



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF OIL AND GAS

550 W. 7th Avenue Suite 1100
Anchorage, Alaska 99501-3560
Main: 907.269.8800
Fax: 907.269.8939

November 8, 2018

Patrick Conway
Regulatory and Compliance Manager
Oil Search Alaska LLC
510 L Street, Suite 310
Anchorage, AK 99501

RE: LONS 17-003, Oil Search Alaska, LLC, Pikka Unit, Pikka B, 2018-2019 Winter Drilling Program Unit Plan of Operations Amendment Decision.

Dear Mr. Conway:

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 Pikka Unit (PK) as described in the Plan of Operations (Plan) amendment application dated October 1, 2018 for the above referenced project.

Scope:

Oil Search Alaska, LLC (OSA) requests authorization to drill and test one exploration well, Pikka B, from an ice pad during the 2018-2019 winter drilling season. In addition to the initial well, the drilling of one sidetrack is proposed from the single surface hole. Pikka B, formerly known as Pikka 2, was previously approved on January 24, 2018 under the Unit Plan of Operations Decision. The location of the well has moved approximately 375 feet further east from the Colville River. The drilling pad will be connected to all season gravel roads from the vicinity of the Mustang Pad using a 13 mile-long ice road to the drilling pad. All wells will be drilled to a true vertical depth of approximately 7,000 feet and plugged and abandoned upon completion.

Plan activities include:

- Construction of ice road and ice staging pad.
- Construction of ice drilling pad.
- Mobilization of drilling equipment.
- Drilling and flow testing Pikka B and one additional sidetrack.

Location information:

PK

Pikka B

Meridian: Umiat

Township: 11N

Range:5E

Section: 35

Lat: 70 16' 03"N, Long: 150 47' 42"W
ADL(s): 393028

Pikka B is approximately 5.5 miles northeast of Nuiqsut.

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 5, 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 19, 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 PK 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 8, 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.

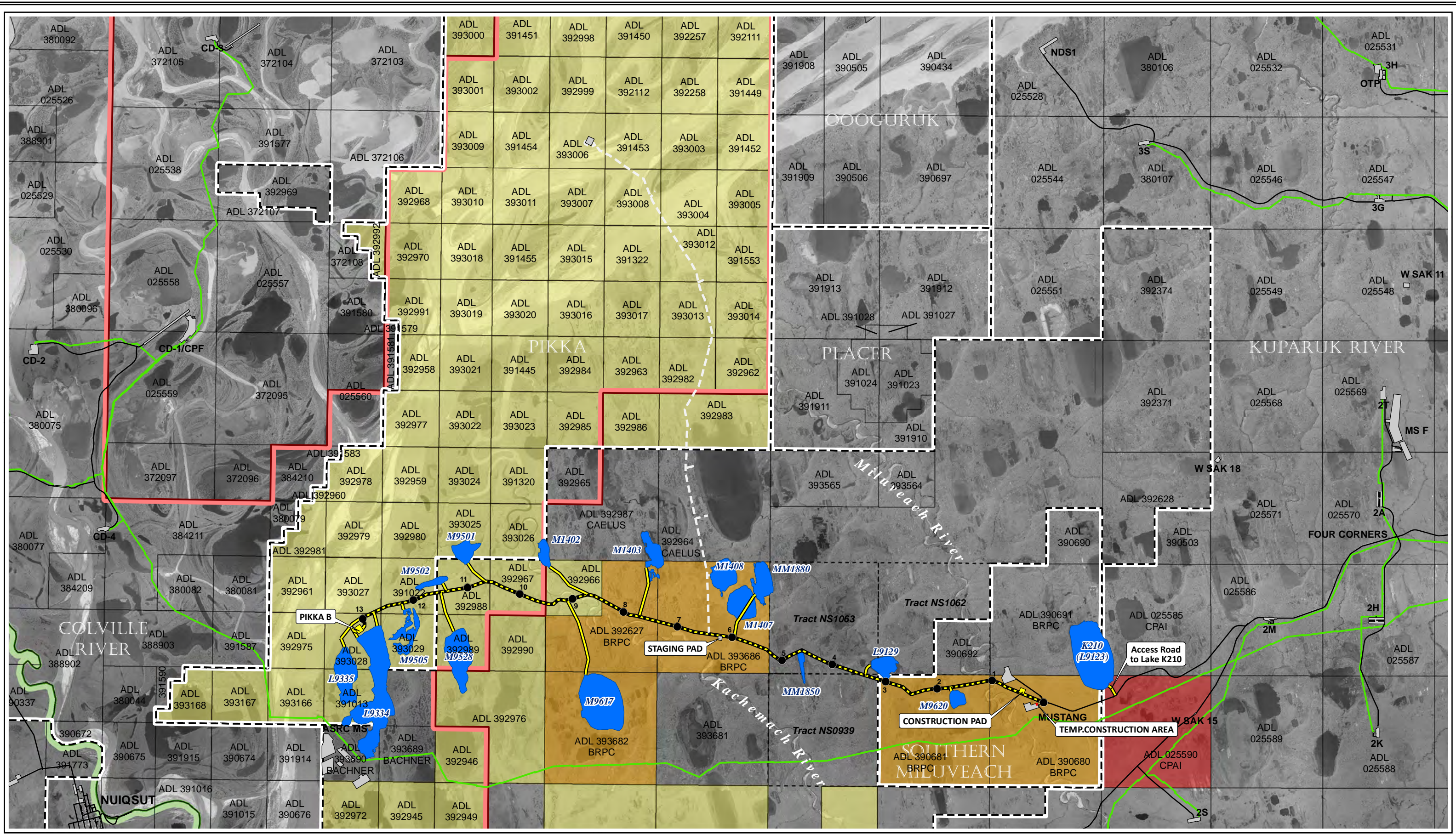
Sincerely,



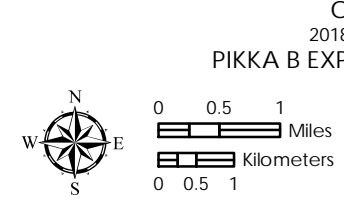
Nathaniel Emery
Natural Resource Specialist

Attachments: Figures 1-4
2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, Nathaniel Emery, Paul Blanche, Mark Henspeter, Kevin Pike, and SPCO Records
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, majorinor@live.com, and timmm@asrc.com

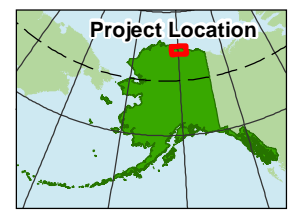


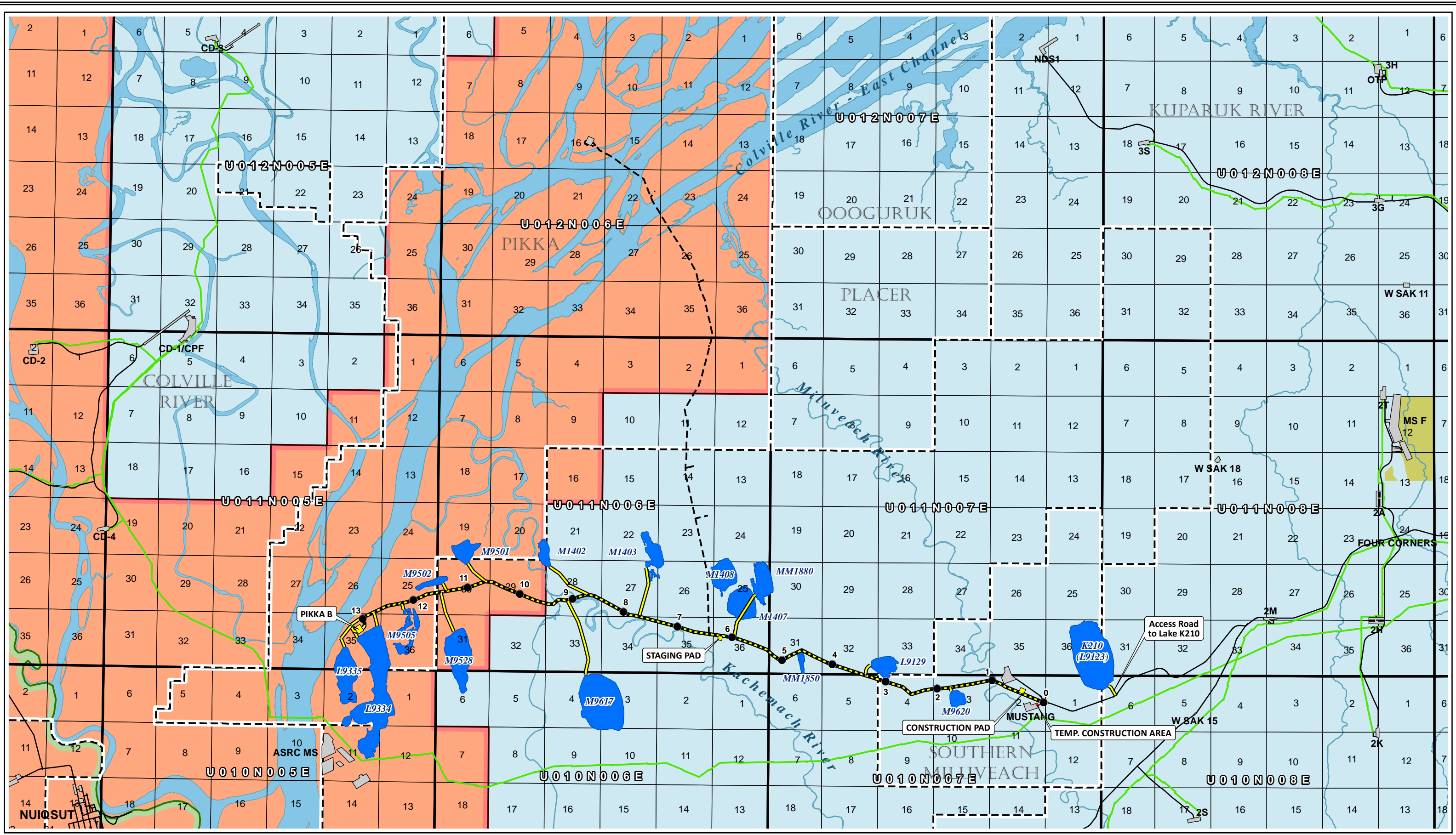
- PIKKA B ICE PADS
- ICE PAD OTHER
- PIKKA B ICE ROAD
- ICE ROAD OTHER
- MAIN MILEPOST
- TENTH-OF-MILE
- EXISTING GRAVEL ROAD
- EXISTING PIPELINES
- PRODUCTION UNIT
- NPRA BOUNDARY
- KUUKPIK BOUNDARY
- LAKES TO USE
- OIL SEARCH LEASES
- BRPC
- CPAI LEASES
- LEASE BOUNDARY
- TRACTS WITHOUT ADL



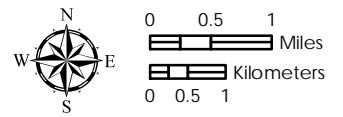
OIL SEARCH ALASKA LLC.
 2018-2019 EXPLORATION CAMPAIGN
 PIKKA B EXPLORATION CAMPAIGN OVERVIEW
 Figure 1

GCS: NAD 1983 StatePlane Alaska 4 FIPS 5004 Feet
 DATE: 10/1/2018 REV: 2.0 By: JB
 Document name: EXPL-18-19-DF-M_POO_PB_CampaignOverview_Leases_1-PIKKA-B





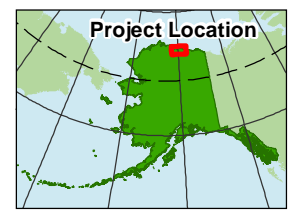
- ICE PAD OTHER
- PIKKA B ICE PADS
- TEMP. CONSTRUCTION AREA
- PIKKA B ICE ROAD
- ICE ROAD OTHER
- MAIN MILEPOST
- TENTH-OF-MILE
- GRAVEL PAD
- EXISTING GRAVEL ROAD
- EXISTING PIPELINES
- PRODUCTION UNIT
- NPRA BOUNDARY
- SECTION
- TOWNSHIP
- KUUKPIK BOUNDARY
- LAKES TO USE
- KUUKPIK SURFACE-STATE/ASRC SUBSURFACE LANDS
- MUNICIPAL ENTITLEMENT
- STATE SURFACE AND SUBSURFACE LANDS



OIL SEARCH ALASKA LLC.
2018-2019 EXPLORATION CAMPAIGN
PIKKA B - LAND OWNERSHIP

Figure 2

GCS: NAD 1983 StatePlane Alaska 4 FIPS 5004 Feet
DATE: 10/11/2018, REV: 1.0, By: JB
Document name: EXPL-18-19-DF-AL_POD_PB_MTRS_2-PIKKA-B

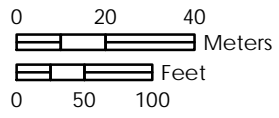


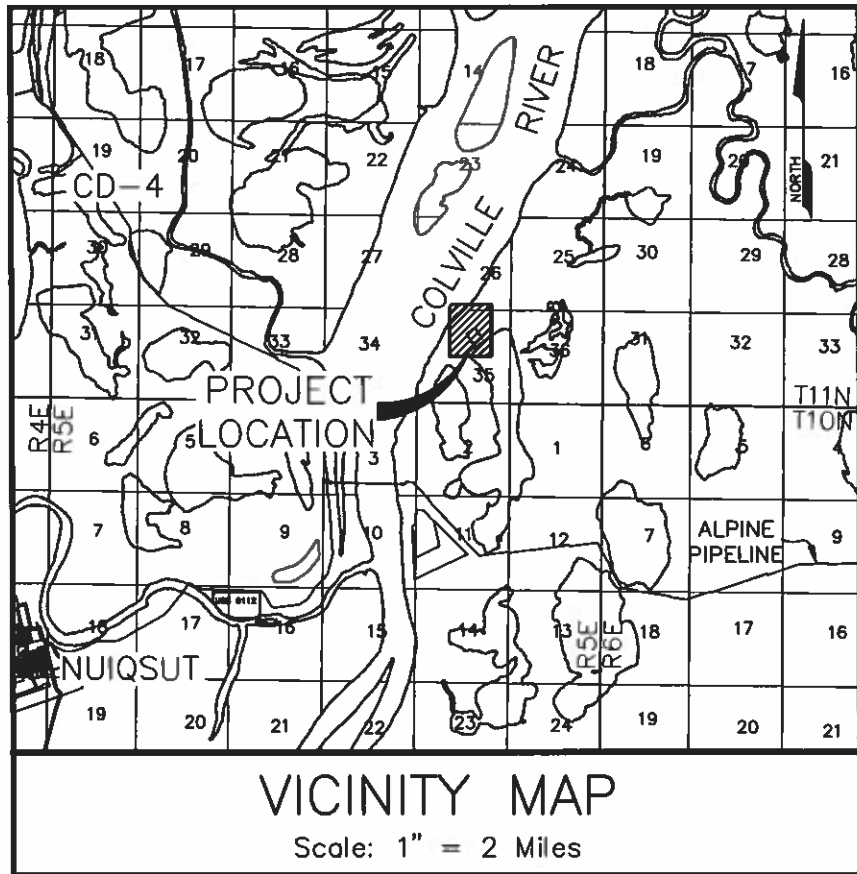


OIL SEARCH ALASKA LLC.
2018-2019 Exploration Campaign

Figure 3: Pikka B Layout Plan

GCS: NAD 1983 StatePlane Alaska 4 FIPS 5004 Feet
DATE: 9/27/2018. REV: 3.0. By: JB
Document name: EXPL-18-19-P-PE-M_PikkaB_layout





NOTES

1. DATE OF FIELD SURVEY 7-27-2017 TO 7-30-2017. UPDATED 8-6-2018.
2. CONTOUR INTERVAL 1 FOOT.
3. BASIS OF COORDINATES PER OPUS SOLUTION OF STATIC GPS OBSERVATIONS 7-25-2016 AND 7-26-2016.
4. LOCATED WITHIN PROTRACTED SEC. 35, T.11N., R.5E., UMIAT MERIDIAN.

2,155' FROM EAST SECTION LINE, SEC. 35
1,291' FROM NORTH SECTION LINE, SEC. 35

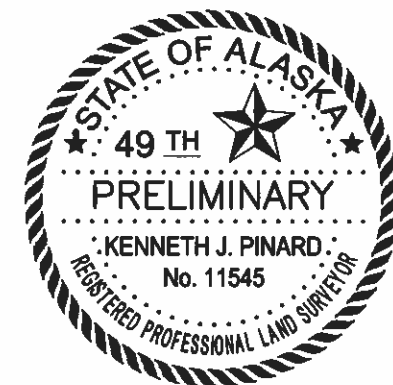
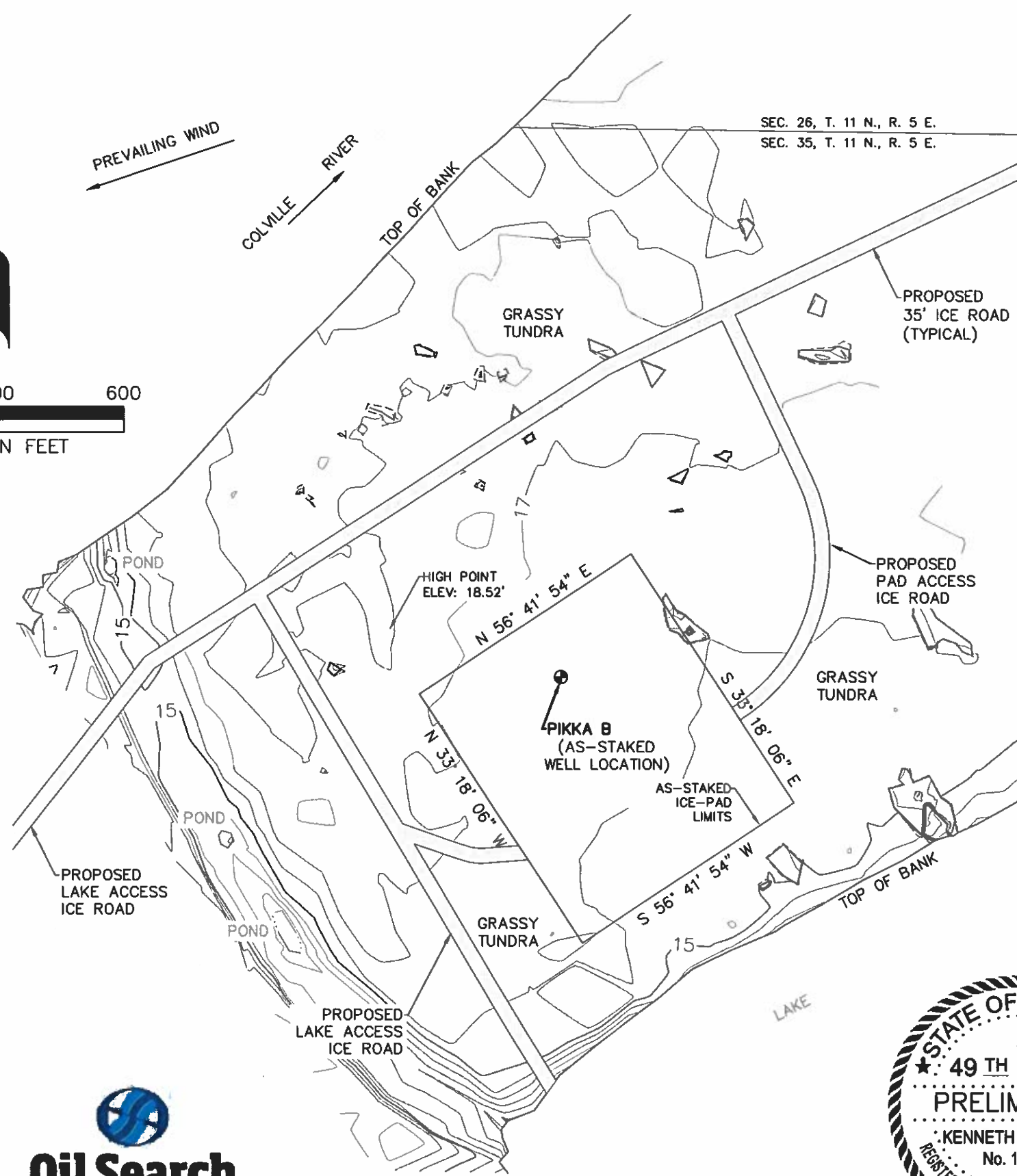
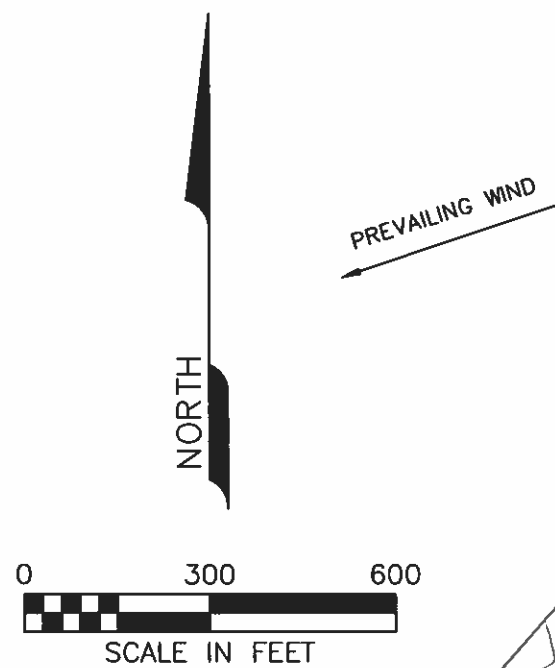
AS-STAKED PIKKA B LOCATION

NAD-83 ZONE 4 (VERTICAL = NAVD88 GEOID 12B)
N 5947957'
E 1542093'
EL 16.58'

NAD-83
N 70°16'03.6"
W 150°47'42.4"

NAD-27 ZONE 4
N 5948209'
E 402059'

NAD-27
N 70°16'04.8"
W 150°47'31.2"



UMIAQ Design & Municipal Services, LLC / AECL1316



PIKKA B EXPLORATORY WELL
SITE TOPOGRAPHIC SURVEY & AS-STAKED WELL LOCATION

NORTH SLOPE, ALASKA

DRAWN BY: AJG
CHKD BY: KJP
DATE: 09-28-18
JOB No: 80179.18
SCALE: 1"=300'

SHEET:
FIGURE 4