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





May 7, 2018

Laurette Rose Special Projects Manager Brooks Range Petroleum Corporation 510 L Street, Suite 601 Anchorage, AK 99501

RE: LONS 11-010, Brooks Range Petroleum Corporation, Southern Miluveach Unit, Mustang Pad, Early Production Facility Unit Plan of Operations Amendment Decision

Dear Ms. Rose:

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 Southern Miluveach Unit (SMU) Plan of Operations (Plan) amendment application dated March 8, 2018 for the above referenced project.

Scope:

Brooks Range Petroleum Corporation (BRPC) requests approval to install an early production facility (EPF) to bring the Mustang Field into production. The EPF contractor will provide all equipment and personnel required to install and operate the EPF until the permanent facility is installed. The EPF equipment will be removed from site prior to installation of the permanent processing facility.

The EPF will have the capacity for 6,000 barrels of oil per day with a gas to oil ratio of 1,000 and a maximum production of 1,500 barrels of produced water per day. The produced oil from the facility will be trucked to a designated point of sale or processing facility.

Plan activities include:

• Installation and operation of EPF.

Location information:

SMU Mustang Pad Meridian: Umiat Township: 10N Lat: 70.248611, Long: -150.2888888888888 ADL(s): 390680

Range: 7E

Section: 2

Agency review:

As a courtesy, the amendment application was circulated to the Alaska Department of Fish and Game (ADF&G), and DNR: Division of Mining, Land & Water (DMLW) and Division of Oil and Gas. 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 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 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 SMU 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 May 7, 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.

5/7/2018

LONS 11-010, Brooks Range Petroleum Corporation, Southern Miluveach Unit, Mustang Pad Early Production Facility Unit Plan of Operations Amendment Decision

Sincerely,

Northannel Smerry

Nathaniel Emery Natural Resource Specialist

Attachments: Figure(s) 1-2 2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, Nathaniel Emery, and Paul Blanche DMLW: Melissa Head, Becky Baird, and Kimberley Maher ADF&G: Jack Winters



