



THE STATE
of **ALASKA**

GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

DIVISION OF OIL AND GAS

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Anchorage, Alaska 99501-3560
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January 10, 2019

Jessika Gonzalez
Permitting Coordinator
ConocoPhillips Alaska, Inc.
PO Box 100360
Anchorage, AK, 99510-0360

RE: LONS 97-007 and 09-009, ConocoPhillips Alaska, Inc., Colville River Unit, Kuukpik Pad, Mud Plant Facilities 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 on lands within the Colville River Unit (CR) as described in the Plan of Operations (Plan) amendment application dated December 19, 2018 for the above referenced project.

Scope:

CPAI proposes the construction of new mud plant facilities on Kuukpik Pad in support of drilling and well completion activities within the CR for the Alpine Development currently authorized under two separate Plan of Operations. The construction of new mud plant facilities on Kuukpik Pad will support drilling and well completion activities for the Colville Delta No. 1 (CD1), CD2, CD3, and CD4 pads under LONS 97-007. The same mud plant facilities will also support similar activities at the CD5 pad under LONS 09-009. The new mud plant facilities will increase capacity to produce drilling muds and completion brines, provide a centralized site for the handling and mixing of fluids, and increase the efficiency of drilling activities.

The mud plant facilities will include an 8,100 square foot structure on the northwest portion of Kuukpik Pad with a concrete floor and curb providing secondary containment capacity of 720 barrels. The structure will contain tanks and equipment for mixing fluids to produce drilling muds and completion brines. Produced products will be transferred to and from a fluid storage tank farm and bulk dry storage silo farm, which will be constructed near the main structure to provide storage for necessary fluids and dry products. Up to twelve 1,100-barrel fluid storage tanks will be installed and placed within steel secondary containment vessels with a combined volume of approximately 1,500 barrels. A steel tanker truck loading area (TTLA) will be installed adjacent to the fluid storage tank farm on the western side. The TTLA will be up to 4,400 square feet in size, with a secondary containment capacity of 365 barrels. The mud plant

facility will also include two warm-up structures, two diesel storage tanks, and a fire suppression system.

The proposed construction is scheduled to begin on February 1, 2019 and will continue until the end of facility life. All work will occur on the existing gravel pad.

Plan activities include:

- **LONS 97-007:** Construct new mud plant facilities on existing Kuukpik Pad. Facilities will include structures for mixing and dry storage, fluid storage tanks, fire suppression system, and TTLA to support drilling and well completion activities at CD1, CD2, CD3, and CD4.
- **LONS 09-009:** Construct new mud plant facilities on existing Kuukpik Pad. Facilities will include structures for mixing and dry storage, fluid storage tanks, fire suppression system, and TTLA to support drilling and well completion activities at CD5.

Location information:

Colville River Unit

Kuukpik Pad

Meridian: Umiat Township: 11N Range: 04E Section: 16
70.302717, -151.142392 NAD83

The Kuukpik Pad is located approximately 6 miles northwest of Nuiqsut.

Agency review:

As a courtesy, the amendment application was circulated to the State of Alaska Department of Fish and Game (ADF&G), and DNR: Division of Mining, Land & Water (DMLW), and Division of Oil & Gas (DOG). 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 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 **January 10, 2022**. 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 Mark Henspeter at 907-269-8812 or emailed to mark.henspeter@alaska.gov.

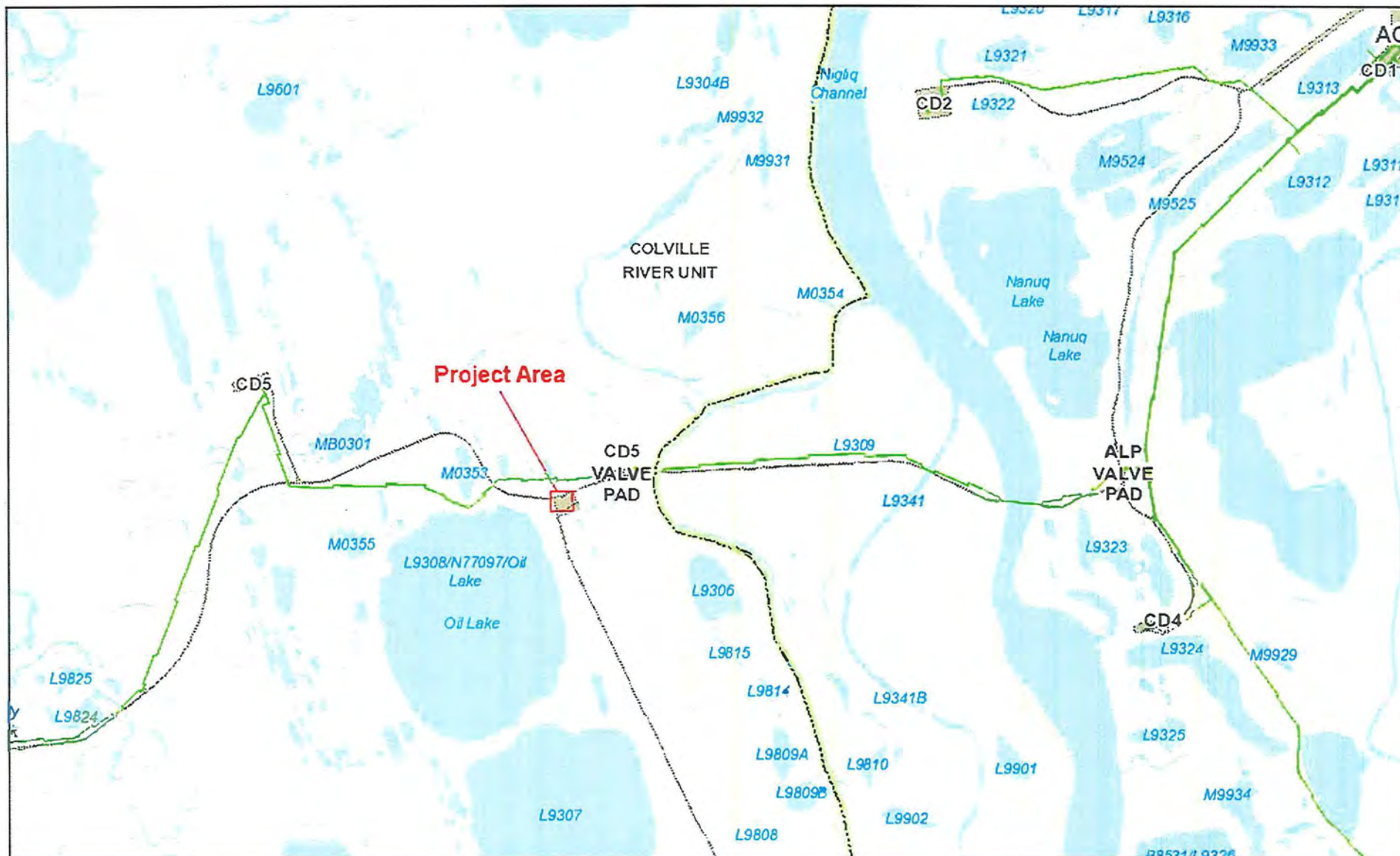
Sincerely,



Nathaniel Emery
Natural Resource Specialist

Attachments: Figures 1-4

ecc: DOG: Nathaniel Emery, Paul Blanche, James Hyun, Jes Spuhler
DMLW: Melissa Head, Kimberley Maher, Becky Baird, Clif Enochs
ADF&G: Jack Winters
Kuukpik Corporation: Mark Major
Arctic Slope Regional Corporation: Teresa Imm



ConocoPhillips
Alaska



0 0.9 1.8
Miles
Web Mercator (WGS84)

Kuukpik Pad Mud Plant

Project Area

Author:

Date: 11/14/2018

The source website and all maps are the property of ConocoPhillips and may not be used without authorization by ConocoPhillips.

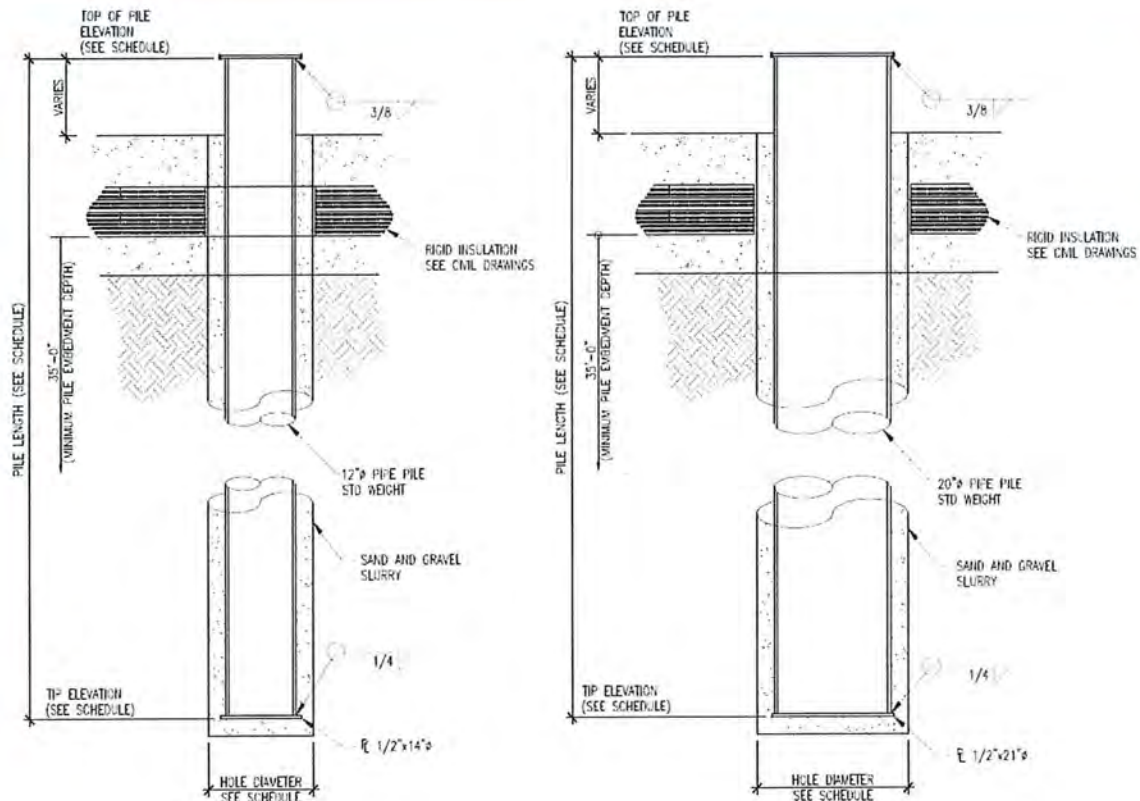
This map is a graphical representation and is not guaranteed for completeness, accuracy, scale, or suitability for any purpose.

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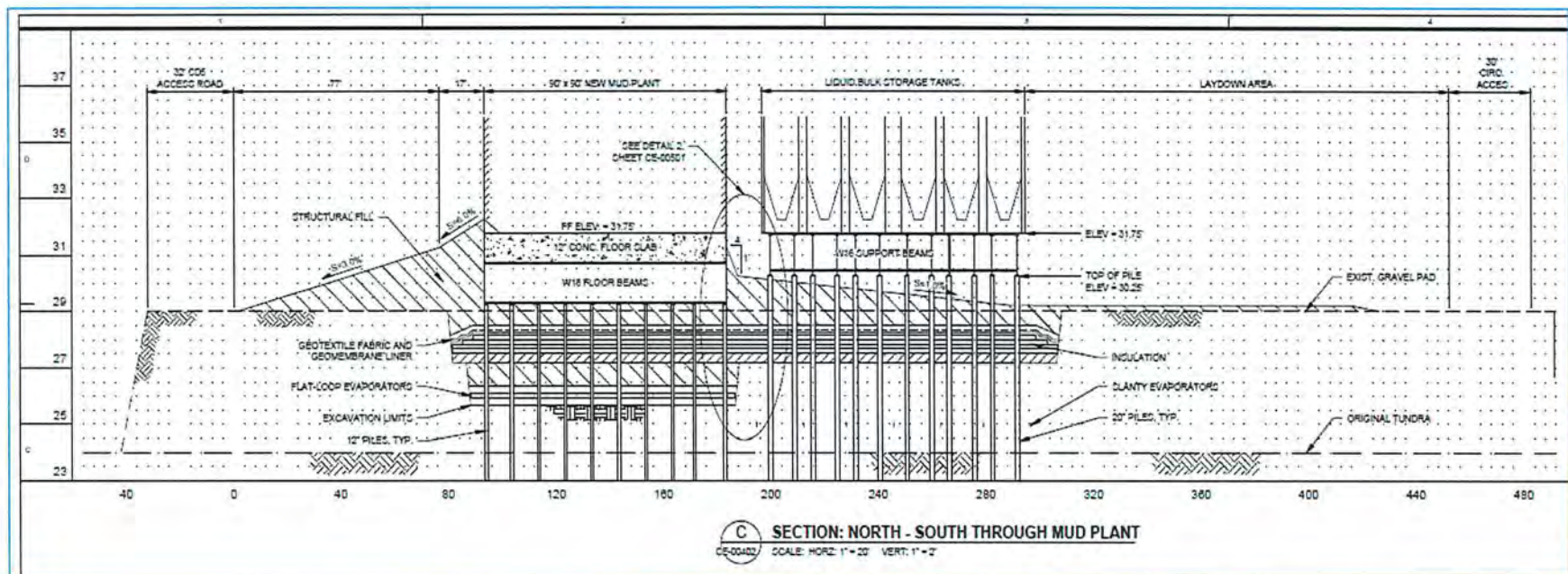
Alaska

Kuukpik Pad Mud Plant Facilities Alpine Satellite Colville River Unit VSM Typical Cross Section





**Kuukpik Pad Mud Plant Facilities
Alpine Satellite
Colville River Unit
Thermosyphon Typical Cross Section**



TO CD-5

CD5 GRAVEL ACCESS ROAD

CD5 GRAVEL ACCESS ROAD

JERSEY BARRIERS ALONG WEST BOUNDARY

NUIQSUT GRAVEL ACCESS ROAD

18" O.D. STEEL CULVERT

DESIGN SHOULDER PAD
AS-BUILT SHOULDER PAD

EQUIPMENT CONTAINMENT

EQUIPMENT CONTAINMENT

