



510 L Street, Suite 500
Anchorage, AK 99501
T. 907.277.1900
F. 907.277.1920
www.stoel.com

JONATHAN E. IVERSEN
D. 907.263.8420
jon.iversen@stoel.com

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Via Email: ken.diemer@alaska.gov

Ken Diemer
Petroleum Land Manager
Alaska Department of Natural Resources
Division of Oil and Gas
550 W. 7th Ave., Ste 1100
Anchorage, AK 99501

Re: Kitchen Lights Unit - Bi-annual Update

Dear Ken:

Per the December 28, 2017 approval of the Kitchen Lights Unit 5th Plan of Development, Furie Operating Alaska, LLC (Furie) is required to submit bi-annual work commitment updates to the Division. This correspondence constitutes the first bi-annual update for 2018.

During the first few months of the year, Furie worked on planning the KLU #A-1 well completion, including scheduling boats and service companies and submitting the sundry request to the AOGCC for the completion. Furie also worked on planning the KLU #A-4 development well, which is to be drilled from the Julius R offshore platform. Furie also analyzed pursuing a recompletion of the KLU #3 well.

More recently, Furie has worked to resolve remaining details associated with upcoming drilling operations, including engineering and design work, finalizing contracts and schedules with vendors, Spartan 151 rig inspections and repairs, and obtaining/amending the remaining permits necessary to commence drilling operations. In addition, perforations have been added in the Beluga zone of the KLU #3 well.

Furie anticipates that the Spartan 151 will be mobilized to the Julius R offshore platform on or about July 1, 2018 to complete the KLU #A-1 development well. It is anticipated that the A-1 will be completed on or about July 31, 2018.

Once the A-1 well has been completed, the Spartan 151 will commence drilling the KLU #A-4 development well from the Julius R production platform location. The A-4 will target the

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Sterling and Beluga zones. An application for a spacing exception has been submitted to the AOGCC for this well. Furie anticipates that the well will be completed and drilling operations will cease by the end of September.

Best regards,

A handwritten signature in black ink, appearing to be the name 'Jon', written in a cursive style.

Jon