



April 20, 2018

Julieanna Potter  
Environmental Specialist  
Hilcorp Alaska, LLC  
3800 Centerpoint Dr, Ste 1400  
Anchorage, AK 99503

**RE: LOCI 94-001, Hilcorp Alaska, LLC, North Cook Inlet Unit, 8-inch pipeline and tie-in infrastructure for the Tyonek Platform, Unit Plan of Operations Amendment Decision**

Dear Ms. Potter:

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (Division), in accordance with Alaska Statute 38.05 and Alaska Oil and Gas Leasing Regulations (11 AAC 83) grants authorization to conduct activities on state lands as proposed in the North Cook Inlet Unit (CIU) Plan of Operations (Plan) amendment application dated April 4, 2018, for the above referenced project.

**Scope:**

Harvest Alaska, LLC (Harvest, a solely owned subsidiary of Hilcorp) proposes to install the W 8 oil pipeline (8-inch pipeline) and its associated tie-in at the Tyonek Platform inside the CIU. Any part of the project that is not on state land or outside of the CIU boundary is not within the scope of this decision. Furthermore, an application for the remainder of the Tyonek W 8 oil pipeline was authorized by the ADNR Division of Mining, Land and Water (DMLW) under ADL 233003 pursuant to AS 38.05.850.

**Plan activities include:**

- Harvest will place the W 8 oil pipeline on the Cook Inlet seafloor connecting the Tyonek Platform to a vault on top of the Ladd Landing bluff.
- Installation of additional infrastructure to tie the W 8 oil pipeline into the Tyonek platform.

**Location information:**

North Cook Inlet Unit

Pipeline

Meridian: Seward	Township: 11N	Range: 9W	Section: 6
Meridian: Seward	Township: 11N	Range: 10W	Section: 1
Meridian: Seward	Township: 12N	Range: 10W	Section: 35

Meridian: Seward Township: 12N Range: 10W Section: 36

ADL(s): 17589, 37831 and 18740

Tie-in at Tyonek Platform

Meridian: Seward Township: 11N Range: 9W Section: 6

Lat: 61.0762112, Long: -150.951008

ADL(s): 17589

**Agency review:**

The DMLW conducted an agency under ADL 233003 for a private non-exclusive easement pursuant to AS 38.05.850 and issued a Regional Manager's Decision (RMD) on March 30, 2018. The administrative record for this approval is on file with the DMLW Southcentral Region Office.

**Public notice:**

Public notice for the Tyonek W 8 Oil pipe line activities was posted on December 12, 2017. The notice was posted for a period of 30 days on the State of Alaska Online Public Notices website, Anchorage Daily News and the Tyonek and Nikiski Post Offices.

**Conditions/Stipulations:**

1. A Status Report for the activities conducted under this approval must be filed with this office on May 1 and November 1 each year, from the date this approval is issued and until a Completion Report is filed with the Division. Failure to file in a timely manner may result in revocation of this approval. The completion report shall contain a statement describing clean-up activities conducted, the method of debris disposal, and a narrative description of known incidents of surface damage.
2. The applicant shall defend, indemnify and hold the State of Alaska harmless from and against any and all claims, damages, suits, losses, liabilities and expenses for injury to or death of persons and damage to or loss of property arising out of or in connection with the entry on and use of State lands authorized under this approval by the applicant, its contractors, subcontractors and their employees.
3. Amendments and modifications to this approval require 15-day advance notice and must be approved in writing by the Department of Natural Resources.
4. The applicant shall inform and ensure compliance with any and all conditions of this approval by its employees, agents and contractors, including subcontractors at any level.
5. The Commissioner of the Department of Natural Resources may require that an authorized representative be on-site during any operations conducted under this approval. This stipulation is required to ensure that the Divisions of Oil and Gas, and Mining, Land and Water meet their statutory responsibilities for monitoring activities taking place on state-owned lands.
6. Rehabilitation shall be completed to the satisfaction of the Commissioner.
7. The applicant shall notify the Department of Natural Resources of all spills that must be reported under 18 AAC 75.300 under timelines established therein. All fires and explosions must be reported to DNR immediately. The DNR 24-hour spill report number is (907) 451-2678; the fax

number is (907) 451-2751. The Alaska Department of Environmental Conservation (ADEC) oil spill report number is (800) 478-9300. DNR and ADEC shall be supplied with all follow-up incident reports.

**Amendment Specific Stipulations:**

A certified As-Built survey of the activity shall be provided within one year of placement of the improvement. This As-Built must be both digital and hard copy.

Please attach this amendment approval with the original decision. This unit operations amendment approval is issued in accordance with Alaska Statute 38.05, Alaska Administrative Codes 11 AAC 83.346 and 11 AAC 83.303. The Division reviewed this amendment under the unit regulation for the Plan, 11 AAC 83.346, and considers the factors set forth in 11 AAC 83.303(a) and (b). The amendment was also evaluated against the unit agreement for conformance.

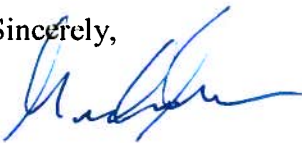
A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after issuance of the decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W 7<sup>th</sup> Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31<sup>st</sup> day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

This approval signifies only that the State of Alaska has no objection to the operations outlined in the Plan amendment application. It does not constitute certification of any property right or land status claimed by the applicant nor does it relieve the applicant of responsibility to obtain approvals or permits from other persons or governmental agencies that may also be required. All stipulations contained in the original lease and subsequent Plan approvals remain in full force and effect.

If activities have not commenced, this approval expires three years from the date of issuance. Failure to comply with the terms and conditions outlined in the lease, the attached stipulations, and this authorization may result in revocation of this unit operations approval.

Any questions or concerns about this amendment may be directed to Natural Resource Specialist John Easton at 907-269-8815 or [john.easton@alaska.gov](mailto:john.easton@alaska.gov).

Sincerely,



Graham Smith  
Permitting Manager  
Division of Oil and Gas

Attachments: Appendix A: Figure 1  
2009 Cook Inlet Mitigation Measures

ecc: DOG: Nathaniel Emery, Corazon Manaois, [spco.records@alaska.gov](mailto:spco.records@alaska.gov)  
DMLW: Samantha Carroll, Carol Hasburgh  
ADF&G: Sarah Wilber

Appendix A:

Figure 1: Map

