



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF OIL & GAS

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May 17, 2018

CERTIFIED MAIL  
RETURN SERVICE REQUESTED

Barbara Kruk, Geophysicist/IT  
c/o  
Savant Alaska, LLC  
601 W 5th Ave, Suite 310  
Anchorage, AK 99501

Re: 2018 15th Plan of Development for the Badami Unit – Approved

Dear Ms. Kruk:

Savant Alaska, LLC (Savant), submitted a proposed Badami Unit 15th Plan of Development (2018 POD) to the Department of Natural Resources (DNR), Division of Oil and Gas (Division) on April 18, 2018. The Division previously met with Savant on May 10, 2018 for a presentation of the Cook Inlet PODs. Savant was notified by email on April 25, 2018 that the POD submittal was deemed complete and was under review. This decision approves the 2018 POD.

For the 2017 (14th) POD period, Savant committed to (1) drill one well to the Starfish prospect during the winter 2017–18 season, targeting Badami and Killian sands; and (2) continue well and facility maintenance optimization. Savant recently completed drilling the B1-07 well to the “Starfish” prospect as a Killian Sands well. Savant further completed well and facility maintenance to manage natural field production decline, including replacement of one its two power generation turbines and maintenance-workover operations on its B1-01 disposal well. As of the end of calendar year 2017, 8.06 million stock tank barrels of oil had been produced from the unit.

For the 2018 POD period, Savant commits to:

- Bring the B1-07 exploratory well on pilot production sometime prior to the expiration of the 14th POD period. And, pending B1-07 production results, Savant intends to apply for a new PA to encompass production from the Starfish Prospect<sup>1</sup>;
- Upon analysis of B1-07 results, develop future drilling targets. If results are favorable and economic conditions warrant, Savant intends to drill up to two additional wells in the Badami Unit during the winter 2018–19; and
- Continue well and facility maintenance and optimization.

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<sup>1</sup> Savant’s appeal and request for stay regarding expansion of the Badami Unit remains under consideration by DNR.

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.

The Division is encouraged by the efforts undertaken by Savant as shown through its continued production from Badami, its efforts to enhance production from existing wells, and its exploratory drilling plans. Taken together, Savant’s efforts 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 2018 POD for the period July 16, 2018 through July 15, 2019. Savant will need to submit a proposed 2018 POD to the Division 90 days before the expiration of 2018 POD, which is on or before April 15, 2019. 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](mailto: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 Ken Diemer with the Division at 907-269-8799 or via email at [ken.diemer@alaska.gov](mailto:ken.diemer@alaska.gov).

Sincerely,



Chantal Walsh  
Director