## BlueCrest Alaska Operating LLC

3301 C Street, Suite 202 Anchorage, AK 99503 (214)697-8802

John M Martineck
President & Chief Operating Officer

August 31, 2017

Alaska Department of Natural Resources Division of Oil & Gas Attn.: Director Walsh 550 W 7<sup>th</sup> Avenue, Suite 1100 Anchorage, AK 99501-3560

RE: Relinquish ADL391902 back to the State of Alaska

Reduce the size of the Cosmopolitan Unit

Cook Inlet, Alaska Effective 9-1-2017

Dear Director Walsh,

BlueCrest Alaska Operating LLC, a wholly-owned subsidiary of BlueCrest Energy Inc. "BlueCrest", is submitting notification to the Division of Oil & Gas "DOG" that it will relinquish state lease ADL391902 back to the State of Alaska and simultaneously reduce the size of the Cosmopolitan Unit effective September 1, 2017. Enclosed are the new exhibits that will be used with the Cosmopolitan Unit effective September 1, 2017.

If you have any questions or require additional information please contact me at (214) 697-8802 or by email at <u>John.Martineck@bluecrestenergy.com</u>.

God bless,

John M. Martineck

President & Chief Operating Officer BlueCrest Alaska Operating LLC

Cc: Kevin Pike Kyle Smith

Exhibit A - Schedule of Leases in Cosmopolitan Unit effective 9-1-2017.pdf

Exhibit B – Cosmopolitan Unit Map effective 9-1-2017.pdf

| Tract | Legal Description  | Acreage            | Tract %*   | Lease      | Mineral Owner   | Interest | Royalty | ORRI Owner   | ORRI %                   | Working Interest Owne | r WIO % |
|-------|--|--------------------|------------|------------|-----------------|----------|---------|--|--------------------------|-----------------------|---------|
| 2     | T3S, R 15W, S.M.   |                    | 20.72058%  | ADL 384403 | State of Alaska | 100%     | 12.50%  | Robert C. Warthen                                    | 0.1666665%               | BlueCrest Energy Inc. | 100%    |
|       | Sec. 20: Protracted, All;  | 203.80             |            |            |                 |          |         | SPC, LLC   | 1.3333300%               |                       |         |
|       | Sec. 21: Protracted, All;  | 640.00             |            |            |                 |          |         | Briggs V. Nesmith                                    | 0.1750000%               |                       |         |
|       | Sec. 28: Protracted, All;  | 640.00             |            |            |                 |          |         | Robert A. Chaffin                                    | 0.2626000%               |                       |         |
|       | Sec. 29: Protracted, All;  | 419.20             |            |            |                 |          |         | Danny S. Davis                                       | 0.3207300%               |                       |         |
|       | Sec. 32: Protracted, All;  | 535.69             |            |            |                 |          |         | Brian L. Crouch                                      | 0.1666665%               |                       |         |
|       | Sec. 33: W1/2.   | 2,758.69           |            |            |                 |          |         | Flintlock Ventures LP                                | 0.4083300%<br>0.1750000% |                       |         |
|       |  | 2,750.09           |            |            |                 |          |         | Chase Morsey Living Trust<br>Blocker Interests, Ltd. | 0.1750000%               |                       |         |
|       |  |                    |            |            |                 |          |         | Donkel Oll & Gas, LLC                                | 0.1250000%               |                       |         |
|       |  |                    |            |            |                 |          |         | Glacier Energy, LLC (CIE)                            | 0.4375000%               |                       |         |
|       |  |                    |            |            |                 |          |         | ConocoPhillips Alaska, Inc.                          | 2.0000000%               |                       |         |
|       |  |                    |            |            |                 |          |         | BlueCrest Energy Inc.                                | 0.8750000%               |                       |         |
|       |  |                    |            |            |                 |          |         | Cade Family III                                      | 0.3750000%               |                       |         |
|       |  |                    |            |            |                 |          |         | ,  | 7.8124930%               | <u> </u>              |         |
| 3     | T3S, R 15W, S.M.   |                    | 19.22821%  | ADL 391903 | State of Alaska | 100%     | 12.50%  | Apache Alaska Corporation 3.5%                       |                          | BlueCrest Energy Inc. | 100%    |
|       | Sec. 22: Protracted, All;  | 640.00             |            |            |                 |          |         | ,              |                          |                       |         |
|       | Sec. 23: Protracted, All;  | 640.00             |            |            |                 |          |         |  |                          |                       |         |
|       | Sec. 26: Surveyed, Fractional, Lots 2-4;   | 11.13              |            |            |                 |          |         |  |                          |                       |         |
|       | Sec. 26: Unsurveyed, All tide and submerged lands;   | 628.87             |            |            |                 |          |         |  |                          |                       |         |
|       | Sec. 27: Protracted, All.  | 640.00             |            |            |                 |          |         |  |                          |                       |         |
|       |  | 2,560.00           |            |            |                 |          |         |  |                          |                       |         |
| 4     | T3S, R 15W, S.M.   |                    | 29.73883%  | ADL 18790  | State of Alaska | 100%     | 12.50%  | Osler C. Hutson                                      | 0.1875000%               | BlueCrest Energy Inc. | 100%    |
|       | Sec. 33: E2;   | 320.00             |            |            |                 |          |         | Metro National Bank                                  | 0.3750000%               |                       |         |
|       | Sec. 34: All;  | 640.00             |            |            |                 |          |         | Nugent T. Brasher, Jr.                               | 0.1875000%               |                       |         |
|       | Sec. 35: Fraction, all shorelands and tidelands as may underlie                                      | 479.99             |            |            |                 |          |         | Jerry F. Brasher                                     | 0.1875000%               |                       |         |
|       | the portion of Stariski Creek that runs through this section.  |                    |            |            |                 |          |         | Melanie Mathis Cutriss-Curtis                        | 0.0937500%               |                       |         |
|       | T4S, R15W, S. M.   |                    |            |            |                 |          |         | Marilyn F. Mathis                                    | 0.0937500%               |                       |         |
|       | Sec. 2: Fraction, (tidelands and submerged lands);   | 378.98             |            |            |                 |          |         | Machelle Mathis Knight                               | 0.0937500%               |                       |         |
|       | Sec. 3: All;   | 640.00             |            |            |                 |          |         | Melissa Mathis Carroll                               | 0.0937500%               |                       |         |
|       | Sec. 4: All;   | 640.00             |            |            |                 |          |         | ConocoPhillips, Inc. (LL&E)                          | 0.5000000%               |                       |         |
|       | Sec. 10: All;  | 640.00             |            |            |                 |          |         | Devon Energy Production Company, L.P.                |                          |                       |         |
|       | Sec. 11: Fraction, (tidelands and submerged lands).  | 220.39<br>3,959.36 |            |            |                 |          |         | Exxon/Mobil (XH, LLC) JoAnne L. Best                 | 0.0441170%<br>0.1875000% |                       |         |
|       |  | 3,939.30           |            |            |                 |          |         | Rosewood Resources, Inc.                             | 0.4963200%               |                       |         |
|       |  |                    |            |            |                 |          |         | ExxonMobil (Mobil E&P)                               | 2.6250000%               |                       |         |
|       |  |                    |            |            |                 |          |         | ConocoPhillips Alaska, Inc.                          | 2.0000000%               |                       |         |
|       |  |                    |            |            |                 |          |         | Glacier Energy, LLC (CIE)                            | 0.4187500%               |                       |         |
|       |  |                    |            |            |                 |          |         | Donkel Oil & Gas, LLC                                | 0.1250000%               |                       |         |
|       |  |                    |            |            |                 |          |         | BlueCrest Energy Inc.                                | 0.8750000%               |                       |         |
|       |  |                    |            |            |                 |          |         | Cade Family III                                      | 0.3750000%               |                       |         |
|       |  |                    |            |            |                 |          |         |  | 9.9591870%               | <del></del>           |         |
|       |  |                    |            |            |                 |          |         |  |                          |                       |         |
| 5     | T4S, R 15W, S.M.   | 634.15             | 30.31238%  | ADL 391904 | State of Alaska | 100%     | 12.50%  | Apache Alaska Corporation                            | 3.5000000%               | BlueCrest Energy Inc. | 100%    |
|       | Sec. 5: Protracted, All tide and submerged land;<br>Sec. 6: Protracted, All tide and submerged land; | 52.73              |            |            |                 |          |         |  |                          |                       |         |
|       | Sec. 6: Protracted, All tide and submerged land; Sec. 7: Protracted, All tide and submerged land;    | 52.73<br>258.35    |            |            |                 |          |         |  |                          |                       |         |
|       | Sec. 8: Protracted, All;   | 640.00             |            |            |                 |          |         |  |                          |                       |         |
|       | Sec. 9: Protracted, All:   | 640.00             |            |            |                 |          |         |  |                          |                       |         |
|       | Sec. 16: Protracted, All;  | 640.00             |            |            |                 |          |         |  |                          |                       |         |
|       | Sec. 17: Protracted, All;  | 640.00             |            |            |                 |          |         |  |                          |                       |         |
|       | Sec. 18: Protracted, All tide and submerged land.  | 530.49             |            |            |                 |          |         |  |                          |                       |         |
|       | , :=   | 4,035.72           |            |            |                 |          |         |  |                          |                       |         |
|       | Tota   |                    | 100 00000% |            |                 |          |         |  |                          |                       |         |

Total: 13,313.77 100.00000%

