



THE STATE  
*of* **ALASKA**  
GOVERNOR BILL WALKER

**Department of Natural Resources**

DIVISION OF OIL AND GAS

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

January 5, 2018

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

**RE: LONS 88-002, Hilcorp, Milne Point Unit, L Pad Gravel Additions, 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 October 24, 2017 for the above referenced project.

**Scope:**

Hilcorp Alaska, LLC. (Hilcorp) proposes to add a total of 2.29 acres of additional gravel to L Pad in the MPU to install three turbine skids, associated infrastructure, and drill five additional development wells. The gravel will be added to L pad in three distinct sections, 0.2 acres (southeasterly side), 1.14 acres (southerly side), and 0.95 acres (northerly side). The purpose of this project is to increase the pad size to accommodate the turbine skids, diesel tanks, electrical equipment room, switchgear rooms and to accommodate the additional development wells. The MPU does not have any spare power for adding new production wells, so additional pad space is required for the facilities. The proposed activities are anticipated to occur between March 2018 and February 2019.

**Plan activities include:**

- Excavation of gravel from existing permitted sources
- Placement of gravel on tundra by equipment working from existing gravel pad
- Install vertical support members (VSMs) and pilings for turbine skids, fuel gas metering skid, fuel gas and diesel piping, electrical equipment rooms and switchgear room
- Install fuel gas metering skid
- Install diesel piping in existing F to L Pad water pipeline pipe rack adding up to three VSMs as required
- Install fuel gas and diesel piping on VSMs on pad
- Expand electrical skid at the entrance to L Pad, adding up to six VSMs
- Install electrical equipment rooms and switchgear room

- Install Titan 130 Turbine Skids
- Trench in gravel pad as required for power and communication lines
- Trench in tundra for electrical and communication cables from the electrical skids at the entrance to L Pad
- Install ancillary equipment as required
- Drill additional development wells
- Expand existing infrastructure to tie-in wells to existing production

**Location information:**

Milne Point Unit

L Pad

Meridian: Umiat      Township: T13N      Range: R10E      Sections: 7 & 8

70.496717' N, -149.63534' W NAD83

ADL: 025509

L pad is located about 6 miles northwest of the Central Facilities Pad.

**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 May 26, 2016 for comment on the Plan: Alaska Department of Fish and Game (ADFG), and DNR: Division of Mining Land and Water. The comment deadline was 4:30 pm Alaska time on November 14, 2017. No Comments were received.

**Public notice:**

Public notice of the Unit Plan of Operations Amendment and opportunity to comment, per AS 38.05.035, was published in the Alaska Dispatch News and the Arctic Sounder on December 4, 2017 with a deadline for comments on January 4, 2018 at 4:30 pm Alaska time. Additionally, a copy of the notice was posted on DNR's web site, the Division of Oil and Gas's website, and faxes of the public notice were sent to the Deadhorse, Barrow and Nuiqsut post offices. No comments were received.

**Conditions/Stipulations:**

In addition to the terms and conditions in the lease, this approval is subject to additional stipulations set forth by the following:

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 Milne Point Unit 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 7<sup>th</sup> Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to [dnr.appeals@alaska.gov](mailto: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 31<sup>st</sup> 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 January 5, 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 Paul Blanche at (907) 269-8570 or emailed to [paul.blanche@alaska.gov](mailto:paul.blanche@alaska.gov).

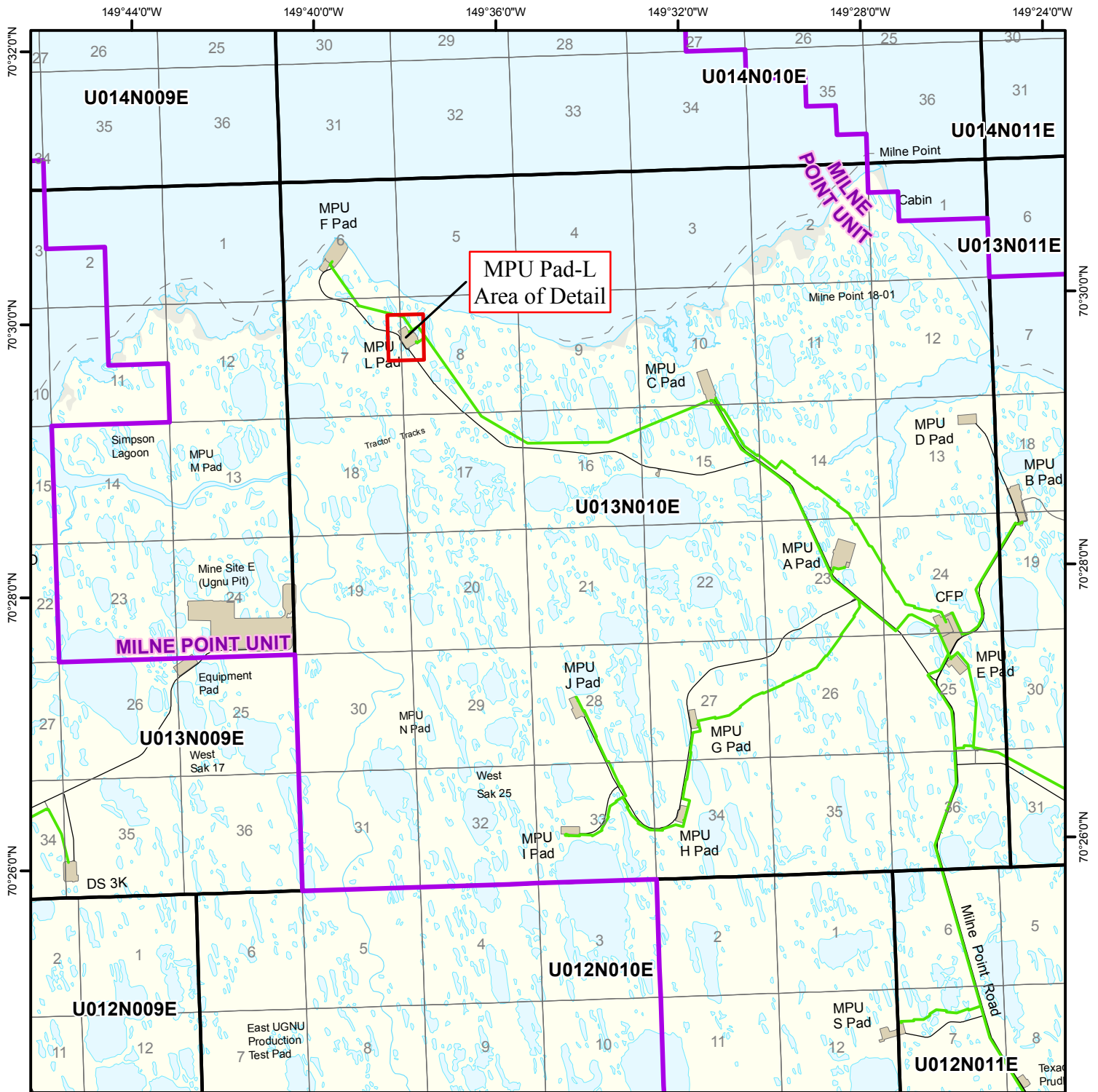
Sincerely,



Nathaniel G. Emery  
Natural Resource Specialist

Attachments: 2008 North Slope Mitigation Measures with 2011 supplement  
Figures 1-5

cc: DOG: Graham Smith, Jeanne Frazier, Nathaniel Emery, James Hyun, Conor Williamson,  
[spco.records@alaska.gov](mailto:spco.records@alaska.gov)  
DMLW: Henry Brooks, Melissa Head, Sean Willison, Kimberley Maher, Becky Baird  
ADF&G: Jack Winters  
ADEC: [dec.water.oilandgas@alaska.gov](mailto:dec.water.oilandgas@alaska.gov)  
NSB: Jason Bergerson, John Adams, Matt C. Dunn, Josie Kaleak



**Project Location:**  
Milne Point Unit - L Pad

Latitude (Decimal Degrees): 70.496717, NAD 1983  
Longitude (Decimal Degrees): -149.63534, NAD 1983

Alaska State Plane Zone 4, NAD 1983  
X = 1685008.82  
Y = 6031280.49

Sec. 7-8, T13N, R10E, Umiat Meridian

ADL#: 025509  
Adjacent Property Owner: State of Alaska

### Legend

- Existing Pipeline (Above Ground)
- Gravel Footprint
- Oil and Gas Unit Boundary



Map Date: 10/24/2017

## Milne Point Unit MPU PAD-L Gravel Expansion for Power and Development Wells Vicinity Map

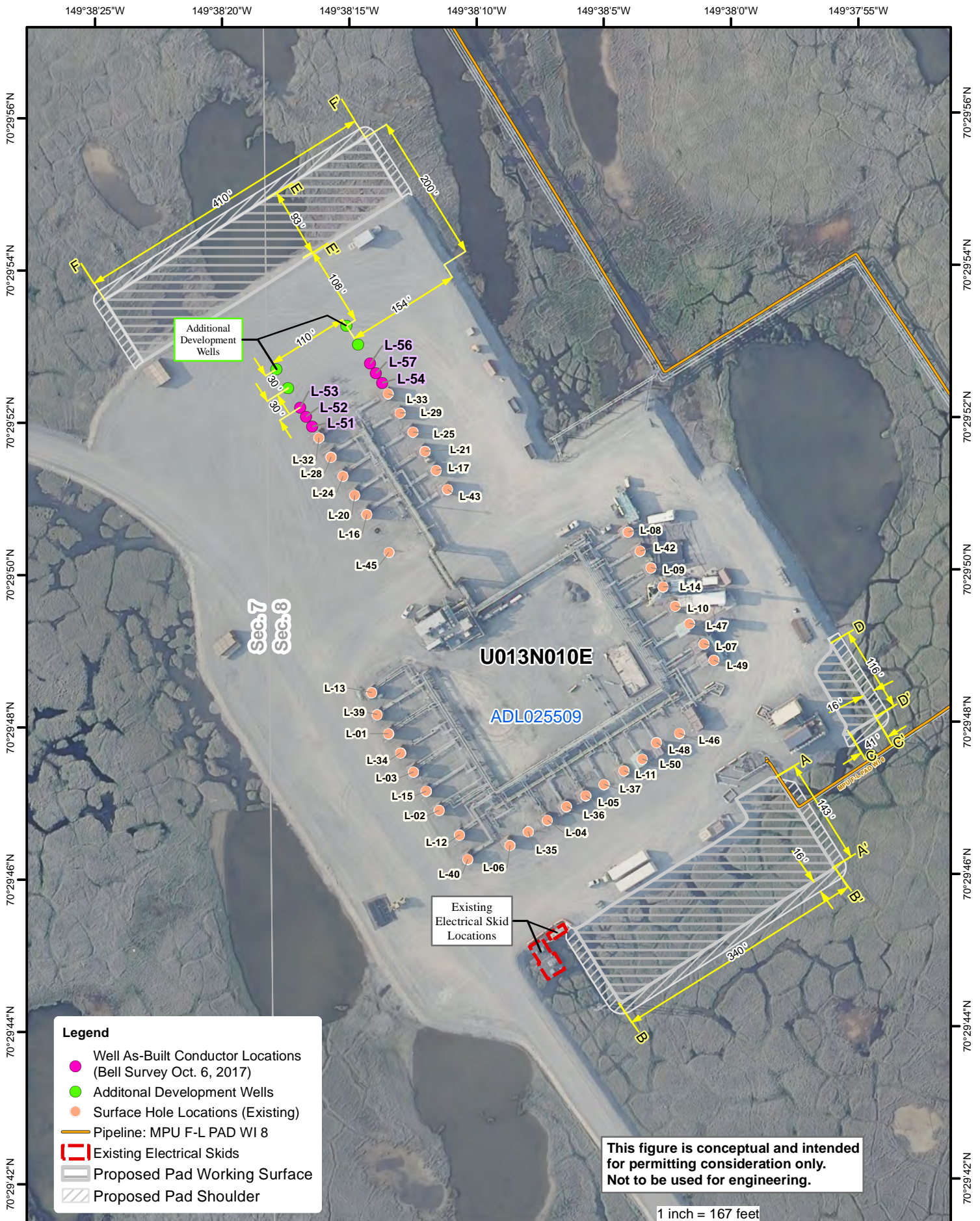
Alaska State Plane Zone 4 NAD 1983 (Feet)

0 1 2 Kilometers

0 1 2 Miles







Map Date: 10/24/2017

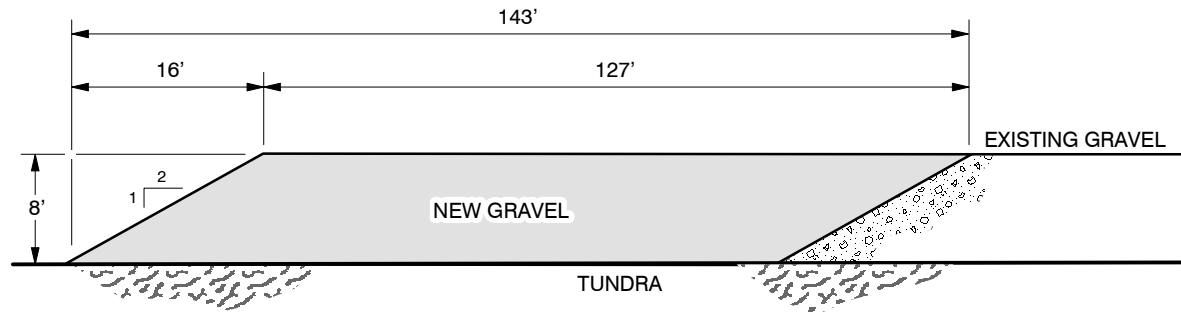
# **Milne Point Unit** **MPU PAD-L** **Gravel Expansion for Power** **and Development Wells**

Alaska StatePlane Zone 4 NAD 1983 (Feet)

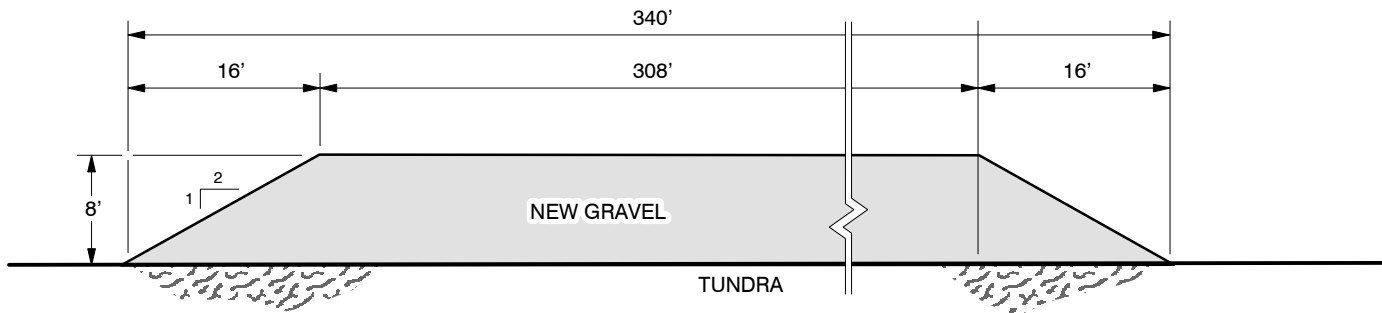
0 10 20 30 40 50 Meters

0 100 200 300 Feet





**GRAVEL EXPANSION A-A'**  
Not to Scale



**GRAVEL EXPANSION B-B'**  
Not to Scale

**HILCORP ALASKA, LLC**

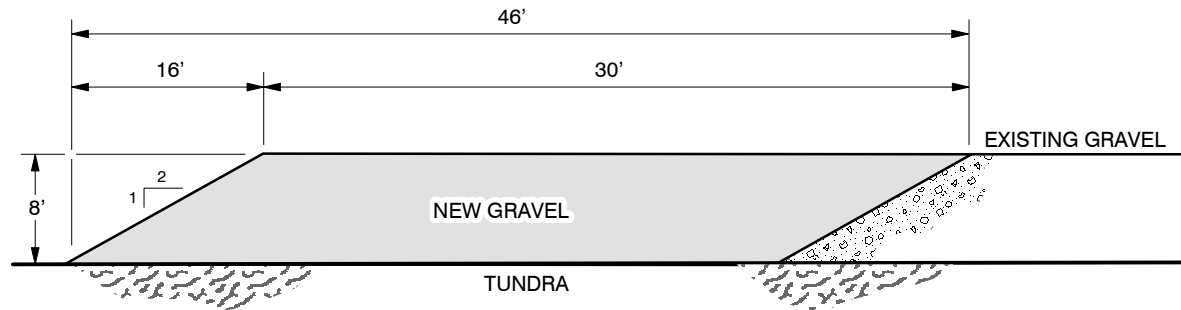
**MILNE POINT UNIT  
L PAD  
GRAVEL EXPANSION FOR POWER  
CROSS-SECTIONS**

DATE:  
October 2017

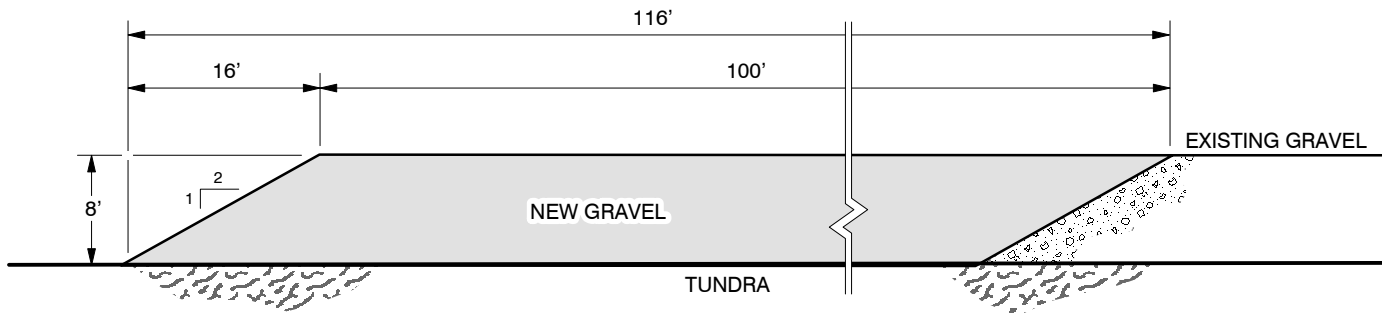
SCALE:  
N/A

FIGURE:  
3

**ALL DIMENSIONS ARE APPROXIMATE**



**GRAVEL EXPANSION C-C'**  
Not to Scale



**GRAVEL EXPANSION D-D'**  
Not to Scale

**HILCORP ALASKA, LLC**

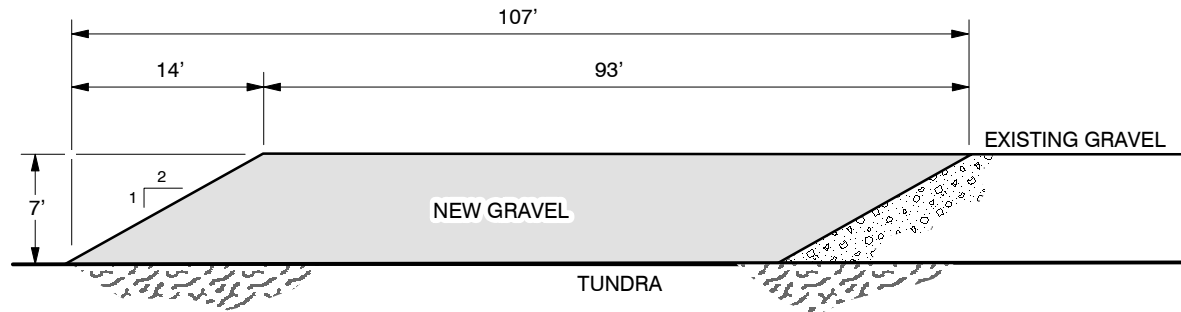
**MILNE POINT UNIT L PAD  
RIG ACCESS GRAVEL EXPANSION  
FOR POWER  
CROSS-SECTIONS**

DATE:  
October 2017

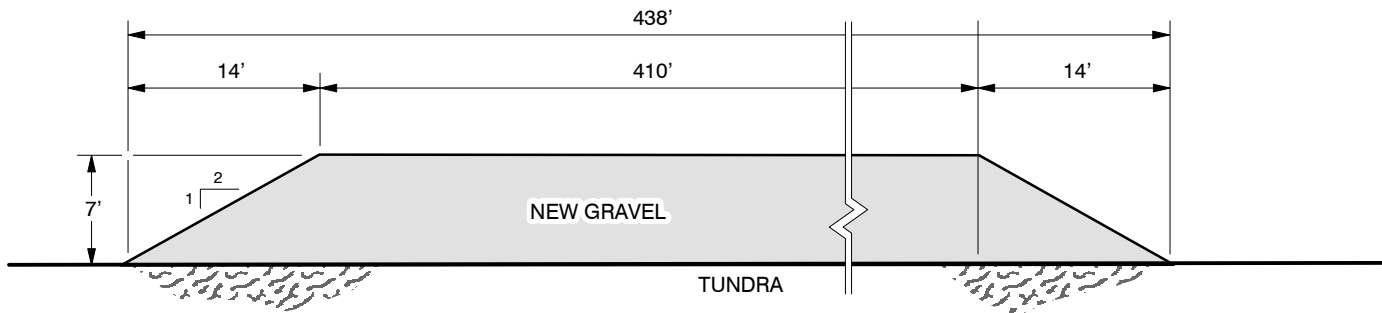
SCALE:  
N/A

FIGURE:  
**4**

**ALL DIMENSIONS ARE APPROXIMATE**



**GRAVEL EXPANSION E-E'**  
Not to Scale



**GRAVEL EXPANSION F-F'**  
Not to Scale

**HILCORP ALASKA, LLC**

**MILNE POINT UNIT  
L PAD  
GRAVEL EXPANSION FOR POWER  
AND WELLS CROSS-SECTIONS**

DATE:  
October 2017

SCALE:  
N/A

FIGURE:  
**5**

**ALL DIMENSIONS ARE APPROXIMATE**