



ELEVENTH PLAN OF DEVELOPMENT

NIKAITCHUQ UNIT

October 1, 2018– September 30, 2019

Eni US Operating Co. Inc., as Operator

Eni Petroleum US LLC 100% Working Interest Owner

TABLE OF CONTENTS

Table of Contents

NIKAITCHUQ UNIT – ELEVENTH PLAN OF DEVELOPMENT	1
HISTORICAL ACTIVITIES.....	1
1. TENTH POD UPDATE (October1, 2017 – September 30, 2018)	2
1.1 FACILITIES.....	2
Ongoing activities at the time of submitting the Tenth POD:	2
1.2 RESERVOIR MANAGEMENT	2
1.3 DRILLING	5
2. ELEVENTH POD PROPOSED OPERATIONS (October 1, 2018 – September 30, 2019)	7
2.1 FACILITIES.....	7
2.2 RESERVOIR MANAGEMENT	7
2.3 DRILLING	8
2.4 DRILLING SCHEDULE UPDATE	8

NIKAITCHUQ UNIT – ELEVENTH PLAN OF DEVELOPMENT

The Eleventh Plan of Development (POD) for the Nikaitchuq Unit is submitted by Eni US Operating Co. Inc. (Eni), as Operator, on behalf of its affiliate Eni Petroleum US LLC, the owner of 100% of the working interest in the Nikaitchuq Unit, to the Department of Natural Resources Division of Oil and Gas as required by Article 8 of the Nikaitchuq Unit Agreement and 11 AAC 83.343.

HISTORICAL ACTIVITIES

The Nikaitchuq Unit is comprised of 11 state leases for a total of approximately 21,200 acres. Cumulative oil production from the Nikaitchuq Unit totals approximately over 45 million barrels through April 2018. The leases are unitized and developed jointly under the terms of the Nikaitchuq Unit Agreement, between Eni and the State of Alaska.

For the 2013-2014 periods, a multilateral campaign of well producers was executed from the Oliktok Point Pad (OPP) location. In 2014, the west area development extension was sanctioned, which added 2 producer and 2 injector wells to the existing drilling plan from Spy Island Drillsite (SID) pad. In May 2015, drilling activities were suspended upon senior management direction from Eni's Milan Head Quarters due to the oil and gas economic downturn.

1. TENTH POD UPDATE (October1, 2017 – September 30, 2018)

The drilling activities during the Tenth POD were focused on maintaining the existing producing wells through workover activities. There have been no new wells added to the existing drilling inventory list since drilling activities were suspended in May 2015. Drilling activity from Eni's Spy Island Drillsite (SID) is focused on the ongoing drilling activity of the NN-01 extended reach Exploratory well reaching into the Harrison Bay Block 6423 Unit.

1.1 FACILITIES

Ongoing activities at the time of submitting the Tenth POD:

- Engineering and design work for a permanent chiller system to re-freeze permafrost under onshore well bays.
- Planned and conducted a 96-hour facility shut-down scheduled in mid-June 2017 for critical maintenance items.
- Ongoing and routine Production and Operations maintenance and optimization.

1.2 RESERVOIR MANAGEMENT

Subsurface development of the Nikaitchuq Unit is ongoing with dedicated development wells within the Nikaitchuq Unit for both the approved Schrader Bluff Participating Area (SBPA) and outside the SBPA.

The Nikaitchuq development is based on the exploitation of the OA reservoirs. The development through May 2018 can be summarized in Table 1 as follows:

		Reauthorization II (2009)			Western Extension (2014)		East Extension (2015)		Activity up to date (May, 2018)			Dual Lateral Paths	
		OPP	SID	Total	OPP	SID	OPP	SID	OPP	SID	Total	OPP	SID
Well Type	Injector	8/8	11/12	19/20		2/2		0/1	8/8	13/15	21/23		
	Producer	11/11	15/15	26/26		2/2		1/2	11/11	18/19	29/30	8/8	9/19
	Disposal	1/1	1/1	2/2					1/1	1/1	2/2		
	Water Source	3/3	0	3/3					3/3	0	3/3		
Total		23/23	27/28	51/51		4/4		1/3	23/23	32/35	55/58	8/8	9/19

Table 1. Nikaitchuq Field Well count development summary through May 2018

The Map below (Figure 1) provides an overview of the development activity up to May 2018 and future planning.

The OA reservoir development will resume drilling with the addition of one producer well (SP03-FN9), two injector wells (SI02-SE5, SI06-FN8) and eight dual lateral producer wells (SP33-W3L1, SP30-W1L1, SP16-FN3L1, SP27-N1L1, SP23-N3L1, SP10-FN5L1, SP18-N5L1 & SP05-FN7L1) (See drilling schedule, Table 2).

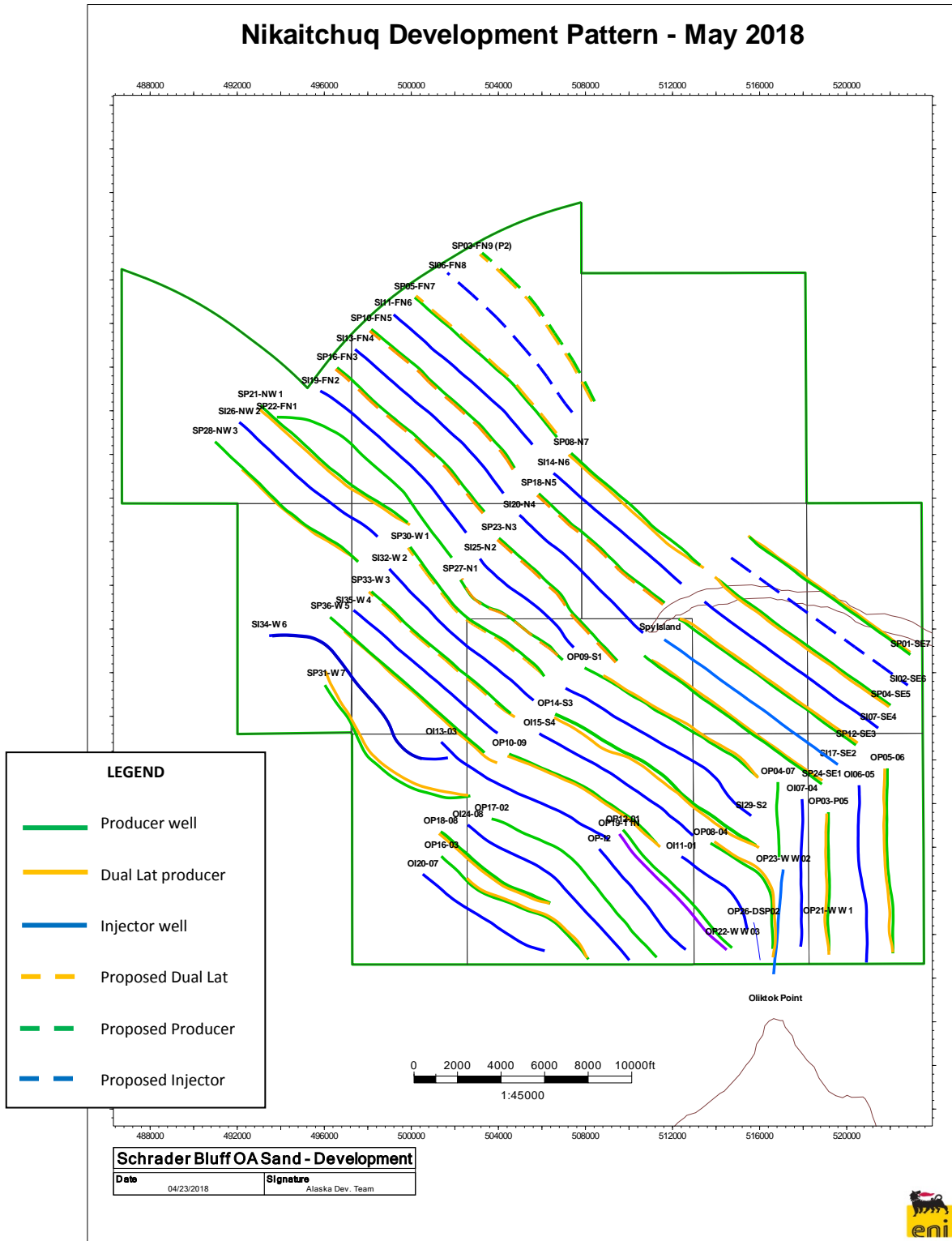


Figure 1. Proposed Nikaichuq Unit development activity though May 2018

Average daily oil production for the year 2017 was 20,797 bopd. Figure 2 (below) summarizes the water injection and oil production rates since the beginning of the project.

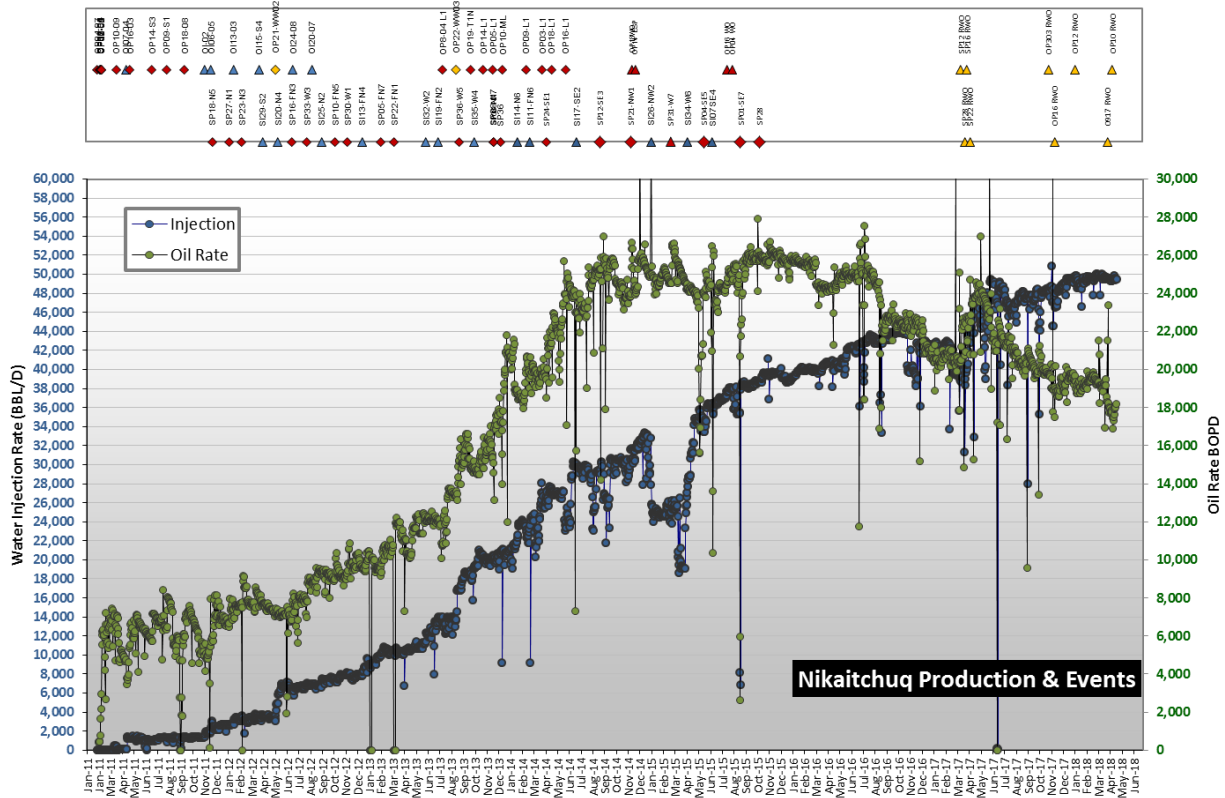


Figure 2. Summary of Historical Production for Nikaitchuq Field through April 2018

1.3 DRILLING

In October of 2012, the planned OA reservoir drilling from OPP was completed. In November 2012, continuous drilling began on SID and will continue with the Doyon Rig 15, when development drilling resumes. A sidetrack campaign was started in 2013 and continued into 2014 adding a second lateral to selected OPP producers. As part of the 2014 summer drilling program at OPP an N-Sand evaluation well was drilled. This is the first well drilled by Eni for the sole purpose of evaluating future N-Sand development.

A recap of wells drilled from startup through December 2015 is depicted in Figure 3 (below). In addition to the wells drilled, Eni Well Operations group conducted multiple well workovers from both OPP and SID locations.

		Activity Planned Through (December 2016)		
		OPP	SID	Total
Well Type	Injector	8	13	21
	Producer	11	18	29
	Disposal	1	1	2
	Water Source	3	0	3
Total		23	32	55
<hr/>				
Dual Lateral Well Paths		8	9	17

Figure 3. Nikaitchuq Wells drilled through December 2016

In the first quarter of 2013, Eni's Well Operations team drilled and completed the first multilateral well consisting of a slotted liner main bore with multiple open hole drainage legs (laterals) exiting from it. These open hole laterals have no mechanical support or hydraulic isolation and depend on natural borehole stability. This SP22-FN1 well was successfully drilled to 22,923 ft. MD at 3,408 ft. TVD. The interval from 12,122 to TD was drilled with an 8 ¾" rotary steerable BHA assembly and completed with a 5 ½" liner which was set at 21,929 ft. MD. The total length of the 5 ½" liner was 9,996 ft. A four (4) sidetrack multilateral totaling 16,467 ft. was successfully drilled in one (1) run with an average ROP of 157 ft. /hr. The lateral lengths ranged between 1,600 and 2,000 ft. each.

In mid-2013 a side-track campaign was started to add an additional lateral drainage to selected wells from the OPP location. A total of eight (8) laterals were added to OPP in the OA sand and completed with slotted liners. These laterals were placed with alternating undulations through the OA1 and OA3 sand layers as compared to the original laterals.

In Q3 2013, a second lateral was drilled on all producer wells on SID from that point forward. There have been a total of five (5) producers now drilled as dual laterals at the SID location. A schematic is included below (Figure 4) as an example of the SID dual lateral wells.

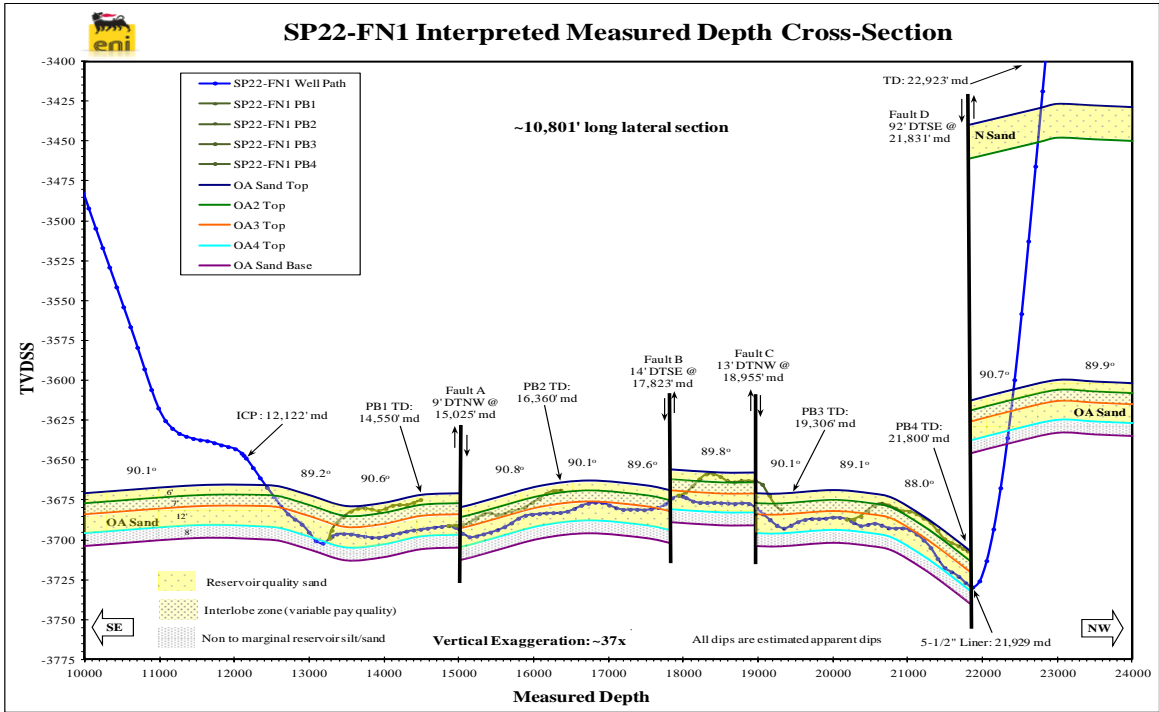
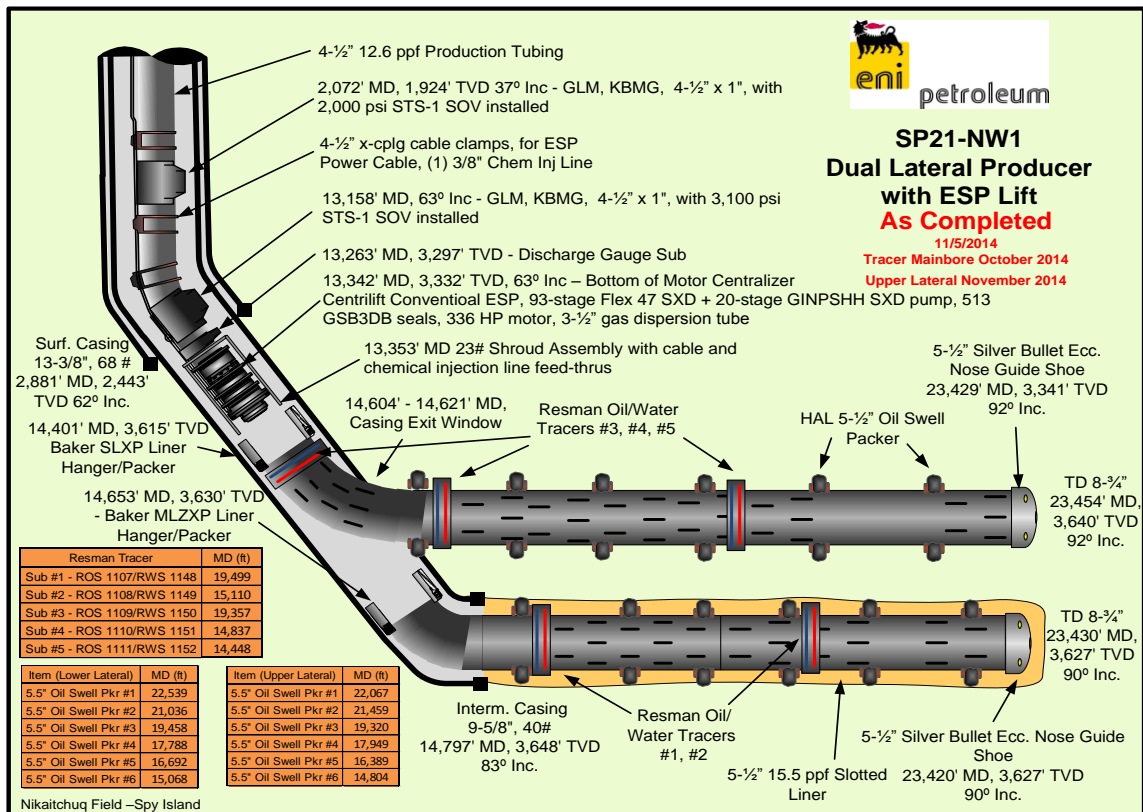


Figure 4. SID Dual Lateral well Schematic.



In 2014, the OPP producer sidetracks campaign completed in May with the last four laterals being drilled in Q1 and Q2. Multiple rig workovers were also performed at the OPP location, mainly consisting of ESP change outs. The development drilling continued at the SID location with dual lateral producers and single lateral injectors. During Q3 the West Extension Project started on SID and one dual lateral producer and one single lateral injector were completed by the end of the year. Three rig work overs for ESP change outs were performed on SID as well as a rig work over on the Class I disposal well in 2014.

In 2015, the West Extension Project was completed with one more dual lateral producer and one more single lateral injector. The development drilling continued at SID with two dual lateral producers and one single lateral injector. During Q3 the East Extension Project started with the completion of one dual lateral producer. In Q4 drilling operations stopped at SID and the Doyon Rig 15 was put in cold stack.

Rig activity from the end of 2015 until now was comprised of workovers for production maintenance. A rig modification for Doyon was initiated in Q2 2017 to prepare for an exploration well started in January 2018 and is currently ongoing.

2. ELEVENTH POD PROPOSED OPERATIONS (October 1, 2018 – September 30, 2019)

2.1 FACILITIES

During the period of the Eleventh POD, Eni will perform regular maintenance and general mechanical inspection of piping integrity and other safety systems. Eni has no planned upgrades at OPP or SID. Beginning in July 2017, and lasting 120 days, Eni began an inspection of the Process Operating Facilities' Train 1 process vessels. Primary vessels will be inspected and if any repair work is identified it will be completed. Eni plans to take a 36 to 72 hour shut down in August 2018 for routine maintenance. We are now planning the shutdown for a September time frame or possibly a 2019 time frame.

Eni plans to upgrade its sub-sea bundle pipeline later this summer. The upgrade will be done by a push-pull methodology by installing a 10-inch pipe sleeve within the existing 14-inch produced fluids line. Installation is scheduled to begin later this summer after the necessary permits (ADNR and DMLW) if needed, are secured. During installation, the flowline (and SID wells) will be temporarily shut in for approximately 30 days. After permits are secured and the 10-inch pipe has arrived at OPP, installation will commence.

2.2 RESERVOIR MANAGEMENT

Reservoir monitoring activities have been taking place on the existing drilled wells to maximize the efficiency of water flooding through the entire field as well as to identify the possible ESP upgrades. As previously mentioned, drilling activities will resume upon completion of the NN-01 exploratory well being drill from SID. The objective is to achieve the development pattern proposed in Figure 1.

2.3 DRILLING

Eni currently has no plans for development drilling at the OPP during the period of the Eleventh POD. Exploration drilling is currently ongoing from SID which began in Q1 2018. Depending on the results and scope of the exploration work, Nikaitchuq development drilling may continue afterward during the latter part of 2018. During this time, ESP workovers will be performed on an “as needed” basis and as the rig schedules allow.

Oliktok Point Drilling

The Nabors 245 rig was released from Oliktok Point in early 2017. A newly constructed Nordic Calista Rig 4 arrived in the fall of 2017. This rig is being used for workover activity on OPP and eventually on SID after drilling is completed in the future.

Spy Island Drilling

As part of the plan going forward, the drilling work was suspended in Q4 2015. Eni commenced exploration drilling in Q1 2018 at SID using Doyon Rig 15. Major modifications were made to the Doyon 15 rig during 2017 to support the exploration drilling (Nikaitchuq North Exploration Project). Pending the results and scope of exploration work, the remaining development drilling work could begin in the latter part of 2018 as seen per the schedule in Table 2.

At this time, the remaining Nikaitchuq development drilling consists of converting eight (8) existing SID single lateral production wells to multilaterals and also three (3) new wells. It is anticipated that this drilling campaign could begin later in 2018.

Drilling activities for the Nikaitchuq North exploration well are ongoing and this operation and results will be the driving factor to determine the drilling activity schedule for the remainder of 2018 and early 2019. Seasonal restrictions for this activity may also prove to affect the activity moving forward.

2.4 DRILLING SCHEDULE UPDATE

Shown below is the tentative schedule planned for the 2018 and 2019 scope of work pending the exploration activity.

- Remaining Nikaitchuq development to begin Q3 2018 on SID
- Nordic Calista Rig 4 is scheduled for workovers in 2Q 2018 (OP17, OP22, OP05) and it will resume workover activities late 1Q 2019.

- No new drilling activities are currently planned from OPP
- Rig workovers will continue as needed on both SID and OPP

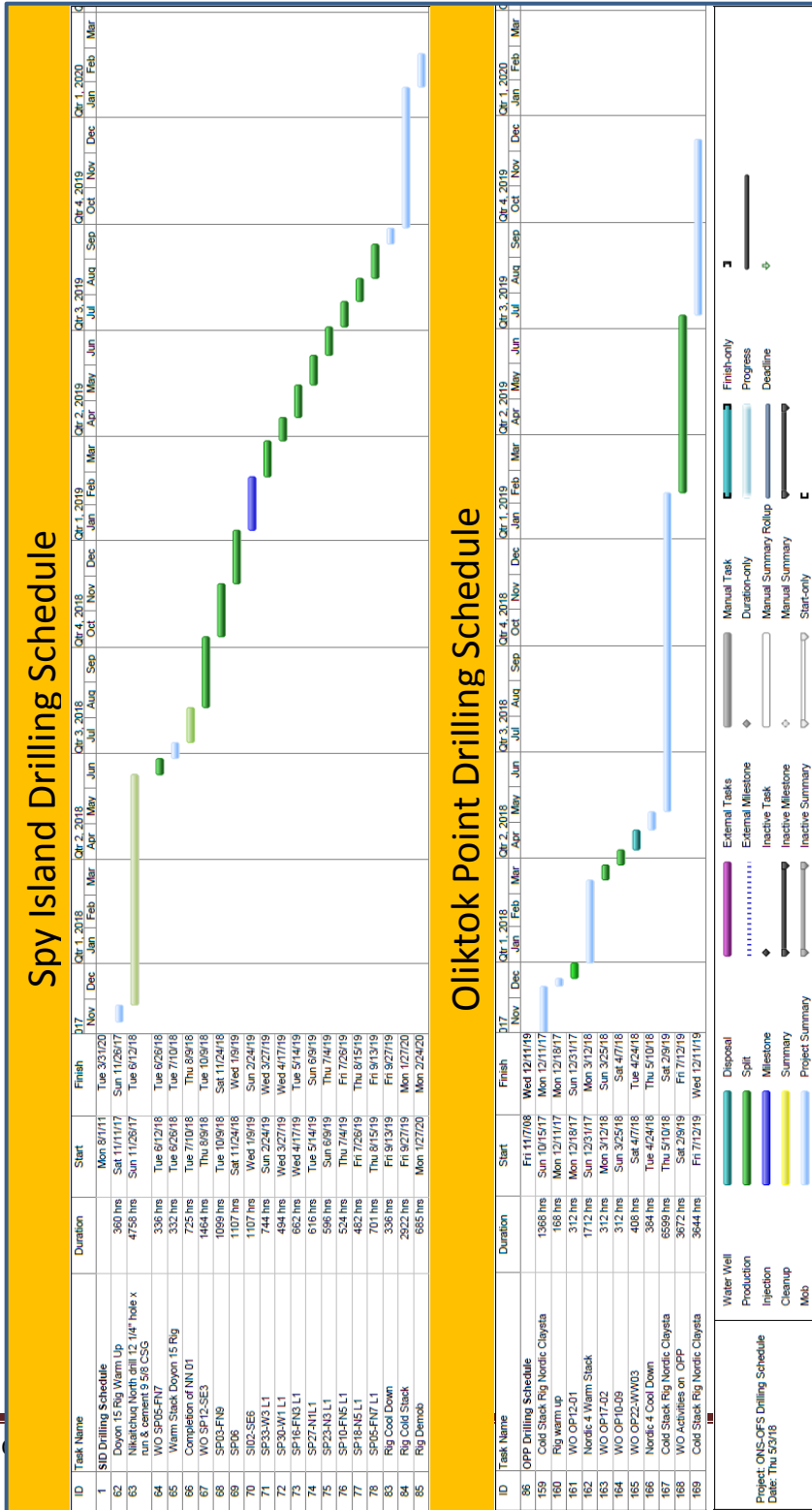


Table 2. Nikaitechuk Field – Drilling schedule 2018-2019

3. PLAN OF EXPLORATION FOR LANDS NOT WITHIN A PARTICIPATING AREA

Eni is currently drilling from SID the Nikaitchuq North Exploration well (NN01) in to the Harrison Bay Block 6423 Unit, located in federal waters north of the Nikaitchuq Unit boundary. Eni anticipates reaching the target location sometime in August, 2018. More information will become available after completion of the well.