



June 15, 2018

Deborah Heebner
North Slope Environmental Specialist
Hilcorp Alaska, LLC
3800 Centerpoint Dr. Ste. 1400
Anchorage, AK 99503

RE: LONS 81-054, Hilcorp Alaska, LLC Milne Point Unit, A Pad, A Pad Heated Connex Storage Units, 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 (MPU) Plan of Operations (Plan) amendment application dated May 22, 2018 for the above referenced project.

Scope:

Hilcorp Alaska, LLC, (Hilcorp) requests approval to place three heated 20 foot heated Connex storage units on A Pad in MPU. The facility Connexes are necessary to provide heated storage for chemicals, materials and tools sensitive to extreme temperatures. The Connexes will be a placed adjacent to existing A Pad facilities.

Plan activities include:

- Level existing gravel pad.
- Install support timbers and liners under storage units.
- Install electrical for required heated storage of chemicals, materials and tools.
- Install interior lights.

Location information:

MPU

A Pad

Meridian: Umiat

Township: 13N

Range: 10E

Section: 23

Lat: 70.468605"N, Long: -149.477772"W (NAD 1983)

ADL: 047437

Agency review:

As a courtesy, the application was circulated to the Alaska Department of Fish and Game (ADFG), Division of Mining, Land & Water (DMLW), and the Alaska Department of Environmental Conservation (ADEC). 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 MPU 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 **June 15, 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 John Easton at 907-269-8815 or emailed to John.Easton.@alaska.gov.

Sincerely,



Nathaniel Emery
Natural Resource Specialist

Attachments: Figure(s) 1-2

ecc: DOG: Graham Smith, Nathaniel Emery, Paul Blanche and James Hyun
DMLW: Melissa Head, Kimberly Maher, Becky Baird, and Henry Brooks
ADF&G: Jack Winters
ADEC: Laurie Silfven

Fig 2

