



GLACIER

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DIVISION OF
OIL AND GAS

April 18, 2018

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

Re: Submittal of Badami 15th 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, and is excited for the future at Badami.

Sincerely,

Tim Jones
Land Manager

Ecc: Teresa Imm, ASRC Exploration
Ken Diemer, Unit Manager

Badami Unit

15th Plan of Development

Overview

The 15th Plan of Development (“POD”) shall cover the period from July 16, 2018 through July 15, 2019.

By letter dated June 8, 2017 the Division approved the 14th POD submitted by Savant Alaska, LLC, a Glacier Oil and Gas company (“GLA”) as Operator of the Badami Unit. The 14th POD approval was for the period July 16, 2017 through July 15, 2018.

Annual Report

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

The development plans contained in the 14th POD consisted of:

- GLA will use the analysis completed in the 14th 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.

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

- All requirements of the 14th Plan were achieved. GLA is in process of drilling the B1-07 well to the “Starfish” prospect outside the current Badami Sands PA, using the Nabors 27E drilling rig. GLA anticipates completion of the B1-07 well and first production prior to the end of the 14th Plan year.
- GLA completed well and facility maintenance to manage natural field production decline, including replacement of one of its two power generation turbines and maintenance/workover operations on its B1-01 disposal well.

(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 15th 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 15th 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 drilling as geologically appropriate to fully develop the Badami Sands PA and the larger Unit.

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

- GLA intends to bring the B1-07 exploratory well on pilot production sometime prior to the expiration of the 14th Plan year. Pending B1-07 production results, GLA intends to apply for a new Participating Area to encompass production from the Starfish prospect.
- 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 intends to complete the B1-07 well, likely during the current Plan year, and return the Nabors 27E drilling rig to Deadhorse prior to the end of the current 2018 ice road season.
- GLA will analyze results of the B1-07 well and develop future drilling targets. Any additional targets will be based on the results and analysis

of this program and previously completed seismic and geologic data analysis.

- If B1-07 well results are favorable, and if economic conditions warrant, GLA intends to drill up to two additional wells in the Badami Unit during the winter of 2018-2019.
- 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

- A new pad location will likely be necessary in order to fully explore and delineate the Badami Unit. GLA will consider possible new pad locations in conjunction with well planning for new wells to be drilled in other parts of the Unit outside of the current PA.

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 15th POD satisfies the requirements of 11 AAC 83.343, including compliance with the provisions of 11 AAC 83.303.

Leland Tate
Chief Operating Officer

Ecc: Teresa Imm, ASRC Exploration
Ken Diemer, Badami Unit Manager