


## State investigation confirms oil company wasted four months of natural gas on North Slope

BY: JAMES BROOKS - JANUARY 28, 2026 5:23 AM



 In this file photo, a safety flare is seen at a facility on the North Slope. The Alaska Oil and Gas Conservation Commission concluded that a company was flaring gas for economic reasons rather than safety. Flames from burning gas stream into air on Aug. 23, 2018, at a facility within the Greater Prudhoe Bay Unit on Alaska's North Slope. (Photo by Yereth Rosen/Alaska Beacon)

The state agency that protects Alaska's state-owned oil and gas from waste confirmed Friday that a small North Slope company deliberately burned off state-owned natural gas for almost four months because reinjecting the gas was inconvenient for the company.

In a [starkly written order](#), the Alaska Oil and Gas Conservation Commission confirmed a \$313,616 fine against Cook Inlet Energy and implied that the firm misled regulators about the reasons for flaring gas from the Badami oil and gas field in 2024 and 2025.

Last year, the AOGCC [fined Cook Inlet Energy almost \\$358,000](#) for the flare, but the firm challenged the decision, and the fine was reduced in last week's final order.

In Alaska, subsurface oil and gas are collectively owned by the state's residents, and the state has strict laws that prohibit producers from wasting it. Natural gas is regularly released during oil production, and Alaska law requires that it be captured and reinjected into the ground.

Alaska's no-flare rule is a point of pride for the state, so much so that Gov. Mike Dunleavy once [mentioned it in a State of the State address](#).

The state typically issues exemptions only in cases of emergency, or when a company is drilling test wells and capturing gas isn't feasible.

One such exemption [was granted in 2022](#) for a well being developed on state land south of Prudhoe Bay.

During AOGCC's decision-making process, CIE claimed it should also have been eligible for an exemption. AOGCC said no.

"In the case of Great Bear Pantheon," the agency said, referring to its 2022 exemption, "the flaring was needed to help determine project economics. In the case of CIE, the flaring was used to contribute to its bottom-line economics."

According to the AOGCC report, Cook Inlet Energy also claimed the flaring was needed for safety reasons because a power turbine failed on the site. In reality, the report concluded, the flaring was due to a failed [vapor recovery unit](#) needed to capture gas for reinjection into the ground.

AOGCC concluded that in this case, "flaring did not occur during the power turbine outage and therefore had no direct relation to personnel safety concerns or the prevention of life-threatening conditions. Rather, the evidence demonstrates that preserving existing oil production was a primary driver for the flaring, as CIE elected to maintain full production throughout the flaring period."

The 51 million cubic feet of gas burned off by Cook Inlet Energy is roughly equivalent to the amount needed to heat 900 homes for a year, according to national annual use [estimates](#) by the Environmental Protection Agency.