED IN FALL 2021 FORECAST

## Generalized characteristics

- Projects that were not online as at end of FY2021 (data cut-off date of 6/2021)
- Higher risk factors than currently producing fields
- Known discoveries with identifiable operators
- Require major investments

