Department of Natural Resources



Division of Oil and Gas

550 West 7th Avenue, Suite 1100 Anchorage, AK 99501-3560 Main: 907.269-8800 Fax: 907-269-8939

January 23, 2019

Jessika Gonzalez Permitting Coordinator ConocoPhillips Alaska, Inc. PO Box 100360 Anchorage, AK 99501

RE: LONS 97-007, ConocoPhillips Alaska Inc., Colville River Unit, CD1, Grinding and Cutting Transfer Unit, Unit Plan of Operations Amendment Decision

Dear Ms. Gonzalez:

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 Colville River Unit (CRU) Plan of Operations (Plan) amendment application dated December 7, 2018 for the above referenced project.

Scope:

ConocoPhillips Alaska, Inc. (CPAI) requests authorization to construct Grind Unit (GU) and Cuttings Transfer Unit (CTU) facilities on the Colville Delta No. 1 (CD1) pad. In addition to the GU and CTU facilities, the project will include support infrastructure, two new platforms, utility relocation, bollards, vertical support members (VSMs), and thermosyphons.

Plan activities include:

- Installation of pre-engineered GU facility measuring approximately 60 feet wide by 65 feet long.
 - The GU will have three attached utility modules, measuring approximately 18 feet wide by 60 feet long, 18 feet wide by 32 feet long, and 18 feet wide by 33 feet long, that will house the fire pump, electrical room, and ventilation equipment.
 - Four 1,000 barrel outdoor tanks and a small module housing the utility water pump will be installed for firewater and utility water. The GU will be powered through a new 2.5-megawatt transformer.
 - A medium voltage switch will be placed on the utility platform adjacent to the existing MI SWACO skid.
- Installation of pre-engineered CTU facility measuring approximately 54 feet wide by 110 feet long.
- Installation of containment liner under the CTU and on-pad portion of the GU.
- Installation of thermosyphons and insulation on on-pad areas of both GU and CTU.

- Relocation of existing buried power, control, and communications cable to south of the CTU.
 - Excavation of trench measuring 100 feet long by 5 feet wide by 5 feet deep for relocation of utilities.
 - Excavation of trench measuring 205 feet long by 5 feet wide by 5 feet deep for relocation of power to the high mast light.
- Installation 25 to 30 VSMs off-pad. One thermosyphon will be installed simultaneously with each off-pad VSM. The overall impact approximately 0.0024 acres of tundra surface and displace 150 cubic yards of tundra. Spoils will be taken to the Arctic Slope Regional Corporation Mine Site.

Location information:

CRU CD1 Meridian: Umiat Township: 11N Lat 70.341289, Long -150.933163 ADL(s): 025559

Range: 5E

Section: 5

CD1 is located approximately nine miles north 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 December 13, 2018, for comment on the Plan: Alaska Department of Environmental Conservation (ADEC), Alaska Department of Fish and Game (ADFG), and DNR: Divisions of Mining, Land & Water (DMLW) and Oil and Gas (DOG), US Army Corps of Engineers (USACE) and the North Slope Borough (NSB). The comment deadline was 4:30 pm Alaska time on December 27, 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 CRU 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 January 23, 2022. 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.

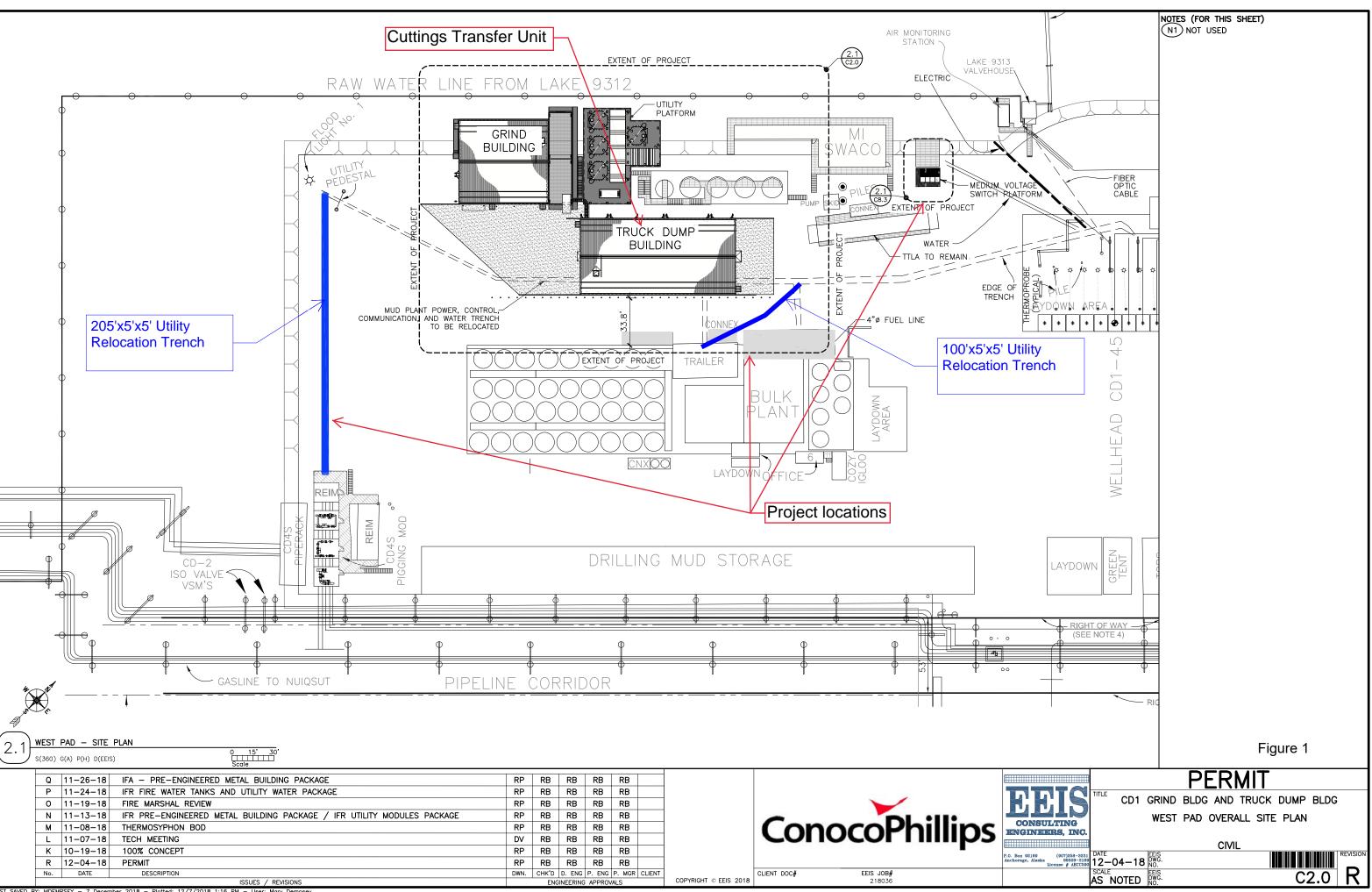
Sincerely,

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Nathaniel Emery Natural Resource Specialist

Attachments: Figure(s) 1-6 2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, Nathaniel Emery, Paul Blanche, Mark Henspeter, and SPCO Records DMLW: Melissa Head, Kimberley Maher, Becky Baird, Clif Enochs, and Brooks Henry ADF&G: Jack Winters ADEC: Laurie Silfven Borough: Jason Bergerson, Josie Kaleak, and Matt C. Dunn Other: US Army Corps of Engineers



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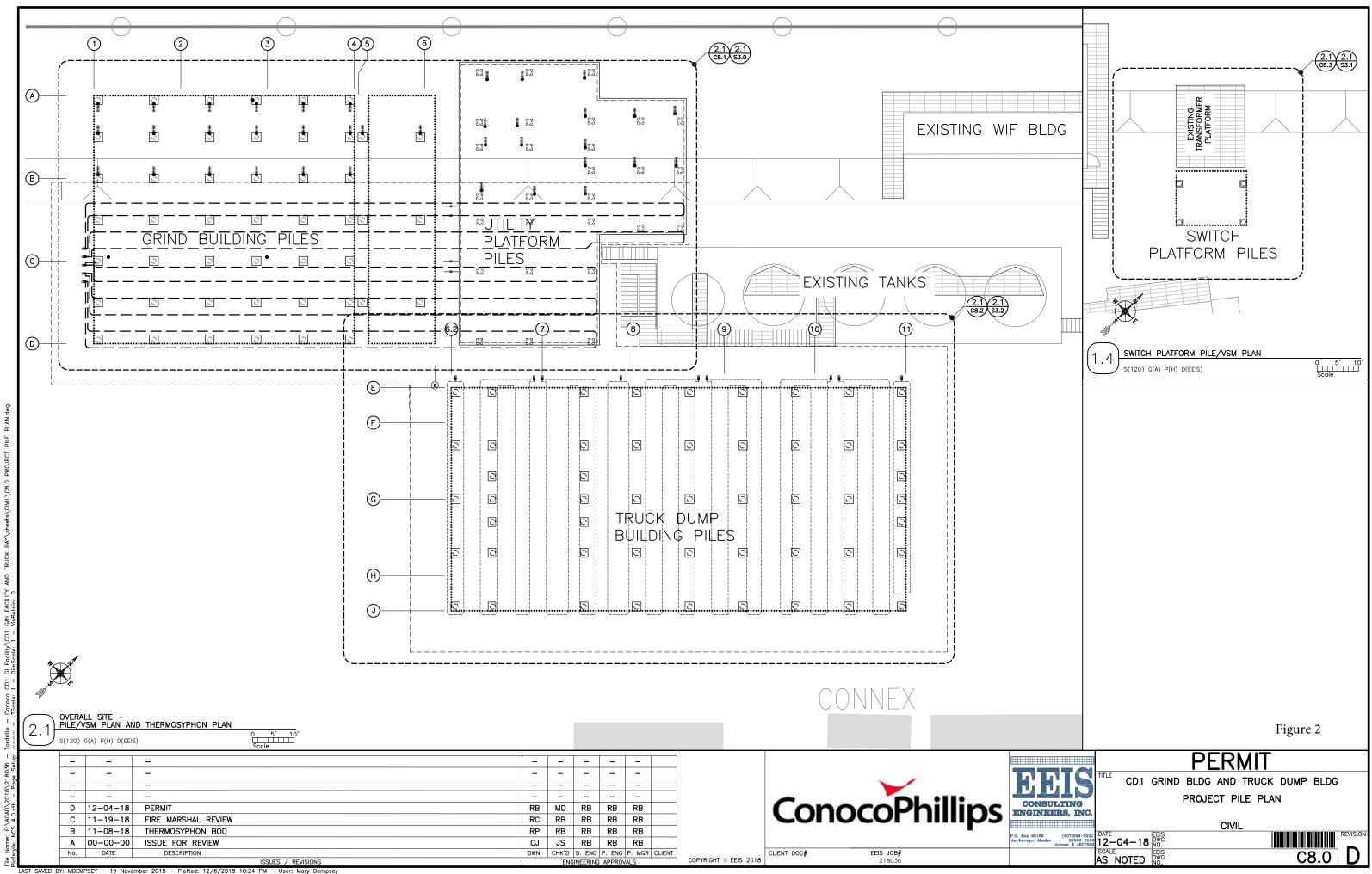
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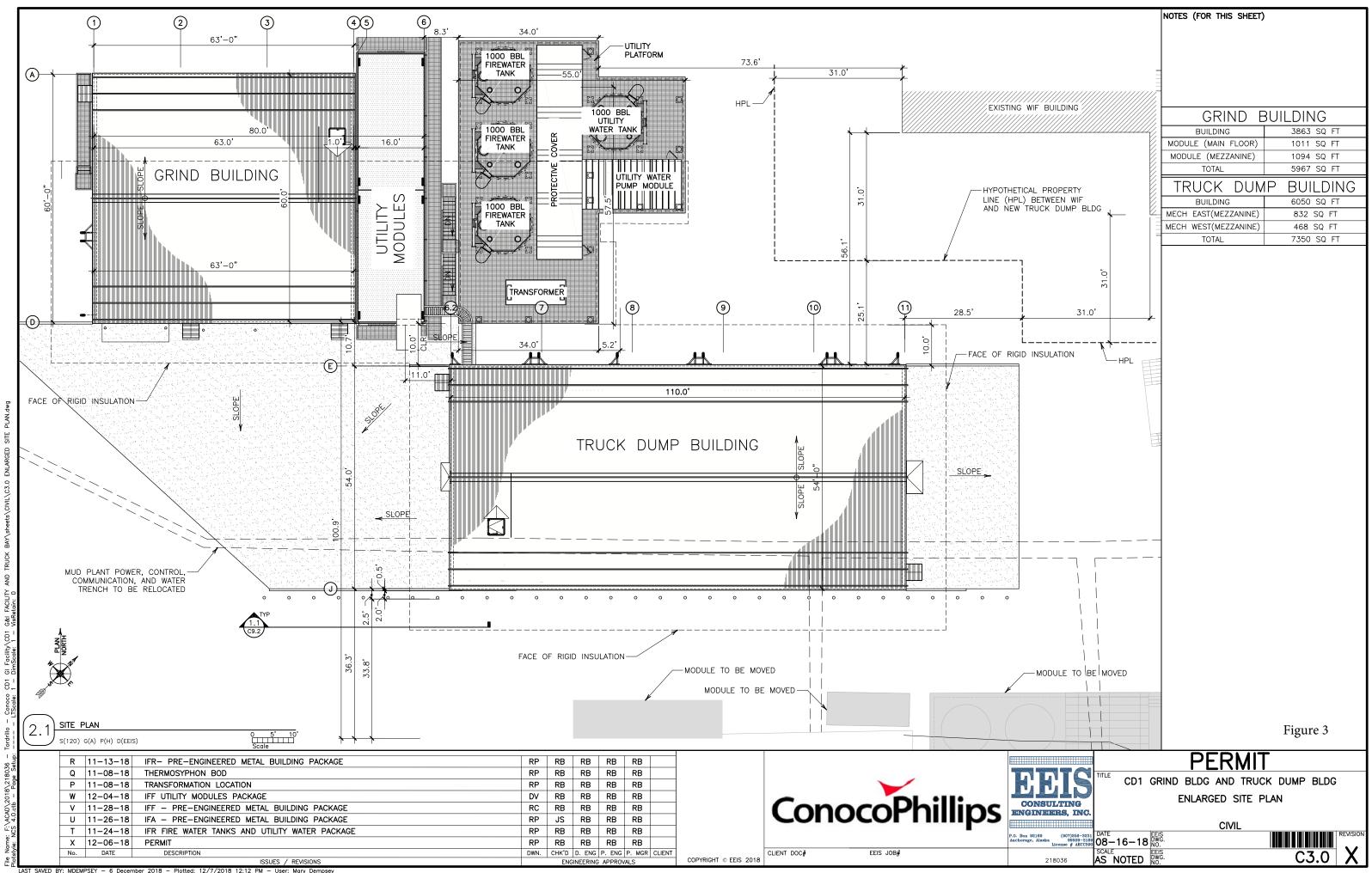
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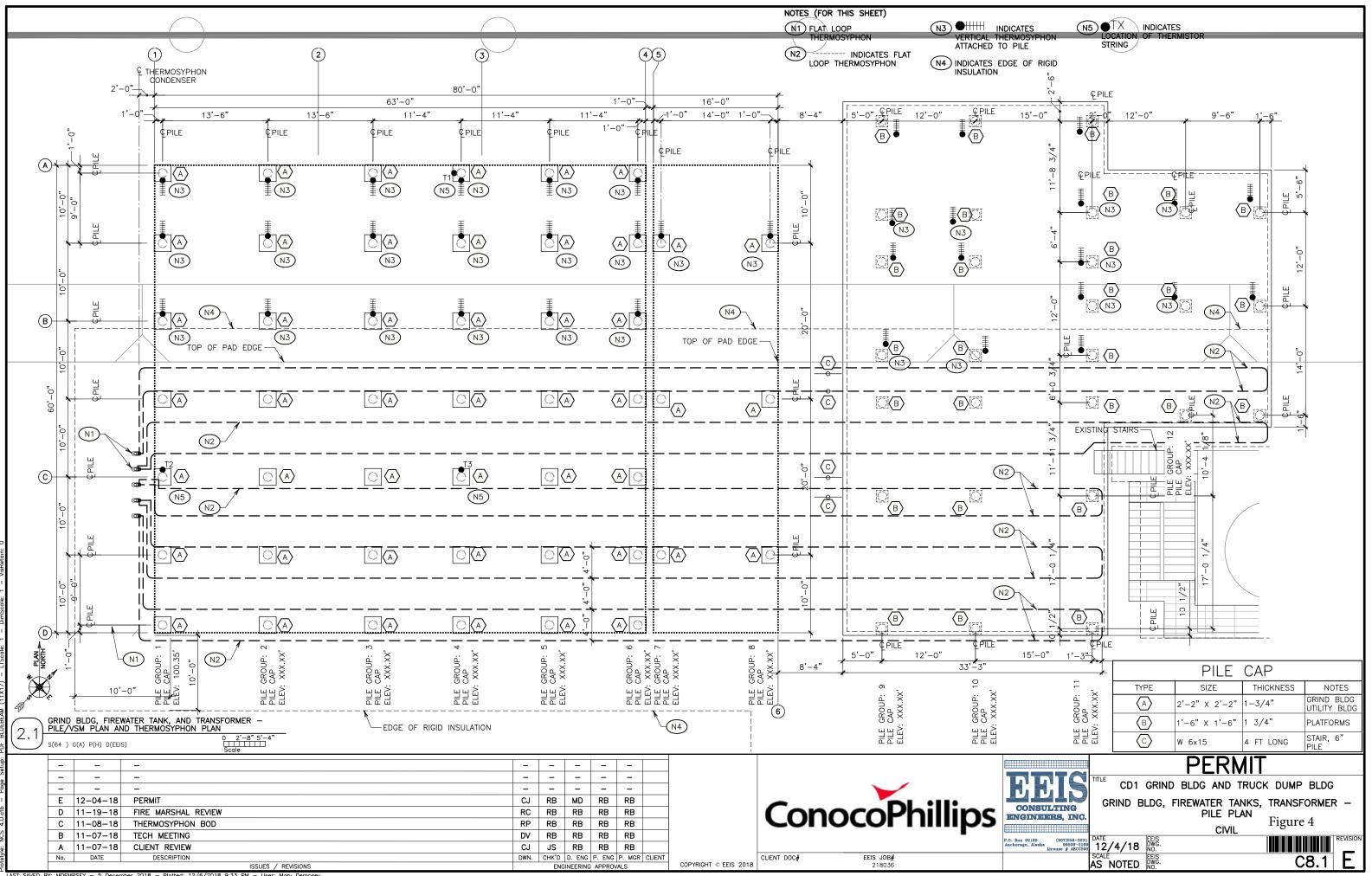
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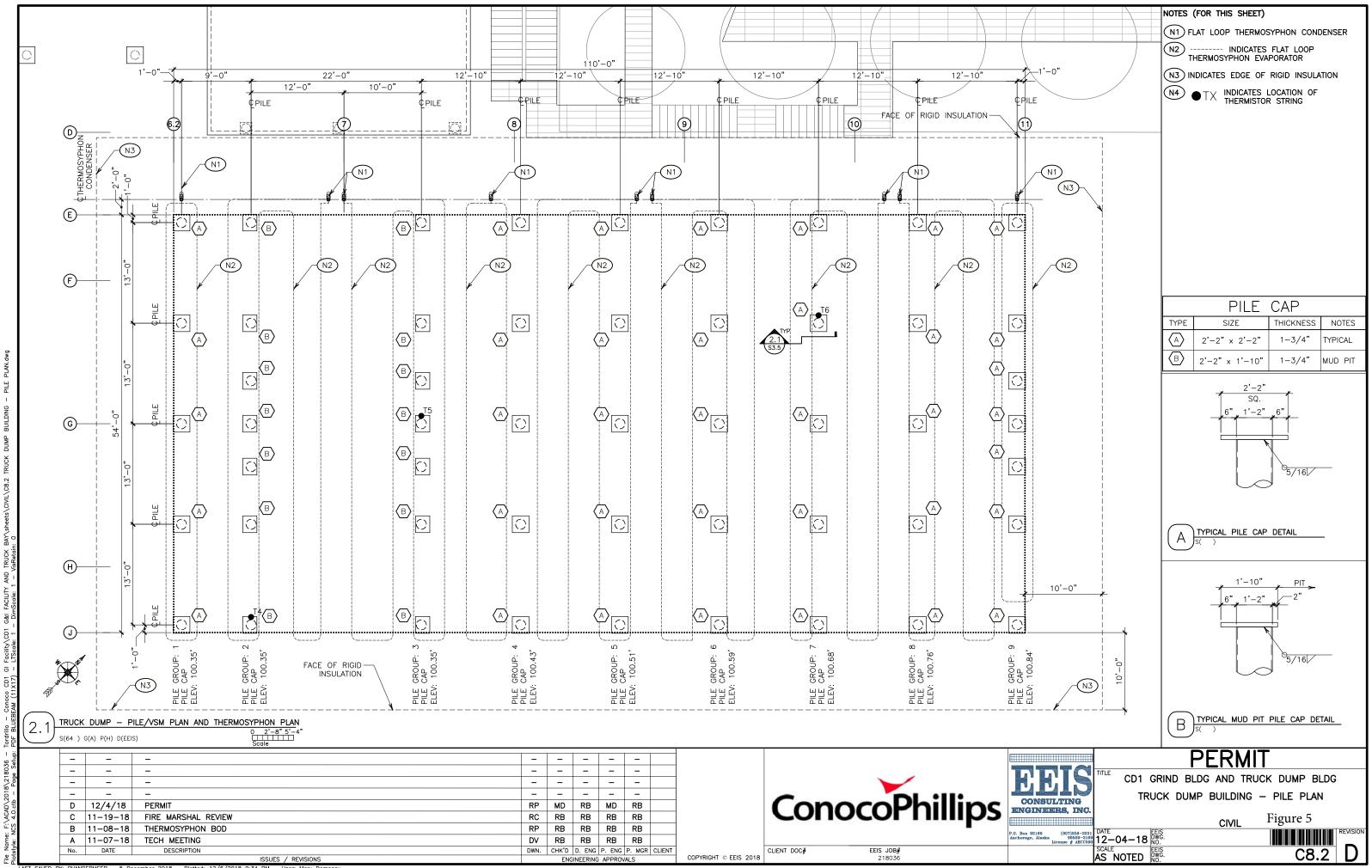




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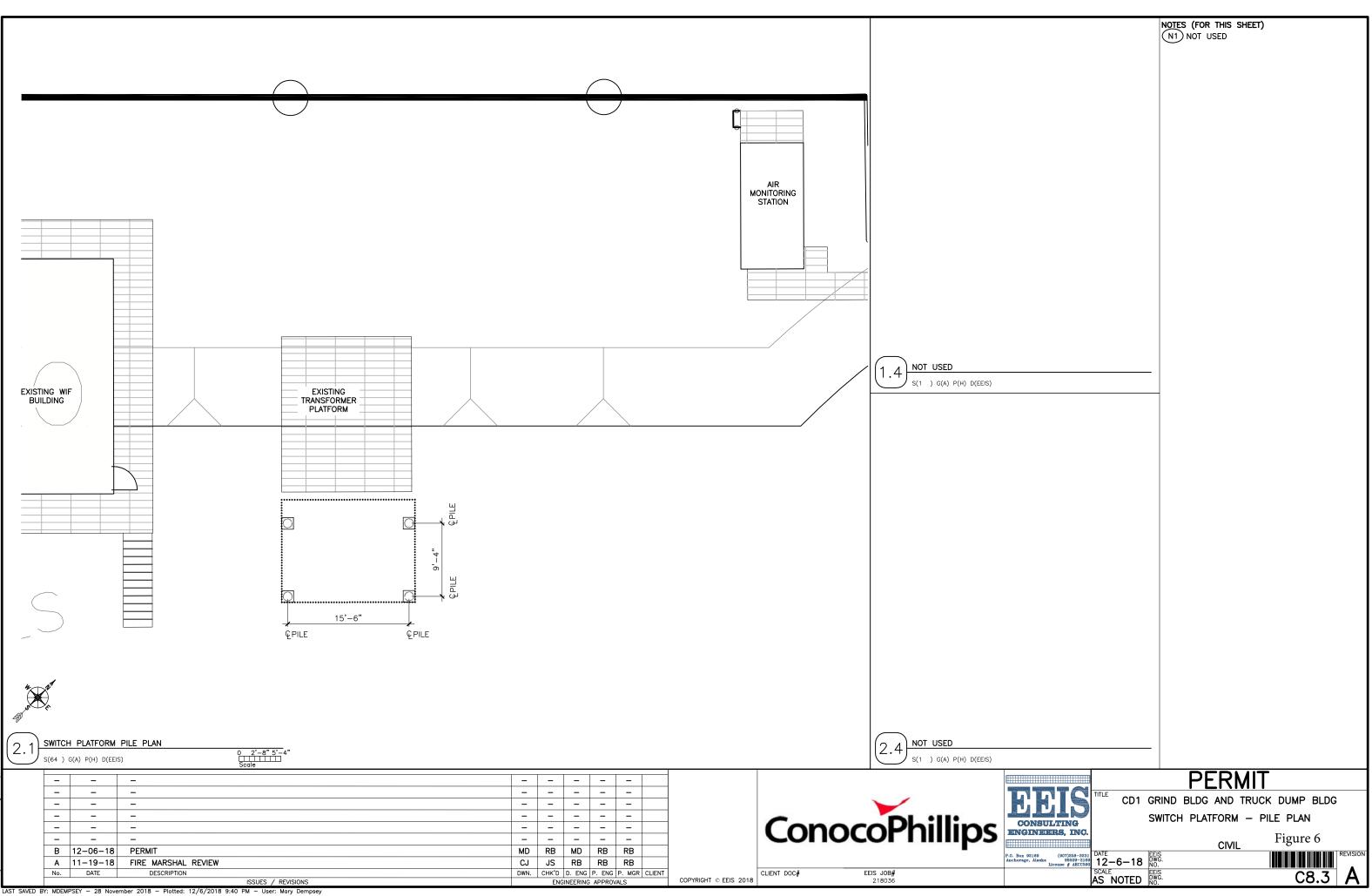
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