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NINTH PLAN OF DEVELOPMENT

NIKAITCHUQ UNIT

July, 2016

Eni US Operating Co. Inc., as Operator

Eni Petroleum US LLC 100% Working Interest Owner

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1. INTRODUCTION

1.1 Nikaitchuq Unit – Ninth Plan of Development

This Ninth Plan of Development for the Nikaitchuq Unit is submitted by Eni US Operating Co. Inc. (Eni), as Operator, on behalf of its affiliate Eni Petroleum US LLC, the owner of 100% of the working interest in the Nikaitchuq Unit, to the Department of Natural Resources (DNR) of the State of Alaska, as required by Article 8 of the Nikaitchuq Unit Agreement and 11 AAC 83.343.

2. HISTORICAL ACTIVITIES

The Nikaitchuq Unit comprises 11 state leases for a total of approximately 21,000 acres. Cumulative oil production from the Nikaitchuq Unit totals approximately over 22 million barrels through November 2015. The leases are unitized and developed jointly under the terms of the Nikaitchuq Unit agreement, between Eni and the State of Alaska.

For the 2013-2014 period a multilateral campaign of well producers was executed from OPP drilling path. In 2014, the west area development extension was sanctioned, which added 2 producer and 2 injector wells to the existing drilling plan from SID.

2.1 Eight POD Update(October, 2015 – October, 2016)

- Due to the current oil price environment, drilling activity of the planned Nikaitchuq Field development was suspended in May 2015 and Eni reduced its workforce by 10%. Eni plans to restart drilling activities in the first quarter of 2017, with hopes of a more favorable oil prices environment.

3. FACILITIES

3.1 Ongoing Activities at the Time of Filing the Eight POD:

- Engineering and design work for a permanent chiller system to re-freeze permafrost under onshore well bays.
- Planning for thirty-six hour facility shut-down scheduled in late August 2015 for critical maintenance items.

3.2 Reservoir Management

Subsurface development of the Nikaitchuq Unit is ongoing with dedicated development wells within the Nikaitchuq Unit both for the approved Schrader Bluff participating (SBPA) area and outside the SBPA.

The Nikaitchuq development is based on the exploitation of the OA reservoirs. The development up to May, 2016 can be summarized as follows:

		Reauthorization II (2009)			Western Extension (2014)		East Extension (2015)		Activity up to date (May, 2016)			Dual Lateral Paths	
		OPP	SID	Total	OPP	SID	OPP	SID	OPP	SID	Total	OPP	SID
Well Type	Injector	8/8	11/12	20		2/2		0/1	8/8	13/15	21/23		
	Producer	11/11	15/15	26		2/2		1/2	11/11	18/19	29/30	8/8	9/19
	Disposal	1/1	1/1	2					1/1	1/1	2/2		
	Water Source	3/3	0	3					3/3	0	3/3		
Total		23/23	27/28	51**		4/4		1/3	23/23	32/35	55/58	8/8	9/19

Table 1. Nikaitchuq Field Well count development summary up to May 2016

Since the drilling activity still is suspended near term, the map (Figure 1.) below gives an overview of what has been drilled and what wells are proposed to be drilled during our 9th POD.

The OA reservoir development will continue in 2017 with the addition of one producer (SP03-FN9), two injector wells (SI02-SE5, SI06-FN8) and four dual lateral producer wells (SP33-W3L1, SP30-W1L1, SP16-FN3L1 & SP27-N1L1) (See drilling schedule).

Nikaichuq Development Pattern - May 2016

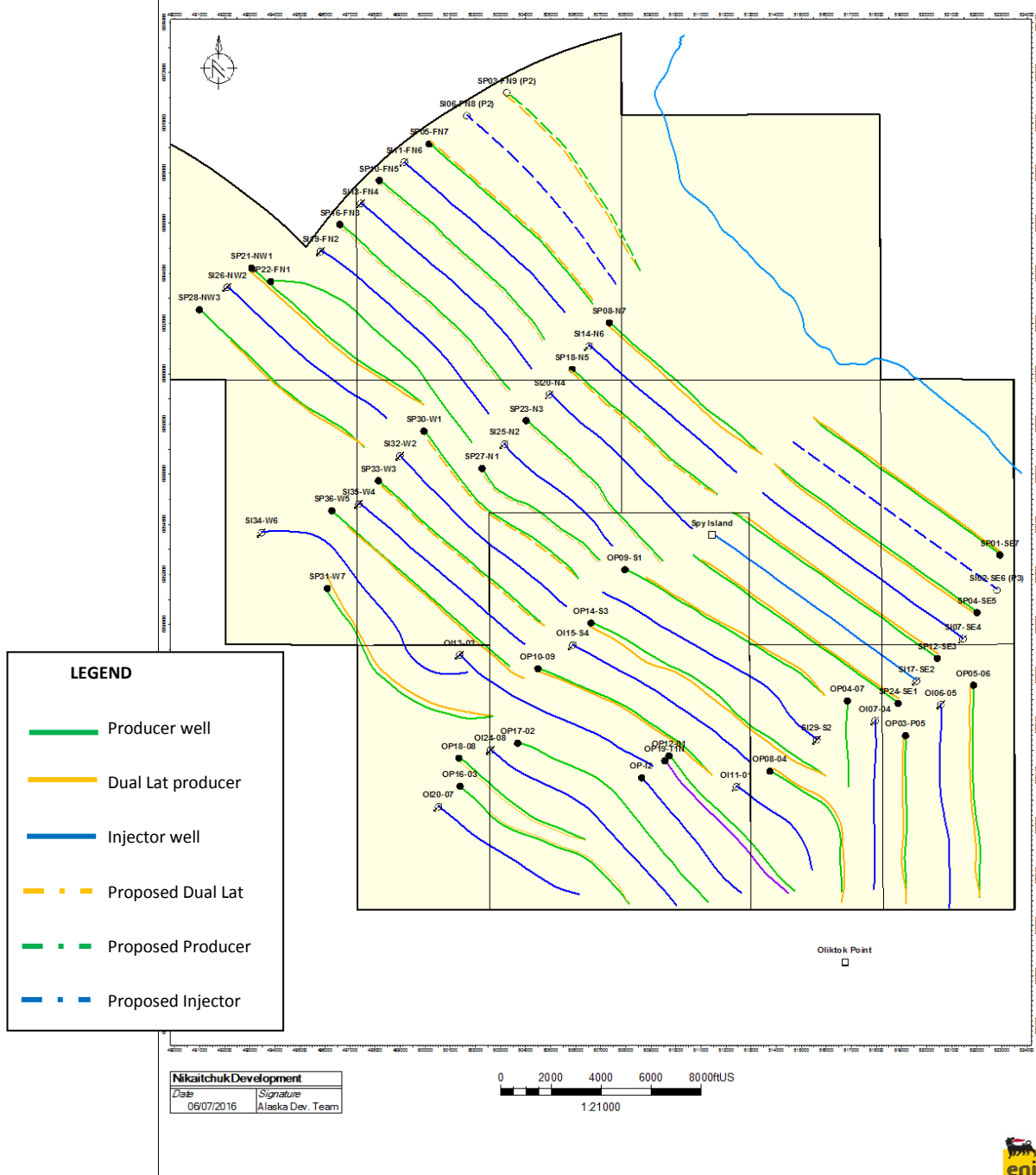


Figure 1. Nikaichuq Unit map, showing proposed development activity though May 2016.

Average daily oil production for the year 2015 was 24,573 bopd. Figure 2 below summarizes the water and oil production rates since the beginning of the project.

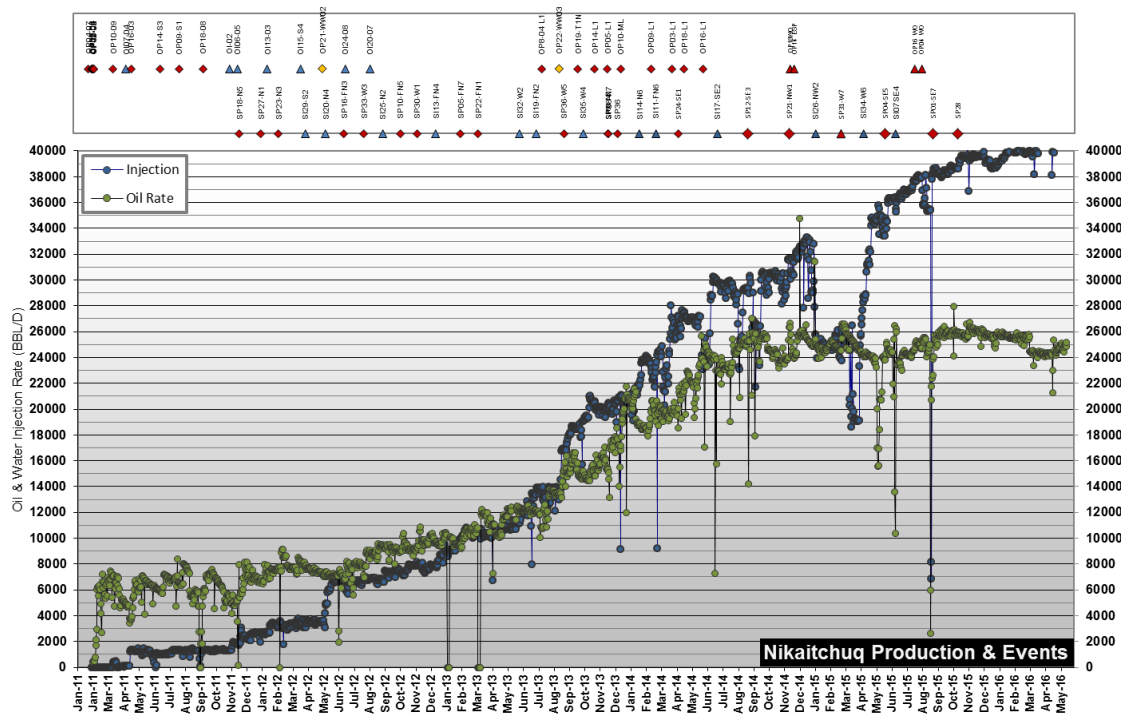


Figure 2. Summary of Historical production for Nikaitchuq Field up to May, 2016.

3.3 Drilling

In October of 2012, the planned OA reservoir drilling works from OPP were completed. In November 2012, continuous drilling began on SID and is currently ongoing with Doyon Rig 15. A sidetrack campaign was started in 2013 and continued into 2014 to add a second lateral to selected OPP producers. As part of the summer drilling program at OPP an N-Sand evaluation well was drilled. This is the first well drilled by Eni Alaska for the sole purpose of evaluating future N-Sand development.

A recap of wells drilled from startup through December, 2015 is in figure 3 below. In addition to the wells drilled, Eni Well Operations group conducted multiple work overs on both OPP and SID locations.

		Activity Planned Through (December 2016)		
		OPP	SID	Total
Well Type	Injector	8	13	21
	Producer	11	18	29
	Disposal	1	1	2
	Water Source	3	0	3
Total		23	32	55
Dual Lateral Well Paths		8	9	17

Figure 3. Nikaitchuq Wells drilled through December 2016

In the 1st quarter of 2013, Eni's Well Operations team drilled and completed the first multilateral well consisting of a slotted liner main bore with multiple open hole drainage legs (laterals) exiting from it. These open hole laterals have no mechanical support or hydraulic isolation and depend on natural borehole stability. This SP22-FN1 well was successfully drilled to 22,923 ft. MD at 3,408 ft. TVD. The interval from 12,122 to TD was drilled with an 8 ¾" rotary steerable BHA assembly and completed with a 5 ½" liner which was set at 21,929 ft. MD. The total length of the 5 1/2" liner was 9,996 ft. A four (4) sidetrack multilateral totaling 16,467 ft. was successfully drilled in one (1) run with an average ROP of 157 ft. /hr. The lateral lengths ranged between 1,600 and 2,000 ft. each.

In mid-2013 a side-track campaign was started to add an additional lateral drainage to selected wells from the OPP location. A total of eight (8) laterals were added to OPP in the OA sand and completed with slotted liners. These laterals were placed with alternating undulations through the OA1 and OA3 sand layers as compared to the original laterals.

In Q3 2013, a second lateral was drilled on all producer wells on SID from that point forward. There have been a total of five (5) producers now drilled as dual laterals at the SID location. A schematic is included below (Figure 4) as an example of the SID dual lateral wells.

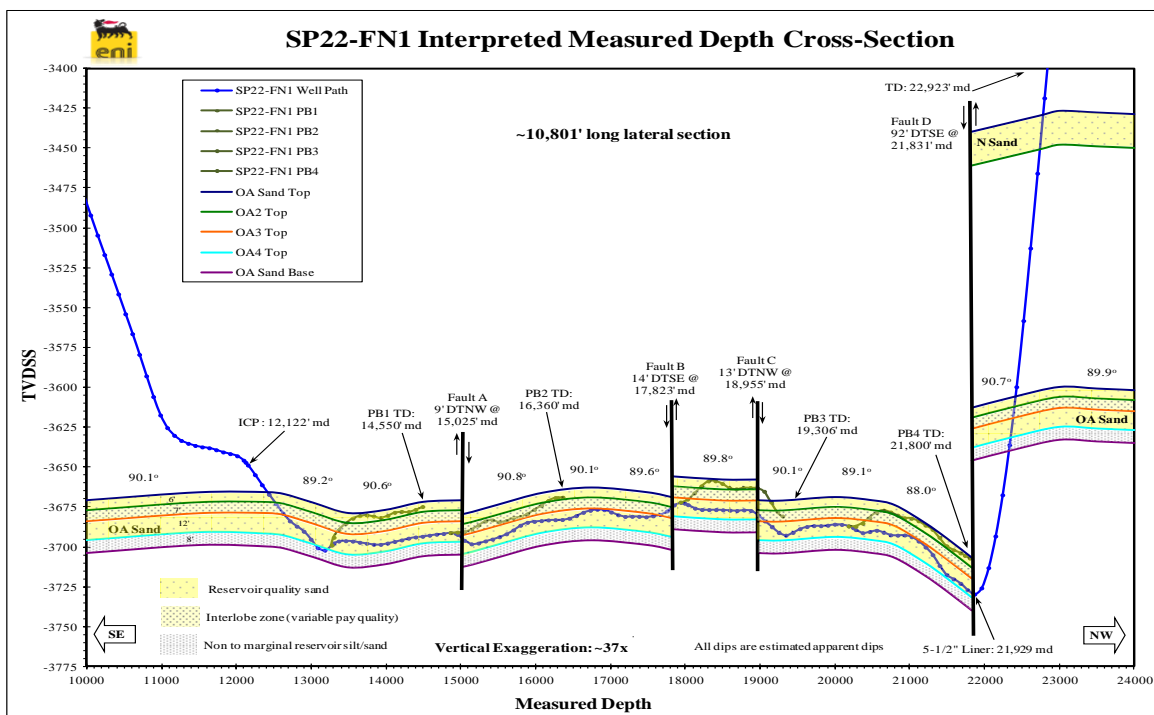
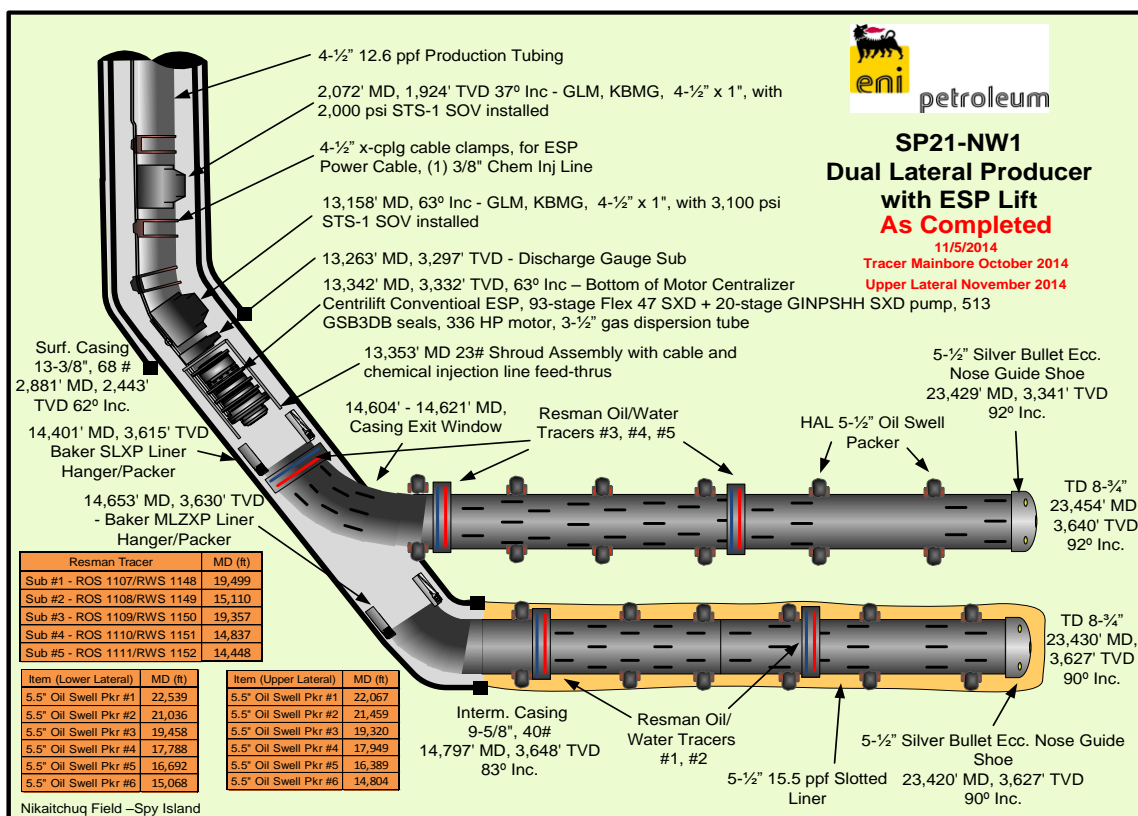


Figure 4. SID Dual Lateral well Schematic.



During 2014, the OPP producer sidetrack campaign finished up in May with the last four laterals being drilled in Q1 and Q2. Multiple rig work overs were also performed at the OPP location mainly consisting of ESP change outs. The development drilling continued at the Spy Island location with dual lateral producers and single lateral injectors. During Q3 the West Extension Project started on SID and one dual lateral producer and one single lateral injector were completed by the end of the year. Three rig work overs for ESP change outs were performed on SID as well as a rig work over on the Class I disposal well in 2014.

During 2015, the West Extension Project was completed with one more dual lateral producer and one more single lateral injector. The development drilling continued at the Spy Island location with two dual lateral producers and one single lateral injector. During Q3 the East Extension Project started with the completion of one dual lateral producer. In Q4 drilling operations stopped at Spy Island Location and the Doyon Rig 15 was put in cold stack.

4. PROPOSED OPERATIONS DURING EIGHTH PLAN OF DEVELOPMENT

4.1 Facilities

During the period of the ninth POD, Eni will perform regular maintenance and general mechanical inspection of piping integrity and other safety systems. Eni has no planned upgrades at OPP and SID. In January 2016, a new 203 bed camp on the NOC pad was completed and ready for occupation following the fire in December 2014 where the original NOC camp was destroyed. In August 2015, a 36 hour plant turnaround was completed without incident or issue. And, a 36 hour Plant proration is planned for June 2016.

4.2 Reservoir Activity

As mentioned before, drilling activities were temporarily suspended and will resume early 2017 upon Eni's management directions. The goal is to achieve the development pattern proposed in Figure 1 above.

4.3 Drilling

Eni is planning to conduct the development activities as described below for the Nikaitchuq unit during the period covered by the Eighth POD, contingent on securing company corporate approval.

Oliktok Point Activity

Looking forward, Eni foresees that Nabors Rig 245 will be cold stacked from October 2015 until October 2016, unless future drilling opportunities are proposed. Eni's current plan is to resume activity with Nabors Rig 245 in 2016 with rig work overs mainly consisting of ESP change outs in two water wells to restore and optimize production from these wells.

Within the N-Sand Development project, a workover on OP19-T1N to test a new completion is currently under feasibility study.

Spy Island Drilling

As part of the plan going forward, the drilling work was suspended in Q4 2015. Eni plans to commence drilling in 2017 at SID using Doyon Rig 15. All production wells in the original development plan have been drilled with one more single lateral injection well planned. During this time, ESP pump swaps will be considered addressed on an “as need” basis.

After completion of the SID development drilling campaign, Eni will execute a second drilling phase to convert eight (8) existing SID single lateral production wells to multilaterals. It is anticipated that this drilling campaign will begin in January 2017.

During 2017, the East Extension project will be completed adding one single lateral producer and one single lateral injector.

Within the Nikaitchuq North project, the data requested for the feasibility study are currently being collected.

4.4 Drilling Schedule

- Year 2016: Rig in Cold Stack. No new drilling activities are currently planned from SID in 2016.
- Year 2017: Planned work on SID for 2017 includes two single lateral injector, one single lateral producer and eight sidetrack production laterals.
- No new drilling activities are currently planned from OPP
- Rig work overs will continue as needed on both SID and OPP

5. PLAN OF EXPLORATION FOR LANDS NOT WITHIN A PARTICIPATING AREA

During the period covered by this Plan of Exploration update, Eni will continue to review its geological, petrophysical, and drilling information to help improve our understanding of the Nikaitchuq unit reservoir(s). Eni will continue assessing exploitation opportunities when available in the acreage immediately outside current develop areas, outside the Unit and at various horizons.

6. STATE REQUEST FOR MARKETING AND FACILITY SHARING INFORMATION

Letter dated January 14, 2016 from the Commissioner of the Alaska Department of Natural Resources to Eni US Operating Co. Inc., requesting certain marketing and facility sharing information.

Eni as Operator and 100% WI Owner of the Nikaitchuq Unit does not have any information on marketing plans or opportunities for Nikaitchuq. Eni is party to the existing KRU ballot 260 agreement that is shared with other North Slope operators. Regarding facility access and sharing agreements, Eni is not a party to facility sharing agreements with regards to Nikaitchuq operations.