



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF OIL AND GAS

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Anchorage, Alaska 99501-3560
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November 22, 2017

Ms. Kelley Nixon
Environmental Specialist
Hilcorp Alaska, LLC
3800 Centerpoint Drive, Suite 1400
Anchorage, AK 99503

RE: LOCI 08-005, Hilcorp Alaska, LLC, Ninilchik Unit, Susan Dionne Diesel Fuel Tank Installation, Unit Plan of Operations Amendment Decision

Dear Ms. Nixon:

The Alaska Department of Natural Resources (DNR), Division of Oil and Gas (Division), in accordance with Alaska Statute (AS) 38.05 and Alaska Oil and Gas Leasing Regulations (11 AAC 83) grants authorization to conduct activities on state lands as proposed in the Ninilchik Unit (NKU) Plan of Operations (Plan) amendment application dated November 10, 2017 for the above referenced project.

Scope:

Hilcorp Alaska, LLC (Hilcorp) will install a new steel diesel fuel tank (up to 1,500 gallons) on the Susan Dionne Pad to use for refueling equipment. The tank and fueling hose will be placed in an existing secondary containment area that has a spill containment capacity of much greater than 110 percent of the tank capacity.

Plan activities include:

- Install a new steel diesel fuel tank.

Location information:

Ninilchik Unit, Susan Dionne Pad

State Mineral Estate:

Alaska Division of Lands (ADL): 359242

Private Lands:

Meridian: Seward Township: 1S Range: 13W Section: 6
Susan Dionne Pad Coordinates: 60 deg 06' 43.995"N 151 deg 34'35.172"W

Agency review:

The Division provided an Agency review and comment opportunity for the activities considered for authorization under this decision. The following government entities were notified on November 14, 2017 for comment on the application: United States Coast Guard (USCG), United States Army Corps of Engineers (USACE), National Oceanic and Atmospheric Administration (NOAA), United States Fish and Wildlife Service (USFWS), Kenai Peninsula Borough (KPB), Alaska Department of Environmental Conservation (ADEC), Alaska Oil and Gas Conservation Commission (AOGCC), Alaska Department of Transportation and Public Facilities (DOTPF), Alaska Department of Fish and Game (ADFG), City of Kenai, Cook Inlet Region, Incorporated (CIRI), and DNR: Division of Mining, Land and Water (DMLW), Office of Project Management and Permitting (OPMP), Division of Parks and Outdoor Recreation (DPOR), and Division of Oil and Gas. The comment deadline was 4:30 pm, Alaska time, on November 21, 2017. No comments were received.

Public notice:

The Division did not public notice this amendment application.

Conditions/Stipulations:

1. A certified As-Built survey of the activity shall be provided within one year of the 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 AS 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 NKU 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 **November 22, 2020**. 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 Corrie Manaois at 907-269-8772 or emailed to corazon.manaois@alaska.gov.

Sincerely,



Kim Kruse
Petroleum Land Manager

Attachments: Figures 1 - 2

ecc: Division: Kim Kruse, John Easton, Kenneth Diemer and Jeanne Frazier
DMLW: Project Development Team, Clifford Larson, James Sowerwine and Henry Brooks
ADFG: Marla Carter and Mark Fink
ADEC: dec.water.oilandgas@alaska.gov, Mike Evans, Graham Wood and Tim Law
OPMP: Jeff Bruno
AOGCC: James Regg
DOTPF: David Post
DPOR: Pamela Russell
KPB: Marcus Mueller, Johni Blankenship, Julie Denison, Dan Nelson and Karyn Noyes
Other: jack.j.hewitt@usace.army.mil, HCD.Anchorage@noaa.gov, CIRI, Dave Kasey, regpagemaster@usace.army.mil, CEPOA-RD-Kenai@usace.army.mil, Barbara Mahoney, Kimberly Klein, Douglass M. Copper, Linda Speerstra, Jamie Heinz and Mark Ridgway

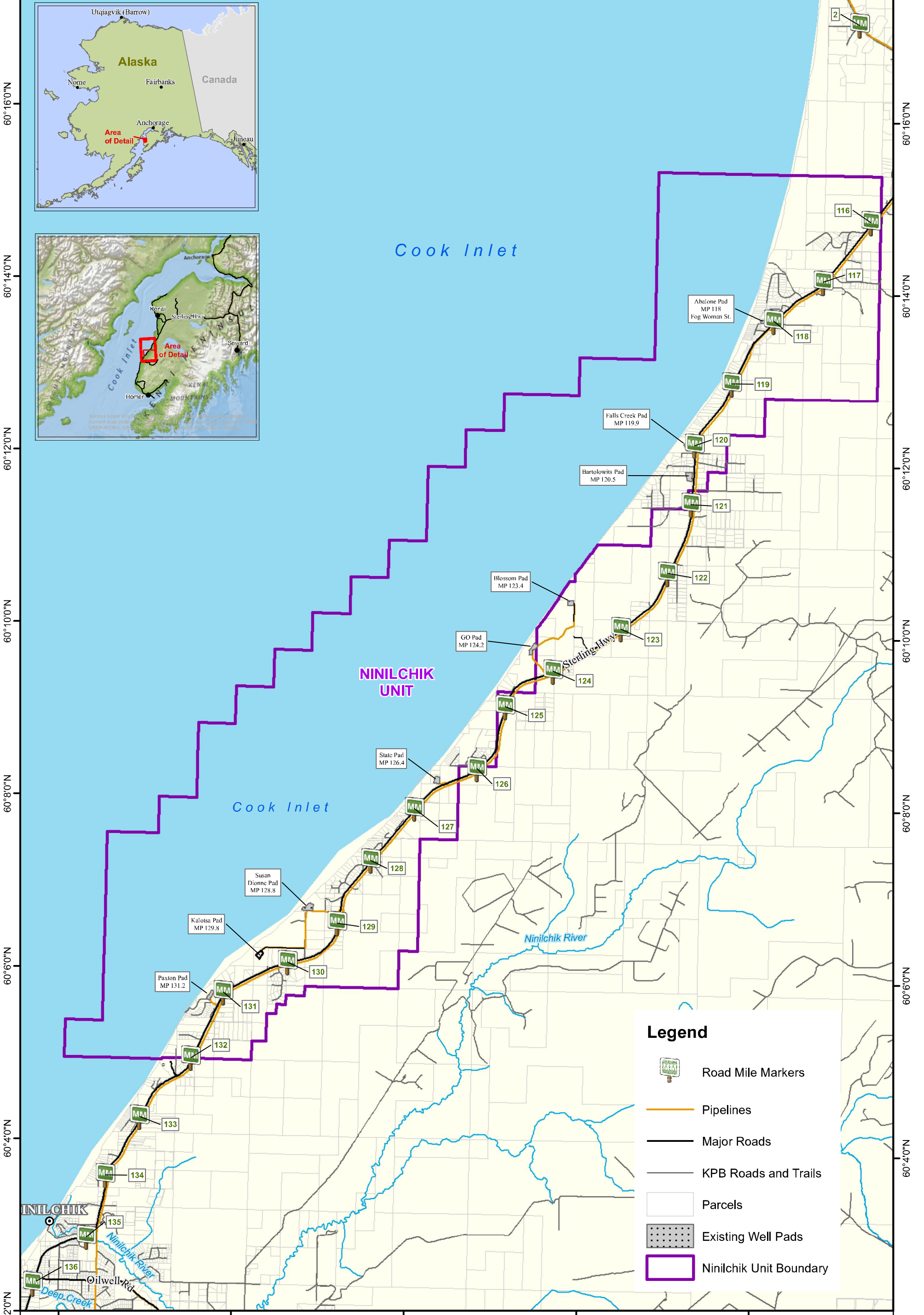
151°40'0"W

151°36'0"W

151°32'0"W

151°28'0"W

151°24'0"W



Legend

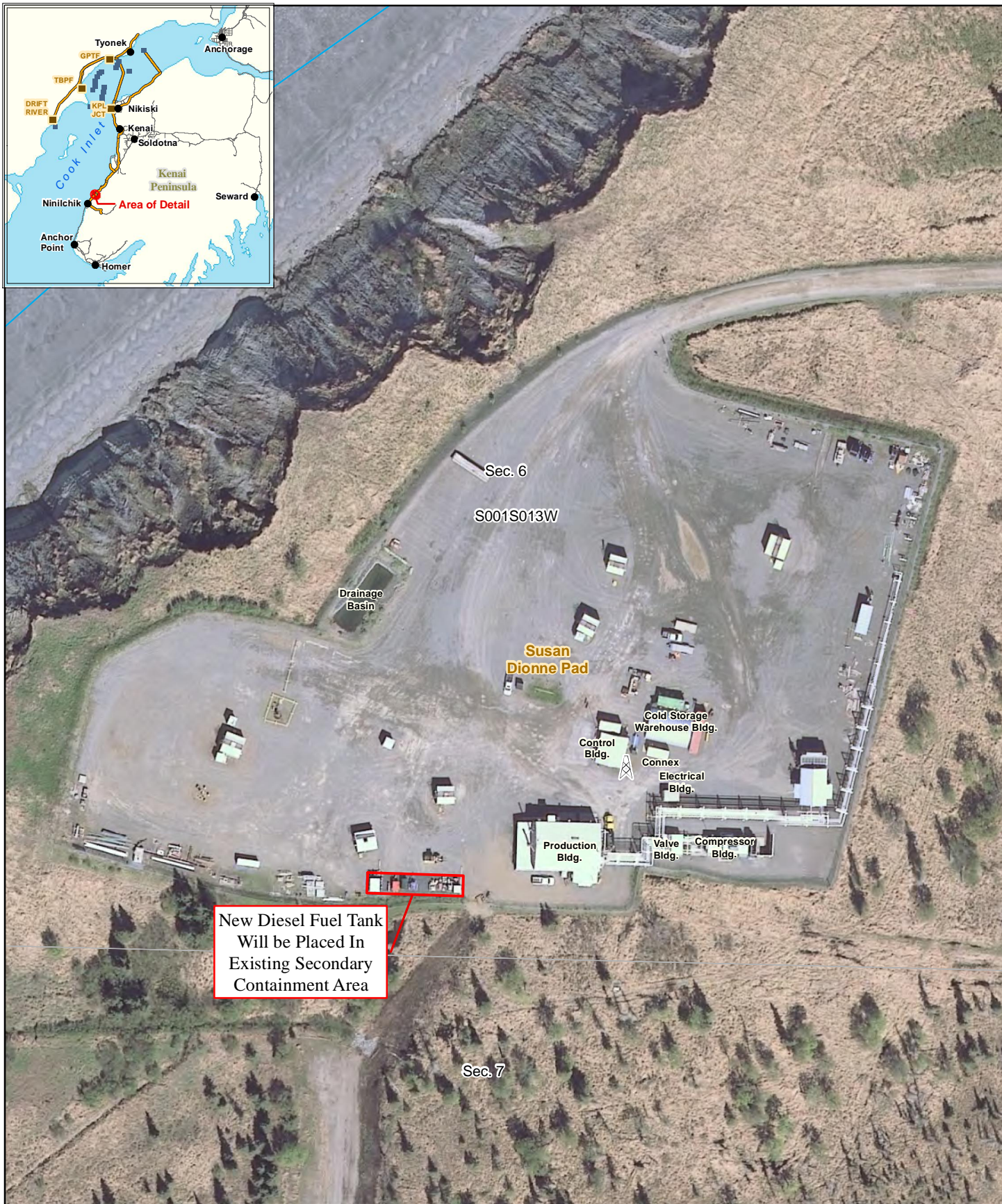
- Road Mile Markers
- Pipelines
- Major Roads
- KPB Roads and Trails
- Parcels
- Existing Well Pads
- Ninilchik Unit Boundary


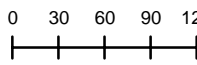



Ninilchik Unit Vicinity
FIGURE 1

Map Scale 1:75,000
Alaska State Plane 4 NAD 1983 (feet)

0 1 2 Miles



 <p>Hilcorp Alaska, LLC 3800 Centerpoint Dr. Ste. 1400 Anchorage, AK 99503 Map Date: 11/10/2017</p>	<p>Ninilchik Unit Susan Dionne Pad Facility Overview</p>	<p>Legend</p> <p> Secondary Containment Area</p>	<p>Map Imagery Date: 5/31/2017 (QSI) Map Scale: 0 30 60 90 120 feet  1 inch = 125 feet</p>	<p> FIGURE: 2</p>
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