



## Hilcorp Alaska, LLC

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March 1, 2017

Chantal Walsh, Director  
Oil and Gas Division  
Alaska Department of Natural Resources  
550 W. 7<sup>th</sup> Avenue, Suite 1100  
Anchorage, AK 99501

Re: 2017 Plan of Development and Operations for the Ivan River Unit

Dear Ms. Walsh:

Hilcorp Alaska, LLC (“Hilcorp”) as Operator, hereby submits the 2017 Plan of Development and Operations for the Ivan River Unit (“IRU”). This plan will be effective from June 1, 2017 through May 31, 2018.

**I. 2016 PLAN REVIEW**

**A. 2016 Production Summary**

- 1. Sterling-Beluga Gas PA (Undefined Pool) Production.** During 2016, average daily production from the Sterling-Beluga Gas PA was 0.082 million standard cubic feet per day (“MMSCF/D”).
- 2. Tyonek Participating Area (Undefined Pool) Production.** During 2016, the average daily production from the Tyonek PA was 0.509 MMSCF/D.
- 3. Disposal Wells.** IRU 14-31 and 13-31 are currently used as the disposal wells for Hilcorp’s West-side operated fields (Lewis River, Pretty Creek, Ivan River and Stump Lake).

**B. 2016 Field Study:** During the 2016 POD period, Hilcorp planned to complete a comprehensive field study, specifically evaluating the Sterling, Beluga and Tyonek reservoirs for further development. Some progress was made, but completion of this assessment will be continued through Q2-Q3 2017.

**C. 2016 Drilling Program:** No grassroots or sidetrack drilling projects were anticipated and none were completed.

**D. 2016 Workover Program:** Hilcorp did not plan for any rig workovers during 2016 and none were completed.

**E. 2016 Facility Improvements:** Hilcorp did not anticipate any major facility improvements during 2016, one compressor and engine were overhauled in 2016.

## II. 2017 PLAN OF DEVELOPMENT AND OPERATIONS

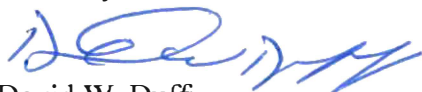
Hilcorp will continue to produce from the Sterling-Beluga and Tyonek PAs. Hilcorp will continue to utilize IRU disposal wells. Throughout the 2017 POD period, Hilcorp will pursue efficiencies through various well, infrastructure and facility repairs, including evaluation of shut-in wells for potential return to service or utility.

- A. **Drilling Program:** At this time, no grassroots or sidetrack drilling projects are anticipated or required.
- B. **Workover Program:** At this time, no workovers are anticipated or required. Such work will be implemented as needed to maintain or enhance unit production.
- D. **2017 Major Facility Projects:** At this time, no major facility upgrades are planned for the IRU in 2017. However, as the need arises, Hilcorp will:
- Increase the capacity of the existing surface equipment at the pad for gas processing by adding additional line heaters, liquid separation vessels with associate piping and controls, and if necessary a gas dehydration module.
  - As required, expand the pad(s) for the drilling program and production equipment explained above.
  - To the extent required, expand other infrastructure requirements, including construction or expansion of access roads, pipelines, flow lines, metering, processing and storage vessels, etc.

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,



David W. Duffy  
Landman, Alaska  
Hilcorp Alaska, LLC

cc: Kevin Pike, Division of Oil and Gas (via email to [kevin.pike@alaska.gov](mailto:kevin.pike@alaska.gov))