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DIVISION OF
OIL AND GAS

January 31, 2017

Ms. Chantal Walsh, Director
Alaska Division of Oil and Gas
550 W. 7th Ave., Suite 1100
Anchorage, AK 99501-3560

Re: Submittal of West McArthur River Unit 26th Plan of Development and Redoubt Unit 17th Plan of Development

Ms. Walsh:

Cook Inlet Energy, LLC, a Glacier Oil and Gas company ("GLA") hereby provides its Unit Plans of Development as required under 11 AAC 83.343 to the Division of Oil and Gas ("Division").

A technical meeting with Division staff will be scheduled in February for GLA to present technical information to support the operations proposed in the enclosed plans.

GLA has been diligently working to meet its obligations under its leases and unit agreements.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tim Jones', written over a horizontal line.

Tim Jones
Senior Landman

CC: Becky Kruse, Unit Manager

West McArthur River Unit

26th Plan of Development

Overview

The 26th Plan of Development (“POD”) shall cover the period from May 1, 2017 through April 30, 2018.

By letter dated March 22, 2016, the Division approved the 25th POD submitted by Cook Inlet Energy, LLC, a Glacier Oil and Gas company (“GLA”), as Operator of the West McArthur River Unit (“WMRU”). The 25^h POD approval was for the period May 1, 2016 through April 30, 2017.

Annual Report

The following is GLA’s annual report under 11 AAC 83.343 (d).

The development plans contained in the 25th POD consisted of:

- GLA will continue to analyze production from all wells within the WMRU and explore options to enhance production from the Unit. GLA will also optimize its production facilities to maximize efficiency.
- GLA will schedule a technical meeting with the Division in February of 2016 to present any updates to its geologic interpretation of the reservoir(s) within the West McArthur River Unit, and continue the discussion of production techniques used within the Unit.

(1) the extent to which the requirements of the previously approved plan were achieved

- GLA completed an extensive well and facility optimization program during the 25th Plan Year. GLA is finishing up the process of moving production processing of WMRU wells to the Kustatan Production Facility (“KPF”), a newer, existing facility with the ability to handle greater production volumes than the early 90’s era West McArthur River Production Facility.
- GLA converted the WMRU #2B, WMRU #5, WMRU #6, and Sword wells from jet pump completions to electric submersible pump (“ESP”) completions, which eliminated the need for storing and pumping power fluid through the jet pump to produce the wells.
- GLA perforated additional zones in WMRU #2B and WMRU #5. This workover activity, coupled with the changeover to ESPs, added significant production to the WMRU Area #1 PA during the 25th Plan Year.

(2) actual operations that deviated from or did not comply with the previously approved plan and an explanation of the deviation or noncompliance

- GLA completed all operations discussed in the previously approved 25th Plan.

Updated Plan of Development

The following components of the 26th POD follow the outline contained in 11 AAC 83.343 (a) and incorporate all planned development activities anticipated based on all data reasonably available at this time. The following components of the 26th POD meet the requirements contained in 11 AAC 83.343 (c).

(1) *long-range proposed development activities for the unit, including plans to delineate all underlying oil or gas reservoirs, bring the reservoirs into production, and maintain and enhance production once established*

- GLA will continue to explore ways to enhance production, manage production decline, and increase total ultimate recovery from existing wells within the Unit.

(2) *plans for the exploration or delineation of any land in the unit not included in a participating area*

- GLA is in the process of developing and permitting drilling plans for the Sabre prospect. The proposed Sabre well, originally envisioned as an extended reach exploratory well, is in the process of being permitted as an offshore exploratory well drilled from a jack-up drilling rig, likely the Spartan 151 rig which is currently stacked in Seward. GLA is also seeking partners in the Sabre prospect to reduce the risk factors associated with drilling the Sabre 1 well.

(3) *details of the proposed operations for at least one year following submission of the plan*

- GLA will continue to analyze production from all wells within the WMRU and enhance production from the Unit as appropriate through perforation adds within wells, well workovers, and pump replacements.
- GLA will schedule a technical meeting with the Division in February of 2017 to present any updates to its geologic interpretation of the reservoir(s) within the West McArthur River Unit, and continue the discussion of production techniques used within the Unit.

(4) the surface location of proposed facilities, drill pads, roads, docks, causeways, material sites, base camps, waste disposal sites, water supplies, airstrips, and any other operation or facility necessary for unit operations

GLA's plans do not include additional permanent facilities. GLA is exploring the use of a jack up drilling rig to drill the Sabre exploratory well. The rig will be brought to the site for drilling the well and will move off-site upon completion of the work.

The WMRU Production Facility and the KPF are not located within the WMRU. All WMRU surface facilities are located onshore on lands owned by Salamatof Native Association, Inc. The KPF facility is located onshore on fee land owned by GLA.

Statement of Operator

Cook Inlet Energy, LLC, a Glacier Oil and Gas company, as WMRU Operator, submits this annual report and update to the WMRU Plan of Development under 11 AAC 83.343. The Operator believes that this 26th POD satisfies the requirements of 11 AAC 83.343, including compliance with the provisions of 11 AAC 83.303.



Leland Tate
Chief Operating Officer

Attachments: West McArthur River Unit Production (Including Sword Production)
West McArthur River Unit Well Status

West McArthur River (AREA 1 and SWORD PA's)

Date	Produced Oil (bbls)	Produced Water (bbls)	Produced Gas (MMCF)
Jan-16	34,717	145,821	19,155
Feb-16	31,049	139,525	15,142
Mar-16	32,869	145,000	12,122
Apr-16	25,537	106,581	9,745
May-16	31,418	130,064	14,160
Jun-16	36,169	126,134	15,756
Jul-16	24,970	96,535	8,837
Aug-16	29,949	125,854	9,761
Sep-16	23,048	55,098	6,308
Oct-16	27,052	98,745	8,038
Nov-16	34,077	102,856	10,495
Dec-16	34,202	107,548	20,616
TOTALS	365,057	1,379,761	159,475

CURRENT WELL STATUS - West McArthur River

WELL	STATUS	DATE	REASON
WF #1	Shut-in	9/2009	Unable to restart after acquisition
WF #2U	Producing	2/2014	WF RSA - Gas
WF #2L	Shut-in	7/2015	low wellhead pressure
WMRU #1A	Shut-in	12/2012	Failed jet pump
WMRU #2B	Producing	6/2014	Area #1 PA - Oil
WMRU #4(D)	In Service	12/2009	Class 1 Disposal
WMRU #5	Producing	2/2010	Area #1 PA - Oil
WMRU #6	Producing	12/2009	Area #1 PA - Oil
WMRU #7A	Shut-in	1/2011	Gas completion unsuccessful
WMRU #8	Shut-in	4/2016	Failed ESP
Sword #1	Producing	11/2013	Sword PA - Oil