



Hilcorp Alaska, LLC

3800 Centerpoint Drive
Suite 1400
Anchorage, AK 99503

Phone: 907/777-8414
Fax: 907/777-8301
dduffy@hilcorp.com

March 3, 2016

Mrs. Corrie Feige, Director
Oil and Gas Division
Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1100
Anchorage, AK 99501

RECEIVED

MAR - 3 2016

**DIVISION OF
OIL AND GAS**

Re: 2016 Plan of Development and Operation for the Granite Point Unit

Dear Mrs. Feige:

Hilcorp Alaska, LLC ("Hilcorp"), as Operator hereby submits the 2016 Plan of Development and Operations for the Granite Point Unit ("GPU"). This plan will remain in effect from June 1, 2016, through May 31, 2017.

I. FIELD OVERVIEW

On February 24, 2015, the Department of Natural Resources approved Hilcorp's proposal to expand the South Granite Point Unit to include three previously un-unitized leases from the Granite Point Field (ADLs 17586, 17587 and 17742). Hilcorp is the sole working interest owner of the expanded unit. The State of Alaska is the sole royalty owner of the expanded unit.

The former South Granite Point Unit contains two Participating Areas ("PAs"): the Hemlock Participating Area; and the Granite Point Sands Participating Area. Both PAs were maintained in the 2015 unit expansion and are produced from the Granite Point Platform. Production from the Anna and Bruce Platforms are considered tract operations.

II. 2015 PLAN REVIEW

Highlights of Hilcorp's 2015 production, drilling and workover programs include:

A. 2015 Production Summary

- **Granite Point Platform:** cumulative gas production from the Granite Point Platform during calendar year 2015 was 321.6 MMCF. Oil production was 537 MMBL.
- **Granite Point Sands PA:** 285.1 MMCF (gas) and 480.6 MMBBL (oil)
- **Hemlock PA:** 10.5 MMCF (gas) and 14.9 MMBBL (oil).

- **Anna Platform:** cumulative gas production from the Anna Point Platform during calendar year 2015 was approximately 364 MMCF. Oil production was 322.9 MMBL.
- **Bruce Platform:** cumulative gas production from the Bruce Platform during calendar year 2015 was 140.1 MMCF. Oil production was 108.2 MMBL.

B. 2015 Drilling Program. No new drilling projects were implemented during the 2015 POD period.

C. 2015 Workover Program

- GP-11-13RD: add Tyonek C sands, commingle with Hemlock production
- An-11RD: workover to add crestal Tyonek C sand perf. Following completion, Hilcorp was unable to drawdown well due to solids issues.
- An-24RD: workover to add crestal Tyonek C sand perf.
- An-17A: workover to isolate Hemlock and recomple to Tyonek C sands.
- Br-42-42: workover to lower jet pump BHA to increase drawdown. Hilcorp was unable to pull, left BHA in well.
- Br-30-42: lower jet pump BHA to increase drawdown

D. 2015 Surface and Facility Operations

During 2015, Hilcorp completed various platform repairs and upgrades, including:

- communications upgrades on all platforms
- Installed instrument and electrical upgrades on GP platform; and
- Upgraded test separator on Bruce Platform

III. 2016 PLAN OF DEVELOPMENT AND OPERATIONS

Hilcorp anticipates that current oil and gas production will be maintained throughout the 2016 POD period. However, under the present economic climate and limited gas market, Hilcorp does not anticipate any new grassroots or sidetrack drilling projects. At this time, only one rig workover is scheduled (AN-11RD). This project will replace the current recompletion configuration to increase drawdown to restore pre-2015 WO rate. Likewise, no major facility work is planned.

However, Hilcorp will evaluate and execute additional well work and drilling opportunities as they arise. Throughout 2016, Hilcorp will continue to pursue efficiencies through various well, infrastructure and facility repairs, including evaluation of shut-in wells for potential return to service or utility.

In addition to ongoing or continuing projects listed above, Hilcorp will perform various facility improvements and repairs on an as-needed basis throughout the 2016 POD period

Hilcorp, as Unit Operator, reserves the right to propose modifications to this Plan should conditions so warrant; however, no modifications will be made without first obtaining necessary approval from the appropriate governmental agencies.

Your approval of the submitted plan is respectfully requested. Should you have questions, please contact the undersigned at 777-8414.

Sincerely,

A handwritten signature in blue ink, appearing to read "Duffy", is written over a horizontal line.

David W. Duffy, Landman
Hilcorp Alaska, LLC

cc: Kyle Smith, DNR (kyle.smith@alaska.gov)