



February 27, 2019

Pat Galvin
Chief Commercial Officer
Great Bear Petroleum Operating LLC
3705 Arctic Blvd, Suite 2324
Anchorage, AK 99503

RE: LONS 14-010, Great Bear, Alkaid #1 Testing Lease Plan of Operations Amendment Decision

Dear Mr. Galvin:

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 lease Plan of Operations (Plan) amendment application dated January 22, 2019 for the above referenced project.

Scope:

Great Bear Petroleum Operating LLC (Great Bear) requests authorization to re-enter and test the Alkaid #1 well that was drilled, cased, and suspended in 2015. Great Bear will build a 2.5 mile ice road from the Dalton Highway to the Alkaid #1 wellsite, build a 1.35 acre ice pad, bring a rig to the location, re-enter the currently suspended Alkaid #1 well, conduct a number of tests at different intervals, and plug and abandon; or suspend the well if it proves capable of economic production. The Alkaid #1 well is located on the North Slope approximately 20 miles south of Deadhorse.

Plan activities include:

- Ice road and pad construction
- Re-enter Alkaid #1; test, plug, and abandon
- Rig down and move out

Location information:

Alkaid #1 Drillsite

Meridian: Umiat

Township: 07N

Range: 13E

Section: 23

Lat: 69.95061436 Long: -148.83545505 DD

ADL: 391704

The Alkaid #1 well is located on the North Slope approximately 20 miles south of Deadhorse and 2.5 miles west of the Dalton Highway.

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 February 4, 2019 for comment on the Plan: Alaska Department of Fish and Game (ADFG), DNR: Division of Mining, Land, and Water, North Slope Borough, Department of Environmental Conservation, and US Army Corps of Engineers. The comment deadline was 4:30 pm Alaska time on February 18, 2019. One comment was received from DMLW NRO regarding ice road construction:

The application indicates 2/12/19 as the proposed start of the ice road construction and the proposed road is within the Lower Foothills area which is not yet open for off-road travel due to areas with low snow, please note that Great Bear will most likely need to work with DMLW regarding a conditional authorization for the ice road construction.

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 lease operations amendment approval is issued in accordance with Alaska Statute 38.05 and 11 Alaska Administrative Code (AAC) 83. The Division reviewed this amendment under the lease regulation for the Plan, 11 AAC 83.158.

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 February 27, 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 lease operations amendment 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.

Sincerely,

A handwritten signature in blue ink that reads "Nathaniel Emery". The signature is written in a cursive style.

Nathaniel Emery
Natural Resource Specialist

Attachments: Figures: 1-2
2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, Nathaniel Emery, James Hyun, SPCS Records
DMLW: Melissa Head, Kimberley Maher, and Becky Baird, Henry Brooks
ADF&G: Jack Winters
ADEC: DEC Oil and gas, Laurie Silfven
Borough: Jason Bergerson, Josie Kaleak, Mabel Kaleak
Other: US Army Corps of Engineers

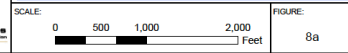
APPENDIX A: MAPS

Route Name	Lat	Long
A1-01	69.9502	-148.83163
A1-02	69.9499	-148.82780
A1-I-1	69.9497	-148.82579
A1-03	69.9498	-148.82396
A1-04	69.9502	-148.82011
A1-05	69.9505	-148.81627
A1-I-2	69.9507	-148.81396
A1-06	69.9507	-148.81236
A1-07	69.9508	-148.80838
A1-08	69.9508	-148.80440
A1-09	69.9508	-148.80042
A1-10	69.9508	-148.79644
A1-11	69.9509	-148.79246
A1-12	69.9509	-148.78848
A1-13	69.9509	-148.78450
A1-14	69.9509	-148.78051
A1-I-3	69.9510	-148.77755
A1-15	69.9511	-148.77662
A1-16	69.9516	-148.77296
A1-17	69.9522	-148.76931
A1-18	69.9527	-148.76565
A1-19	69.9533	-148.76200
A1-20	69.9538	-148.75834
A1-21	69.9544	-148.75469
A1-22	69.9549	-148.75103
A1-23	69.9554	-148.74738
A1-24	69.9560	-148.74372
A1-25	69.9565	-148.74006
A1-27	69.9571	-148.73641
A1-END	69.9575	-148.73319



Ice Road Points		Lake Buffer Distance (ft)	
	Route End		150 Non Fish-Bearing
	Inflection Point		500 Fish-Bearing
	Potential Thermistor		Dalton Highway

Plan of Operations
Amendment 2
Attachment 1



NAD83, Alaska State Plane Zone 4

AS-RTS-14-151-001.mxd, 1/13/14



Alkaid Re-Entry & Testing 2019
Proposed location layout, 1.35 acres

