



October 24, 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, Access Road
East Pullout 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 (MP) Plan of Operations (Plan) amendment application dated September 26, 2018 for the above referenced project.

Scope:

Hilcorp Alaska, LLC (Hilcorp) requests authorization to place additional gravel for a pullout along the Moose Pad Access Road in the MP. The purpose of the project is to provide a pullout that allows for safe equipment turnarounds, staging, and drilling rig access and movement. Constructing a pullout will provide a space where traffic can move around the drill rig and rig mats can be shuttled and placed for the rig to travel on as it moves.

Plan activities include:

- Placement and spreading of gravel on tundra with equipment from the existing road.
- Compacting gravel road pullout and matching existing road surface elevation.
- Dressing up, compacting, and leveling road pullout as required.

Location information:

MP

Moose Pad

Meridian: Umiat

Township: 13N

Range: 10E

Section: 17, 18

Lat: 70.484331" N, Long: -149.637969" W NAD 1983

ADL(s): 025515

The east pullout is located approximately four miles west of Central Facilities Pad.

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 October 2, 2018, for comment on the Plan: 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, US Army Corps of Engineers (USACE) and the North Slope Borough (NSB). The comment deadline was 4:30 pm Alaska time on October 16, 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 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 MP 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 **October 24, 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.

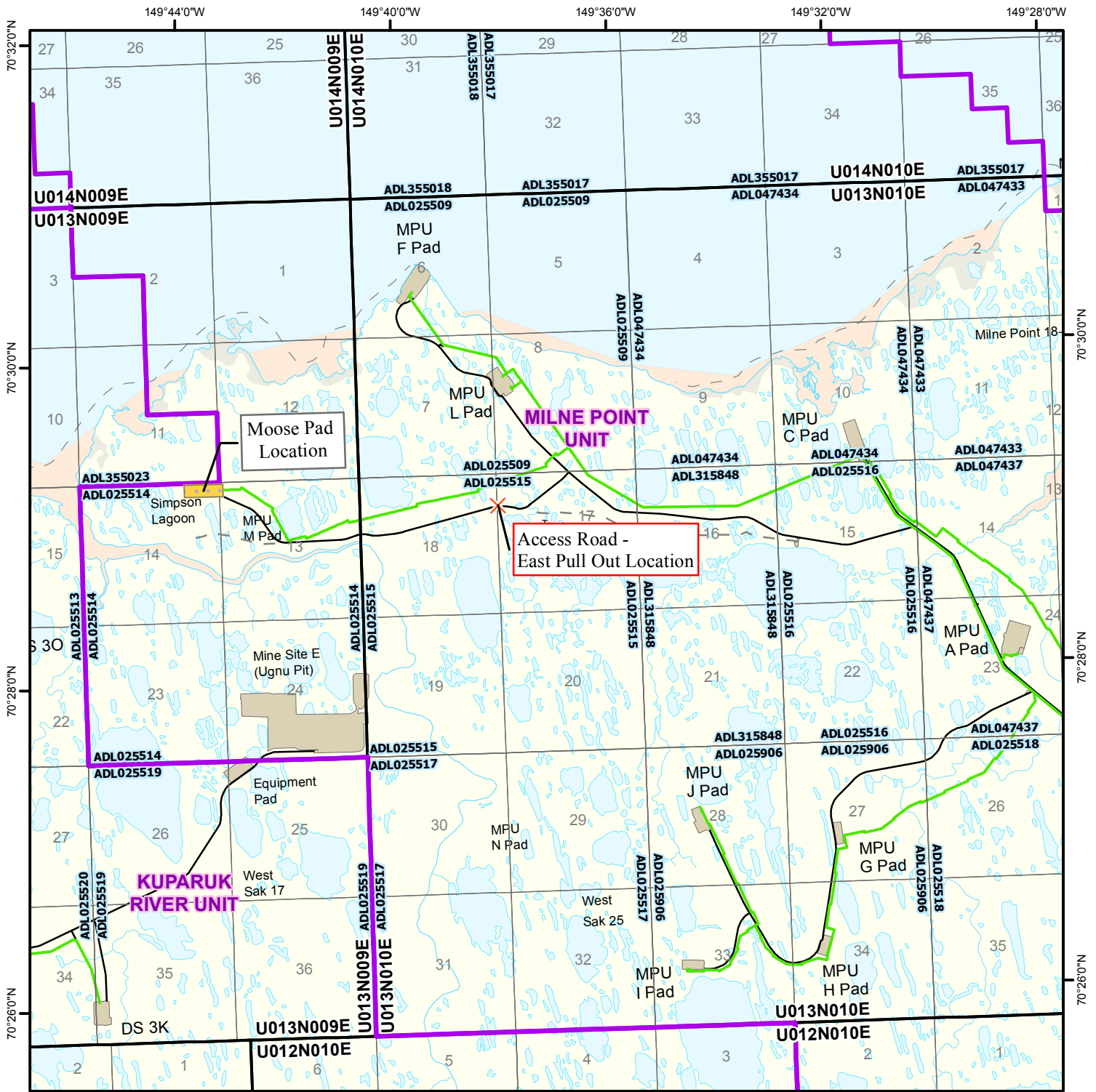
Sincerely,



Nathaniel Emery
Natural Resource Specialist

Attachments: Figures 1-3
2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, Nathaniel Emery, Paul Blanche, Mark Henspeter, and Jes Spuhler
DMLW: Melissa Head, Becky Baird, Henry Brooks, Kimberley Maher, and Clif Enochs
ADFG: Jack Winters
ADEC: Laurie Silfven and dec.water.oilandgas@alaska.gov
Borough: Jason Bergerson, Josie Kaleak, and Matt C. Dunn
Other: regpagemaster@usace.army.mil



Project Location: Milne Point Unit

MPU Moose Pad Access Rd - East Pull Out

Latitude (Decimal Degrees): 70.484331 NAD 1983

Longitude (Decimal Degrees): -149.637969 NAD 1983

Alaska State Plane Zone 4, NAD 1983

X = 1685913.553 (feet)

Y = 6026679.284 (feet)

Sec.17, 18 T13N, R10E, Umiat Meridian

ADL#: 025515

Adjacent Property Owner: State of Alaska

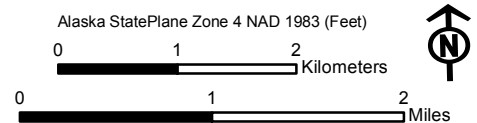
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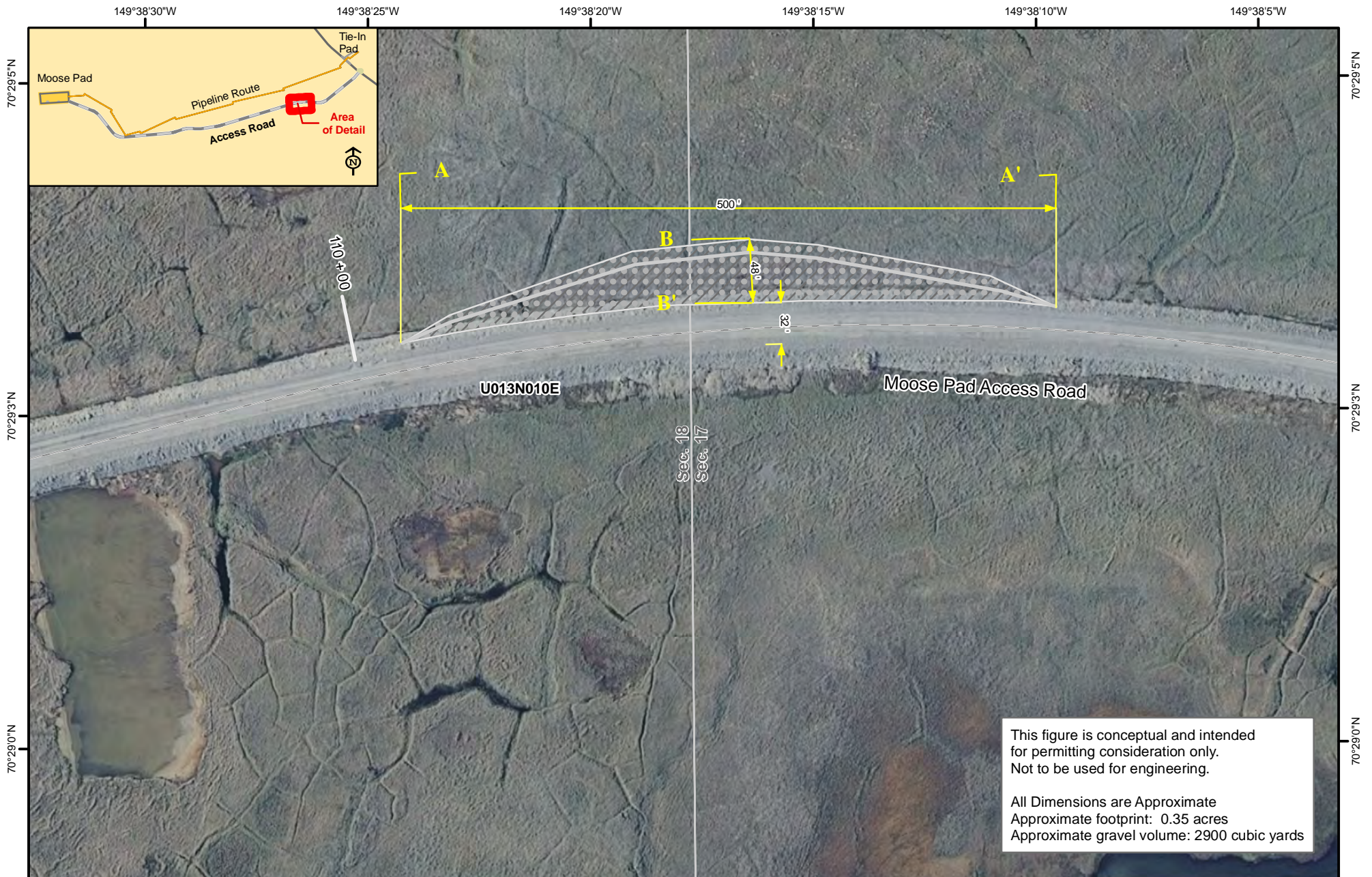
- Existing Roads
- Existing Pipeline (Above Ground)
- Moose Pad Location
- Oil and Gas Unit Boundary



Map Date: 9/25/2018

Milne Point Unit Moose Pad Access Road East Pull Out Vicinity Map - Figure 1




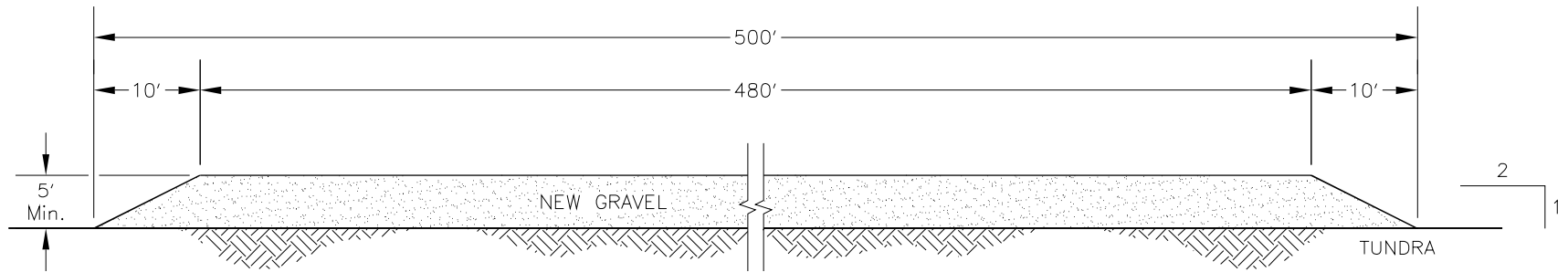


This figure is conceptual and intended for permitting consideration only. Not to be used for engineering.

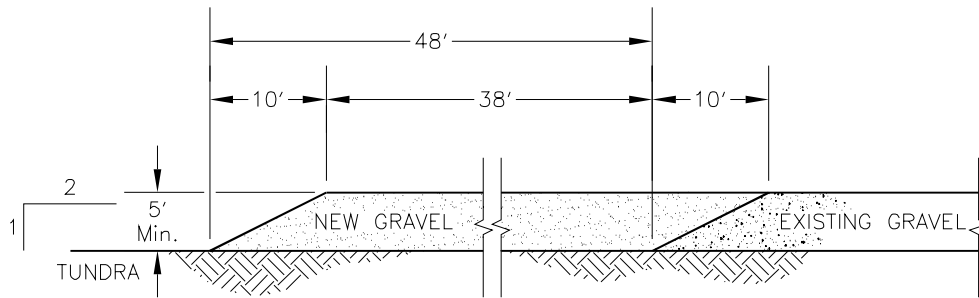
All Dimensions are Approximate
 Approximate footprint: 0.35 acres
 Approximate gravel volume: 2900 cubic yards

**Milne Point Unit
 Moose Pad Access Road
 East Pull Out
 Location Map - Figure 2**

— MPU Moose Pad Access Route Centerline
 Gravel Expansion Area for Pullout



GRAVEL EXPANSION A-A'



GRAVEL EXPANSION B-B'



MILNE POINT UNIT
 MOOSE PAD ACCESS ROAD PULLOUT
 GRAVEL ADDITION FOR RIG ACCESS
 CROSS-SECTIONS (EAST)

DATE:
 September 2018

SCALE:
 N/A

FIGURE:
 3

ALL DIMENSIONS ARE APPROXIMATE.