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By Samantha Coldiron at 2:34 pm, Jan 09, 2026

**Alaska Oil and Gas Conservation Commission**

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**Subj: Santos Comments on AOGCC's Proposed Regulation Regarding Carbon Storage and Underground Injection Control Class VI Wells ("Class VI Program")**

To whom it may concern,

Oil Search (Alaska), LLC, a subsidiary of Santos Limited ("Santos"), appreciates the opportunity to provide comments on the Alaska Oil and Gas Conservation Commission's ("AOGCC") proposed regulations governing the Class VI Program. Since 2018, Santos has worked closely with the AOGCC, including the safe and successful permitting and drilling of seven exploration wells and 25 development wells. As a capable operator who strongly values AOGCC's experience with permitting wells in the State, Santos is supportive of AOGCC's pursuit of Class VI primacy and the State's overall efforts to develop reasonable carbon regulations to enable carbon management, sequestration, utilization, and storage in Alaska.

In Alaska, Santos is achieving our Pikka net-zero commitment by pursuing in-state carbon reduction and offset projects and has worked closely with Alaska Native Corporations to deliver carbon offsets. Santos views carbon capture and storage as another opportunity to deliver low carbon energy production. A reasonable and predictable carbon regulatory regime to implement both House Bill 50 ("HB 50") and Senate Bill 48 ("SB 48") from the 33<sup>rd</sup> Alaska State Legislature will make the State of Alaska a valuable partner to energy companies and attract additional business to the State of Alaska.

**About Santos**

Santos is a global energy company; it is one of Australia's largest domestic gas suppliers and a leading LNG supplier in the Asia Pacific region. In Alaska, Santos is the operator of the Pikka Project and one of the largest leaseholders on the North Slope, holding interest in more than 500 oil and gas leases, many of which are on State lands. Development of Phase 1 of the Pikka Project is currently underway, which will bring an anticipated contribution of 80,000 barrels of oil per day of throughput to the Trans Alaska Pipeline System (TAPS) beginning in 2026. The Pikka Project generates widespread benefits across the region and State. With first oil anticipated in early 2026, Santos sees the Pikka Project as the first step in its Alaska legacy. Moreover, the Pikka Project is one of the largest projects on State land in the last 20 years and it is the first oil project sanctioned in Alaska, and one of the first in the world, to be developed on a net-zero equity basis for Scope 1 and 2 emissions from first oil. Establishment of a reasonable Carbon Capture and Storage (CCS) framework and Class VI program is an important aspect of Santos' business goals and long-term investment plan for Alaska.

In addition to developing on a net-zero basis, Santos' vision is to be a leading global provider of CCS infrastructure, carbon management services, and low carbon fuels. Santos is actively participating in and leading efforts on CCS and other carbon management projects in Alaska and across the world. Santos has developed one of the world's largest and lowest cost CCS projects in Moomba, South Australia, which has the capacity to store up to 1.7 million tons of CO<sub>2</sub> each

year. This project achieved first injection September 2024 and by June 2025 had successfully stored 800,000 tonnes of CO<sub>2</sub>. Santos was the first in the world to book carbon storage capacity on our balance sheets. In Alaska, Santos and its partner ASRC Energy Services were selected for award of a CarbonSAFE grant from the Department of Energy to drill a stratigraphic well at the Pikka Unit to evaluate carbon storage opportunities and pursue Class VI permitting of that well. Across its business and the globe, Santos is working to supply affordable, reliable and lower carbon energy by decarbonizing its projects through design and technological innovation, while securing carbon offsets where decarbonization at source is not feasible. Santos recognizes that Alaska is not only a world class oil and gas province, it also has excellent potential for carbon management and storage.

Given Santos' experience and business objectives in Alaska, Santos offers the following suggestions to improve and refine AOGCC's Class VI Program.

## Comments

1. **Prior scoping comments** – Santos appreciates AOGCC's consideration of its comments provided during the scoping period and AOGCC's response to those comments. Particularly, Santos is pleased to see that AOGCC has assessed that CCS in areas of active and/or former oil and gas reservoirs requires careful consideration, but ultimately makes logical sense given existing infrastructure, available data, and other cost-efficiencies.
2. **20 AAC 25.435. Identification of underground source of drinking water** – AOGCC's draft regulations stipulate that AOGCC will not approve a new aquifer exemption for a Class VI well, but an expansion of an existing aquifer exemption can be issued. AOGCC should consider whether it makes logical sense to limit Class VI wells in this manner if the criteria is met for an exemption for other well types and development.
3. **20 AAC 25.1120(i). Conditions applicable to all permits** – Santos recommends AOGCC include "at reasonable times" to 20 AAC 25.1120 (i)(2). Entering a storage facility or area of ongoing operations must be done in a safe and secure manner.
4. **20 AAC 25.1180(e). Class VI well permit; authorization to inject** – AOGCC proposes that an authorization to inject shall expire 12 months from the date it is issued if the well has not been drilled or operated. This may not provide sufficient time for operators to start infield operations, particularly depending on seasonality, availability of infrastructure, funding, and other agreements. Moreover, a permit to drill for oil and gas allows for 24 months. Santos suggests AOGCC revise this requirement to be consistent with 20 AAC 25.005(g) or include language which would allow for an extension to be granted.
5. **20 AAC 25.1200. Financial responsibility** – AOGCC should consider how existing operators (which have already demonstrated their financial responsibility and qualification) will be considered, and perhaps, in those scenarios, how AOGCC may be able to create efficiency and eliminate duplicative processes and requirements. Santos notes that in the spirit of Administrative Order 360, Governor Dunleavy has directed all agencies to review and eliminate areas of duplicative and redundant requirements. With respect to financial responsibility requirements in the Class VI Program, AOGCC should include language in this framework that considers an operator's existing financial responsibility and qualification and any duplicative or similar requirements, particularly 11 AAC 84.1075.
6. **20 AAC 25.1210(c)(2). Class VI well construction requirements** – The requirement to cement to surface for Class VI wells is above and beyond what is required for oil and gas wells and could be difficult to achieve depending on the depth of the injection zone. While the draft regulations allow for approval of an alternative method of cementing, Santos suggests AOGCC instead require casing to the surface only when necessary.

# Santos

7. **20 AAC 25.1220(a)(1). Logging, sampling, and testing before Class VI well operations** – AOGCC should eliminate its requirement for drilling of a pilot hole for all Class VI wells. With proper and accurate wellbore placement, a pilot hole (that is later enlarged to the needed diameter) is unnecessary.
8. **20 AAC 25.1420(a). Termination of permit** – AOGCC should allow for an operator to correct any noncompliance prior to termination of a permit. Santos suggests that AOGCC revise 20 AAC 25.1420 to specify that termination may occur if the operator fails to correct the causes described in (a)(1)-(3).
9. **20 AAC 25.1900 (4). Definitions.** – Santos recommends that AOGCC also consider that U.S. 45Q credits are applicable to carbon dioxide and other carbon oxides in their regulations. Santos suggests that these definitions (between federal and state programs) be compatible and consistent.

## Conclusion

Santos supports the AOGCC's efforts to pursue Class VI primacy and develop a thorough and reasonable regulatory framework to achieve that aim. As a company, Santos is committed to being a global leader in decarbonization and low carbon fuels and to a net-zero emissions future. With operations in Alaska, Santos is actively engaged in carbon management throughout Alaska and is keenly interested in the State's development of carbon storage and other programs to meet its own net-zero targets and as a business opportunity. Santos offers the above comments in this spirit, with the ultimate aim of the AOGCC producing a robust, credible, and economic regulatory framework. If you have additional questions, please contact us at [Joe.Balash@santos.com](mailto:Joe.Balash@santos.com) or Kyle Kohman at [Kyle.Kohman@santos.com](mailto:Kyle.Kohman@santos.com).

Sincerely,



Joe Balash

**Senior Vice President – External Affairs**