



John F. Schell, Jr.
Manager, Land &
Business Development

700 G Street, ATO 1476
Anchorage, Alaska 99501
Phone (907) 265-6022
Cell (832) 316-2592
Fax (918) 662-3472
john.schell@conocophillips.com

November 20, 2017

Via Certified Mail

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

Rex Rock, Sr., President
Arctic Slope Regional Corporation
1230 Agvik Street
Utqiagvik, AK 99723-0129

Mr. Wayne Svejnoha
Chief, Branch of Energy and Minerals
BLM-Alaska State Office
222 West 7th Avenue #13
Anchorage, AK 99513

RE: Amendment to the Colville River Unit 19th Annual Plan of Development

Dear Ms. Walsh, Mr. Rock, and Mr. Svejnoha:

On May 9, 2017, the State of Alaska, Department of Natural Resources, Division of Oil and Gas (Division), approved the Colville River Unit 19th Annual Plan of Development (CRU 19th POD) for the period May 16, 2017 through May 15, 2018 submitted by the Unit Operator, ConocoPhillips Alaska Inc. (CPAI) on March 16, 2017. Per the approval, the Division identified one exploration well planned for the Colville River Unit (CRU) 5th expansion area, although CPAI described plans to drill two wells within the CRU 5th expansion area in the CRU 19th POD.

After the Division's approval of the CRU 19th POD, CPAI received the Department of Natural Resources Commissioner's decision on reconsideration of CPAI's June 28, 2016 revised application for the 5th Expansion of the CRU (Decision). CPAI agreed to the modifications (detailed in Section IV of the Decision) for the 5th Expansion of the CRU by signing the Decision and returning it to the Commissioner's office on August 11, 2017.

The Decision provided: "The residents of Nuiqsut have an interest in surface activities in the 5th Expansion Area." CPAI has been working with local stakeholders to obtain required permits and plan an environmentally responsible exploration program that minimizes impact to the local community.

November 20, 2017

Page 2 of 2

As such, CPAI submits the attached amendment to the CRU 19th POD in the Unit Plan of Exploration Operations to better describe the exploration work program and responsive actions to concerns of the local community. The existing Unit Plan of Exploration Operations is updated and replaced with the attached amendment.

CPAI requests the attached Unit Plan of Exploration Operations under the heading "Confidential Version" be treated as confidential, and not disclosed outside those in the State of Alaska, Department of Natural Resources, Division of Oil and Gas, that need to know the information. The information provided herein by CPAI, is confidential and proprietary to CPAI and is not subject to disclosure because it contains information or data that is (1) trade secret information as defined in AS 45.50.940(3) and State v. Arctic Slope Regional Corp., 834 P.2d 134 (Alaska 1991); (2) required to be held confidential under AS 38.05.035(a)(8); (3) exempted from disclosure under 5 U.S.C. 552(b)(4) and (b) (9) and/or (4) required to be held confidential pursuant to Article 3.9.7, 3.9.8 and 3.9.9 of the Colville River Unit Agreement, as amended.

Sincerely,

A handwritten signature in blue ink, appearing to read "John F. Schell, Jr.", with a stylized flourish at the end.

John F. Schell, Jr.
Land & Business Development Manager

Cc: Kevin Pike, ADNRR

Anadarko E&P Onshore LLC
Mr. Frank Meyer
Alaska – Land Manager
P.O. Box 1330
Houston, TX 77251-1330

Arctic Slope Regional Corporation
Ms. Teresa Imm
Resource Development Manager
3900 C Street, Suite 801
Anchorage, AK 99503-5963

Nineteenth Annual Status Update to the Unit Plan
COLVILLE RIVER UNIT AGREEMENT
NON-CONFIDENTIAL VERSION
AMENDMENT – NOVEMBER 20, 2017

Unit Plan of Exploration Operations NON-CONFIDENTIAL

Subject to timely receipt of all required permits, CPAI plans to drill the Putu 2 and Putu 2A wells to test two prospects within the CRU 5th Expansion Area. Both wells will be permitted in preparation for the exploration program, although determination to drill and possibly complete the Putu 2A well will be dependent on the results of the Putu 2 well.

The Putu 2 and Putu 2A wells will be drilled from a single ice pad connected by an ice road to the Colville River Unit road system and the Alpine Resupply road. One ice pad will be constructed capable of supporting the weight and space requirements for the rig. The drilling location ice pad will be connected by a 1-mile spur road to the Alpine Resupply ice road, which connects the Colville River Unit (Alpine) to the gravel road access in the Kuparuk Field. All ice roads capable of safely supporting the rig will be built to stringent specifications, as well as, being thirty-five (35) feet wide and at least six (6) inches thick. A pad will also be constructed a mile from the drilling location to support offsite electrical generation for the rig and the camp. This is being done to alleviate emission concerns from village stakeholders.

The Putu 2 and Putu 2A wells will be drilled from a single surface location and will penetrate and evaluate two separate prospects. The surface location is in the flood plain of the Colville River. As such, the wellbore will be plugged and abandoned regardless of outcome.

The Putu 2 well will be drilled first. The goal of this well is to evaluate the reservoir and hydrocarbon potential of the western prospect, provide control for picking core point for the Putu 2A well, if needed, and increase the accuracy of the velocity model for depth prediction. As appropriate, the Putu 2 well will have a full suite of LWD logs including a pressure logging tool and a nuclear magnetic resonance tool, and a potential well test. Pressures will be taken to evaluate reservoir communication between the prospects. The well will be plugged back and abandoned.

Based on results of the Putu 2 well, CPAI will decide whether to drill the Putu 2A vertical sidetrack well utilizing the Putu 2 surfacing casing. The goal of the well will be to evaluate the reservoir and hydrocarbon potential of the eastern prospect. As appropriate the Putu 2A well will have a full data acquisition program, including wireline logging, conventional core, VSP, and a potential well test. The well will be plugged back and abandoned.