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Department of Natural Resources

Anchorage, Alaska

STATE OF ALASKA

MEDIA ADVISORY

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Local operator wins Cook Inlet oil and gas leases in State sale

(Anchorage, AK) – The Division of Oil and Gas received bids on two tracts covering 5,120 acres and totaling approximately \$100,659 in bonus bids from one bidder, according to preliminary results from today's 2022 Cook Inlet Areawide oil and gas lease sale.

Preliminary results from the sale, which was conducted online, are posted at dog.dnr.alaska.gov. More details will be posted as they become available.

The sole bidder was Furie Operating Alaska, LLC, a subsidiary of HEX, LLC, which operates the Kitchen Lights Unit offshore in Cook Inlet. The tracts Furie won are adjacent to that unit, which currently produces natural gas for local utilities.

"It's encouraging to see a local producer continue to invest in Alaska, especially our Cook Inlet region" said DNR Deputy Commissioner John Crowther. "At a time when utilities are looking to secure new sources of natural gas to meet local energy demand, reinvestment by an existing operator is a good sign. We of course wish to see more companies and bidding in future sales, and are assessing how the State can support this through providing additional data, helping operators navigate complex federal permitting, and potentially making fiscal and policy changes to boost the competitiveness of Cook Inlet development."

The Kitchen Lights unit is one of the newest gas fields in Cook Inlet, going online in 2015. It has produced more than 30 billion cubic feet of gas. HEX purchased Furie and the Kitchen Lights development in July 2020, and has actively worked to improve production.

The division did not receive bids in the 2022 Alaska Peninsula Areawide lease sale, which was held concurrently with the Cook Inlet Areawide sale.

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