THE STATE of ALASKA GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

Division of Oil and Gas

550 West 7th Avenue, Suite 1100 Anchorage, AK 99501-3561 Main: 907-269-8431 Fax: 907-269-8939

March 7, 2019

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

RE: LONS 84-018, Hilcorp Alaska, LLC, Milne Point Unit, CFP, Office and Film Processing, 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 February 6, 2019, for the above referenced project.

Scope:

Hilcorp Alaska, LLC (Hilcorp) requests approval to install a new 12-foot x 40-foot long trailer type building on Central Facilities Pad (CFP) in the MPU. The trailer will provide work space for the pipeline integrity group to process film and have an office. The building will be placed in the same location as a previous structure.

Equipment supporting this project includes loaders, forklifts, and crew vehicles. All work will be conducted on pad.

Plan activities include:

- Level existing gravel pad as required for installation of the building
- Place concrete eco blocks for a foundation
- Install the pre-made, trailer transported building
- Connect and install existing electrical

Location information:

MPU CFP

Meridian: Umiat Township: 13N Range: 10E Section: 25

70.458964' N, -149.441535' W NAD83

ADL(s): 025518

CFP is located approximately four miles south of Milne Point.

LONS 84-018, Hilcorp Alaska LLC, MPU, CFP, Office and Film Processing Unit Plan of Operations Amendment Decision

Agency review:

As a courtesy, the amendment application was circulated to Alaska Department of Fish and Game, and DNR: Division of Mining, Land & Water.

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 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 emailed 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, then this approval expires on March 7, 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 Paul Blanche at 907-269-8570 or emailed to paul.blanche@alaska.gov.

LONS 84-018, Hilcorp Alaska LLC, MPU, CFP, Office and Film Processing Unit Plan of Operations Amendment Decision

Sincerely,

Nathaniel Emery Natural Resource Specialist

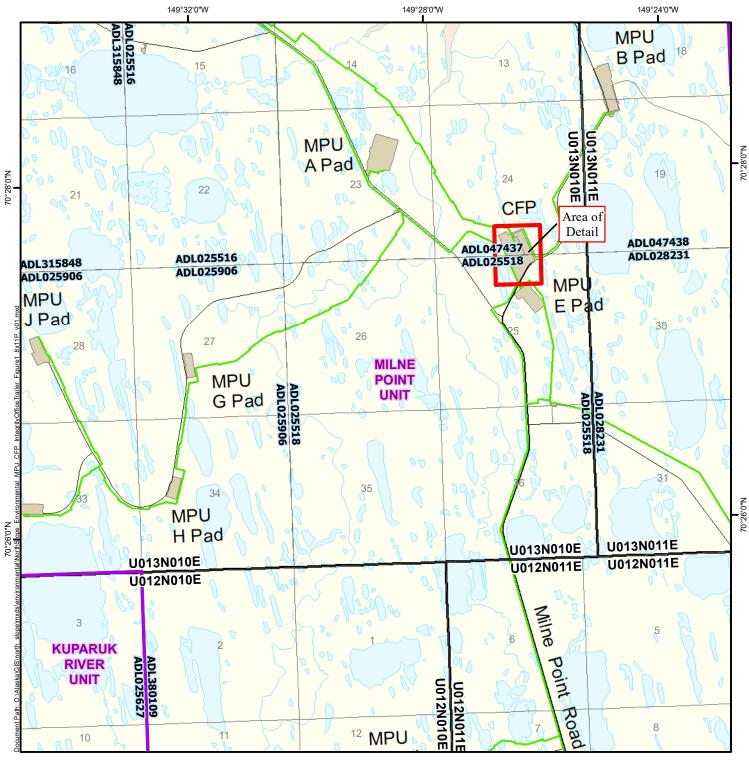
Attachments: Figure 1-2

2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, Nathaniel Emery, James Hyun, Jes Spuhler, SPCO Records

DMLW: Melissa Head, Kimberley Maher, and Becky Baird

ADF&G: Jack Winters





Project Location: Milne Point Unit -Central Facility Processing Pad

Latitude (Decimal Degrees) 70.458964, NAD 1983 Longitude (Decimal Degrees) -149.441535, NAD 1983

Alaska State Plane Zone 4, NAD 1983 (feet) X = 1708834.66 Y = 6017643.379

Sec. 25 T13N, R10E, Umiat Meridian, ADL#: 025518

Adjacent Property Owner: State of Alaska

Milne Point Unit Central Facilities Pad CFP Office Trailer Vicinity Map - Figure 1

Legend

Existing Pipeline (Above Ground)
Oil and Gas Unit Boundary

Gravel Footprint

