



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF OIL & GAS

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Anchorage, AK 99501-3560
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June 8, 2017

CERTIFIED MAIL
RETURN SERVICE REQUESTED

Tim Jones
Senior Landman
Savant Alaska, LLC
601 W 5th Ave, Suite 310
Anchorage, AK 99501

Re: 2017 14th Plan of Development for the Badami Unit

Dear Mr. Jones:

Savant Alaska, LLC (Savant), submitted a proposed Badami Unit 14th Plan of Development (2017 POD) to the Department of Natural Resources, Division of Oil and Gas (Division) on April 13, 2017. This decision approves the 2017 POD.

Savant's proposed POD provides information about development and operational activities, as prescribed by 11 AAC 83.343. Accordingly, the Division notified Savant by email on April 19, 2017 that the Division had deemed the POD submittal complete. Savant also provided a technical presentation on May 10, 2017.

For the 2016 (13th) POD period, Savant committed to (1) evaluate historical wells and field structure, including seismic information and well logs, to review Badami and Killian sands and producing wells; (2) continue well and facility maintenance. Savant reports completing both actions, and that its study identified several new targets, including a "Starfish prospect" in the Badami Sands Participating Area. As of the end of calendar year 2016, 7.75 million stock tank barrels of oil had been produced from the unit.

For the 2017 POD period, Savant commits to:

- Drill one well to the Starfish prospect during the winter 2017-1018 season, targeting Badami and Killian sands;
- Continue well and facility maintenance and optimization.

When considering a POD, the Division considers the public interest, conservation of natural resources, prevention of economic and physical waste, protection of all interested parties, including the state, environmental cost and benefits, geological and engineering characteristics or reservoirs or potential hydrocarbon accumulations, prior exploration activities, plans for exploration or development, economic costs and benefits to the state, and any other relevant factors, including mitigation measures. 11 AAC 83.303(a), (b). The Division previously considered these factors in approving earlier PODs, and incorporates those findings by reference.

Continued production from Badami, Savant's efforts to enhance production from existing wells, and its exploratory drilling plans protect the State's economic interests in developing its natural resources. Savant's planned activities do not increase its impact to the land, further demonstrating the conservation and environmental benefits of unitized development.

Considering the 11 AAC 83.303 criteria, and the continued production and drilling proposed with this POD, the Division approves the 2017 POD for the period July 16, 2017 through July 15, 2018. Savant will need to submit a proposed 2018 POD to the Division 90 days before the expiration of 2017 POD, which is on or before April 15, 2018. This approval is for a general plan of development; specific field operations will require an approved Plan of Operations.

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to Andrew T. Mack, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. This decision takes effect immediately. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

If you have questions regarding this decision, contact Becky Kruse with the Division at 907-269-8799 or via email at Becky.Kruse@Alaska.gov.

Sincerely,



Chantal Walsh
Director