



## Hilcorp Alaska, LLC

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May 22, 2018

Ms. Chantal Walsh, Director  
Alaska Department of Natural Resources  
Division of Oil and Gas  
550 West 7<sup>th</sup> Avenue, Suite 1100  
Anchorage, Alaska 99501

**RE: Hilcorp 2018 Revised Plan of Development  
North Trading Bay Unit**

Ms. Walsh,

Hilcorp Alaska, LLC (“Hilcorp”) would like to submit the enclosed 2018 Revised Plan of Development for the North Trading Bay Unit.

Should you have any questions, please feel free to contact me via email at [mschoetz@hilcorp.com](mailto:mschoetz@hilcorp.com) or by phone at (907) 777-8414.

Sincerely,

Michael W. Schoetz, CPL  
Landman  
Hilcorp Alaska, LLC

cc: Kevin Pike, Division of Oil and Gas (via email)



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Ms. Chantal Walsh, Director  
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Anchorage, AK 99501

### **2018 REVISED PLAN OF DEVELOPMENT FOR THE NORTH TRADING BAY UNIT**

Hilcorp Alaska, LLC (“Hilcorp”), as Operator of the North Trading Bay Unit (“NTBU”), hereby submits this 2018 Revised Plan of Development for the NTBU (“2018 POD”) to the State of Alaska, Department of Natural Resources (“DNR”), pursuant to 11 AAC 83.343.

On April 17, 2017, DNR approved the 2017 Plan of Development and Operations (“2017 POD”) for the NTBU, submitted by Hilcorp. The 2017 POD was approved for the period of June 1, 2017 through May 31, 2018. On July 18, 2017, DNR approved an extension of Hilcorp’s 2017 POD to be effective until June 30, 2018.

#### **I. PERIOD**

This plan will be effective from July 1, 2018 through June 30, 2019. The 2019 POD will be submitted on or before April 1, 2019.

#### **II. 2017 ANNUAL REPORT**

The following is Hilcorp’s annual report of the 2017 POD pursuant to 11 AAC 83.343 (d):

##### **A. 2017 North Trading Bay Unit Development Plans Anticipated:**

- 1. Production Summary:** During the 2017 POD period, Hilcorp anticipated bringing the NTBU back to production subject to successful sidetrack operations on the A-04RD Well.
- 2. Drilling Program:** Hilcorp anticipated sidetracking the A-04RD Well from the Monopod Platform (Trading Bay Unit) to target the Hemlock and Tyonek G-zone Sands.
- 3. Workover Program:** Hilcorp did not anticipate any rig workover operations.
- 4. Surface Facility Operations:** During the 2017 POD period Hilcorp did not anticipate any facility upgrades or repairs to the Spark or Spurr Platforms.

**B. 2017 POD Development Plans Achieved:** The extent to which the requirements of the previously approved plan were achieved is as follows:

1. **Production Summary:** From January 1, 2017 through December 31, 2017 Hilcorp did not realize any oil or gas production.
2. **Drilling Program:** During the 2017 POD period Hilcorp did not execute any grass roots or sidetrack operations.
3. **Workover Program:** During the 2017 POD period Hilcorp did not execute any workover operations.
4. **Surface Facility Operations:** During the 2017 POD period Hilcorp did not perform any anticipated facility repairs or upgrades to the Spark or Spurr Platforms.

**C. 2017 Development Plans Not Achieved:** The following are actual operations that deviated from or did not comply with the previously approved plan:

1. **Drilling Program:** Hilcorp anticipated sidetracking the A-04RD Well from the Monopod Platform (Trading Bay Unit) to target the Hemlock and Tyonek G-zone Sands from ADL 017597. This operation was not executed as it was determined that additional seismic evaluation was required in order to accurately define the drilling target and trajectory.

### **III. 2018 PLAN OF DEVELOPMENT**

The following activities included in this 2018 POD follow the outline provided in 11 AAC 83.343 (a) and incorporate all planned development activities anticipated based on all data reasonably available at this time.

**A. Long-Range Development Activities:** The following are long-range proposed development activities for the NCIU, including plans to delineate all underlying oil or gas reservoirs into production, and maintain and enhance production once established:

1. If successful with the anticipated A-10 Well sidetrack operation during the 2018 POD period Hilcorp will return the NTBU to production.

**B. Exploration/Delineation Plans:** The following are plans for the exploration or delineation of any land in the NTBU not included in the participating area:

1. Hilcorp anticipates delineating the southeast extent of the North Trading Bay Field, targeting the Tyonek G and Hemlock Sands, by sidetracking the A-10 Well. If successful, Hilcorp will apply for unit expansion of the North Trading Bay Unit to include the newly producing acreage.

**C. Proposed Operations:** The following are details of the drilling, sidetrack or workover operations that Hilcorp plans to conduct during the effective period of this POD:

1. **Return to Production:** Hilcorp anticipates that, upon success in its proposed sidetrack operation, the NTBU will be returned to production.
2. **Drilling Program:** Hilcorp anticipates sidetracking the A-10 Well from the Monopod Platform (Trading Bay Unit) targeting the Tyonek G and Hemlock Sands. Hilcorp does not anticipate drilling any grass roots or exploratory wells.
3. **Workover Program:** Hilcorp does not anticipate any workover operations to be performed.

**D. Surface Location of Proposed Facilities:** The following are the surface location of proposed facilities, drill pads, roads, docks, causeways, material sites, base camps, waste disposal sites, water supplies, airstrips and any other facility necessary for unit operations:

1. **Spark Platform:** Hilcorp does not anticipate any facility upgrades or repairs to be performed.
2. **Spurr Platform:** Hilcorp does not anticipate any facility upgrades or repairs to be performed.

Your approval of this proposed POD is respectfully requested. Hilcorp believes that this 2018 POD satisfies the requirements of 11 AAC 83.343 and is in compliance with the provisions of 11 AA 83.303. Should you have questions, please contact the undersigned at 777-8418.

Sincerely,



Michael W. Schoetz, Landman  
Hilcorp Alaska, LLC

cc: Kevin Pike, Division of Oil and Gas (via email)