



Samuel Widmer
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October 28, 2015

To: Distribution

Re: Kuparuk River Unit
Drilling Annex Pad
Permit Applications

ConocoPhillips Alaska, Inc. (CPAI) requests approval to construct a new gravel pad in the Kuparuk River Unit (KRU). The proposed development will include an access road and gravel pad with a total footprint of 16.5 acres southwest of Drill Site 2L (DS-2L). The new pad is necessary to support continued oil and gas development within the KRU. CPAI is submitting an Aquatic Site Assessment along with the permit applications and drawings in support of the permitting process for this development.

The following permit applications and requests for authorization are enclosed:

Agency	Permit/Approval
U.S. Army Corps of Engineers	Section 404 Permit USACE Mitigation Measures
Alaska Department of Natural Resources	Lease/Unit Plan of Operations North Slope Mitigation Measures SHPO Clearance
North Slope Borough	Development Permit IHLC/TLUI Clearance

Where required, checks for application fees are attached to the agency's copy of the applications.

Please contact me should you have any questions or require additional information.

Sincerely,

Samuel Widmer
Environmental Coordinator

Attachments

1. Project Name:	Drilling Annex Pad	
2. Proposed Start Date:	4/1/2016	
3. Project Description:		
Is activity discussed in the approved Plan of Development on file with the Division's Units Section? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Describe what and where: ConocoPhillips Alaska, Inc. (CPAI) requests authorization to construct a new gravel pad in the Kuparuk River Unit near Drill Site 2L. The new pad will be used to support drilling and other oil and gas activities in the Kuparuk River Unit (KRU). Three rig camps, fuel and bulk storage tanks, bulltrails, and a safety station will be placed on the pad, which will primarily support an extended drilling/development program in the western Kuparuk River Unit.		
SECTION V: LAND STATUS		
1. State Mineral Estate:		
Are supplemental pages for land status included in Appendix C? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Affected ADL: 380052	Date Effective: 2/1/1993	Date Assigned: Enter Date.
Oil And Gas Lessee(s): CPAI		
Surface Ownership: State of Alaska		
Do you have, or anticipate having an Access Agreement: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Special Use Lands: None		
Jointly Managed Lands: None		
Other Considerations: None		
Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Gravel Placement	Umiat, 10N, R7E, Section 22	70.210739 / 150.327331
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Affected ADL: Enter ADL.	Date Effective: Enter Date.	Date Assigned: Enter Date.
Oil And Gas Lessee(s): Click here to enter text.		
Surface Ownership: Click here to enter text.		
Do you have, or anticipate having an Access Agreement: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Special Use Lands: Click here to enter text.		
Jointly Managed Lands: Click here to enter text.		
Other Considerations: Click here to enter text.		
Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Affected ADL: Enter ADL.	Date Effective: Enter Date.	Date Assigned: Enter Date.
Oil And Gas Lessee(s): Click here to enter text.		
Surface Ownership: Click here to enter text.		
Do you have, or anticipate having an Access Agreement: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Special Use Lands: Click here to enter text.		
Jointly Managed Lands: Click here to enter text.		
Other Considerations: Click here to enter text.		
Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

Affected ADL: Enter ADL. Date Effective: Enter Date. Date Assigned: Enter Date.

Oil And Gas Lessee(s): Click here to enter text.

Surface Ownership: Click here to enter text.

Do you have, or anticipate having an Access Agreement: Yes No

Special Use Lands: Click here to enter text.

Jointly Managed Lands: Click here to enter text.

Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

Affected ADL: Enter ADL. Date Effective: Enter Date. Date Assigned: Enter Date.

Oil And Gas Lessee(s): Click here to enter text.

Surface Ownership: Click here to enter text.

Do you have, or anticipate having an Access Agreement: Yes No

Special Use Lands: Click here to enter text.

Jointly Managed Lands: Click here to enter text.

Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

2. State of Alaska Surface Lands:

Are supplemental pages for land status included in Appendix C? Yes No

Oil And Gas Mineral Estate Owner: Click here to enter text.

Access Authorization(s): Click here to enter text.

Special Use Lands: Click here to enter text.

Jointly Managed Lands: Click here to enter text.

Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

Oil And Gas Mineral Estate Owner: Click here to enter text.

Access Authorization(s): Click here to enter text.

Special Use Lands: Click here to enter text.

Jointly Managed Lands: Click here to enter text.

Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

Oil And Gas Mineral Estate Owner: Click here to enter text.

Access Authorization(s): Click here to enter text.

Special Use Lands: Click here to enter text.

Jointly Managed Lands: Click here to enter text.

Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

3. Private Lands:

Are supplemental pages for land status included in Appendix C? Yes No

Oil And Gas Mineral Estate Owner: Click here to enter text.
 Surface Ownership And Access Agreement(s): Click here to enter text.
 Special Use Lands: Click here to enter text.
 Jointly Managed Lands: Click here to enter text.
 Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

Oil And Gas Mineral Estate Owner: Click here to enter text.
 Surface Ownership And Access Agreement(s): Click here to enter text.
 Special Use Lands: Click here to enter text.
 Jointly Managed Lands: Click here to enter text.
 Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

Oil And Gas Mineral Estate Owner: Click here to enter text.
 Surface Ownership And Access Agreement(s): Click here to enter text.
 Special Use Lands: Click here to enter text.
 Jointly Managed Lands: Click here to enter text.
 Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

SECTION VI: BOND INFORMATION

Bonded Company: CPAI

Type: Surety Number: 6475568 Amount: \$100,000.00

Bonding Company: Safeco Insurance Company of America

Mailing Address: Safeco Plaza

City: Seattle State: WA Zip Code: 98154

Phone: Enter Phone. Fax: Enter Fax. Email: Enter Email.

SECTION VII: SEQUENCE AND SCHEDULE OF OPERATIONS			
Project Milestone #	Project Milestone	Proposed Start Date	Proposed End Date
1.	Gravel placed and pad built to grade.	4/1/2016	3/31/2017
2.	Enter Milestone.	Enter Date.	Enter Date.
3.	Enter Milestone.	Enter Date.	Enter Date.
4.	Enter Milestone.	Enter Date.	Enter Date.
5.	Enter Milestone.	Enter Date.	Enter Date.
6.	Enter Milestone.	Enter Date.	Enter Date.
7.	Enter Milestone.	Enter Date.	Enter Date.
8.	Enter Milestone.	Enter Date.	Enter Date.
9.	Enter Milestone.	Enter Date.	Enter Date.
10.	Enter Milestone.	Enter Date.	Enter Date.
SECTION VIII: PROJECTED USE REQUIREMENTS			
1. Describe the proposed operations, including the location and design, of Well Sites :			
N/A			
2. Describe the proposed operations, including the location and design, of Buildings :			
Three rig camps and a safety station will be placed on the pad. The rig camps are each estimated to be approximately 250 feet long by 100 feet wide. The safety station is estimated to be approximately 70 feet long by 20 feet wide.			
3. Describe the proposed operations, including the location and design, of Fuel and Hazardous Substances :			
A tanker truck loading area and associated fuel tank will be placed on the new pad. In addition, two bulk storage tanks will be placed on the pad. The tanks will contain diesel fuel.			
4. Describe the proposed operations, including the location and design, of Solid Waste Sites :			
N/A – Sanitary wastes that may be generated will be hauled to the Kuparuk wastewater treatment system. Food waste will be incinerated at Kuparuk Operations Center (KOC) and non-burnable waste will be recycled or trucked to the NSB landfill at Deadhorse.			
5. Describe the proposed operations, including the location and design, of Water Supplies :			
N/A – Camp water supply will be trucked from KOC. Fresh water required for dust control and gravel compaction during construction will come from Lake K201, K203, K214, or another permitted source.			
6. Describe the proposed operations, including the location and design, of Utilities :			
Power will be supplied to the Drilling Annex Pad from existing infrastructure, and the utility cables will be buried in-pad.			
7. Describe the proposed operations, including the location and design, of Material Sites :			
Construction of the new pad will require approximately 129,500 cubic yards of gravel impacting approximately 16.5 acres of tundra. Gravel will be hauled from Mine Site C or another permitted source using existing infrastructure.			
8. Describe the proposed operations, including the location and design, of Roads :			

Enter Agency.	Enter Permit Type.	Enter Permit Number.	Enter Application Status.	Enter Projected Use Requirement(s).
SECTION IX: REHABILITATION PLAN				
1. Proposed Level of Infrastructure, Facilities and Equipment Removal:				
N/A				
2. Description of Restoration and Rehabilitation Activities for Vegetation, Habitat, Impacted Wildlife, and Other Applicable Resources:				
Restoration and rehabilitation activities will occur upon abandonment.				
SECTION X: OPERATING PROCEDURES DESIGNED TO MINIMIZE ADVERSE EFFECTS				
Describe operating procedures designed to prevent or minimize adverse effects on other natural resources and other uses of the Unit area and adjacent areas including:				
Fish and Wildlife Habitats: CPAI has a Wildlife Avoidance Interaction Plan design to prevent or minimize adverse effects on other natural resource.				
Historic and Archeological Sites: CPAI does not believe this would have any impacts to cultural resources. The general area of the proposed Drilling Annex Pad near the DS2L gravel pad has been examined numerous times in the past (Lobdell 1990, 1996, 1998a, b, 1999; Reanier 2003, 2010, 2011). In particular, the DS2L area was studied by Lobdell in 1998 prior to well drilling and construction of the DS2L production pad (Lobdell 1998b), and the proposed project location was examined by Reanier when that location was used for an ice pad (Reanier 2011). None of these previous studies reported cultural sites in the vicinity of the proposed project activities. CPAI also reviewed the area for any existing Alaska Heritage Resources Surveys (AHRS) and Traditional Land Use Inventory (TLUI).				
Public Use Areas: The project will have little effect on the use of the existing area, because it is within a developed oilfield.				
Other Uses: N/A				
SECTION XI: GLOSSARY OF TERMS				
Term #	Term	Term Definition		
1	Enter Term.	Enter Term Definition.		
2	Enter Term.	Enter Term Definition.		
3	Enter Term.	Enter Term Definition.		
4	Enter Term.	Enter Term Definition.		
5	Enter Term.	Enter Term Definition.		
6	Enter Term.	Enter Term Definition.		
7	Enter Term.	Enter Term Definition.		
8	Enter Term.	Enter Term Definition.		
9	Enter Term.	Enter Term Definition.		
10	Enter Term.	Enter Term Definition.		
SECTION XII: CONFIDENTIALITY				
The undersigned hereby requests that each page/section of this application <u>marked</u> confidential be held confidential under AS 38.05.035(a)(8).				
APPLICANT CONTACT:				
Sign here.	Enter Name.	Enter Title.	Enter Date.	
Signature	Name	Title	Date	

APPENDIX A: MAPS

Include maps here.

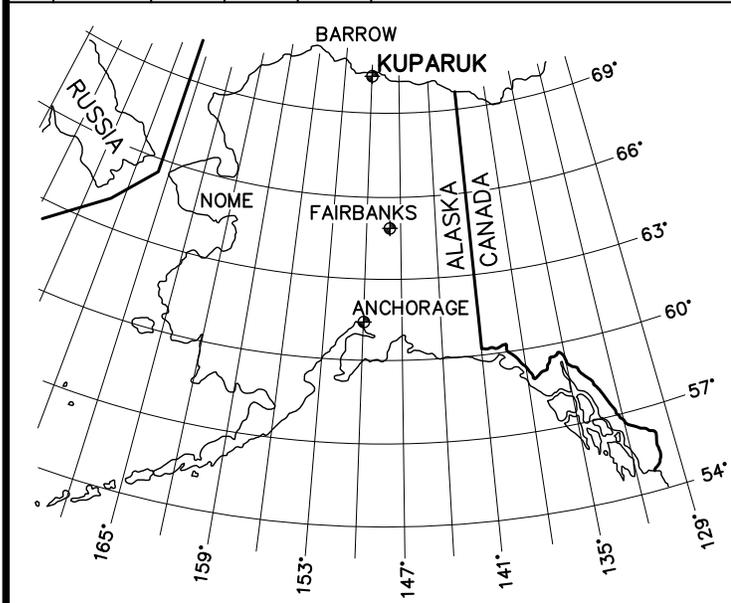
APPENDIX B: MITIGATION MEASURES

Include mitigation measures here.

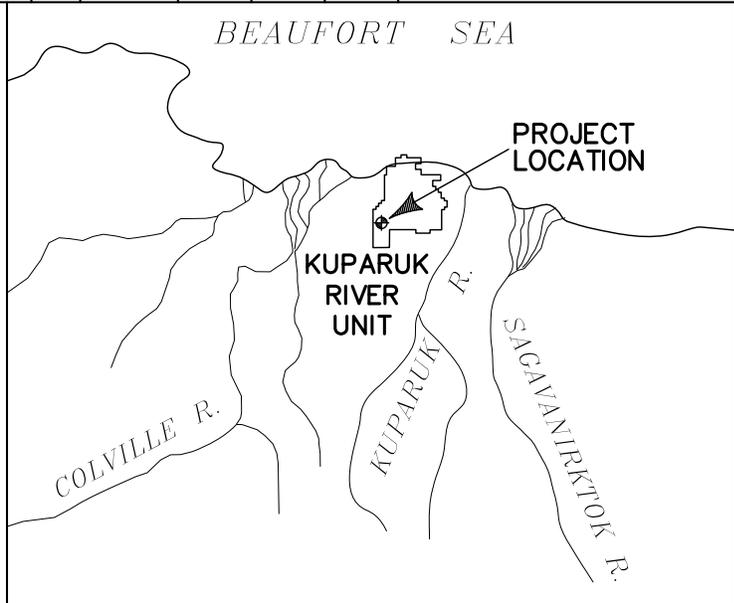
APPENDIX C: OTHER

Insert other information here.

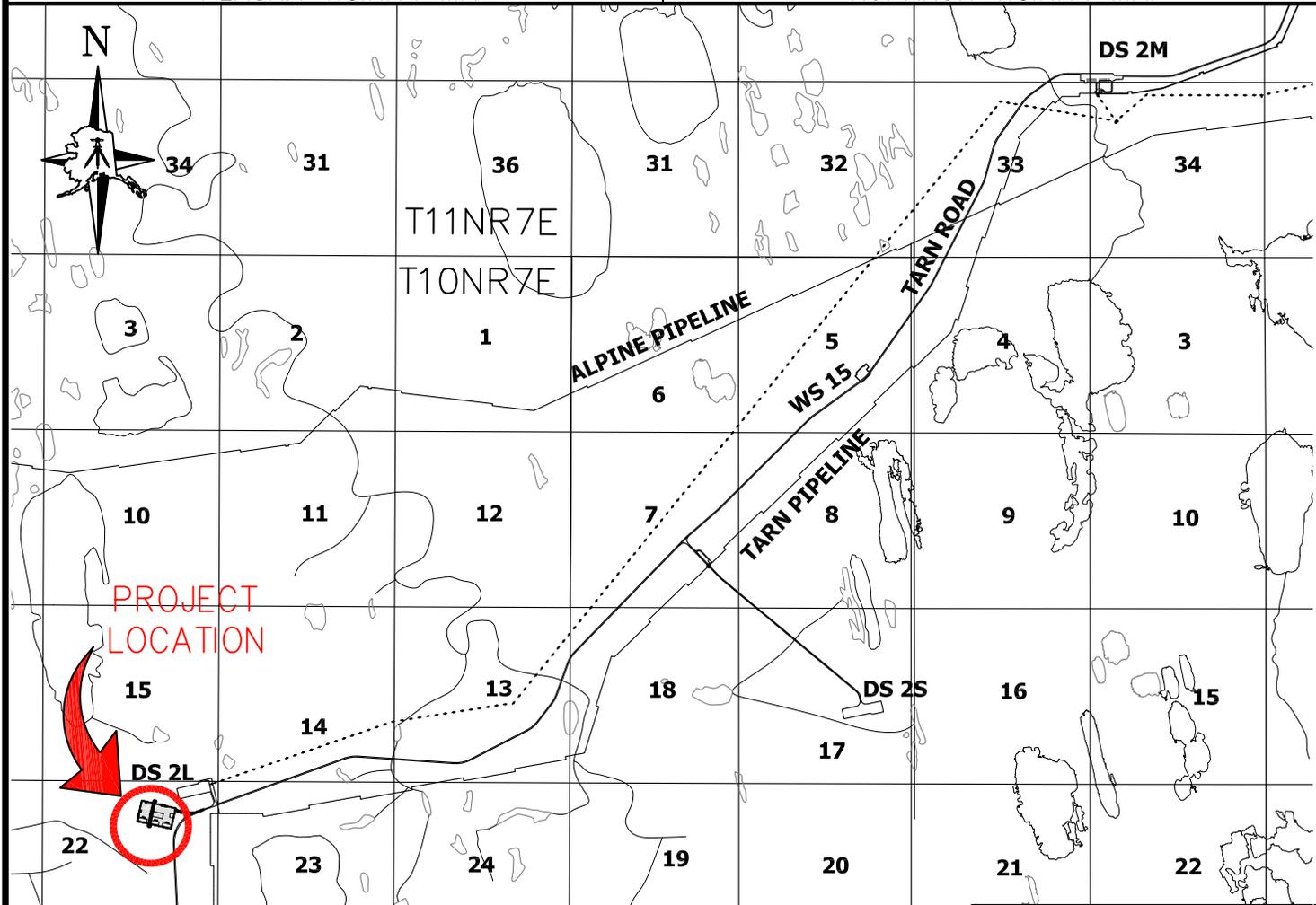
REV	DATE	BY	CK	APP	DESCRIPTION	REV	DATE	BY	CK	APP	DESCRIPTION
1	10/05/15	LGM	MEH		UPDATE DRAWING TITLE						



ALASKA VICINITY MAP N.T.S.



KUPARUK VICINITY MAP N.T.S.



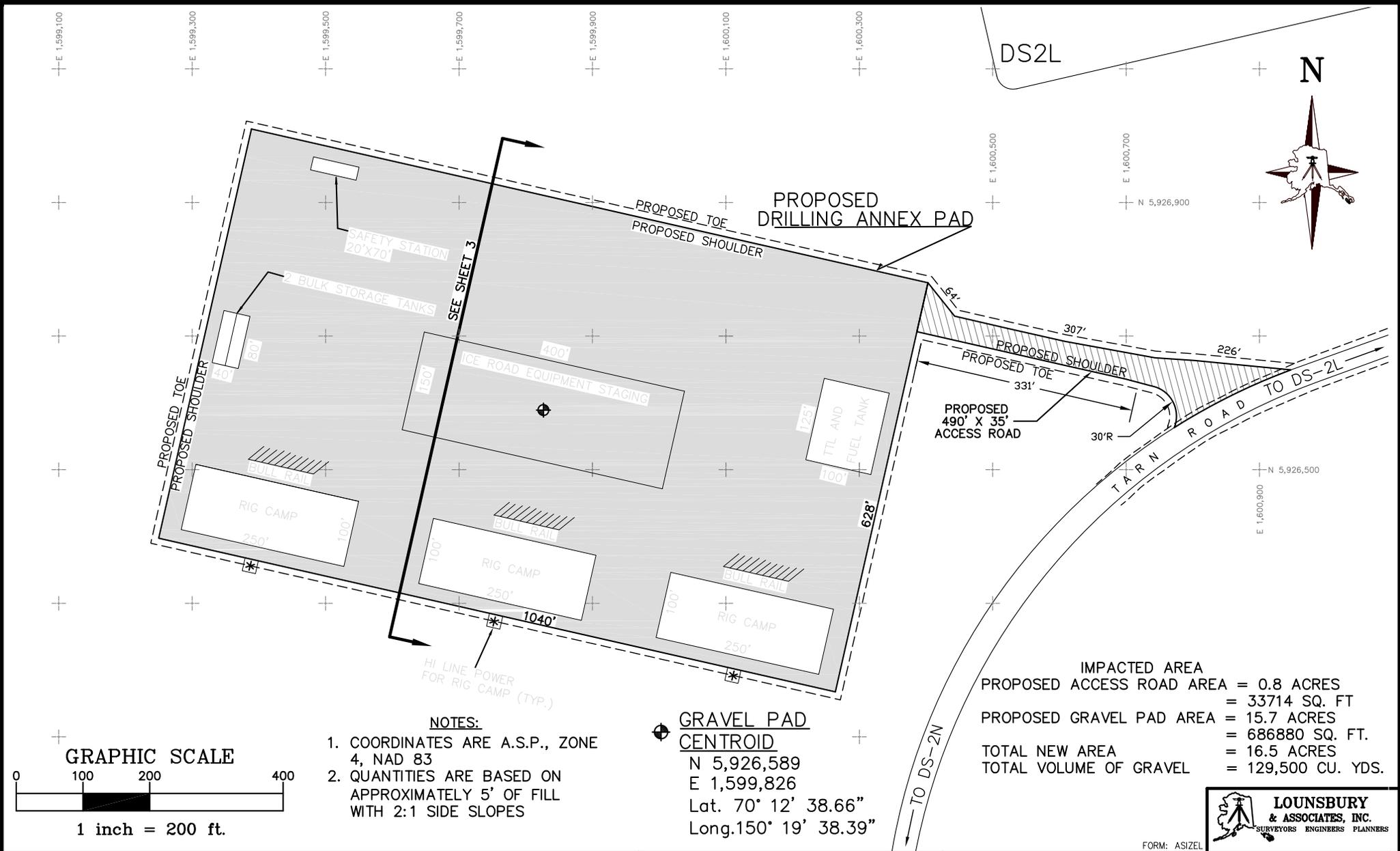
VICINITY MAP
1" = 1 MILE

THIS PROJECT IS LOCATED
IN HARRISON BAY (A-1)
QUADRANGLE

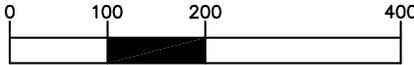
**LOUNSBURY
& ASSOCIATES, INC.**
SURVEYORS ENGINEERS PLANNERS

<p>ConocoPhillips Alaska, Inc.</p>	AREA: 2L	MODULE: XXXX	UNIT: D2
	<p>KUPARUK FIELD DRILLING ANNEX PAD PERMIT EXHIBIT</p>		

CADD FILE NO. LK660D153	10/02/2015	DRAWING NO. NSK 6.60-d153	PART: 1 OF 3	REV: 1
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GRAPHIC SCALE



1 inch = 200 ft.

NOTES:

- COORDINATES ARE A.S.P., ZONE 4, NAD 83
- QUANTITIES ARE BASED ON APPROXIMATELY 5' OF FILL WITH 2:1 SIDE SLOPES

GRAVEL PAD CENTROID
 N 5,926,589
 E 1,599,826
 Lat. 70° 12' 38.66"
 Long. 150° 19' 38.39"

IMPACTED AREA
 PROPOSED ACCESS ROAD AREA = 0.8 ACRES
 = 33714 SQ. FT
 PROPOSED GRAVEL PAD AREA = 15.7 ACRES
 = 686880 SQ. FT.
 TOTAL NEW AREA = 16.5 ACRES
 TOTAL VOLUME OF GRAVEL = 129,500 CU. YDS.



				ConocoPhillips <small>Alaska, Inc.</small>		AREA: 2L	MODULE: XXXX	UNIT: D2
				APPROVAL: —		KUPARUK FIELD DRILLING ANNEX PAD		
				DATE: 10/02/2015 LK660D153				
1	10/05/15	UPDATE DRAWING TITLE	LGM	MEH	DRAWING NO.	PART: 2 of 3		REV: 1
REV. NO.	CUST APP	DATE	REVISIONS	BY	CHK	JOB ENGR	PROJ ENGR	
						NSK 6.60-d153		1

MITIGATION MEASURE ANALYSIS: NORTH SLOPE

The following instructions are provided for guidance to adequately complete the Mitigation Measure Analysis form.

1. The applicant shall respond to each Mitigation Measure, and all subsets of mitigation measures; i.e. A.2.d.i should be addressed and A.2.d.ii, and so forth.
2. The applicant's response shall begin by clearly indicating if the **mitigation measure is satisfied**, a **waiver is requested**, or if the mitigation measure is **not applicable**.
3. The applicants' response shall then address how the proposed project clearly satisfies the mitigation measure, meets the intent of the mitigation measure, is not practicable, or is not applicable.
4. The applicant shall verify working 'in consultation with' parties other than Department of Natural Resources (DNR), Division of Oil and Gas (DO&G) by reporting meeting dates and parties present for Mitigation Measures which require consultation with parties other than DNR, DO&G; i.e. Mitigation Measure 1.b.

Please note that this form, along with the Plan of Operations Application form and the Plan of Operations, must be adequately completed before DNR DO&G will review an application for potential approval.

NORTH SLOPE	
A. Mitigation Measures	Company Response
1. Facilities and Operations	
<p>a. A plan of operations must be submitted and approved before conducting exploration, development or production activities, and must describe the lessee's efforts to minimize impacts on residential, commercial, and recreational areas, Native allotments and subsistence use areas. At the time of application, lessee must submit a copy of the proposed plan of operations to all surface owners whose property will be entered.</p>	<p>A.1.a. Mitigation measure satisfied. The Drilling Annex Pad will be on State of Alaska lands and a Plan of Operations is included as part of this application to the Alaska Department of Natural Resources – Division of Oil & Gas. There are no native allotments or private lands in the project area.</p>
<p>b. Facilities must be designed and operated to minimize sight and sound impacts in areas of high residential, commercial, recreational, and subsistence use and important wildlife habitat. Methods may include providing natural buffers and screening to conceal facilities, sound insulation of facilities, or by using alternative means approved by the Director, in consultation with ADF&G and the NSB.</p>	<p>A.1.b. Mitigation measure satisfied. The proposed project is not in an area of high residential, commercial, or recreational use. The project is located in a subsistence use area and is within the existing Kuparuk Oil field. There will be an increase in noise during construction activities but this will be temporary. Only those structures necessary for oil and gas production will be situated on the pad (see attached drawings for details).</p>
<p>c. To the extent practicable, the siting of facilities will be prohibited within 500 feet of all fish-bearing streams and waterbodies and 1,500 feet from all current surface drinking water sources. Additionally, to the extent practicable, the siting of facilities will be prohibited within one-half mile of the banks of the main channel of the Colville, Canning, Sagavanirktok, Kavik, Shaviovik, Kadleroshilik, Echooka, Ivishak, Kuparuk, Toolik, Anaktuvuk and Chandler Rivers. Facilities may be sited within these buffers if the lessee demonstrates to the satisfaction of the Director, in consultation with ADF&G, that site locations outside these buffers are not practicable or that a location inside the buffer is environmentally preferred. Road, utility, and pipeline crossings must be consolidated and aligned perpendicular or near perpendicular to watercourses.</p>	<p>A.1.c. Mitigation measure satisfied. The project is not situated closer than 500 feet from any fish bearing stream. There are no surface drinking water sources within 1,500 feet of the project. The project is located at a distance of greater than one half mile from the Colville, Canning, Sagavanirktok, Kadleroshilik and Kuparuk rivers.</p>
<p>d. No facilities will be sited within one-half mile of identified Dolly Varden overwintering and/or spawning areas on the Canning, Shaviovik, and Kavik rivers. Notwithstanding the</p>	<p>A.1.d. Mitigation measure not applicable. The project is not within a half mile of any Dolly Varden overwintering or spawning areas.</p>

<p>previous sentence, road and pipeline crossings may only be sited within these buffers if the lessee demonstrates to the satisfaction of the Director and ADF&G in the course of obtaining their respective permits, that either (1) the scientific data indicate the proposed crossing is not within an overwintering and/or spawning area; or (2) the proposed road or pipeline crossing will have no significant adverse impact to Dolly Varden overwintering and/or spawning habitat.</p>	
<p>e. Impacts to important wetlands must be minimized to the satisfaction of the Director, in consultation with ADF&G and ADEC. The Director will consider whether facilities are sited in the least sensitive areas. Further, all activities within wetlands require permission from the US Army Corps of Engineers (see Lessee Advisories).</p>	<p>A.1.e. Mitigation measure satisfied. The facilities are designed to the minimum size and tundra footprint to meet project needs. The new pad is essential to continued development of oil and gas resources in the Kuparuk River Unit. A permit application is also being submitted to the U.S. Army Corps of Engineers for this project.</p>
<p>f. Exploration facilities, including exploration roads and pads, must be temporary and must be constructed of ice unless the Director determines that no practicable alternative exists. Re-use of abandoned gravel structures may be permitted on a case-by-case basis by the Director, after consultation with the director, DMLW, and ADF&G. Approval for use of abandoned structures will depend on the extent and method of restoration needed to return these structures to a usable condition.</p>	<p>A.1.f. Mitigation measure not applicable. The project is not an exploration facility.</p>
<p>g. Pipelines must utilize existing transportation corridors where conditions permit. Pipelines must be designed to facilitate the containment and cleanup of spilled fluids. Where practicable, onshore pipelines must be located on the upslope side of roadways and construction pads, unless the director, DMLW, determines that an alternative site is environmentally acceptable. Wherever possible, onshore pipelines must utilize existing transportation corridors and be buried where soil and geophysical conditions permit. All pipelines, including flow and gathering lines, must be designed, constructed and maintained to assure integrity against climatic conditions, geophysical hazards, corrosion and other hazards as determined on a case-by-case basis.</p>	<p>A.1.g. Mitigation measure not applicable. No pipelines are being installed as part of this project.</p>
<p>h. Pipelines shall be designed and constructed to avoid significant alteration of caribou and other large ungulate movement and migration patterns. At a minimum, above-ground pipelines shall be elevated 7 feet, as measured from the ground to the bottom of the pipe, except where the pipeline intersects a road, pad, or a ramp installed to facilitate wildlife passage. Lessees shall consider increased snow depth in the sale area in</p>	<p>A.1.h. Mitigation Measure not applicable. No new pipelines will be constructed. A.1.h.i Mitigation Measure not applicable. A.1.h.ii Mitigation Measure not applicable.</p>

<p>relation to pipe elevation to ensure adequate clearance for wildlife. ADNR may, after consultation with ADF&G, require additional measures to mitigate impacts to wildlife movement and migration.</p> <p>i. The state of Alaska discourages the use of continuous-fill causeways. Environmentally preferred alternatives for field development include use of buried pipelines, onshore directional drilling, or elevated structures. Approved causeways must be designed, sited, and constructed to prevent significant changes to nearshore oceanographic circulation patterns and water quality characteristics (e.g., salinity, temperature, suspended sediments) that result in exceedances of water quality criteria, and must maintain free passage of marine and anadromous fish.</p> <p>ii. Causeways and docks shall not be located in river mouths or deltas. Artificial gravel islands and bottom founded structures shall not be located in river mouths or active stream channels on river deltas, except as provided for in (iii).</p> <p>iii. Each proposed structure will be reviewed on a case-by-case basis. Causeways, docks, artificial gravel islands and bottom founded structures may be permitted if the Director, in consultation with ADF&G, ADEC, and the NSB determines that a causeway or other structures are necessary for field development and that no practicable alternatives exist. A monitoring program may be required to address the objectives of water quality and free passage of fish, and mitigation shall be required where significant deviation from objectives occurs. (See also Lessee Advisories regarding U.S. Army Corps of Engineers requirements.)</p>	<p>A.1.h.iii Mitigation Measure not applicable.</p>
<p>i. Dismantlement, Removal and Rehabilitation (DR&R): Upon abandonment of material sites, drilling sites, roads, buildings or other facilities, such facilities must be removed and the site rehabilitated to the satisfaction of the Director, unless the Director, in consultation with DMLW, ADF&G, ADEC, NSB, and any non-state surface owner, determines that such removal and rehabilitation is not in the state's interest.</p>	<p>A.1.i. Mitigation measure satisfied. ConocoPhillips Alaska, Inc. (CPAI) will plan to fully dismantle, remove, and restore all temporary and permanent improvements approved by the Plan of Operations unless the State determines, at the time of rehabilitation, that different rehabilitation measures are necessary to deliver up the land in good order and condition. When CPAI completes construction of all of the improvements approved by the Alaska Department of Natural Resources (ADNR) that are detailed in the Plan of Operations, CPAI will submit to ADNR a list of actions that CPAI anticipates taking to rehabilitate the area.</p>

<p>j. Gravel mining sites required for exploration and development activities will be restricted to the minimum necessary to develop the field efficiently and with minimal environmental damage. Where practicable, gravel sites must be designed and constructed to function as water reservoirs for future use. Gravel mine sites required for exploration activities must not be located within an active floodplain of a watercourse unless the director, DMLW, after consultation with ADF&G, determines that there is no practicable alternative, or that a floodplain site would enhance fish and wildlife habitat after mining operations are completed and the site is closed.</p> <p>Mine site development and rehabilitation within floodplains must follow the procedures outlined in McLean, R. F. 1993, North Slope Gravel Pit Performance Guidelines, ADF&G Habitat and Restoration Division Technical Report 93-9, available from ADF&G.</p>	<p>A.1.j. Mitigation measure satisfied. The project will use gravel fill from the existing Mine Site C or E, both of which are located within the Kuparuk River Unit and also currently used for general Kuparuk field wide gravel needs. Mine Site C and E have an approved mining and rehabilitation plan.</p>
<p>2. Fish and Wildlife Habitat</p>	

<p>a. Detonation of explosives within or in proximity to fish-bearing waters must not produce instantaneous pressure changes that exceed 2.7 pounds per square inch in the swim bladder of a fish. Detonation of explosives within or in close proximity to a fish spawning bed during the early stages of egg incubation must not produce a peak particle velocity greater than 0.5 inches per second. Blasting criteria have been developed by ADF&G and are available upon request from ADF&G. The location of known fish-bearing waters within the project area can also be obtained from ADF&G.</p> <p>The lessee will consult with the NSB prior to proposing the use of explosives for seismic surveys. The Director may approve the use of explosives for seismic surveys after consultation with the NSB.</p>	<p>A.2.a. Mitigation measure satisfied. The project will use gravel fill from the existing Mine Site C or E located within the Kuparuk River Unit, both of which are active mine sites that are also used for general field wide gravel needs. The mine sites do not contain fish bearing waters.</p>
<p>b. Water intake pipes used to remove water from fish-bearing waterbodies must be surrounded by a screened enclosure to prevent fish entrainment and impingement. Screen mesh size shall be no greater than 1 mm (0.04 inches), unless another size has been approved by ADF&G. The maximum water velocity at the surface of the screen enclosure may be no greater than 0.1 foot per second, unless an alternative velocity has been approved by ADF&G.</p>	<p>A.2.b. Mitigation measure satisfied. All withdrawals from fish bearing sources use a screen with mesh no greater than 1 mm (0.04 inches) and the surface of the screen enclosure will allow a maximum water intake velocity no greater than 0.1 foot per second (meeting the requirements of ADF&G Technical Report No. 97-8, Water Intake Structures).</p>
<p>c. Removal of snow from fish-bearing rivers, streams and natural lakes shall be subject to prior written approval by ADF&G. Compaction of snow cover overlying fish-bearing waterbodies is prohibited except for approved crossings. If ice thickness is not sufficient to facilitate a crossing, ice or snow bridges may be required.</p>	<p>A.2.c. Mitigation measure satisfied. Any removal of snow from fish-bearing lakes will be done after prior approval from the ADF&G. No ice roads will cross streams or other fish bearing waters.</p>
<p>d. Bears:</p> <p>i. Before commencement of any activities, lessees shall consult with ADF&G (907-459-7213) to identify the locations of known brown bear den sites that are occupied in the season of proposed activities. Exploration and production activities must not be conducted within one-half mile of occupied brown bear dens, unless alternative mitigation measures are approved by ADF&G. A lessee who encounters an occupied brown bear den not previously identified by ADF&G must report it to the Division of Wildlife Conservation, ADF&G, within 24 hours. Mobile activities shall</p>	<p>A.2.d.i. Mitigation measure satisfied. As is standard practice for CPAI, prior to the start of winter construction CPAI will consult with ADF&G to identify the locations of known brown bear dens in the project area to ensure that the appropriate setback distance of ½ mile is addressed. If deviation from this requirement is necessary ADF&G personnel will be contacted for approval. See Attachment 1 of the Project Description - Wildlife Avoidance and Interaction Plan - for details.</p> <p>A.2.d.ii. Mitigation measure satisfied. As is standard, CPAI will consult with the USFWS regarding the location of known Polar Bear dens and</p>

<p>avoid such discovered occupied dens by one-half mile unless alternative mitigation measures are approved by the Director, with concurrence from ADF&G. Non-mobile facilities will not be required to relocate.</p> <p>ii. Before commencement of any activities, lessees shall consult with the USFWS (907-786-3800) to identify the locations of known polar bear den sites. Operations must avoid known polar bear dens by 1 mile. A lessee who encounters an occupied polar bear den not previously identified by USFWS must report it to the USFWS within 24 hours and subsequently avoid the new den by 1 mile. If a polar bear should den within an existing development, off-site activities shall be restricted to minimize disturbance.</p> <p>iii. For projects in proximity to areas frequented by bears, lessees are required to prepare and implement a human-bear interaction plan designed to minimize conflicts between bears and humans. The plan should include measures to:</p> <ul style="list-style-type: none">A. minimize attraction of bears to facility sites;B. organize layout of buildings and work areas to minimize interactions between humans and bears;C. warn personnel of bears near or on facilities and the proper actions to take;D. if authorized, deter bears from the drill site;E. provide contingencies in the event bears do not leave the site;F. discuss proper storage and disposal of materials that may be toxic to bears; andG. provide a systematic record of bears on the site and in the immediate area.	<p>following consultation with the USFWS will survey the appropriate locations prior to the start of construction using a Forward Looking Infrared (FLIR) camera to document the presence of Polar Bear dens. Project personnel will maintain a one mile distance from all known dens in the project area. As per CPAI's Polar Bear Avoidance and Interaction Plan (January 2012) on file with the USFWS and included as Attachment 1 of the Project Description, newly identified dens will be reported to the USFWS within 24 hours and mitigation measures developed as appropriate.</p> <p>A.2.d.iii. Mitigation measure satisfied. The project will implement the CPAI Wildlife Avoidance and Interaction Plan (March 2015) to minimize conflicts between bears and humans. The plan discusses the proper handling of food and food waste, infrastructure design, grizzly and polar bear alert system, deterrence guidelines, and reporting. See Attachment 1 of the Project Description – Wildlife Avoidance and Interaction Plan - for details.</p>
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<p>e. Permanent, staffed facilities must be sited to the extent practicable outside identified brant, white-fronted goose, snow goose, tundra swan, king eider, common eider, Steller's eider, spectacled eider, and yellow-billed loon nesting and brood rearing areas.</p>	<p>A.2.e. Mitigation measures satisfied. The project site is an area with no history of use by nesting or brood-rearing waterfowl. Habitats are primarily persistent emergent and broad-leaf deciduous scrub-shrub vegetation. Winter construction of gravel surfaces will eliminate physical disturbances of nesting sites and reduce noise and vehicle related disturbances during the breeding season.</p>
<p>3. Subsistence, Commercial and Sport Harvest Activities</p>	

<p>a.</p> <ul style="list-style-type: none">i. Exploration, development and production operations shall be conducted in a manner that prevents unreasonable conflicts between lease-related activities and subsistence activities. Lease-related use will be restricted when the Director determines it is necessary to prevent conflicts with local subsistence, commercial and sport harvest activities. In enforcing this term DO&G will consult with other agencies, the affected local borough(s) and the public to identify and avoid potential conflicts that are brought to the division's attention both in the planning and operational phases of lease-related activities. In order to avoid conflicts with subsistence, commercial and sport harvest activities, restrictions may include alternative site selection, requiring directional drilling, seasonal drilling restrictions, and other technologies deemed appropriate by the Director.ii. Prior to submitting a plan of operations for either onshore or offshore activities which have the potential to disrupt subsistence activities, the lessee shall consult with the potentially affected subsistence communities and the NSB (collectively "parties") to discuss the siting, timing, and methods of proposed operations and safeguards or mitigating measures which could be implemented by the operator to prevent unreasonable conflicts. The parties shall also discuss the reasonably foreseeable effect on subsistence activities of any other operations in the area that they know will occur during the lessee's proposed operations. Through this consultation, the lessee shall make reasonable efforts to assure that exploration, development, and production activities are compatible with subsistence hunting and fishing activities and will not result in unreasonable interference with subsistence harvests.iii. A discussion of agreements reached or not reached during the consultation process and any plans for continued consultation shall be included in the plan of operations. The lessee shall identify who participated in the consultation and send copies of the plan to participating communities and the NSB when it is submitted to the division.	<p>A.3.a.i. Mitigation measure satisfied. The only off-pad activity related to this project is the placement of gravel fill for the pad construction. These off-pad activities will occur during the winter months. All other construction activities will occur year round, will be during the construction period (2016 -2018), and will be on-pad. Subsistence hunters will be allowed access to the area (subject to safety polices).</p> <p>A.3.a.ii. Mitigation measure satisfied. Meetings are being held with the North Slope Borough (NSB) to discuss the project scope, schedule, and potential impacts. Village consultation has already occurred. The project was shared with the village representatives, and no issues or concerns were expressed.</p> <p>A.3.a.iii. Mitigation measure satisfied. The proposed project was shared with village representatives through the consultation process, and no issues or concerns were expressed.</p> <p>A.3.a.iv. Mitigation measure satisfied. There were no unresolved issues from the community consultation process, and there were no requests for DNR to intercede.</p> <p>A.3.1.v. Mitigation measure satisfied. The director will be notified of any subsistence hunter concerns during project construction and operations.</p>
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<p>iv. If the parties cannot agree, then any of them may request the Commissioner of DNR or his/her designee to intercede. The commissioner may assemble the parties or take other measures to resolve conflicts among the parties.</p> <p>v. The lessee shall notify the Director of all concerns expressed by subsistence hunters during operations and of steps taken to address such concerns.</p>	
<p>b. Traditional and customary access to subsistence areas shall be maintained unless reasonable alternative access is provided to subsistence users. "Reasonable access" is access using means generally available to subsistence users. Lessees will consult the NSB, nearby communities, and native organizations for assistance in identifying and contacting local subsistence users.</p>	<p>A.3.b Mitigation measure satisfied. The project is in a traditional subsistence hunting area used by the community of Nuiqsut. Customary and reasonable access to the area will be maintained and any subsistence access concerns will be discussed with KSOP.</p>
<p>4. Fuel, Hazardous Substances and Waste</p>	
<p>a. Secondary containment shall be provided for the storage of fuel or hazardous substances.</p>	<p>A.4.a. Mitigation measure satisfied. Any tanks included with this project will include secondary containment.</p>
<p>b. Containers with an aggregate storage capacity of greater than 55 gallons which contain fuel or hazardous substances shall not be stored within 100 feet of a waterbody, or within 1,500 feet of a current surface drinking water source.</p>	<p>A.4.b. Mitigation measure satisfied. Containers with a capacity larger than 55 gallons will not be stored within 100 ft. of a water body or within 1,500 feet of a current surface drinking water source.</p>
<p>c. During equipment storage or maintenance, the site shall be protected from leaking or dripping fuel and hazardous substances by the placement of drip pans or other surface liners designed to catch and hold fluids under the equipment, or by creating an area for storage or maintenance using an impermeable liner or other suitable containment mechanism.</p>	<p>A.4.c. Mitigation measure satisfied. Drip pans and liners will be placed under equipment and connections, as appropriate to minimize the possibility of leakage to the environment. Some equipment may have built-in containment that satisfies this requirement. CPAI will provide training to employees on the importance of preventing the release of oil or hazardous material spills.</p>
<p>d. During fuel or hazardous substance transfer, secondary containment or a surface liner must be placed under all container or vehicle fuel tank inlet and outlet points, hose connections, and hose ends. Appropriate spill response equipment, sufficient to respond</p>	<p>A.4.d. Mitigation measure satisfied. All fueling operations will be done in accordance with the Kuparuk Fieldwide Standard Operations Procedure for Fluid Transfers (F-005) and liners will be used as</p>

<p>to a spill of up to five gallons, must be on hand during any transfer or handling of fuel or hazardous substances. Trained personnel shall attend transfer operations at all times.</p>	<p>required by the Fieldwide Procedure for Liners and Drip Pans (F-006). Appropriate spill response equipment, sufficient to respond to a spill of up to 5 gallons, will be on hand during transfers or handling of fuel or hazardous substances. CPAI will provide training to employees on preventing oil or hazardous materials.</p>
<p>e. Vehicle refueling shall not occur within the annual floodplain, except as addressed and approved in the plan of operations. This measure does not apply to water-borne vessels.</p>	<p>A.4.e. Mitigation measure satisfied. No fueling will occur within the annual floodplain.</p>
<p>f. All independent fuel and hazardous substance containers shall be marked with the contents and the lessee's or contractor's name using paint or a permanent label.</p>	<p>A.4.f. Mitigation measure satisfied. Independent fuel and hazardous containers will be marked with the lessee's or contractor's name.</p>
<p>g. A fresh water aquifer monitoring well, and quarterly water quality monitoring, is required down gradient of a permanent storage facility, unless alternative acceptable technology is approved by ADEC.</p>	<p>A.4.g. Mitigation measure not applicable</p>
<p>h. Waste from operations must be reduced, reused, or recycled to the maximum extent practicable. Garbage and domestic combustibles must be incinerated whenever possible or disposed of at an approved site in accordance with 18 AAC 60. (See Lessee Advisories, ADEC.)</p>	<p>A.4.h. Mitigation measure satisfied. Sanitary waste that may be generated from the temporary camp will be hauled to the Kuparuk Operations Center (KOC) wastewater treatment facility. Food waste will be incinerated at the KOC facility and non-burnable waste will be recycled or trucked to the North Slope Borough landfill at Deadhorse.</p>
<p>i. New solid waste disposal sites, other than for drilling waste, will not be approved or located on state property during the exploration phase of lease activities. Disposal sites may be provided for drilling waste if the facility complies with 18 AAC 60. (See Lessee Advisories, ADEC.)</p>	<p>A.4.i. Mitigation measure not applicable.</p>
<p>j. The preferred method for disposal of muds and cuttings from oil and gas activities is by underground injection. Drilling mud and cuttings cannot be discharged into lakes, streams, rivers, or important wetlands. On pad temporary cuttings storage will be allowed as necessary to facilitate annular injection and/or backhaul operations. Impermeable lining and diking, or equivalent measures, will be required for reserve pits. Surface discharge of drilling muds and cuttings into reserve pits shall be allowed only when the Director, in consultation with ADF&G, determines that alternative disposal</p>	<p>A.4.i. Mitigation measure not applicable. No drilling will occur at this pad.</p>

<p>methods are not practicable. Injection of non-hazardous oilfield wastes is regulated by AOGCC through its Underground Injection Control (UIC) Program for oil and gas wells. See also Mitigation Measure 8.a.vi.</p>	
<p>k. Proper disposal of garbage and putrescible waste is essential to minimize attraction of wildlife. The lessee must use the most appropriate and efficient method to achieve this goal. The primary method of garbage and putrescible waste is prompt, on-site incineration in compliance with state of Alaska air quality regulations. The secondary method of disposal is on-site frozen storage in animal-proof containers with backhaul to an approved waste disposal facility. The tertiary method of disposal is on-site non-frozen storage in animal proof containers with backhaul to an approved waste disposal facility. Daily backhauling of non-frozen waste must be achieved unless safety considerations prevent it.</p>	<p>A.4.k. Mitigation measure satisfied. Food waste will be incinerated at the KOC facility and non-burnable waste will be recycled or trucked to the North Slope Borough landfill at Deadhorse. As per polices outlined in CPAI's Wildlife Avoidance and Interaction Plan, all food taken into vehicles will be stored in containers to minimize odors and all food waste returned to the construction camp to be handled as stated above. See Attachment 1 of the Project Description – Wildlife Avoidance and Interaction Plan for details</p>

5. Access	
<p>a. Except for approved off-road travel, exploration activities must be supported only by ice roads, winter trails, existing road systems or air service. Wintertime off-road travel across tundra and wetlands may be approved in areas where snow and frost depths are sufficient to protect the ground surface. Summertime off-road travel across tundra and wetlands may be authorized subject to time periods and vehicle types approved by DMLW. Exceptions may be granted by the director of the DMLW, and the Director, if an emergency condition exists; or, if it is determined, after consulting with ADF&G that travel can be accomplished without damaging vegetation or the ground surface. Exceptions, including the use of gravel, may also be granted on a site specific basis, if it is determined, after consulting with ADF&G and DMLW, that no practicable alternatives exist for constructing an exploration road or pad in the area south of the boundary described below and depicted in the map below:</p>	<p>A.5.a. Mitigation measure not applicable. No exploration activities are required.</p>

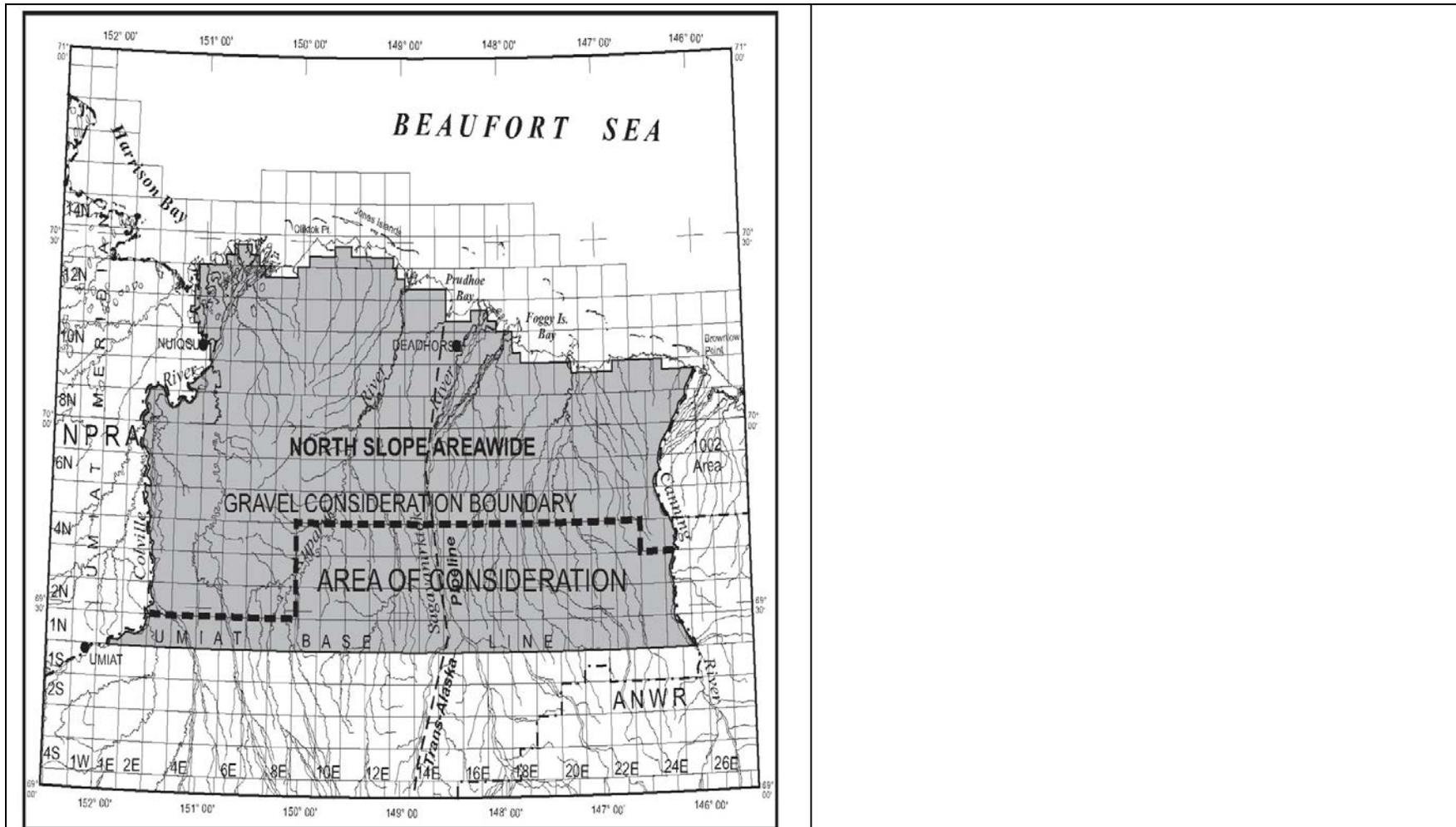


Figure 7.1: Gravel Consideration Boundary

Beginning at the NPR-A boundary, from the northeast corner of T 1N, R 2E,

<p>Figure 7.1: Gravel Consideration Boundary</p> <p>Beginning at the NPR-A boundary, from the northeast corner of T 1N, R 2E,</p> <ul style="list-style-type: none">• east to the northwest corner of T 1N, R 9E, then• north to the northwest corner of T 4N, R 9E, then• east to the northwest corner of T 4N, R 23E, then• south to the southwest corner of T 4N, R 23E, and then• east along the top of T 3N to the ANWR boundary.	
<p>b. Public access to, or use of, the lease area may not be restricted except within the immediate vicinity of drill sites, buildings, and other related facilities. Areas of restricted access must be identified in the plan of operations. Lease facilities and operations shall not be located so as to block access to or along navigable or public waters as defined in AS 38.05.</p>	<p>A.5.b. Mitigation measure not applicable. The project is outside of the "Area of Consideration".</p>

6. Prehistoric, Historic, and Archeological Sites	
<p>a. Prior to the construction or placement of any structure, road, or facility resulting from exploration, development, or production activities, the lessee must conduct an inventory of prehistoric, historic, and archeological sites within the area affected by an activity. The inventory must include consideration of literature provided by the NSB, nearby communities, Native organizations, and local residents; documentation of oral history regarding prehistoric and historic uses of such sites; evidence of consultation with the Alaska Heritage Resources Survey and the National Register of Historic Places; and site surveys. The inventory must also include a detailed analysis of the effects that might result from the activity.</p>	<p>A.6.a. Mitigation measure satisfied. An inventory of prehistoric, historic, and archeological sites within the affected area was performed by Mr. Rick Reanier of Reanier and Associates in August 2014. Prior to this most recent survey the entire project area had been examined for cultural resources numerous times over the past 25 years. Mr. Reanier's survey included a literature survey, including a review of the North Slope Borough TLUI, and a ground search. A request for clearance is being submitted to the Alaska State Historic Preservation Office (SHPO) along with the permit applications. Cultural or archeological resources are not expected to be affected by this project.</p>
<p>b. The inventory of prehistoric, historic, and archeological sites must be submitted to the Director, and to SHPO who will coordinate with the NSB for review and comment. If a prehistoric, historic, or archeological site or area could be adversely affected by a lease activity, the Director, after consultation with SHPO and the NSB, will direct the lessee as to the course of action to take to avoid or minimize adverse effects.</p>	<p>A.6.b. Mitigation measure satisfied. The entire project area was examined for cultural resources and historical artifacts by Mr. Rick Reanier of Reanier & Associates, Inc. in August 2014. No cultural resource sites were found as a result of his survey.</p>
<p>c. If a site, structure, or object of prehistoric, historic, or archaeological significance is discovered during lease operations, the lessee must report the discovery to the Director as soon as possible. The lessee must make reasonable efforts to preserve and protect the discovered site, structure, or object from damage until the Director, after consultation with the SHPO and the NSB, has directed the lessee as to the course of action to take for its preservation.</p>	<p>A.6.c. Mitigation measure satisfied. No historic or cultural resources found. During construction, if a site, structure, or object of prehistoric, or archaeological significance is discovered, CPAI will report the discovery to the director as soon as possible and reasonable efforts will be made to preserve and protect the discovery until the director, after consultation with DPOR Office of History and Archeology and the NSB provide direction as to the course of action to take for its preservation.</p>

7. Local Hire, Communication, and Training	
<p>a. Lessees are encouraged to employ local and Alaska residents and contractors, to the extent they are available and qualified, for work performed in the lease area. Lessees shall submit, as part of the plan of operations, a proposal detailing the means by which the lessee will comply with the measure. The proposal must include a description of the operator's plans for partnering with local communities to recruit, hire and train local and Alaska residents and contractors. The lessee is encouraged, in formulating this proposal, to coordinate with employment and training services offered by the State of Alaska and local communities to train and recruit employees from local communities.</p>	<p>A.7.a. Mitigation measure satisfied. CPAI is committed to continuing its partnership with local contractors and business in the construction project through competitive bid contracting opportunities. When reasonably foreseeable to do so CPAI is committed to hire and, where appropriate, to provide training to Kuukpiik shareholders, Nuiqsut residents and Alaska Natives. When appropriate, local resident hire will continue to be coordinated through the Kuukpiik employment coordinator to identify and place qualified individuals interested in working on the project. In addition, CPAI and its contractors assist with scholarships, career training and internship opportunities to further expand local workforce capabilities and ensure that local residents are hired and retained as CPAI's employment requirements increase.</p>
<p>b. A plan of operations application must describe the lessee's past and prospective efforts to communicate with local communities and interested local community groups.</p>	<p>A.7.b. Mitigation measure satisfied. See Project Description Section 11.0 and A 7.a (above).</p>
<p>c. A plan of operations application must include a training program for all personnel including contractors and subcontractors. The program must be designed to inform each person working on the project of environmental, social, and cultural concerns that relate to that person's job. The program must use methods to ensure that personnel understand and use techniques necessary to preserve geological, archeological, and biological resources. In addition, the program must be designed to help personnel increase their sensitivity and understanding of community values, customs, and lifestyles in areas where they will be operating.</p>	<p>A.7.c. Mitigation measure satisfied. In addition to all North Slope employees and contractors completing a minimum level of compliance training, which includes the specific activities or tasks an employee is assigned to perform, an unescorted training program, a general camp and safety orientation and a review of the North Slope Safety Handbook, training focusing on environmental excellence and cultural awareness is required of all personnel working on the North Slope.</p>
8. Definitions	

<p>a. In this document:</p> <ul style="list-style-type: none">i. “Facilities” means any structure, equipment, or improvement to the surface, whether temporary or permanent, including, but not limited to, roads, pads, pits, pipelines, power lines, generators, utilities, airstrips, wells, compressors, drill rigs, camps and buildings;ii. “Important wetlands” means those wetlands that are of high value to fish, waterfowl, and shorebirds because of their unique characteristics or scarcity in the region or that have been determined to function at a high level using the hydrogeomorphic approach;iii. “Minimize” means to reduce adverse impacts to the smallest amount, extent, duration, size, or degree reasonable in light of the environmental, social, or economic costs of further reduction;iv. “Plan of operations” means a lease Plan of operations under 11 AAC 83.158 and a unit Plan of operations under 11 AAC 83.346;v. “Practicable” means feasible in light of overall project purposes after considering cost, existing technology, and logistics of compliance with the standard;vi. “Secondary containment” means an impermeable diked area or portable impermeable containment structure capable of containing 110 percent of the volume of the largest independent container plus 12 inches of freeboard. Double walled tanks do not qualify as Secondary Containment unless an exception is granted for a particular tank.vii. “Temporary” means no more than 12 months.	<p>A.8.a.vi “Secondary containment” – Mitigation Satisfied, tanks will have secondary containment.</p>
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