



May 4, 2018

Deborah Heebner
North Slope Environmental Specialist
Hilcorp Alaska, LLC
3800 Centerpoint Dr. Ste. 1400
Anchorage, AK 99503

RE: LONS 16-008, Hilcorp Alaska, LLC, Milne Point Unit, Moose Pad Pipeline Tie-In Pad and Access Road Gravel Expansion, Unit Plan of Operations Amendment Decision

Dear Ms. Heebner:

The Alaska Department of Natural Resources, 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 Milne Point Unit (MPU) Plan of Operations (Plan) amendment application dated April 10, 2018 for the above referenced project.

Scope:

Hilcorp Alaska, LLC, (Hilcorp) requests approval to expand the Moose Pad Pipeline Tie-in Pad and Access Road in the MPU. The purpose of this project is to increase the road width and pad size to ensure there is sufficient turning radius to accommodate backing a trailer with a flowback tank to the required location on the pipeline tie-in pad. In addition, pump and nitrogen trucks will be maneuvered into the tie-in pad to conduct tie-in activity. A turning radius will also be placed on the opposite side of the intersection to safely maneuver heavy equipment in to the tie-in pad. All project work will be done from existing roads and pads.

Plan activities include:

- Placement of approximately 3,800 cubic yards of gravel on 0.40 acres.

Location information:

MPU

Moose Pad Tie-in Pad

Meridian: Umiat

Township: 13N

Range: 10E

Section: 8

Lat: 70.48956"N, Long: -149.62153"W NAD 1983

ADL(s): 025509

Agency review:

The Division provided a review and comment opportunity for the activities considered for authorization under this decision. The following government entities were notified on April 11, 2018, for comment on the Plan: U.S. Army Corps of Engineers, Alaska Department of Environmental Conservation (ADEC), Alaska Department of Fish and Game (ADFG), and DNR: Division of Mining, Land & Water (DMLW), Division of Oil and Gas, and the North Slope Borough (NSB). The comment deadline was 4:30 pm Alaska time on April 25, 2018. No comments were received.

Conditions/Stipulations:

1. 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 MPU 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 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to 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 31st 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 on May 4, 2021. 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 James Hyun at 907-269-8885 or emailed to james.hyun@alaska.gov.

Sincerely,



Nathaniel Emery
Natural Resource Specialist

Attachments: Figure(s) 1-4
2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, Nathaniel Emery, Paul Blanche, spco.records@alaska.gov
DMLW: Melissa Head, Becky Baird, Henry Brooks, Kimberly Maher
ADF&G: Jack Winters
ADEC: dec.water.oilandgas@alaska.gov and Laurie Silfven
Borough: Jason Bergerson, Josie Kaleak, and Matt C. Dunn
Other: regpagemaster@usace.army.mil