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March 1, 2017

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

Re: 2017 Plan of Development and Operations for the Stump Lake Unit

Dear Ms. Walsh:

Hilcorp Alaska, LLC ("Hilcorp") as operator, hereby submits the 2017 Plan of Development and Operations ("POD") for the Stump Lake Unit ("SLU"). This plan will be effective from June 1, 2017 through May 31, 2018.

## **I. FIELD OVERVIEW**

The Stump Lake Unit was formed in 1977. The unit consists of 4,888 acres and contains two Participating Areas: the Sterling and Beluga Gas PA (1,280 acres); and Tyonek Gas PA (4,880 acres). To date, no AOGCC-defined pools have been established.

Production from the SLU began in 1990 from the 41-33 well and continued until October 2000. After an extended shut-in period due to economic conditions, production resumed from 2009-2012. During 2012, Hilcorp attempted to increase production from the SLU 41-33 by adding additional perforations. Due to mechanical issues associated with that well work, SLU 41-33 went off-line. Subsequent attempts to repair and return the well production have been unsuccessful.

Under the approved 2015 and 2016 POD periods, DNR required Hilcorp to undertake and complete a field study of the Stump Lake Unit. Hilcorp has completed our assessment and concluded that the conventional life of this legacy field has reached its economic limit. However, this field is being included with a more comprehensive field study of West Side Cook Inlet fields starting in April of 2017.

## **II. 2016 PLAN REVIEW**

During 2016 POD period, Hilcorp again attempted a workover of SLU 41-33RD but due to mechanical issues within the wellbore (stuck fish), Hilcorp was unable to return the well to production.

### **III. 2017 PLAN OF DEVELOPMENT AND OPERATIONS**

As part of the more comprehensive west side field study, Hilcorp commits to returning the Stump Lake Unit to production by the end of Q3 2017. If unit production is not resumed by said date, Hilcorp commits to plugging and abandonment of SLU 41-33RD during the 2018 POD cycle. To guide this abandonment process during 2018, Hilcorp anticipates submitting a Plan of Abandonment to DNR in lieu of a Plan of Development on or before March 2018.

In parallel, Hilcorp requests consultation with DNR regarding potential exploration opportunities regarding shallow gas within the Unit area.

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  
HILCORP ALASKA, LLC

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