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DIVISION OF  
OIL AND GAS

April 13, 2017

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

**Re: Submittal of Badami 14th Plan of Development**

Ms. Walsh:

Savant Alaska, LLC, a Glacier Oil and Gas company ("GLA") hereby provides its Badami Unit Plan 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 May 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,

Tim Jones  
Senior Landman

CC: Teresa Imm, ASRC  
Becky Kruse, Unit Manager

# **Badami Unit**

## **14<sup>th</sup> Plan of Development**

### **Overview**

The 14<sup>th</sup> Plan of Development ("POD") shall cover the period from July 16, 2017 through July 15, 2018.

By letter dated May 19, 2016 the Division approved the 13<sup>th</sup> POD submitted by Savant Alaska, LLC ("GLA") as Operator of the Badami Unit. The 13<sup>th</sup> POD approval was for the period July 16, 2016 through July 15, 2017.

### **Annual Report**

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

The development plans contained in the 13<sup>th</sup> POD consisted of:

- GLA recently began conducting a geologic and geophysical review of the Badami and Killian sands and associated producing wells. GLA will continue an evaluation of the historical wells and field structure. This evaluation will include an evaluation of currently available seismic information and well logs.
- GLA will continue well and facility maintenance and optimization and explore options to enhance production as appropriate.

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

- GLA conducted a thorough geologic and geophysical review of the Badami and Killian sands and associated producing wells. This comprehensive study identified several new target "pods" of interest in both horizons, including the Starfish prospect to the southwest of the current development area within the Badami Sands PA.
- GLA completed well and facility maintenance to manage natural field production decline.

*(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 activities from the previously approved Plan.

## Updated Plan of Development –

The following components of the 14<sup>th</sup> 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 14<sup>th</sup> 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*

- On March 15, 2013, the Division issued a Unit Decision approving, in part, Savant's request to expand the Badami Unit. Savant timely appealed this Decision on April 4, 2013, and requested a stay of the POE under the Decision on August 16, 2013. Although GLA has met with DNR regarding the appeal and request for stay, the matter remains unresolved. GLA wishes to continue to work with DNR to resolve this matter.
- As economic conditions warrant, GLA intends to continue stimulating current wells to enhance production, and continue infill drilling as geologically appropriate to fully develop the Badami Sands PA.

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

- Subject to economic conditions and final project sanction, GLA intends to drill one well during the winter 2017-2018 season to the newly-named Starfish prospect. This well will target the Badami and Killian sands in a potential accumulation to the southwest of the current PA boundary.
- As economic conditions warrant, GLA intends to conduct additional drilling to prospects identified outside of the current Badami Sands PA.

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

- GLA will use the analysis completed in the 13<sup>th</sup> Plan year to conduct an exploration drilling program in the 2017-2018 winter season. Subject to economic conditions and final project sanction, GLA is currently planning for a one-well program. GLA is planning to transport its company-owned Rig 36 or a similar rig to Badami during the winter season.

- GLA will continue well and facility maintenance and optimization and explore options to enhance production as appropriate.

*(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 has no plans for additional facilities, etc. at this time.

### **Statement of Operator**

Savant Alaska, LLC, as Badami Unit Operator, submits this annual report and update to the Badami Unit Plan of Development under 11 AAC 83.343. The Operator believes that this 13<sup>th</sup> POD satisfies the requirements of 11 AAC 83.343, including compliance with the provisions of 11 AAC 83.303.



Leland Tate  
Chief Operating Officer

Cc: Teresa Imm, ASRC  
Becky Kruse, Badami Unit Manager