ADL 232962

RIGHT-OF-WAY LEASE
FOR THE
TYONEK W 10 GAS PIPELINE

BY AND
BETWEEN
THE STATE OF ALASKA
AND
HARVEST ALASKA, LLC

ADL 232962
TYONEK W 10 GAS PIPELINE
RIGHT-OF-WAY LEASE

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TYONEK W 10 GAS PIPELINE
RIGHT-OF-WAY LEASE

This Right-of-Way Lease (hereinafter "Lease") is entered into this 26th day of April 2018, (hereinafter "Effective Date"), by the State of Alaska (hereinafter "State"), acting through the Commissioner of the Alaska Department of Natural Resources (hereinafter "Commissioner"), and by Harvest Alaska, LLC (hereinafter "Lessee").

1. Lease of Right-of-Way

(a) Pursuant to the provisions of AS 38.35, the Alaska Right-of-Way Leasing Act, as amended, and for and in consideration of the annual rental fee described in Section 3 of this Lease and subject to the covenants and conditions contained herein and the Stipulations attached hereto in Exhibit A and incorporated by reference herein, the State hereby grants by Lease to the Lessee, for a limited duration described in Section 2, a non-exclusive Right-of-Way Lease, only for the purposes described in Subsection (b) of this section, across, through, and upon those State Lands, and those lands now owned or hereafter acquired (hereinafter "Leasehold"), as shown and described in the incorporated alignment and site locations attached hereto as Exhibit B. The width and total acreage of the Leasehold will vary over the term of this Lease as described in Exhibit B.

(b) This Lease is granted for the purpose of conducting Pipeline Activities in compliance with the terms of this Lease and all applicable State laws and regulations. Lessee shall not use the Right-of-Way or the land subject thereto for any other purpose and shall not locate or construct any other pipelines or other improvements within the Right-of-Way without prior approval.

(c) Except as otherwise provided herein, the Lessee shall not allow or suffer any other Person or entity to use the Leasehold for carrying on activities which are not part of the Lessee's authorized operations pursuant to this Lease. Nothing in this subsection is intended to excuse or preclude the Lessee from complying with its obligations under this Lease, or employing agents, employees, or Contractors to effect Pipeline Activities. This Lease is subject to any valid existing rights including rights of third parties and of State entities with authority over the Leasehold.

2. Duration

(a) This Lease shall expire on the 25th day of April, 2038 (20 years from the Effective date) at 12 noon (Alaska Time), unless prior thereto it is released, abandoned, or otherwise terminated pursuant to the provisions of this Lease or any applicable law or regulation.

(b) The Lessee shall give written notice to the Commissioner of its intent to seek renewal of this Lease no later than two (2) years before expiration. The Commissioner shall, upon request of the Lessee, renew the Lease for additional terms of up to thirty (30) years, but not less than ten (10) years each, so long as the Pipeline is in commercial operation and Lessee is in compliance with:

(1) all terms of the Lease;

(2) all State, Federal, and local laws, including but not limited to State law pertaining to regulation and taxation of the Pipeline; and

(3) any agreement(s) between the State and the Lessee pertaining to regulation and taxation of the Pipeline.

(c) The Lessee shall provide, at a minimum, one hundred eighty (180) days notice to the Commissioner prior to any relinquishment, abandonment, or other Termination of this Lease.

(d) Upon the expiration of the Lease term (including any renewal thereof), or upon its earlier forfeiture, relinquishment, abandonment, or other Termination, the provisions of this Lease, to the extent applicable, shall continue in effect and shall be binding on the Lessee, its successors, and assigns, until they have fully performed their respective obligations and liabilities under the Lease. Within 90 days of a request by Lessee following the expiration, forfeiture, relinquishment, abandonment, or other Termination of this Lease, upon a Decision that the State's best interest shall be served, the Commissioner shall release the Lessee from all or a portion of such continuing obligations and liabilities, with the exception of those contained in Section 8(m) and Section 9 herein.

3. Rental

(a) The Lessee shall pay to the State annual rental payments in the amount of **$4,850.00**. This rental amount shall be adjusted based on a formal appraisal conducted on or before one (1) year after the Effective Date of this Lease.

(b) The annual rental payment is subject to adjustment by the State five years from the Effective Date of the Lease, as set out in Section 4(a) of this Lease, and every fifth Lease Anniversary Date thereafter. The adjusted rental payment shall be based on the appraised fair market rental value of the Leasehold. The adjusted annual rental payment takes effect on the applicable Lease Anniversary Date, regardless of whether the adjustment determination occurs before or after the applicable Lease Anniversary Date.

(c) The initial formal appraisal, and all subsequent reappraisals, shall be carried out by an independent appraiser selected by the Lessee from a list of appraisers provided by the Department of Natural Resources. All costs of the initial formal appraisal, and of all subsequent reappraisals, shall be borne by the Lessee.

(d) To relinquish, abandon or terminate any right or interest in the Leasehold prior to expiration of this Lease the Lessee shall refer to Section 26 of this Lease. Upon receipt of the Commissioner's approval of all of the requirements under Section 26(e) of this Lease, and for the remainder of the term of this Lease and any subsequent renewals, Lessee shall pay to the State annual rental payments in the amount of the annual fair market rental of the Leasehold based on the appraised fair market rental value of the Leasehold.

(e) The Lessee's rental obligations described in this section shall survive the expiration, forfeiture, relinquishment, abandonment, or other Termination of this Lease, and shall continue until all of the Lessee's obligations described in Section 27 and Section 28 of this Lease, whichever is applicable, have been approved by the Commissioner.

(f) Any interest in land acquired under the provisions of AS 38.35.130 for the Pipeline shall become part of the Leasehold, and the costs for the acquisition thereof shall be borne by the Lessee. Rental shall not be charged for any land acquired under AS 38.35.130 and conveyed without cost to the State.

4. Payment

(a) The initial rental payment is due and shall be tendered on or before the Effective Date of the Lease. Subsequent rental payments shall be due annually on or before each Lease Anniversary Date.

(b) All payments to the State under this Lease shall be made payable to the State in the manner directed by the State, and unless otherwise specified, shall be tendered to the State at:

Alaska Department of Natural Resources
Attention: Financial Services
550 West 7th Avenue, Suite 1410
Anchorage, Alaska 99501-3561

or, to any other depository designated by the State. If the State changes the designated depository, it shall give at least sixty (60) days written notice to the Lessee in the manner provided in Section 29 herein.

(c) The Lessee shall pay the fee set forth in 11 AAC 05.010 for any late payment or returned check issued by the Lessee. Interest at the rate set by AS 45.45.010(a) shall be assessed on all past due amounts until payment is tendered to the State.

5. Denial of Warranty

(a) The State makes no representations or warranties, express or implied, as to title to, access to, or quiet enjoyment of the Leasehold. The State is not liable to the Lessee for any deficiency of title to or difficulty in securing access to the Leasehold. The Lessee or any successor in interest to the Lessee is not entitled to any refund of prior rentals paid under this Lease due to deficiency of title.

(b) The State makes no warranty, express or implied, and assumes no liability whatsoever, regarding the social, economic, or environmental aspects of the Leasehold granted herein, including, without limitation, the soil conditions, water drainage, access, natural or artificial hazards that may exist, or the profitability or fitness of the Leasehold granted herein for any use. The Lessee represents that the Lessee has inspected the Leasehold granted herein and determined that the Leasehold is suitable for the use intended, or has voluntarily declined to do so, and accepts the State Lands included in the Leasehold granted herein "as is" and "where is".

6. Reservation of Certain Rights to the State

(a) The State reserves and shall have a continuing and reasonable right of access to any part of the Leasehold (including the subsurface of, and the air space above, such Leasehold) and a continuing and reasonable right of physical entry to any part of the Pipeline, including Federal and private lands, for inspection or monitoring purposes and for any other purpose or reason that is consistent with any right or obligation of the State.

(b) The right of access and entry reserved in Subsection (a) of this section shall extend to and be enjoyed by any Contractor of the State designated by the Commissioner in writing. Such written designation shall be provided to the Lessee. The Commissioner and the Lessee may mutually develop additional procedures to implement this subsection.

(c) The granting of this Lease is subject to the express condition that the exercise of the rights and privileges granted under this Lease will not unduly interfere with the management, administration, or disposal by the State of the land affected by this Lease. The Lessee agrees and consents to the occupancy and use by the State, its grantees, permittees, or other Lessees of any part of the Right-of-Way not actually occupied or required by the Pipeline for the full and safe utilization of the Pipeline, for necessary operations incident to land management, administration, or disposal.

(d) The State reserves the right to grant additional permits, leases, or easements for rights-of-way or other uses to third parties that include lands subject to the Leasehold; provided that such grant shall not unreasonably interfere with the Lessee's rights under this Lease.

(e) This Lease is subject to the reservations set forth in AS 38.05.125 as such statutes exist on the Effective Date of this Lease.

7. Access to Navigable and Public Waters

The State reserves a public access easement to and along all public or navigable water bodies or waterways that border on or are included in the State Lands included in the Leasehold. No public access easement may be obstructed or otherwise rendered incapable of reasonable use for the purposes for which it was reserved. The Lessee shall not petition to vacate, abandon, or extinguish any public access easement without the prior written approval of the Commissioner.

8. Covenants of Lessee

The Lessee expressly covenants, in consideration of the rights acquired by it pursuant to this Lease, that:

(a) Lessee shall assume the status of and will perform all of its functions undertaken under this Lease as a common carrier and will accept, convey, and transport without discrimination Natural Gas delivered to it for transportation from fields in the vicinity of the Pipeline throughout its route on State Land obtained under this Lease and on other land; Lessee will accept, convey, and transport Natural Gas without unjust or unreasonable discrimination in favor of one producer or Person, including itself, as against another but will take the Natural Gas delivered or offered, without unreasonable discrimination, that the Regulatory Commission of Alaska or its successor with jurisdiction over common carrier pipelines shall, after a full hearing with due notice to the interested parties and a proper finding of facts, determine to be reasonable in the performance of its duties as a common carrier;

(b) Lessee will interchange Natural Gas with each like common carrier and provide connections and facilities for the interchange of Natural Gas at every locality reached by both pipelines when the necessity exists, subject to rates and regulations made by the appropriate State or Federal regulatory agency;

(c) Lessee will maintain and preserve books, accounts, and records and will make those reports that the State may prescribe by regulation or law as necessary and appropriate for the purposes of administering AS 38.35;

(d) Lessee will accord at all reasonable times and places to the State and its authorized agents and auditors the right of access to its property and records, of inspection of its property, and of examination and copying of records;

(e) Lessee will provide connections, as determined by the Regulatory Commission of Alaska or its successor with jurisdiction over common carrier pipelines, under AS 42.06.340, to facilities on the Pipeline subject to this Lease, both on State Lands and other land in the State, for the purpose of delivering Natural Gas to Persons (including the State and its political subdivisions) contracting for the purchase at wholesale of Natural Gas transported by the Pipeline when required by the public interest;

(f) Lessee shall, notwithstanding any other provision, provide connections and interchange facilities at State expense at such places the State considers necessary, if the State determines to take a portion of its royalty or taxes in Natural Gas;

(g) Lessee will construct and operate the Pipeline in accordance with applicable State laws and lawful regulations and orders of the Regulatory Commission of Alaska or its successor with jurisdiction over common carrier pipelines;

(h) Lessee will, at its own expense, during the term of this Lease

(1) maintain the Leasehold and Pipeline in good repair;

(2) promptly repair or remedy any damage to the Leasehold;

(3) promptly compensate for any damage to or destruction of property for which the Lessee is liable resulting from damage to or destruction of the Leasehold or Pipeline;

(i) As more fully set out in Section 25 of this Lease, Lessee will not transfer, assign, or dispose of, in any manner, directly or indirectly, or by transfer of control of the Lessee, its interest in this Lease, or rights under this Lease or a Pipeline subject to this Lease to a Person other than another owner of the Pipeline (including subsidiaries, parents, and affiliates of the owners), except to the extent that the Commissioner, after consideration of the protection of the public interest (including whether the proposed transferee is fit, willing, and able to perform the transportation or other acts proposed in a manner that will reasonably protect the lives, property, and general welfare of the people of Alaska), authorizes; the Commissioner shall not unreasonably withhold consent to the transfer, assignment, or disposal;

(j) Lessee will file with the Commissioner a written appointment of a named permanent resident of the State of Alaska to be its registered agent in Alaska and to receive service of notices, regulations, Decisions, and Orders of the Commissioner; if it fails to appoint an agent for service, service may be made by posting a copy in the office of the Commissioner, filing a copy of it in the Office of the Lieutenant Governor, and by mailing a copy to the Lessee's last known address;

(k) The applicable law of the State of Alaska will be used in resolving questions of interpretation of this Lease;

(l) The granting of this Lease is subject to the express condition that the exercise of the rights and privileges granted under this Lease will not unduly interfere with the management, administration, or disposal by the State of the land affected by this Lease, and that Lessee agrees and consents to the occupancy and use by the State, its grantees, permittees, or other Lessees of any part of the Leasehold not actually occupied or required by the Pipeline for the full and safe utilization of the Pipeline, for necessary operations incident to land management, administration, or disposal;

(m) As more fully set out in Section 9 of this Lease, Lessee will be liable to the State for damages or injury incurred by the State caused by the Construction, Operation, or Maintenance of the Pipeline and Lessee will indemnify the State for liabilities or damages;

(n) Lessee will procure and furnish liability and property damage insurance from a company licensed to do business in the State or furnish other security or undertaking upon the terms and conditions the Commissioner considers necessary if the Commissioner finds that the net assets of the Lessee are insufficient to protect the public from damage for which the Lessee may be liable arising out of the Construction or Operation of the Pipeline.

9. Indemnity

(a) The Lessee assumes all responsibility, risk, and liability for its Pipeline Activities and use of or contact with the Leasehold. The Lessee shall defend, indemnify, and hold harmless the State, its agents and employees, from and against any and all demands, causes of action (whether in the nature of an action for damages, indemnity, contribution, government cost recovery or otherwise), fines, judgments, suits, claims, actions, proceedings, losses, costs (including reasonable attorneys' fees and costs), expenses, charges, forfeitures, liens, liabilities, settlements, penalties, and damages of any kind or nature whatsoever, including, but not limited to those alleging personal injury, wrongful death, nuisance property damage, environmental contamination (including any disposal, release, spill or discharge or any threatened disposal, release, spill, or discharge of or contamination by Hazardous Materials), and environmental noncompliance (including the Lessee's failure to provide all information, make all submissions, and take all steps required by the authority under the environmental laws or any other law concerning any spill, discharge, or contamination), arising out of, in connection with, directly or indirectly from, or otherwise incident to, Lessee's Pipeline Activities or use of or contact with the Leasehold, except to the extent the sole legal cause of the injury or damage is the negligence or willful misconduct of the State or anyone acting on the State's behalf.

(b) The State shall tender, and the Lessee shall accept the tender by the State of any such cause of action, lawsuit, or other proceeding brought against the State which is covered by Subsection (a) of this section. Subject to the last sentence in this subsection, any reasonable attorneys' fees or costs incurred by the State prior to such tender of defense shall be the complete and sole responsibility of Lessee, so long as the tender is covered by Subsection (a) of this section. If the State tenders such cause of action, lawsuit, or other proceeding later than twenty (20) days after service on the State, and the Lessee informs the State that the delay in tendering shall require Lessee to incur additional costs in order to respond in a competent and timely manner, and the State is unable to obtain an extension of time sufficient to provide Lessee with at least one-half of the number of days which the State originally had to respond, then the State shall reimburse Lessee for documented, reasonable costs incurred by the Lessee that are directly related to the delay in tendering and the State shall bear its attorneys' fees and costs prior to the tender.

(c) The obligations of the Lessee to indemnify the State under the terms of this Lease shall survive the transfer, assignment, or other disposition of the Lessee's interest in this Lease as well as the

expiration, forfeiture, relinquishment, abandonment or other Termination of this Lease to the extent the obligation(s) arose during that Lessee's tenure as the leaseholder.

10. Lessee's Contractors, Agents and Employees

(a) Lessee shall require that all of its Contractors conducting Pipeline Activities on the Leasehold:

(1) indemnify the State and extend all its Contractors' indemnities to include the State as an additional named indemnitee;

(2) name the State of Alaska as additional insured on all liability insurance policies maintained under their contracts with Lessee; and

(3) obtain an appropriate waiver of subrogation in favor of the State with respect to all other insurance policies.

(b) Unless clearly inapplicable, the requirements and prohibitions imposed upon the Lessee by this Lease are also imposed upon the company's agents, employees, and Contractors. The Lessee shall ensure compliance with this Lease by its agents, employees and Contractors.

(c) Any material failure or refusal of the Lessee's agents, employees, or Contractors to comply with the Lease or Stipulations shall be deemed to be the failure or refusal of the Lessee.

11. Guaranty and State as Additional Insured

(a) The Commissioner shall not issue a Written Authorization for the Lessee to initiate any Construction under this Lease prior to the Commissioner's receipt from the Lessee of an unconditional guaranty, meeting all requirements of this section, guaranteeing the performance of all of Lessee's duties and obligations under and by virtue of this Lease.

(b) The guarantor's unconditional guaranty shall be in a form approved by the Commissioner, and shall be attached to this Lease as Exhibit C. If the Commissioner determines at any time that the guaranty is insufficient to satisfactorily guarantee the performance of all the Lessee's duties, obligations, and potential liabilities under and by virtue of this Lease, the Commissioner may require the substitution and delivery of a supplementary guaranty or other security from Lessee or from a substitute guarantor or insurer, with any provisions the Commissioner reasonably finds necessary.

(c) The Lessee may change the guarantor at any time, provided the Commissioner, in his or her sole discretion, approves the substitution.

(d) Lessee shall submit, on an annual basis, guarantor's annual financial statement and balance sheet, or such financial documentation of any required substitute guarantor, that the Commissioner requests. Lessee may submit such information on a confidential basis in accordance with applicable State Statutes.

(e) As set forth in Section 8(n) the Lessee, shall obtain commercially available insurance coverage for the Leasehold and the Lessee's activities in, on or related to the Leasehold. The Lessee shall

cause the State to be named as an additional insured on all such insurance policies obtained and maintained by the Lessee, except that such insurance coverage shall not cover or apply where the proximate cause of the injury or damage is the gross negligence or reckless or willful misconduct of the State or anyone acting on behalf of the State. Any commercially available insurance purchased by Lessee under this section shall not be construed to limit in any way the Lessee's liabilities or responsibilities under this Lease.

12. Timely Construction and Operation

Lessee shall begin Construction of the Pipeline System within two (2) years of the effective date of this Lease and shall begin operation of the Pipeline System as a common carrier within three (3) years of the effective date of this Lease unless otherwise approved through a Decision.

13. Conduct of Operations

(a) The Lessee shall perform all Pipeline Activities under this Lease in a lawful, prudent, and skillful manner in compliance with the terms and conditions of this Lease, its incorporated exhibits, and all required permits.

(b) The Lessee shall prevent or, if the procedure, activity, event or condition already exists or has occurred, shall abate, as completely as practicable, any physical or mechanical procedure, activity, event or condition:

(1) that is susceptible to prevention or abatement;

(2) that arises out of, or could adversely affect, Pipeline Activities; and

(3) that causes or threatens to cause

a) a hazard to the safety of workers or to the public health or safety (including but not limited to personal injury or loss of life with respect to any Person(s); or

b) immediate, serious, or irreparable harm or damage to the environment (including but not limited to water and air quality, areas of vegetation, fish or other wildlife populations or their habitats, or any other natural resource).

14. Protection of Private and Public Property Interests

The Lessee shall provide reasonable protection to public or private improvements on State Land, which may be adversely affected by Pipeline Activities. If the Commissioner determines that the Lessee has caused damage to such public or private improvements, and if the owner of such improvements so requires, then the Lessee shall promptly repair or reimburse the owner for reasonable costs in repairing such improvements to a condition which is reasonably satisfactory to the owner, but which does not exceed the improvements' condition prior to damage. This section does not limit in any way the legal or equitable remedies that may be available to a public or private owner of improvements on State Land.

15. Taxes and Liens on Leasehold

(a) During the term of this Lease, Lessee shall pay any and all real property taxes, assessments, and similar charges levied by the State, any municipality, or any other governmental entity upon the interest in the Leasehold granted to Lessee by this Lease, subject to any rights Lessee may have to appeal or protest such taxes, assessments or charges. In no event shall Lessee permit or allow its interest in the Leasehold granted by this Lease to be lost or the State's title to the Leasehold to be clouded or encumbered as a result of the nonpayment of any such taxes, assessments, or charges.

(b) During the term of this lease, Lessee shall pay for all labor and services performed upon or materials furnished to the Leasehold by, for, or at the request of Lessee. Lessee shall keep its interest in the Leasehold granted by this lease and the State's title to and interest in the Leasehold free and clear of any and all liens, including but not limited to, mechanic's, mining, labor, or materialmen's liens, arising out of or resulting from the performance of labor or services upon or the furnishing of materials to the Leasehold by, for, or at the request of the Lessee, except those liens arising by operation of law for which payment is not yet due. Lessee shall have the right to contest, in the courts or otherwise, the validity or amount of any such lien that may be filed. The Lessee shall post and record notices of nonresponsibility for the benefit of the State pursuant to AS 34.35.065 and AS 34.35.150 and any other similar applicable laws.

(c) During the term of this Lease, the Lessee shall not allow the State's title to or interest in the Leasehold to be encumbered by any judgments entered by a court of law against Lessee or Lessee's Contractors. If a lis pendens is filed arising from pending or actual litigation against Lessee or its Contractors that encumbers or purports to encumber the State's title to or interest in any lands within the Leasehold, Lessee shall diligently and with best efforts seek to effect immediate removal of that lis pendens.

16. Permits

The Lessee shall obtain all required Federal, State, and municipal permits and other authorizations for a particular activity prior to that activity taking place. The Lessee shall maintain those permits and authorizations in good standing for so long as they are required for activities conducted pursuant to rights granted under this Lease.

17. Orders by the Commissioner

(a) The Commissioner may issue any Order necessary to enforce or implement any provision of this Lease.

(b) All Orders of the Commissioner shall be in writing; however, if in the judgment of the Commissioner there is an emergency that necessitates the immediate issuance of an Order, such Order may be given orally with subsequent confirmation in writing as soon as possible thereafter, but not later than seventy-two (72) hours.

(c) The Lessee shall comply with all lawful Orders directed to the Lessee by the Commissioner or by any duly authorized representative.

18. Modification

The Commissioner may Order the Lessee to make such practicable modification to the design of the Pipeline as the Commissioner determines is necessary to:

(1) protect or maintain stability of the foundation and other earth materials;

(2) protect or maintain integrity of the Pipeline;

(3) control or prevent significant damage to the environment (including but not limited to water and air quality, areas of vegetation, fish or other wildlife populations or their habitats, or any other natural resource); or

(4) remove hazards to public health and safety, including the activities of Lessee's agents, employees, and Contractors.

19. Information

The Commissioner may Order the Lessee at any time to furnish information related to Pipeline Activities. If the Lessee desires that records submitted to the State be kept confidential, the Lessee shall submit a request for confidentiality in writing to the Commissioner along with the statutory basis for its claim of confidentiality. The Commissioner shall retain records as confidential to the extent consistent with the Commissioner's authority to do so under applicable State statutes.

20. Right of the State to Perform

(a) The Lessee shall carry out, at the Lessee's expense, all lawful and reasonable Orders and Decisions of the State relative to the Lessee's occupation and use of the Leasehold within a reasonable time period under the circumstances. If, after thirty (30) days following the making of a demand by the Commissioner in the manner that is provided in this Lease, the Lessee, or its respective agents, employees, or Contractors, shall fail or refuse to perform any action required by this Lease or by the Commissioner under this Lease, the State shall have the right, but not the obligation, to enter the Leasehold and at the Lessee's expense, consistent with all applicable State and Federal laws and regulations, perform any or all of the following:

(1) repair damage;

(2) prevent imminent harm to workers;

(3) protect public health or safety; and

(4) prevent immediate, serious or irreparable harm or damage to the environment.

(b) The Commissioner shall submit to the Lessee a statement of the expenses reasonably incurred by the State of any required action taken pursuant to this section. The Lessee shall pay the amount shown within thirty (30) days of receipt of the statement.

21. Temporary Suspension

(a) The Commissioner may, consistent with applicable State and Federal law, Order the temporary suspension of any or all Pipeline Activities, if:

(1) an immediate temporary suspension of the activity or the activities is necessary to protect:

i) public health or safety (including but not limited to personal injury or loss of life with respect to any Person(s)); or

ii) the environment from immediate, serious or irreparable harm or damage (including, but not limited to harm or damage to soil, sediments, water and air quality, areas of vegetation, fish or other wildlife population or their habitats, or any other natural resource); or

(2) the Lessee, its agents, employees, or Contractors are failing or refusing, or have failed or refused to comply with or observe:

i) any provision of this Lease intended to protect public health, safety or the environment; or

ii) any Order of the Commissioner implementing any provision of this Lease or any Decision by the Commissioner in connection with all or any part of the Pipeline.

(b) A temporary suspension Order shall specify:

(1) the specific location and activities which shall be stopped;

(2) the reason for the issuance of the Order including a description of the immediate, serious, or irreparable harm that is pending or taking place;

(3) any Decision or other authorization affected by the Order;

(4) the name of the Person issuing the Order;

(5) the name of the Lessee's representative to whom the Order is issued; and

(6) the time and date of the Order.

(c) When a temporary suspension Order is issued by a delegate of the Commissioner, other than the Pipeline Coordinator, a copy of the written delegation of authority from the Commissioner shall accompany the Order. A copy of the temporary suspension Order shall be provided to the Lessee in a manner specified by Section 29 herein.

(d) A temporary suspension Order is effective as of the date and time given, unless it specifies otherwise and shall remain in full force and effect until modified or revoked through a subsequent Order or Decision, whichever is appropriate.

(e) If the Commissioner finds that an emergency exists, a temporary suspension Order may be given orally to the Lessee or a Field Representative of Lessee. If an oral temporary suspension order is given, a written Order consistent with the requirements of Subsection (b) shall be issued as soon as possible, but no later than seventy-two (72) hours, after the oral order is given. An oral temporary suspension order that is not confirmed with a written Order within the specified time is vacated.

(f) To the extent practicable, the Commissioner shall give the Lessee prior notice of any temporary suspension Order. If circumstances permit, the Commissioner shall discuss with the Lessee, before issuing the Order, measures that would:

(1) immediately abate or avoid the harm or threatened harm that is the reason for the issuance of the Order; or

(2) effect compliance with the provision or Order, whichever is applicable.

(g) After a temporary suspension Order has been given by the Commissioner, the Lessee shall promptly comply with all of the provisions of the Order and shall not resume any activity suspended or curtailed thereby except as provided in this Lease, a subsequent Order, or a court order.

(h) When the Commissioner is satisfied that:

(1) the harm or threatened harm has been abated or remedied,

(2) the Lessee has effected, or is ready, willing and able to effect, compliance with the provisions of the temporary suspension Order, or

(3) the Lessee has implemented, or is ready, willing and able to implement, mitigating, corrective, or alternative measures approved by the Commissioner, the Commissioner shall promptly authorize in writing the resumption of the suspended activity or activities. The Commissioner shall render a Decision within three (3) days of the date that the request from the Lessee to resume suspended activities is received by the Commissioner.

(i) Without limiting any other rights available under 11 AAC 02 or any other law, the Lessee may;

(1) appeal directly to the Commissioner for review of any temporary suspension Order issued by a Commissioner's delegate under this section; or

(2) request reconsideration from the Commissioner of:

i) any temporary suspension Order issued by the Commissioner; or

ii) any Decision by the Commissioner of a request for resumption of activities suspended under a temporary suspension Order.

(j) The Lessee shall file with the Commissioner a notice of appeal or a request for reconsideration brought pursuant to this subsection within ten (10) days after the effective date of the Order or Decision being appealed or being asked to be reconsidered. The notice must clearly state the Order or Decision being appealed or being asked to be reconsidered and must contain a statement of facts and points

of law the Lessee wishes to present to justify modification or reversal of the Order or Decision. All statements of fact must be under oath.

(k) The Commissioner shall decide an appeal or a request for reconsideration within ten (10) days from the date the Commissioner received the notice of appeal or request for reconsideration from the Lessee. If the Commissioner does not render a Decision within that time, the appeal or request for reconsideration shall be considered to have been denied by the Commissioner, and that denial shall constitute a final decision appealable in accordance with the rules of the court, and to the extent permitted by applicable law.

22. Commissioner's Decisions

(a) Except as set forth in Subsection (b) of this section, any Decision of the Commissioner as to any matter arising out of this Lease shall constitute the final agency decision appealable in accordance with the law and rules of the court.

The absence of a Decision on any plan, design, specification, or other document that may be filed by the Lessee with the Commissioner shall not represent in any way whatsoever any assent to, approval of, or concurrence in such plan, design, specification, or other document, or any action proposed therein. A Decision will remain in effect unless, and until, a new Decision or Order is provided to Lessee on the same subject.

(b) Decisions of a Commissioner's delegate shall not constitute final agency decisions and are subject to the procedures for appeal and reconsideration as set forth in 11 AAC 02, except as otherwise provided in Section 21(i).

23. Reimbursement of State Expenses

(a) Lessee shall reimburse the State for all reasonable costs incurred by the State in the oversight of Pipeline Activities in compliance with AS 38.35.140. The Commissioner shall administer this Lease to reasonably assure that unnecessary employment of personnel and needless expenditure of funds by the State are avoided. The Commissioner shall provide Lessee with an annual estimate of the projected costs and scope of the work.

(b) Reimbursement provided for in this section shall be made for each quarter ending on the last day of March, June, September, and December. On or before the ninetieth (90th) day after the close of each quarter, the Commissioner shall submit to the Lessee a written statement describing any reimbursable costs incurred by the State during that quarter. This statement may be supplemented within ninety (90) days after the end of a fiscal year for costs incurred in the State's fiscal year but which, because of reasonable mistake, inadvertence, or unavailability, were not previously submitted. The State shall submit invoices to Lessee in accordance with Section 29.

(c) The Lessee shall pay to the State the total amount shown on each statement submitted under Subsection (b), within thirty (30) days of receipt. If the Lessee disputes any item of a statement for reimbursement, the Lessee shall, on or before the date on which the statement is due and payable, deliver to the Commissioner written notice of each item that is disputed, accompanied by a detailed explanation of its objection. The Commissioner shall provide a Decision regarding the Lessee's objections within thirty

(30) days of receipt of the Lessee's objections, and any items determined by the Commissioner to have been in error, improper, unnecessary, or needless shall be reimbursed within thirty (30) days after the date of the Commissioner's Decision.

(d) The Lessee may conduct, at its own expense, and by auditors or accountants designated by the Lessee, reasonable audits of the books, records and documents of the State relating to a statement submitted under Subsection (b) of this section, at the places where such books, records and documents are usually maintained and at reasonable times. Written notice of intent to conduct an audit shall be given to the Commissioner:

(1) at least fifteen (15) days prior to the audit and

(2) not later than the one hundred eightieth (180th) day after the date that the State submits the statement, or supplemental statement, as applicable, under Subsection (b) of this section.

(e) An audit under this subsection shall be completed within one hundred eighty (180) days after receipt by the Commissioner of the notice of intent to conduct an audit; provided, however, that if the Commissioner fails to provide the Lessee with reasonably timely access to the relevant books, records and documents necessary to complete the audit, such period shall be extended by an appropriate number of days to be mutually agreed to in writing by the Commissioner and the Lessee. The Lessee may present the results of an audit to the Commissioner in a written notice requesting a timely review by the Commissioner of errors, omissions, or discrepancies noted in the audit, including unnecessary employment of personnel or needless expenditures of funds. The Commissioner shall meet with the Lessee within thirty (30) days of receipt of the notice of results of the audit to discuss and attempt to resolve all items listed in the notice of results. The Commissioner shall promptly provide a Decision to the Lessee setting forth the results of the meeting between the Lessee and the Commissioner. Any items previously reimbursed to the State but found during the audit and concurred in by the Commissioner in the Decision setting forth the results of the meeting to have been in error, improper, unnecessary, or needless shall be reimbursed within thirty (30) days after the date of the Commissioner's Decision.

(f) Nothing herein requires the State to maintain books, records or documents other than those usually maintained by it, provided such books, records and documents reasonably segregate and identify the costs for which reimbursement is required by this section. Such books, records and documents shall be preserved for a period of at least two (2) years after the Commissioner submits a statement for reimbursement based on such books, records and documents. The Lessee and auditors or accountants designated by the Lessee shall be given reasonable access to, and the right to copy, at the Lessee's expense, all such books, records and documents.

24. Liability of the State

The Lessee agrees that neither the State nor any of its officials, employees, agents or Contractors shall be liable for money damages for any loss caused to the Lessee, its agents or Contractors, by reason of decisions made in respect to the application and administration of this Lease; provided, however, this section does not excuse the State, its officials, employees, agents or Contractors from liability for damages or injuries resulting from acts (or omissions) of the State officials, employees, agents or Contractors that are unlawful, negligent, grossly negligent, reckless or willful.

25. Transfer, Assignment, or Other Disposition

(a) The State may convey all or a portion of its ownership of the Leasehold at any time to any entity allowed by law. Any conveyance, transfer or other disposition, subsequent to the execution of this Lease, of any right, title, or interest in any of the Leasehold shall be subject to this Lease and the Lessee's rights hereunder, including the Lessee's right to renew the Lease under Section 2(b) herein.

(b) As set forth in Section 8(i) herein, the Lessee may request to assign, sublease, or transfer this Lease, or any interest in or rights under this Lease to a Person other than another owner of the Pipeline. The Commissioner will consider the protection of the public interest and determine in an AS 38.35.100 finding if the potential assignee, sublessee, or transferee is fit, willing, and able to perform the transportation or other act(s) proposed by the Lessee.

(c) In making the determination whether the proposed transferee is fit, willing, and able, the Commissioner shall not consider the existence of the guaranty by the guarantor, unless specifically requested by the Lessee in the Lessee's request for transfer or assignment. If the Commissioner determines that a guaranty or other security is required to guarantee the performance of all of the duties, obligations, and potential liabilities under and by virtue of this Lease by the proposed assignee, transferee, or other receiving party, the proposed assignee, transferee, or other receiving party shall secure a guaranty or other security satisfactory to the Commissioner, in substantially such form as the Commissioner required from the Lessee under Section 11 of this Lease, as a condition to the Commissioner's approval of the transfer, assignment, or other disposal.

26. Release of Interests

(a) In connection with the relinquishment, abandonment or other Termination before the expiration of this Lease, of any right or interest in the Leasehold, or in the use of all or any part of the Leasehold, the Lessee shall promptly execute and deliver to the State, through the Commissioner, a valid instrument of release in recordable form, which must be executed and acknowledged with the same formalities as a deed. The instrument of release must contain, among other things, appropriate recitals, a description of the pertinent rights and interests, and for the benefit of the State and its grantees or assigns, express representations and warranties by the Lessee that it is the sole owner and holder of the Lease rights or interests described therein and that such Lease rights or interests are free and clear of all liens, equities or claims of any kind, except for such liens, equities or claims that arose before the Effective Date of this Lease. The form and substantive content of each instrument of release must be approved by the Commissioner, but except as otherwise provided for in this subsection; in no event shall any such instrument operate to increase the then-existing liabilities and obligations of the Lessee furnishing the release.

(b) A release under this section shall be accompanied by such resolutions and certifications as the Commissioner may require, including the power or the authority of the Lessee, or of any officer or agent acting on its behalf, to execute, acknowledge or deliver the release.

(c) Notwithstanding any language or provision in the release that operates or could operate to the contrary, neither the tender, nor approval and acceptance, of any such release shall operate as an estoppel or waiver of any claim or judgment against the Lessee or as a relief or discharge, in whole or in part, of the Lessee from any of its then existing liabilities or obligations which accrued during that Lessee's tenure as the leaseholder.

(d) Lessee may request to relinquish to the State at any time any or all of the Leasehold that the Lessee determines is no longer necessary for the Lessee's Pipeline Activities by filing a release as provided for above. The release shall be effective as of the date the release is approved by the Commissioner, subject to the continued obligations of the Lessee to fulfill all obligations and resolve all liabilities that arose under this Lease during that Lessee's tenure as the leaseholder.

(e) No later than one year following the date that Natural Gas is first transported through the Pipeline, or following any subsequent requests for release of interest, the Lessee shall:

(1) provide a final survey, approved by the Commissioner, showing the final As-Built location of the completed Leasehold pursuant to survey instructions issued by the Department of Natural Resources.

(2) execute and deliver to the State, for the Commissioner's approval, a release of interest for all of Lessee's interests in the Leasehold other than the Operation and Maintenance Right-of-Way as depicted in the final As-Built required under Subsection (e)(1) of this section.

(f) The State shall have ninety (90) calendar days after approval of a release of interest required by Subsection (e)(2) of this section to record the survey and reduce the rental amount as set forth in Section 3 for that year and all subsequent years by the same proportion as the released acreage bears to the original Lease acreage.

27. Default, Remedies, and Forfeiture

(a) Failure of the Lessee to substantially comply with the terms of this lease shall be grounds for forfeiture of the right-of-way interest of the Lessee in an action brought by the Commissioner in the Superior Court. Before the commencement of any action for forfeiture of an interest in the right-of-way under this section, the Commissioner shall give the Lessee notice in writing of the alleged default and shall not commence the proceeding unless the Lessee has failed to initiate good faith efforts to cure the default within sixty (60) days of the notice of the alleged default or fails to diligently continue the same until cured.

(b) No items on the Leasehold, including but not limited to, improvements, structures, machinery, equipment, tools, or materials, may be removed from it by the Lessee while the Lessee is in default except with the Commissioner's prior approval.

(c) Upon forfeiture of the interest of the Lessee in this lease by a court of competent jurisdiction:

(1) The State shall have an immediate right to possession of the Leasehold and to all items found thereon including but not limited to improvements, structures, machinery, equipment, tools, materials, and any possession by the Lessee shall be unlawful. Subject to the State's best interests, the Commissioner shall Order the disposition of all such improvements, structures, machinery, equipment, tools, materials, and any other item on the Leasehold. The Commissioner's options with respect to any disposition under this subsection include, but are not limited to: sale, transfer, lease, auction, destruction, repair and abandonment, and removal. The Commissioner may Order the Lessee to perform disposition work required under this subsection. The Lessee is responsible for all disposition costs incurred by the State under this subsection.

(2) The Lessee shall be obligated to restore, rehabilitate and revegetate the Leasehold to the condition Ordered by the Commissioner.

(d) The Commissioner shall have up to one year following entry of judgment of forfeiture by a court of competent jurisdiction to issue his or her disposition Order or Orders under Subsection (c).

(e) In the event of a forfeiture of this lease under Subsection (c), the Lessee shall be liable for any obligations due and payable and for all costs, expenses, and fees incurred by the State arising out of the State's efforts to grant a new right-of-way lease for this Leasehold.

(f) After forfeiture, any new right-of-way lease for the Leasehold will have no effect on the Lessee's continuing rights and obligations under this lease.

28. Lessee's Obligations Upon Termination Not Resulting From Forfeiture

(a) This section shall apply to all terminations of this Lease, whether from expiration, relinquishment, abandonment or otherwise, with the exception of a forfeiture under Section 27.

(b) The deadlines provided for in this section apply only when the Lessee has provided the one hundred and eighty (180) day notice required by Section 2(c) of this Lease. If the Lessee fails to provide the notice required by Section 2(c), the Commissioner may reasonably alter the deadlines in this section.

(c) Prior to the expiration, relinquishment, abandonment or Termination of this Lease, the Commissioner shall determine whether a public interest exists which requires that all or a portion of the Pipeline be left in place following the expiration, relinquishment, abandonment or Termination of this Lease. The Commissioner's Decision shall:

(1) describe which components of the Pipeline, if any, shall remain on the Leasehold following the expiration, relinquishment, abandonment or Termination of this Lease, and,

(2) resolve issues pertaining to title to such components of the Pipeline.

(d) No later than sixty (60) days after receipt of the Commissioner's Decision under Subsection (c), the Lessee shall submit the following to the Commissioner for the Commissioner's approval:

(1) A plan for the removal of all items found on the Leasehold, including but not limited to, improvements, structures, machinery, equipment, tools and materials, but excluding those components of the Pipeline described in the Commissioner's Decision under Subsection (c); and

(2) A plan to restore and revegetate the Leasehold.

(e) The Commissioner shall set a reasonable time, which may be extended, during which the Lessee shall implement the plans in Subsection (d). The Lessee shall be responsible for all costs of implementation of the plans required by this section.

(f) Following completion of the time period for plan implementation under Subsection (e) and any extensions, the Commissioner shall Order the disposition of all improvements, structures, machinery, equipment, tools, and materials, if any, that the Lessee failed to remove. The Commissioner's options with respect to any disposition under this subsection include, but are not limited to: sale, transfer, Lease, auction, destruction, repair and abandonment in place, retention in State ownership for a public or State use, and removal. The Commissioner may Order the Lessee to perform disposition work required under this subsection. The Lessee is responsible for all disposition costs incurred by the State under this subsection.

(g) If the Lessee fails to submit or fully implement the plans required by this section, the State's options include any of the following:

(1) The Commissioner may order the Lessee to submit and fully implement the plans required by this subsection.

(2) The Commissioner may develop the plans required under this section and order the Lessee to fully implement them. The Lessee shall be responsible for all costs incurred by the State in developing such plans.

(3) The State may complete the required work under such plans. The Lessee shall be responsible for all costs incurred by the State for such work.

(h) In the event the Commissioner makes a Decision under Subsection (c) that all or a portion of the Pipeline shall remain on the Leasehold following the expiration, relinquishment, abandonment or Termination of this Lease, then Lessee shall be released from all future obligation or liability for the portion of the Pipeline the Commissioner determined shall remain on the Leasehold, including but not limited to, abandonment or removal liability, and from any obligation to restore and revegetate the Leasehold after completion of the plan approved under Subsection (c) herein. Upon release, the State or its assignee shall immediately assume all responsibility and obligation for the Pipeline or any part thereof remaining on the State Lands formerly subject to this Lease. Such release shall not discharge Lessee from performance of obligations and other liabilities which arose during that Lessee's tenure as the leaseholder and which accrued prior to the expiration, relinquishment, abandonment or Termination of this Lease.

29. Correspondence

(a) Any notice or request by the Lessee to the State shall be made in writing and must be given by hand delivery, by email, or facsimile during normal business hours, or by registered or certified mail, postage paid, return receipt requested, addressed as follows:

State of Alaska
Department of Natural Resources
Division of Oil and Gas
State Pipeline Coordinator's Section
3651 Penland Parkway
Anchorage, Alaska 99508
Facsimile Number: (907) 269-6880
Email: DNR.PCO.Records@alaska.gov

(b) Delivery to the State occurs:

(1) if by hand delivery, email, or facsimile when received by the addressee, or

(2) if by registered or certified mail, when the notice or request is signed for by the State or the State's agent.

(c) Except as provided for in Section 21 of this Lease, any Order, Decision, notice, or other document from the Commissioner to the Lessee shall be made in writing and shall be given by hand delivery, by email, or by facsimile during normal business hours with the original to follow in the mail, or by registered or certified mail, postage paid, return receipt requested, and addressed as follows:

Harvest Alaska, LLC
3800 Centerpoint Dr., Suite 1400
Anchorage, AK 99503

(d) Delivery to the Lessee occurs:

(1) if by hand delivery, email, or facsimile when received by the addressee, or

(2) if by registered or certified mail, when the notice or demand is signed for by the Lessee or Lessee's agent.

(e) Other correspondence may be made by email, mail, or by hand delivery or facsimile during normal business hours with original to follow in the mail.

(f) The Commissioner or Lessee, by written notice to the other, may change the office address to which written notices, orders, or other written communications may be addressed and delivered thereafter, subject to the provisions of this Lease.

30. Authorized Representatives

(a) The Pipeline Coordinator and the Person executing this Lease on behalf of the Lessee shall be the authorized representatives for their respective principals for the purposes of administering this Lease. This authorized representative is in addition to the registered agent required to be appointed pursuant to Section 8(j) herein. The State or the Lessee may change the designation of its authorized representative or the address to which notices to that representative are to be sent by a notice given in accordance with Section 29 of this Lease.

(b) The Lessee shall maintain a sufficient number of duly authorized Field Representatives to allow prompt delivery to the Lessee of all notices, Orders, and other communications, written or oral, of the Pipeline Coordinator. At least one Field Representative must be available at all times in the State. The Lessee shall notify the Pipeline Coordinator of each duly authorized Field Representative. The Lessee shall consult with the Pipeline Coordinator regarding the number and location of such representatives.

(c) No Order or notice given to the Lessee shall be effective unless prior written notice of the delegation of authority to issue such Order or notice has been given to the Lessee.

31. Waiver not Continuing

The waiver by the State of any breach of any provision of this Lease, whether express or implied, shall not be construed to be a continuing waiver or a waiver of, or consent to, any subsequent or prior breach by the Lessee. The waiver by the Lessee of any breach of any provision of this Lease, whether express or implied, shall not be construed to be a continuing waiver or a waiver of, or consent to, any subsequent or prior breach by the State.

32. No Third Party Beneficiaries

The parties to this Lease do not intend to create any rights under this Lease that may be enforced by third parties for their own benefit or for the benefit of others.

33. Local Hire

The Lessee shall, during Pipeline Activities, comply with, and require its Contractors to comply with, applicable and valid laws and regulations regarding the hiring of residents of the State then in effect or that take effect subsequently.

Furthermore, the Lessee is encouraged to hire and employ local and Alaska residents and companies, to the extent they are available and qualified, for work performed on the Leasehold. Lessee shall submit a proposal detailing the means by which the Lessee will comply with this measure. The Lessee is encouraged to coordinate with employment services offered by the State of Alaska and local communities to employ apprentices to perform work in the Leasehold and to recruit employees from local communities.

34. Nondiscrimination

The Lessee and its Contractors may not discriminate against any employee or applicant for employment because of race, religion, marital status, pregnancy, parenthood, physical handicap, color, sex, age, or national origin as set out in AS 18.80.220. The Lessee and its Contractors, on beginning any Pipeline Activities, must post in a conspicuous place notices setting out this nondiscrimination provision.

35. Rights and Remedies Cumulative

No right or remedy conferred by this Lease upon or reserved to the State or the Lessee is intended to be exclusive of any other right or remedy provided for by this Lease or by law, and each and every right and remedy set forth herein shall be cumulative.

36. Authority to Enter into Lease

The Lessee represents and warrants to the State that:

(a) It is authorized and empowered under the applicable laws of the State and its jurisdiction of formation to enter into and perform this Lease in accordance with the Lease and its provisions;

(b) The Lessee has approved and authorized the execution, delivery and performance of this Lease insofar as it pertains to the obligations of the Lessee;

(c) All action that may be necessary to the approval, execution, and delivery of this Lease by the Lessee, has been taken; and

(d) All of the required and necessary approvals, authorizations, and actions are in effect at the time of the execution and delivery of the Lease.

37. Delegation of Authority

The Commissioner may make delegations of authority and changes to delegations of authority to administer all or a portion of the provisions of this Lease, consistent with AS 38.35.210, at any time. The Commissioner shall notify Lessee in writing of any such delegation of authority or change in delegation of authority that affects this Lease.

38. Interpretation of Lease

(a) Any interpretation of this Lease shall take into account the parties' intent and understanding that the protection and preservation of the Leasehold's environment are high priorities, and the nature of the environment, including permafrost and seismic areas, shall require special consideration and a high degree of care.

(b) The parties acknowledge that this Lease is an "arm's length" agreement, and that each party has had an adequate opportunity to consult with counsel, and has consulted with counsel with respect to this Lease. The parties agree that ambiguities in this Lease shall not be construed either for or against any party.

(c) The language of the terms and conditions of any other pipeline lease may not be used to assist in resolving any disputes arising from the interpretation of this Lease.

(d) This lease is to be interpreted in accordance with the rules applicable to the interpretation of contracts made in the State of Alaska. The state and the Lessee expressly agree that the law of the State of Alaska will apply in any judicial proceeding affecting this lease.

39. Compliance with Law and Regulation

This lease is subject to all applicable state and federal statutes and regulations in effect on the effective date of this lease, and insofar as is constitutionally permissible, to all statutes and regulations placed in effect after the effective date of this lease. A reference to a statute or regulation in this lease includes any change in that statute or regulation whether by amendment, repeal and replacement, or other means. This lease does not limit the power of the State of Alaska or the United States of America to enact and enforce legislation or to promulgate and enforce regulations affecting, directly or indirectly, the activities of the Lessee or its agents in connection with this lease or the value of the interest held under this lease. In case of conflicting provisions, statutes, and regulations take precedence over this lease.

40. Venue

The venue for any appeal or civil action relating to this Lease shall be in the Third Judicial District, State of Alaska.

41. Recording

Upon execution, acknowledgment, and delivery of this Lease, the Lessee shall at its sole expense cause this Lease to be recorded in the Anchorage Recording District, State of Alaska.

42. Severability

If it is finally determined in any judicial proceeding that any provision of this lease is invalid, the state and the Lessee may jointly agree by a written amendment to this lease that, in consideration of the provisions in that written amendment, the invalid portion will be treated as severed from this lease and that the remainder of this lease, as amended, will remain in effect.

43. Amendments in Writing

No amendment to this Lease is effective until agreed to in writing by the parties.

44. Exhibits

The following exhibits are attached to this Lease and are, by this reference, incorporated into this Lease as if they were set out in their entirety:

(a) Stipulations for this Lease attached hereto as Exhibit A, pursuant to AS 38.35.120(c) and (d);

(b) A description of the land included in the Leasehold attached as Exhibit B;

(c) Financial Assurance Agreement attached as Exhibit C; and

(d) Definitions attached as Exhibit D.

45. Merger Clause

This Lease, including all exhibits hereto, contains the entire agreement between the parties, and is binding upon the parties.

46. Section Headings

The section headings in this Lease are for convenience only and have no other significance.

47. Definition of Terms

Terms having specific meaning in regards to this Lease and incorporated documents are indicated by capitalization. These definitions are incorporated into this Lease and can be found attached as Exhibit D. In the absence of a definition in Exhibit D terms shall be defined in accordance with definitions found in any applicable State statute or regulation, and otherwise in accordance with common usage.

IN WITNESS WHEREOF, the parties have executed this lease as of the date first above written.

STATE OF ALASKA

By: Andrew Mack

Andrew T. Mack
Commissioner
Department of Natural Resources

HARVEST ALASKA, LLC

By: _____

Richard Novcaski
Vice President
Harvest Alaska, LLC

STATE OF ALASKA)
) ss.
Third Judicial District)

THIS IS TO CERTIFY that on this _____ day of _____ 20____, before me personally appeared _____, the Vice President for Harvest Alaska, LLC who executed the foregoing on behalf of said corporation, and acknowledged voluntarily signing same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

_____
Notary Public in and for the State of Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss
Third Judicial District)

THIS IS TO CERTIFY that on this 25 day of April 2018, before me personally appeared Andrew T. Mack, the Commissioner of the Department of Natural Resources of the State of Alaska, who executed the foregoing on behalf of the Department of Natural Resources of the State of Alaska and acknowledged voluntarily signing the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

MARY KAY RYCKMAN
COMM. #113030
Notary Public - State of Alaska
My Comm. Expires "with office"

Mary Kay Ryckman
Notary Public in and for the State of Alaska
My Commission Expires: with office.

47. Definition of Terms

Terms having specific meaning in regards to this Lease and incorporated documents are indicated by capitalization. These definitions are incorporated into this Lease and can be found attached as Exhibit D. In the absence of a definition in Exhibit D terms shall be defined in accordance with definitions found in any applicable State statute or regulation, and otherwise in accordance with common usage.

IN WITNESS WHEREOF, the parties have executed this lease as of the date first above written.

STATE OF ALASKA

By:_____
Andrew T. Mack
Commissioner
Department of Natural Resources

HARVEST ALASKA, LLC

By: _____
Richard Novcaski
Vice President
Harvest Alaska, LLC

STATE OF ~~ALASKA~~ Texas)
) ss.
Third Judicial District)

THIS IS TO CERTIFY that on this 26 day of April 20 18, before me personally appeared Richard Novcaski, the Vice President for Harvest Alaska, LLC who executed the foregoing on behalf of said corporation, and acknowledged voluntarily signing same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

BRITTANY BURKHALTER
Notary Public, State of Texas
Comm. Expires 04-28-2020
Notary ID 130640662

Brittany Burkhalter
Notary Public in and for the State of ~~Alaska~~ Texas
My Commission Expires: 4-28-2020

STATE OF ALASKA)
) ss
Third Judicial District)

THIS IS TO CERTIFY that on this _____ day of _____ 20____, before me personally appeared _____, the Commissioner of the Department of Natural Resources of the State of Alaska, who executed the foregoing on behalf of the Department of Natural Resources of the State of Alaska and acknowledged voluntarily signing the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

_____
Notary Public in and for the State of Alaska
My Commission Expires: _____

EXHIBIT A
STIPULATIONS

ADL 232962
TYONEK W 10 GAS PIPELINE
RIGHT-OF-WAY LEASE

1. GENERAL RESPONSIBILITIES

1.1 Approvals

1.1.2 Except where the approval of the Commissioner is required before the Lessee may commence a particular operation, neither the State nor any of its agents or employees is in any way obligated to examine or review any plan, design, specification, or other document which may be filed with the Commissioner by the Lessee pursuant to these stipulations.

1.2 Lessee Support of State Oversight

1.2.1 During the design and Pipeline Activities the Lessee shall furnish, without cost, representatives of the State, including contractors involved in field surveillance of the Leasehold and/or the Pipeline, adequate meals, living quarters, office space, transportation, and use of the Lessee's communication systems. Whenever possible, the Commissioner shall give the Lessee advance written notice of the need for such services and facilities, including the number and names of Persons to be accommodated.

1.3 Required Plans

1.3.1 The Lessee shall submit the following document(s), plan(s), and program(s) for approval by the Commissioner prior to Construction. Modifications or amendments must be approved by the Commissioner prior to implementation.

a) Design Basis and Criteria (Stipulation 2.4)

b) Construction Plan (Stipulation 3.1)

c) Quality Management Program (Stipulation 3.2)

1.3.2 The Lessee shall submit the following program for review and approval by the Commissioner prior to Natural Gas being transported through the Pipeline. Modifications or amendments must be approved by the Commissioner prior to implementation.

a) Surveillance and Monitoring Program (Stipulation 3.3)

1.4 Written Authorizations

1.4.1 A Written Authorization from the Commissioner is required prior to implementation of the following:

a) Construction
b) Start-Up
c) Modifications to the Design Basis and Criteria (Stipulation 2.4)
d) Modifications to the Final Design (Stipulation 2.5)
e) Modification to the Construction Plans (Stipulation 3.1)
f) Modifications to the Quality Management Program (Stipulation 3.2)
g) Modifications to the Surveillance and Monitoring Program (Stipulation 3.3)
h) Other documents or programs as identified within the lease or at the request of the Commissioner

1.4.2 To obtain a Written Authorization the Lessee must submit a written request to the Commissioner for the specific action(s) no less than thirty days (30) before implementation of the requested actions. The request must include, all supporting documents required by the lease and any other supporting documentation required by the Commissioner.

2. TECHNICAL

2.1 General

2.1.1 All methods employed in design or during Pipeline Activities shall be in accordance with sound engineering practice and shall meet or exceed applicable federal, State, and local regulations, standards, and codes.

2.1.2 Lessee shall employ best available technology reasonably achievable in the design standards that account for the risks associated with Cook Inlet geohazards, including, but not limited to, seismic events, tidal forces, ice flows, flooding, fire, volcanic eruptions, or tsunami.

2.1.3 Security for the Pipeline shall be maintained by Lessee for public safety. Electrical power required for the Pipeline shall have safeguards for public safety.

2.2 Pipeline Standards

2.2.1 All Pipeline design, including engineering, selection of material and components, Construction, Operation, Maintenance, monitoring, and Termination practices must reflect the application and supporting documents as approved by the Commissioner and meet or exceed industry standards and applicable U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations.

2.2.2 All Pipeline Activities shall be conducted to minimize disruption of the local region and environment. This shall include subsurface and surface hydrological runoff and slope stabilization.

2.3 Technical Record Keeping

2.3.1 Critical drawings and technical documents shall be kept up-to-date. Changes to the Pipeline will be documented by final drawings of record with engineering seals within one-hundred eighty (180) days of completion, unless otherwise authorized by the Commissioner, in accordance with State statutes, regulations, and administrative codes.

2.4 Design Basis and Criteria

2.4.1 The Lessee shall submit a Design Basis and Criteria that specifies how the design and engineering of the Pipeline provides for and meets the performance, operational, and regulatory requirements of the project maintains safety, protects the environment, and protects public interests. Additionally, the conditions listed in stipulations 2.4.2 through 2.4.5 must be incorporated into the document.

2.4.2 **Pipeline Corrosion:** The Lessee shall provide for early detection of corrosion and other anomalies in accordance with State requirements and 49 CFR. Mitigation of such anomalies will be prescribed by the Lessee to meet or exceed regulatory requirements.

2.4.3 **Seismic:** The Pipeline shall be seismically designed using appropriate application of the best practical technology, to prevent integrity issues from the effects of geohazards, including seismic accelerations, ground deformation, and earthquake-induced mass movements.

2.4.4 **Pipeline Integrity Management:** The Design Basis and Criteria shall include Pipeline integrity management strategies that consist of:

a) Design measures that improve the Pipeline resistance to geohazards.

b) Measures that limit or control the severity of geohazards.

c) Operational programs to monitor ground displacement or Pipeline response, including Pipeline movement, and identify conditions that may warrant further engineering investigations or mitigation activities. Pipeline movement which exceeds the Design Basis and Criteria shall be reported to the Commissioner.

2.4.5 **Electronics and Communications:** The Pipeline shall have a fully functioning and reliable control and communications system that ensures the transmission of information required for safe Pipeline Activities. The Lessee shall screen, filter, or otherwise suppress any electronically operated devices installed as part of the Pipeline which are capable of producing interference with existing communication systems, navigational aids, or related systems.

2.5 Final Design

2.5.1 The Lessee shall submit the Final Design for approval by the Commissioner before Pipeline Activities may commence.

2.6 Conduct of Operations

2.6.1 The Lessee shall be required to maintain the Pipeline to the approved Design Criteria. Any changes from the approved Design Criteria must be approved by the Commissioner.

2.7 Geospatial Data

2.7.1 The Lessee shall submit the following geospatial data to the Commissioner:

a) Construction ROW centerline and boundary data,

b) final pipeline centerline data within one year of Operations, and

c) other Pipeline geospatial data as requested.

2.7.2 All geospatial data shall contain metadata detailing, at a minimum, data quality information, the origins and method of data collection/creation, coordinate systems, dates of collection/creation, attribute information, and narrative description of data.

2.8 Other Data as Requested

2.8.1 The Lessee shall submit other data relevant to Pipeline Activities as may be reasonably requested by the Commissioner.

3. CONSTRUCTION AND OPERATIONS

3.1 Construction Plans

3.1.1 The Lessee shall submit Construction plans that includes all work schedules, construction sequencing, and, at a minimum, information on the following:

a) Construction Methods and Contingencies
b) Health, Safety, and Emergency Preparedness
c) Environmental
d) Waste Management
e) Hazardous Materials and Substances Management
f) Fish, Wildlife, and Biotic Protection
g) Third Party Interests
h) Public Access
i) Cultural Resource Preservation
j) Restoration and Rehabilitation
k) Overburden and Excess Material Disposal

3.2 Quality Management Program

3.2.1 The Lessee shall submit a comprehensive Quality Management Program that is designed to ensure safety, integrity, and documents the Lessee's compliance with the Lease and stipulations.

3.2.2 The following components are to be included as part of the of the Quality Management Program:

a) Quality Manual, or similar document, which describes the Quality Management Program and includes the quality policy and objectives.

b) An outline, or similar document, of the Quality Management Program processes which describes the processes and activities required to implement the Quality Management Program

3.2.3 Any revisions to the documents approved under this section must be approved by the Commissioner before the revision is implemented. This does not include changes to detailed work instructions or processes, but does include changes to the hierarchical relationship of processes.

3.3 Surveillance and Monitoring Program

3.3.1 The Lessee shall submit a Surveillance and Monitoring Program that demonstrates how the Lessee will detect, prevent, and abate situations that endanger worker's and the public's health and safety, the environment, or the integrity of the Pipeline.

3.3.2 Any revisions to the program must be approved by the Commissioner before the revision is implemented.

3.3.3 Lessee will maintain complete and up-to-date records on Pipeline Activities performed in connection with the Pipeline. Records shall include but are not limited to: surveillance data, leak detection data, repairs, integrity records, necessary operational data, modification records, other data as required by 49 CFR, and other records as the Commissioner may require.

3.4 Changes in Condition

3.4.1 Unforeseen conditions arising during Pipeline Activities may make it necessary to revise or amend these stipulations to control or prevent damage to the environment or hazards to public health and safety. In that event, the Lessee and the Commissioner shall agree as to what revisions or amendments shall be made.

3.5 Temporary Abandonment, Reduction, or Impairment of Service

3.5.1 **Lessee Requested:** In accordance with AS 38.35.040 and 11 AAC 80.025, the Lessee may request to provide temporary service, or temporary abandonment, reduction, or impairment of services from the Commissioner for short term use changes involving the Pipeline. Such request must be made on form DL-10-131 (or its successor) and approval or denial of the action will be determined through a Decision made in accordance with 11 AAC 80.035.

3.5.2 **Emergency Actions:** In accordance with AS 38.35.040 nothing in this lease prevents or limits the Lessee from taking appropriate emergency actions to protect the health and safety of people and the environment. Should an emergency action require the abandonment, reduction, or impairment of service, the Lessee shall notify the Commissioner as soon as possible.

3.6 Protection of Cultural Resources

3.6.1 The Lessee shall take responsibility to require its agents, employees, and Contractors to protect cultural resources while conducting Pipeline Activities.

3.6.2 Should any sites or suspected sites be discovered during Pipeline Activities, the activities that may disturb or damage the site shall cease and the State of Alaska Office of History and Archaeology, the Commissioner's Section, and the Kenai Peninsula Borough shall be notified Immediately.

3.7 Protection of Survey Monuments

3.7.1 The Lessee shall mark and protect all survey monuments encountered during Pipeline Activities. These monuments are not to be disturbed; however, if a disturbance of a monument, or any of its accessories, becomes necessary, the Lessee shall contact the Department of Natural Resources Survey Unit for current information on the policies regulating the implementation of "Records

of Monument" (AS 34.65.040). A written report to the Commissioner shall be made by the Lessee if any monuments or accessories are inadvertently disturbed or damaged.

3.8 Access

3.8.1 **Public Access:** The Lessee shall make provisions for suitable permanent crossings for the public where the Leasehold or access roads cross existing roads, foot trails, winter trails, easements or other rights-of-way, unless otherwise authorized by the Commissioner during all Pipeline Activities. Specifically, the Lessee shall make provisions for easement ADL 17152 (Pan-Am Highway) which extends into the tidelands at Ladd Landing.

3.8.2 **To and Along:** In accordance with AS 38.05.127, Pipeline Activities shall not interfere with the public's free and unrestricted access to and along the tidelands within the Leasehold, except that, with the Commissioner's approval, the Lessee may regulate or limit access, including vehicular traffic, to and upon the Leasehold to the extent necessary to facilitate Pipeline Activities, maintain Pipeline integrity, or to protect the public, fisheries, and wildlife from hazards associated with Pipeline Activities. Areas of approved restricted access shall be easily identifiable on the ground.

3.8.3 **Public Trust Doctrine:** The Public Trust Doctrine guarantees public access to, and the public right to use, navigable and public waters and the land beneath them for navigation, commerce, fishing, and other purposes. This Lease is issued subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The Department of Natural Resources reserves the right to grant other interests to the Leasehold consistent with the Public Trust Doctrine.

3.9 Third Party Interests

3.9.1 **Existing Infrastructure:** The Lessee shall protect existing utilities and other infrastructure co-located within or adjacent to the Leasehold during Pipeline Activities. Any damages caused by the Lessee to existing improvements shall be promptly repaired by the Lessee to a condition which is reasonably satisfactory to the Commissioner.

3.9.2 **Shore Fishery Leases:** The Lessee shall make reasonable provisions to avoid or minimize impacts to existing Shore Fishery lessees within, adjacent to, and near the Pipeline during all Pipeline Activities.

3.10 Fire Prevention and Suppression

3.10.1 The Lessee shall promptly notify the Commissioner of any fires on, or which may threaten any portion of, the Pipeline or Leasehold and shall take all measures necessary or appropriate for the prevention and suppression of fires in accordance with applicable law. The Lessee shall comply with the instructions and directions of the Commissioner concerning the use, prevention, and suppression of fires on State Land.

3.11 Health and Safety

3.11.1 The Lessee shall take all measures necessary to protect the health and safety of all Persons affected by Pipeline Activities and shall Immediately abate any health or safety hazards. The Lessee shall Immediately notify the Commissioner of all serious accidents which occur in connection with such activities.

3.12 Hunting, Fishing, Trapping, and Camping

3.12.1 With respect to Lessee's agents, employees, and contractors, the Lessee shall prohibit hunting, fishing, trapping, shooting, and camping while conducting Pipeline Activities.

3.13 Off Right-of-Way Traffic

3.13.1 The Lessee shall not operate mobile ground equipment off the Leasehold, access roads, State highways, or authorized areas, unless approved by the Commissioner or when necessary to prevent harm to any Person.

3.14 Material Sites

3.14.1 If the Lessee requires materials from State Land, the Lessee shall make application to purchase such materials in accordance with appropriate State laws and regulations. No materials shall be removed from State Land by the Lessee without the approval of the Commissioner.

3.14.2 Insofar as possible, use of existing material sites shall be authorized in preference to new sites.

3.14.3 Gravel and other construction materials shall not be taken from the Leasehold unless approved by the Commissioner.

3.15 Pollution Control

3.15.1 The Lessee shall conduct all Pipeline Activities in a manner that shall avoid or minimize degradation of air, land, and water quality.

3.15.2 All waste generated in Pipeline Activities shall be removed or otherwise disposed of according to all local, State, and federal laws, and in a manner reasonably acceptable to the Commissioner.

3.15.3 The Lessee shall conduct all Pipeline Activities in a manner that shall avoid or minimize light and noise pollution for the safety and wellbeing of people and wildlife in and around the Leasehold. Whenever possible, the use of down shielded lights should be used to illuminate work areas.

3.16 Disturbance of Natural Waters

3.16.1 All activities of the Lessee in connection with the Pipeline that may permanently alter local hydrology are prohibited unless such activities and necessary mitigation measures are approved by the Commissioner.

3.17 Excavated Material

3.17.1 Excess excavated material shall be disposed of in accordance with approved Construction Plans.

3.17.2 Excavated materials shall not be stockpiled in waters of the State, including but not limited to, rivers, streams, floodplains, or wetlands unless approved by the Commissioner.

3.18 Restoration and Revegetation

3.18.1 Restoration and Revegetation of disturbed areas on State Land shall be conducted as soon as practicable until accepted in writing by the Commissioner.

3.18.2 Surface materials shall be stockpiled and used during Restoration unless otherwise approved by the Commissioner. Stabilization practices, as determined by the needs for specific sites, shall include but shall not be limited to the placement of mat binders, soil binders, rock, or gravel blankets or structures that reduce erosion rates. In all cases, best management practices shall be employed.

3.18.3 All disturbed areas of State Land shall be left in such stabilized condition that erosion in excess of natural rates shall be minimized until practicable Restoration and Revegetation can be accomplished in a manner that is reasonably satisfactory to the Commissioner.

3.18.4 Revegetation shall be implemented in disturbed sites with native or non-invasive plant species. The Revegetation shall establish plant communities that are self-sustaining and ecologically compatible with the local climate, and assist in protecting water quality by controlling erosion.

3.19 Wildlife Protection

3.19.1 The Lessee shall coordinate with those federal, State and local agencies necessary to ensure protection of fish and wildlife and their habitat within the vicinity of the Pipeline during all Pipeline Activities. The Lessee shall maintain all required authorizations from these agencies during all Pipeline Activities.

3.20 Fish and Wildlife Zones of Restricted Activity

3.20.1 During periods of wildlife breeding, nesting, or calving activity, and during major migrations of wildlife, the Lessee's activities on State Land may be restricted by the Commissioner with written notice.

3.21 Fishing Protection

3.21.1 The Lessee shall make reasonable provisions to prevent conflicts between Pipeline Activities and subsistence, commercial, sport, personal use, and educational harvest activities.

3.21.2 Pipelines shall be designed, constructed, and located in such a manner as to prevent or minimize obstructions to fishing operations and fish habitat.

3.22 Use of Explosives

3.22.1 No blasting is allowed unless approved, in writing, by the Commissioner.

3.23 Vegetation

3.23.1 Pipeline Activities shall be conducted to minimize impacts to native vegetation.

4. REPORTING

4.1 Reporting and Documentation

4.1.1 **Annual Report**: The Lessee shall provide a comprehensive annual report by **March 1** of each year this Lease is in effect unless notified otherwise by the Commissioner. The Commissioner shall provide a written description of the annual reporting requirements.

4.1.2 **Spill and Discharge Reporting:** The Lessee shall give notice, in accordance with applicable law, of any spill, leakage, or discharge of Hazardous Materials or Substances in connection with Pipeline Activities to State officials who are required by law to be given such notice. Additionally, the Commissioner shall be notified of the following amounts of spills and discharges associated with Pipeline Activity in accordance with the associated timeframes listed below.

a) Immediately - Any Hazardous Material spills or discharges associated with Pipeline Activities in excess of 55 gallons.

b) Within 48 Hours - Any Hazardous Material spills or discharges associated with Pipeline Activities between 10 to 55 gallons.

c) Within the Annual Report - Any Hazardous Material spills or discharges associated with Pipeline Activities up to 10 gallons, if requested.

4.1.3 **Pipeline Integrity Reporting:** The Lessee shall Immediately notify the Commissioner of any condition, problem, malfunction, or occurrence which threatens the integrity of the Pipeline system, regardless of land ownership, for the following situations:

a) Any condition, problem, malfunction, or other occurrence which poses a threat to or failure of Pipeline system integrity.

b) A verified uncontrolled release or leak from the Pipeline.

c) Any safety-related or Pipeline condition which causes a Pipeline shutdown expected to last longer than one hour.

d) Unintended movement or abnormal loading of the Pipeline by environmental causes, such as an earthquake, landslide, or flood that impairs its serviceability or imminently threatens to impair its serviceability.

e) A bomb threat or other credible threat of sabotage or vandalism.

f) Any safety-related or Pipeline condition that could lead to an imminent hazard and causes a 20% or more reduction in maximum allowable operating pressure.

g) Any malfunction or operation error that causes the pressure of the Pipeline to rise above 110% of its maximum allowable operating pressure.

h) Any condition that requires de-rating of the Pipeline from its original maximum allowable operating pressure.

EXHIBIT B
LEGAL DESCRIPTION OF RIGHT-OF-WAY

ADL 232962
TYONEK W 10 GAS PIPELINE ROW LEASE

Construction Right-of-Way Legal Description

During construction, the width of the Right-of-Way (ROW) shall be 500 feet; 250 feet on each side of centerline. The ROW shall begin at point 250 feet upstream from the Pipeline points of origin at the two flanges between the Tyonek tie-in and the Tyonek sub-sea pipelines (ADL 37591), and then continuing approximately 5.5 miles in a westerly direction ending at the mean high tide line at Ladd Landing. The Leasehold will cross the following lands:

Township 11N, Range 09W, SM, Section 6
Township 11N, Range 10W, SM, Section 1
Township 12N, Range 10W, SM, Section 20, 27, 28, 29, 34, 35, and 36

The pipeline will be located along the route generally depicted on the map included with the application and incorporated into this Lease as Exhibit B-1.

During Construction, the ROW will occupy approximately 333.33 acres of State owned tide and submerged lands, more or less, contained within the Anchorage Recording District. All distances and acreages are approximations based on the Applicant's description of the ROW.

Operations Right-of-Way Legal Description

No later than one year following the date that Natural Gas is first transported through the pipeline, the Lessee shall submit to the State a final survey and a release of interest for the Construction ROW as required by Section 26(e) of the Lease to reduce the size of the leasehold to the Operations ROW.

The Operations ROW shall be 100 feet; 50 feet on each side of centerline. The ROW shall begin at point 50 feet upstream from the Pipeline points of origin at the two flanges between the Tyonek tie-in and the Tyonek sub-sea pipelines (ADL 37591), and then continuing approximately 5.5 miles in a westerly direction ending at the mean high tide line at Ladd Landing. The Leasehold will cross the following lands:

Township 11N, Range 09W, SM, Section 6
Township 11N, Range 10W, SM, Section 1
Township 12N, Range 10W, SM, Section 20, 27, 28, 29, 34, 35, and 36

Exhibit B-1 will be replaced with the final survey upon approval of the release of interests from the Department of Natural Resources.

During Operations, the ROW will occupy approximately 66.66 acres of State owned tide and submerged lands, more or less, contained within the Anchorage Recording District. All distances and acreages are approximations based on the Applicant's description of the Right-of-Way and the Commissioner's Analysis and Propose Decision.

EXHIBIT C
GUARANTEE OF HILCORP ALASKA, LLC

ADL 232962
TYONEK W 10 GAS PIPELINE
RIGHT-OF-WAY LEASE

Hilcorp Alaska, LLC ("Guarantor"), a Delaware corporation with an address of 3800 Centerpoint Drive, Suite 100, Anchorage AK, 99503-5826, for the benefit of the State of Alaska ("the State"), hereby irrevocably, absolutely, and unconditionally guarantees to the State the full performance, fulfillment, and satisfaction of all of the duties, obligations, and liabilities of Harvest Alaska, LLC arising under or pursuant to the Lease known as ADL 232962 between the State and Harvest Alaska, LLC as it may be amended or modified from time to time .

If for any reason any duty, obligation, or liability of Harvest Alaska, LLC under the Lease is not performed, fulfilled, or satisfied by Harvest Alaska, LLC within the time or in the manner required, Guarantor shall perform, fulfill, or satisfy (or cause to be performed, fulfilled, or satisfied) each of such duties, obligations, and liabilities; provided, however, that (1) the State must first make demand upon Harvest Alaska, LLC before making demand on Guarantor, (2) if Harvest Alaska, LLC in good faith denies that any such duty, obligation, or liability exists or has not been performed, fulfilled, or satisfied by Harvest Alaska, LLC within the time or in the manner required, but not through discharge in bankruptcy, Harvest Alaska, LLC may exhaust any and all appeal rights available under the Lease, 11 AAC 02, the applicable rules of court, and any applicable law before the State may demand performance, fulfillment, or satisfaction from Guarantor, provided, further, that Guarantor shall be entitled to the benefit of any stay obtained by Harvest Alaska, LLC under Alaska law, including but not limited to a stay obtained under 11 AAC 02 or any Alaska rule of court but specifically excluding a stay imposed under bankruptcy law, and (3) Guarantor shall be entitled to any and all benefits arising by virtue of any defense, set-off, counterclaim, or cross-claim available to Harvest Alaska, LLC except that Guarantor shall be bound by any prior judicial determination, if any, concerning any such defense asserted by Harvest Alaska, LLC and Guarantor shall not be entitled under any circumstances to claim failure of consideration, invalidity of the lease or any lease term, or any defense available to Harvest Alaska, LLC as a consequence of bankruptcy proceedings.

Guarantor agrees that this Guarantee shall not be discharged, limited, or reduced except by complete performance of the duties, obligations, and liabilities of Harvest Alaska, LLC guaranteed hereby or upon the full and complete replacement hereof with a Guarantee in substantially the same form executed by a guarantor accepted by the Commissioner of the Alaska Department of Natural Resources ("the Commissioner") pursuant to the terms of the Lease. The Guarantor shall not be discharged or released by reason of the discharge of any debt or obligation of Harvest Alaska, LLC in bankruptcy, receivership or other proceedings, a disaffirmation or rejection of the Lease by a trustee, custodian, or other representative in bankruptcy, a stay or other enforcement restriction, or any other reduction, modification, impairment or limitations of the liability of Harvest Alaska, LLC.

Guarantor shall provide the Commissioner 60 days' notice prior to any consolidation or merger of Guarantor with or into any other corporation or corporations (whether or not affiliated with the Guarantor), or successive consolidations or mergers in which the Guarantor, or its successor or successors shall be a party or parties, or any sale or conveyance of all or substantially all of the property of the Guarantor to any other corporation (whether or not affiliated with Guarantor). This Guarantee shall be binding upon the Guarantor and the successors and assigns of the Guarantor and shall inure to the benefit of the State and its successors and assigns. No assignment or delegation by the Guarantor shall release the Guarantor of its obligations under this Guarantee, except as provided by the Lease.

This Guarantee extends to any assignee, transferee or other party who receives an interest in the Lease, to any extensions or renewals of the Lease, and to any term established by reason of the holdover of Harvest Alaska, LLC, or its assignees, transferees, or other receiving party, unless the Commissioner determines under Section 11 of the Lease that another Guarantee or security sufficient to protect the public interest has been provided.

The provisions of the Lease and other state authorizations identified therein may be changed as allowed by law without the consent of or notice to Guarantor and this Guarantee shall guarantee the performance of the Lease as changed. Guarantor warrants that it is not relying upon the State to provide any information, now or in the future on any such changes, modifications, or amendments. Guarantor further waives any defense based on failure, by any person, to notify Guarantor of the content of the lease or any modifications thereto.

This Guarantee shall not be affected by the State's delay or failure to enforce any of its rights except to the extent such delay or failure gives rise to a successful defense asserted by Harvest Alaska, LLC.

If the Lease terminates and the State has any rights against Harvest Alaska, LLC with respect to any duty, obligation, or liability of Harvest Alaska, LLC arising under the Lease, the State can enforce those rights against Guarantor pursuant hereto.

Guarantor waives any right it may have to require the State to proceed against or exhaust any bond or other security that the State holds or may hold from Harvest Alaska, LLC or pursue any other remedy in the State's power. Until all of Harvest Alaska, LLC obligations under the Lease have been discharged in full, Guarantor has no right of subrogation against any bond or other security that the State may hold. Guarantor waives all presentments, notices of dishonor, notices of nonperformance, demands for performance except as specified herein, protests, notices of protest, and notices of acceptance of this Guarantee.

The Guarantor subordinates any and all claims which the Guarantor has or may have against Harvest Alaska, LLC by reason of subrogation for payments or performances under this Guarantee or claims for any other reason or cause. The Guarantor agrees not to assert any claim which it has or may have against Harvest Alaska, LLC, arising from the Lease, including claims by reason of subordination under this Guarantee, until such time as the payment and other obligations of Harvest Alaska, LLC to the State are fully satisfied and discharged.

The Guarantor hereby waives any defense based upon any act or omission of the State, except to the extent such acts or omissions constitute negligence or bad faith, which materially increases the scope of the Guarantor's risk.

This Guarantee shall be interpreted, construed, and enforced in accordance with the laws of the State of Alaska. Venue for any civil action relating to this Guarantee shall be in the Third Judicial District, State of Alaska.

All notices required or permitted to be given pursuant to this Guarantee shall be in writing and shall be addressed respectively as follows:

Guarantor: Hilcorp Alaska, LLC
3800 Centerpoint Drive, Suite 100
Anchorage AK, 99503-5826
Attn: Secretary
Facsimile: (907) 777-8301
Telephone: (907) 777-8300

The State: State of Alaska
Department of Natural Resources
Division of Oil and Gas
State Pipeline Coordinator's Section
3651 Penland Parkway
Anchorage, Alaska 99508
Facsimile: 907-269-6880
Telephone: 907-269-6403

All notices shall be given (a) by personal delivery to the addressee, (b) by electronic communication, with a confirmation sent by registered or certified mail return receipt requested, or (c) by registered or certified mail return receipt requested. All notices shall be effective and shall be deemed delivered (a) if by personal delivery, on the date of delivery if delivered during normal business hours or on the next business day following delivery if not delivered during normal business hours, (b) if by electronic communication, on the next business day following the day of receipt (said day of receipt being the day of receipt at the office of the recipient) of the electronic communication, and (c) if solely by mail, on the next business day after actual receipt.

This writing is intended by the parties to be the final expression of this Guarantee, and is intended as a complete and exclusive statement of the terms of this Guarantee. There are no conditions to the full effectiveness of this Guarantee other than those contained herein.

EXECUTED this 6th day of April, 2018, but effective for all purposes as of the effective date of the Lease.

ATTEST

By: Betty J Veldhuis

Title: Executive Assistant

Hilcorp Alaska, LLC

By: [signature]

Title: Sr. Vice President

STATE OF Alaska)
Third Judicial District) ss.
(or) ~~COUNTY OF~~ _____ (or) ~~Municipality of~~ _____)

THIS CERTIFIES that on the 6th day of April, 2018, at Anchorage Ak, the foregoing instrument was acknowledged before me by Dave Wilkins, SR Vice President of Hilcorp Alaska, a Delaware corporation, on behalf of said corporation.

GIVEN UNDER MY HAND and official seal the day and year last above written.

[signature]
Notary Public in and for: State of Ak
My commission expires: 7-9-2019

MICHELLE K. BROWN NOTARY PUBLIC STATE OF ALASKA

EXHIBIT D
DEFINITIONS

ADL 232962
TYONEK W 10 GAS PIPELINE
RIGHT-OF-WAY LEASE

Terms having specific meaning in this Lease and incorporated documents are indicated by capitalization. In the absence of a definition in this Exhibit D, terms shall be defined in accordance with definitions found in any applicable State statute or regulation, and otherwise in accordance with common usage.

As-Built means (for surveying purposes only) a State-approved drawing and monumentation or other document showing centerline and operational rights-of-way, including information on the location of areas of water, topography, important geographical features, elevations and VSM locations, if applicable.

Commissioner means the Commissioner of the State of Alaska's Department of Natural Resources, and includes the Commissioner's delegates, when a delegation of power to administer all or a portion of the provisions of this Lease is made pursuant to AS 38.35.210.

Commissioner's Order see Order

Commissioner's Decision see Decision

Construction means all Field Activities by the Lessee or its Contractors located on the Leasehold which involve more than *de minimis* physical disturbance of the existing natural land features or conditions of the Leasehold. Construction is not limited to mean only the actual construction of the Pipeline, but also includes other disturbances such as materials movements and stockpiling, development of borrow pit areas, and the establishment of work-camps and communications facilities. Construction excludes, however, the following kinds of Field Activities: engineering surveys, soil tests, biological and other studies, and any Field Activities in connection with the Termination of the Pipeline.

Contractor means any contractor or subcontractor at any tier, and the employees, representatives, and agents of such a contractor.

Decision means any written decision, determination, approval, rejection, or consent issued by the Commissioner, or an authorized delegate, that is in response to a proposed action or request from the Lessee. All Decisions shall state whether the Lessee's proposed action or request is approved/granted or rejected/denied and the basis of that conclusion.

Design Criteria means approved project criteria (i.e., construction, including design and operational concepts) necessary to delineate the project to be constructed. At a minimum, it includes the following: criteria and commitments including appendices, recommendations, conclusions, and monitoring program discussions contained in the submitted "Detailed Engineering Plan" to be used for the final design and project concepts; evaluation of data used to establish the design criteria; drawings showing functional and technical requirements; reports of all test data compiled during the data collection and design criteria evaluation; standard drawings (if applicable) or drawings to support structural design concepts of each

typical facility or structure; proposed construction modes; outline of project specifications; sample computations to support the design; and concepts and bases for project siting.

Field Representative means an employee, Contractor, agent, or representative of the Lessee, appointed in writing by the Lessee, with notice to the State, to receive notices and Orders from the Commissioner at any location not part of the Lessee's urban administrative offices.

Final Design means completed design documents suitable for construction including plans and specifications; proposed construction modes; operational requirements necessary to justify designs; design analysis; engineering criteria; and other considerations pertinent to design.

Hazardous Material or Hazardous Substance means any solid, liquid, or gas that is defined as hazardous under local, State, or federal laws or regulations. Specifically, any substance defined as hazardous under Alaska Department of Labor, Alaska Department of Environmental Conservation, U. S. Environmental Protection Agency (EPA), U. S. Occupational Safety and Health Administration (OSHA), U.S. Department of Transportation (USDOT), U. S. Pipeline and Hazardous Materials Safety Administration (PHMSA) and U. S. Food and Drug Administration (FDA) laws and regulations shall be considered hazardous under this Lease.

Immediately means as soon as practicable after an event has occurred.

Lease Anniversary Date means the same day and month as the date this Lease is effective, in each subsequent year that this Lease is in effect.

Leasehold means the State Lands subject to this Lease as those lands are identified in Exhibit B of this Lease and any amendments, modifications, and subsequent renewals.

Lessee means Harvest Alaska, LLC or its successors and/or assigns holding an undivided ownership interest in the right-of-way in accordance with the provisions of this Lease.

Maintenance means activities associated with ensuring that the Pipeline and Related Facilities meet their intended functions, keeping the pipeline and related facilities in good repair, and meet all regulatory requirements. This may involve repairs, fixes, replacement of parts and upgrades.

Natural Gas has the same meaning as given in AS 38.35.230(5)

Operation(s) means all activities connected with the transportation of Natural Gas through the Pipeline including Maintenance of the Pipeline.

Order means any written order, action, demand, direction, or requirement issued by the Commissioner to the Lessee which is needed to enforce or implement the provisions of this lease. Orders shall be in accordance with lease section 17.

Person(s) has the same meaning as given in AS 01.10.060(a)(8).

Pipeline has the same meaning as given in AS 38.35.230(7) and includes the Tyonek Platform tie-in.

Pipeline Activities means activities involving and related to Construction, Operation, Maintenance, and Termination of the Pipeline or any part of the Pipeline.

Quality Management Program means the programmatic application of planned, systematic quality activities to ensure that the project will employ processes needed to satisfy the commitments and requirements to ensure the integrity of the Pipeline, meet lease and regulatory requirements, and required standards for health, safety, and the environment.

Restoration means the return of a disturbed site on the Leasehold upon completion of use by the Lessee to a physical and biological condition consistent with applicable State and federal law, regulations and policies at the time, and to the extent acceptable to the Commissioner. Restoration includes, where appropriate, erosion and sedimentation control, stabilization, habitat reconstruction, Revegetation, and visual amelioration.

Revegetation means the establishment of native plant cover, unless non-native plant cover is required as a temporary means to reduce erosion, and reestablishment of conditions suitable for native plants on disturbed lands in a manner consistent with applicable State and federal law and regulations and to the extent acceptable to the Commissioner. Methods or techniques to accomplish this include, but are not limited to, surface protection and preparation, fertilizing, seeding, planting, mulching and watering, and utilizing local growing conditions to dictate the timing for establishment of vegetative cover.

State Land(s) has the same meaning as given in AS 38.35.230(9).

Termination means all activities connected with the expiration, relinquishment, abandonment, or completion of use of the right-of-way or a portion of it.

Written Authorization(s) are a type of Decision authorizing or approving an action and may include associated mitigation measures or stipulations.