



THE STATE
of **ALASKA**

GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

Division of Oil and Gas

550 West 7th Avenue, Suite 1100

Anchorage, AK 99501-3561

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December 27, 2018

Jessika Gonzalez
Permitting Coordinator
ConocoPhillips Alaska, Inc.
PO Box 100360
Anchorage, AK 99501

RE: LONS 97-007, ConocoPhillips Alaska, Inc., Colville River Unit, CD2, Qannik Wells and Infrastructure Unit Plan of Operations Amendment Decision.

Dear Ms. Gonzalez:

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 within the Colville River Unit (CR) as described in the Plan of Operations (Plan) amendment application dated December 5, 2018 for the above referenced project.

Scope:

ConocoPhillips Alaska, Inc., (CPAI) requests approval to drill up to six new wells and install Vertical Support Members (VSMs), well cellars, thermosyphons, conductors, well houses, mouseholes, lateral piping, and other associated infrastructure at the Colville Delta No. 2 (CD2) pad. All project work will be done on pad.

Plan activities include:

- Drilling up to six new wells.
- Installation of nine new VSMs using slurry method.
- Installation of other associated infrastructure.

Location information:

CR

CD2

Meridian: Umiat

Township: 11N

Range: 4E

Section: 2

Lat: -151.0461295, Long: 70.3374327

ADL(s): 380075

CD2 is located approximately 2.5 miles west of CD1.

Agency review:

As a courtesy, the amendment application was circulated to Alaska Department of Fish and Game and DNR: Divisions of Mining, Land & Water and Oil and Gas.

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 contain a hard copy, as well as a digital GIS file containing a Shapefile or ESRI Feature Class.

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 CR agreement for conformance.

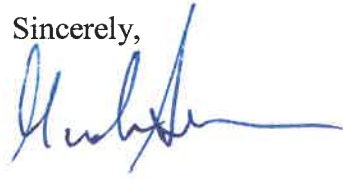
A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after issuance of the decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W 7th Avenue, 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 December 27, 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,



For Nathaniel Emery
Natural Resource Specialist

Attachments: Figure 1
2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, Nathaniel Emery, Paul Blanche, and Mark Henspeter
DMLW: Melissa Head, Kimberly Maher, Becky Baird, and Clif Enochs
ADF&G: Jack Winters

Figure 1

