



eni us operating

eni us operating co. inc.
3800 Centerpoint Dr., Suite 300
Anchorage, AK 99503
Tel. 907-865-3300 Fax 907-865-3380

March 7, 2017

Mr. Nate Emery
Natural Resource Specialist
Alaska Department of Natural Resources
Division of Oil and Gas
550 West 7th Avenue, Suite 800
Anchorage, AK 99501

RE: Request for Unit Plan of Operations Amendment
Nikaitchuq North Project
Lease Operations North Slope 05-007

Dear Mr. Emery,

Eni US Operating Co. Inc. (Eni) is proposing a project called Nikaitchuq North to drill up to two exploratory wells from the surface of Spy Island Drillsite, extending into federal leases located in the Outer Continental Shelf (OCS) of Alaska. Because the exploration activities are not described in the original Plan of Operations or the approved Plan of Development, Eni is seeking an amendment to the ADNRR DOG Unit Plan of Operations.

In support of this request, the following is attached:

- Unit Plan of Operations Amendment Application
- Project figures for reference
- A project description

If you have any questions or need additional information, please contact Whitney Grande, 907-865-3300 or whitney.grande@enipetroleum.com.

Sincerely,

Whitney Grande
ON
behalf of

Whitney Grande
Eni SEQ Director and Alaska Representative



UNIT PLAN OF OPERATIONS AMENDMENT APPLICATION

State of Alaska
Department of Natural Resources, Division of Oil & Gas
550 W. 7th Ave, Suite 1100, Anchorage, AK 99501-3563
Phone: 907-269-8800 Fax: 907-269-8943
Permitting Email: dog.permitting@alaska.gov



SECTION I: APPLICANT INFORMATION

1. Applicant:	2. Applicant Contact:
Name: Eni US Operating Co.Inc.	First Name: Whitney Last Name: Grande
Mailing Address: 3800 Centerpoint Dr. Suite 300	Title: Eni SEQ Director and Alaska Representative
City: Anchorage	Mailing Address: 3800 Centerpoint Dr. Suite 300
State: AK Zip Code: 99503	City: Anchorage
Phone: 907-865-3300 Fax: 907-865-3384	State: AK Zip Code: 99503
Email: N/A	Phone: 907-865-3300 Fax: 907-865-3384
	Email: whitney.grande@enipetroleum.com

3. Unit Name Nikaitchuq Unit (current operations)

4. Unit Operator Contact:

First Name: Whitney Last Name: Grande Title: Mr.
Mailing Address: 3800 Centerpoint Dr.Suite 300
City: Anchorage State: AK Zip Code: 99503
Phone: 907-865-3300 Fax: 907-865-3384 Email: whitney.grande@enipetroleum.com

Describe the relationship between the Unit Operator and the Applicant:

Eni SEQ Director and Alaska Representative

SECTION II: 3RD PARTY INFORMATION

(Fill out this section only if you are applying for the Applicant)

3rd Party Company Name: N/A
First Name: Enter First Name. Last Name: Enter Last Name.
Title: Enter Title.
Mailing Address: Enter Mailing Address.
City: Enter City.
State: Enter State. Zip Code: Enter Zip Code.
Phone: Enter Phone. Fax: Enter Fax.
Email: Enter Email.

Describe the affiliation to the Applicant:

Describe your affiliation to the Applicant.

SECTION III: APPLICATION DATE AND NUMBER

Application Date (Office Use Only):

Application Number: LO/NS 005-007

SECTION IV: PROJECT INFORMATION

1. Project Name:	Nikaitchuq North Project
2. Proposed Start Date:	12/1/2017
3. Project Description:	
Is activity discussed in the approved Plan of Development on file with the Division's Units Section? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Describe what and where:

Eni is planning to perform exploration drilling of two wells (NN01 and NN02) from State of Alaska land-Spy Island Drillsite (SID), into federal OCS leases located in the approved Harrison Bay Block 6423 Unit. Eni has named this activity the Nikaitchuq North Project. The proposed actions of the Nikaitchuq North Project are not described in the current approved Plan of Development dated July 2016 or the Plan of Operations dated November 13, 2007. Exploration drilling will take place on SID from the existing well row. Two strings of conductor pipe and wellhouses will be required for the Nikaitchuq North exploration wells. The drilling program will include drilling two S-shape wells into the targeted reservoir and logging. NN01 is planned to reach a final total depth in OCS-Y-1757 Block 6423 and NN02 in OCS-Y-1754 Block 6374. These wells are expected to be approximately 34,000 feet measured depth and approximately 8,000 feet true vertical depth. Depending on well log results, a bypass to core is planned for each well. NN01-BP01 and NN02-BP02 would reach total depth in OCS-Y-1757 Block 6423 and OCS-Y- 1754 Block 6374 respectively. Contingent upon results of the well logs and core data, a sidetrack to a 1000' horizontal section is planned to be drilled approximately 6 months later to perform a production test on either one or both wells. NN01-ST01 is planned to reach a final total depth in OCS-Y- 1757 Block 6423; and NN02-ST01 in OCS-Y-1753 Block 6373. Eni will plugback both these sidetracks while they evaluate the data. The production test will include flowback to SID through surface test equipment.

SECTION V: LAND STATUS**1. State Mineral Estate:**

Are supplemental pages for land status included in Appendix C?

☒ Yes☐ No

Affected ADL: ADL 391283

Date Effective: 8/1/2005

Date Assigned: Enter Date.

Oil And Gas Lessee(s): Eni US Operating Co. Inc.

Surface Ownership: State of Alaska

Do you have, or anticipate having an Access Agreement: ☒ Yes☐ No

Special Use Lands: According to 11 AAC 96.014, the surface land is not a special use land of the Umiat Meridian because it consists primarily of gravel and the area does not support motorized vehicles other than those already used for normal operations.

Jointly Managed Lands: SID is within the North Slope Borough (NSB). Permanent infrastructure and certain activities are permitted through the NSB Planning and Community Services Department. Land, activities and infrastructure on SID are managed by the State of Alaska.

Other Considerations: No other land considerations.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Existing SID wellbores and infrastructure. Nikaitchuq North wellbores NN01 and NN02 will originate and pass through ADL 391283	MTRS centered on SID: U014N009E19	NAD 83 AK State Plane 4, centered on SID: 70 degrees 33' 26" N, 149 degrees 54' 34" W
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

2. State of Alaska Surface Lands:

Are supplemental pages for land status included in Appendix C?

☐ Yes☐ No

Oil And Gas Mineral Estate Owner: Click here to enter text.

Access Authorization(s): Click here to enter text.

Special Use Lands: Click here to enter text.

Jointly Managed Lands: Click here to enter text.

Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

3. Private Lands:

Are supplemental pages for land status included in Appendix C?

☐ Yes☒ No

Oil And Gas Mineral Estate Owner: Department of the Interior

Surface Ownership And Access Agreement(s): N/A-OCS

Special Use Lands: N/A-OCS

Jointly Managed Lands: N/A-OCS

Other Considerations: No other land considerations

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Up to two exploration wellbores (NN01 and NN02) starting from SID (State of Alaska land). Wellbores and sidetracks will end in federal OCS leases. The leases are: OCS-Y-1757 Block 6423 (NN01 main boring and sidetrack) OCS-Y-1754 Block 6374 (NN02 main boring). Depending on initial results, a possible sidetrack may go into OCS-Y-1753 Block 6373 (NN02 sidetrack).	N/A: OCS	Described in NAD 83 AK State Plane 4 (locations approximate): NN01 (main boring and sidetrack location): 70 degrees 37' 31.3"N, 150 degrees 2' 4.6"W NN02 (main boring): 70 degrees 38' 31.2"N, 150 degrees 0' 29.5"W NN02 (side track from main boring): 70 degrees 38' 38"N, 150 degrees 0' 52.7"W
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

SECTION VI: SEQUENCE AND SCHEDULE OF OPERATIONS

Project Milestone #	Project Milestone	Proposed Start Date	Proposed End Date
1.	Spudding 1 st Nikaitchuq North exploration well (called NN01)	12/1/2017	3/1/2018
2.	Possibly seek SOO to drill sidetrack from the vertical of NN01	Summer 2018	Summer 2018
3.	Possible sidetrack drilling activity from the vertical of NN01	Winter 2018-2019	Winter 2018-2019
4.	Possible second exploration well drilled, vertical only (called NN02)	Summer 2018	Summer 2018
5.	Possible sidetrack drilling activity from the vertical of NN02	Winter 2018-2019	Winter 2018-2019
6.	Enter Milestone.	Enter Date.	Enter Date.
7.	Enter Milestone.	Enter Date.	Enter Date.
8.	Enter Milestone.	Enter Date.	Enter Date.
9.	Enter Milestone.	Enter Date.	Enter Date.
10.	Enter Milestone.	Enter Date.	Enter Date.

SECTION VII: PROJECTED USE REQUIREMENTS

1. Describe the proposed operations, including the location and design, of **Well Sites**:

Up to two exploration wellbores installed from the surface of State of Alaska land, Spy Island Drillsite (SID). SID is an existing man-made gravel island, built in State of Alaska waters. Project wellbores will be placed at the end of an existing row of production and injection wells. New well containment structures will be constructed.

2. Describe the proposed operations, including the location and design, of **Buildings**:

Buildings and existing infrasture will be used for the proposed project. Well containment structures will be placed on proposed wells.

3. Describe the proposed operations, including the location and design, of **Fuel and Hazardous Substances**:

Fuel and hazardous substances will be stored and contained in existing structures utilized in present day operations. A list of tanks and storage vessels can be found in the ADEC approved Oil Discharge Prevention and Contingency Plan 16-CP-5116. Fuel and hazardous substances will be handled and disposed of according to Eni approved plans such as the Eni Hazardous Material Management Plan, Eni Fluid Transfer Procedure, Eni Waste Management Plan and the North Slope Environmental Handbook.

4. Describe the proposed operations, including the location and design, of **Solid Waste Sites**:

During the proposed project, solid waste storage and containment will be managed the same way as current operations. Solid waste is transported off SID and disposed of properly through permitted sources and Eni procedures.


5. Describe the proposed operations, including the location and design, of Water Supplies:				
Water used for the proposed project will be retrieved the same way it is in current operations: it is pumped from two permitted on-site shallow salt water wells, processed through a Reverse Osmosis (RO) plant and used on site. Waste water is not discharged, it is injected into the on-site permitted disposal well.				
6. Describe the proposed operations, including the location and design, of Utilities:				
Utilities used during the proposed project will be the same utilities used in current, normal operations.				
7. Describe the proposed operations, including the location and design, of Material Sites:				
Material sites (such as gravel mine sites) will not be used for the proposed project work.				
8. Describe the proposed operations, including the location and design, of Roads:				
Ice roads may be constructed during the winter seasons of the proposed project. No other gravel roads will be constructed as a result of the proposed project.				
9. Describe the proposed operations, including the location and design, of Airstrips:				
No airstrips will be constructed as a result of the proposed project.				
10. Describe the proposed operations, including the location and design, of All Other Facilities and Equipment:				
In general, no improvements will be required for on-island facilities. The drill rig with extended reach drilling (ERD) ability for will be required for the Nikaitchuq North Exploration Project. Doyon Rig No. 15, or similar will be used. An additional generator, upgraded piping, temporary flare and a shaker may be installed. The blow out preventer (BOP) may be changed out to adjust for the new casing size. New well containment structures will be constructed.				
11. If another permit(s) is required for the above described Projected Use Requirements, provide the following information:				
Agency	Permit Type	Permit Number	Application Status	Projected Use Requirement(s)
NSB	Administrative Approval	TBD	To be submitted March 2017	Typical stipulations for additional infrastructure.
SECTION VIII: REHABILITATION PLAN				
1. Proposed Level of Infrastructure, Facilities and Equipment Removal:				
Removal upon abandonment of the field.				
2. Description of Restoration and Rehabilitation Activities for Vegetation, Habitat, Impacted Wildlife, and Other Applicable Resources:				
N/A. Impacts are not anticipated.				
SECTION IX: OPERATING PROCEDURES DESIGNED TO MINIMIZE ADVERSE EFFECTS				
Describe operating procedures designed to prevent or minimize adverse effects on other natural resources and other uses of the Unit area and adjacent areas including:				
Fish and Wildlife Habitats:	The Eni Wildlife Management Plan and Eni Polar Bear Management Plan will be followed as they are in present day operations.			
Historic and Archeological Sites:	Prior authorizations have determined a non-issue.			
Public Use Areas:	No public use areas are present at SID.			
Other Uses:	N/A			
SECTION X: GLOSSARY OF TERMS				

Term #	Term	Term Definition
1.	Enter Term.	Enter Term Definition.
2.	Enter Term.	Enter Term Definition.
3.	Enter Term.	Enter Term Definition.
4.	Enter Term.	Enter Term Definition.
5.	Enter Term.	Enter Term Definition.

SECTION XI: CONFIDENTIALITY

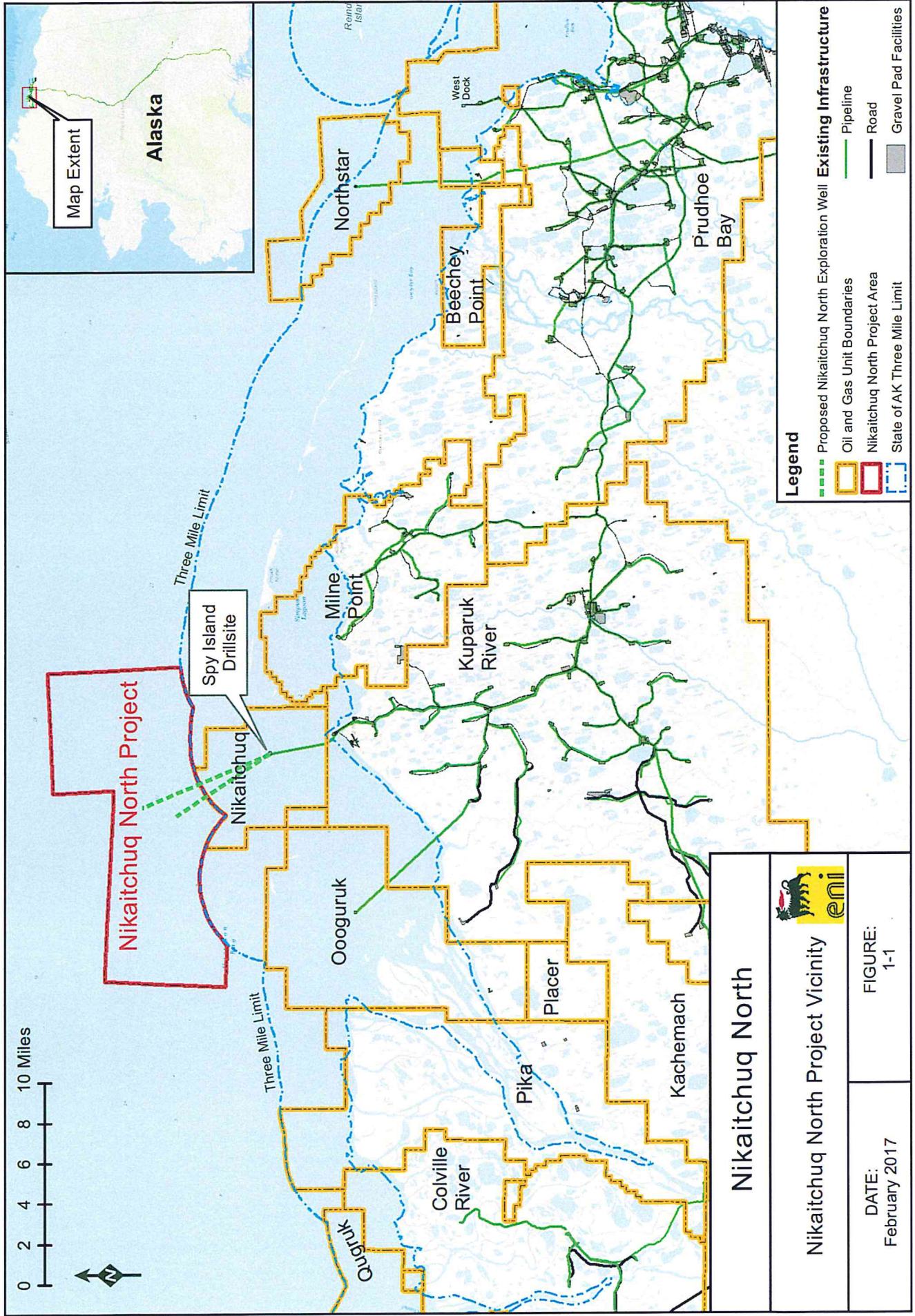
The undersigned hereby requests that each page/section of this application marked confidential be held confidential under AS 38.05.035(a)(8).

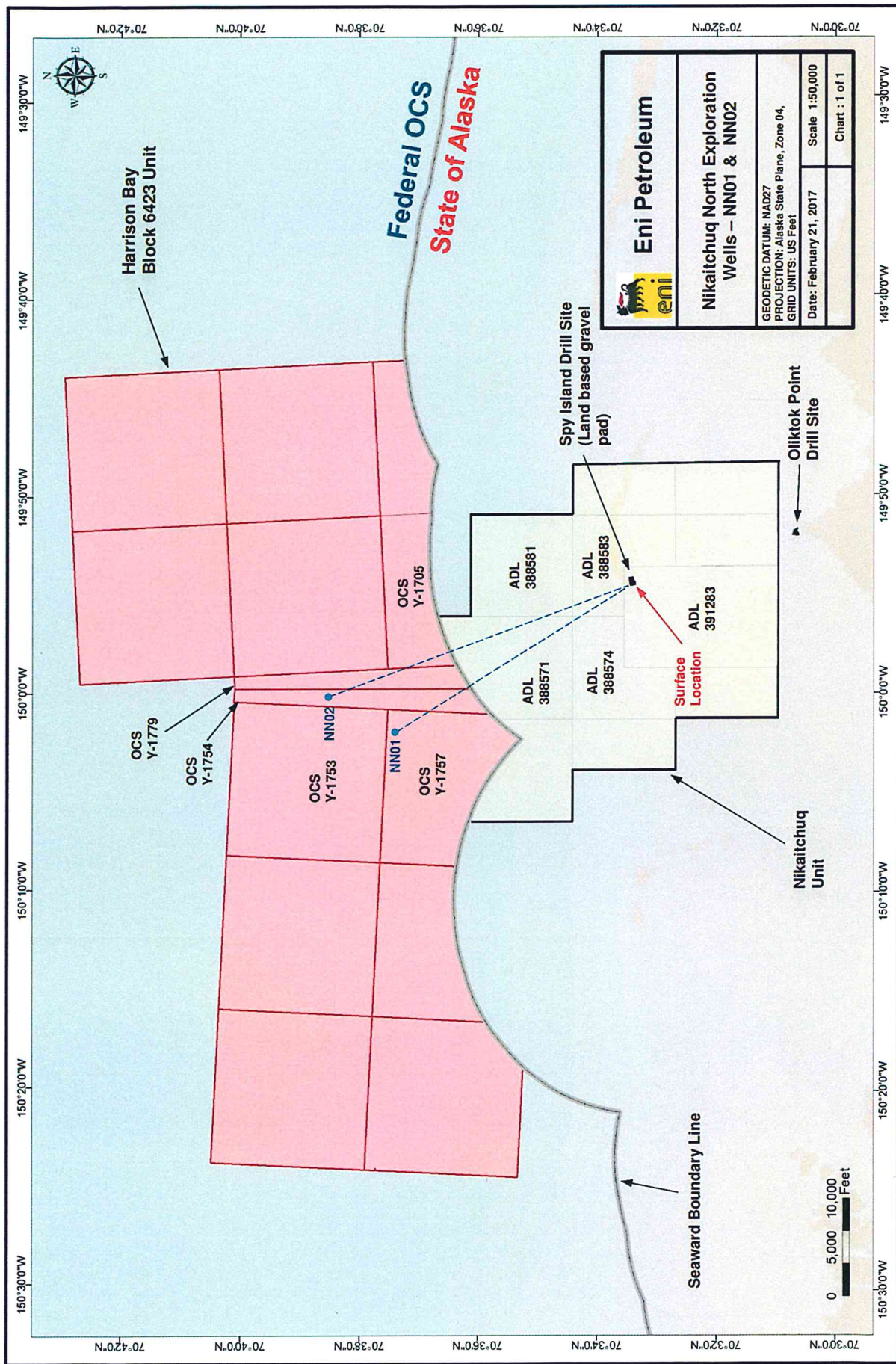
APPLICANT CONTACT:

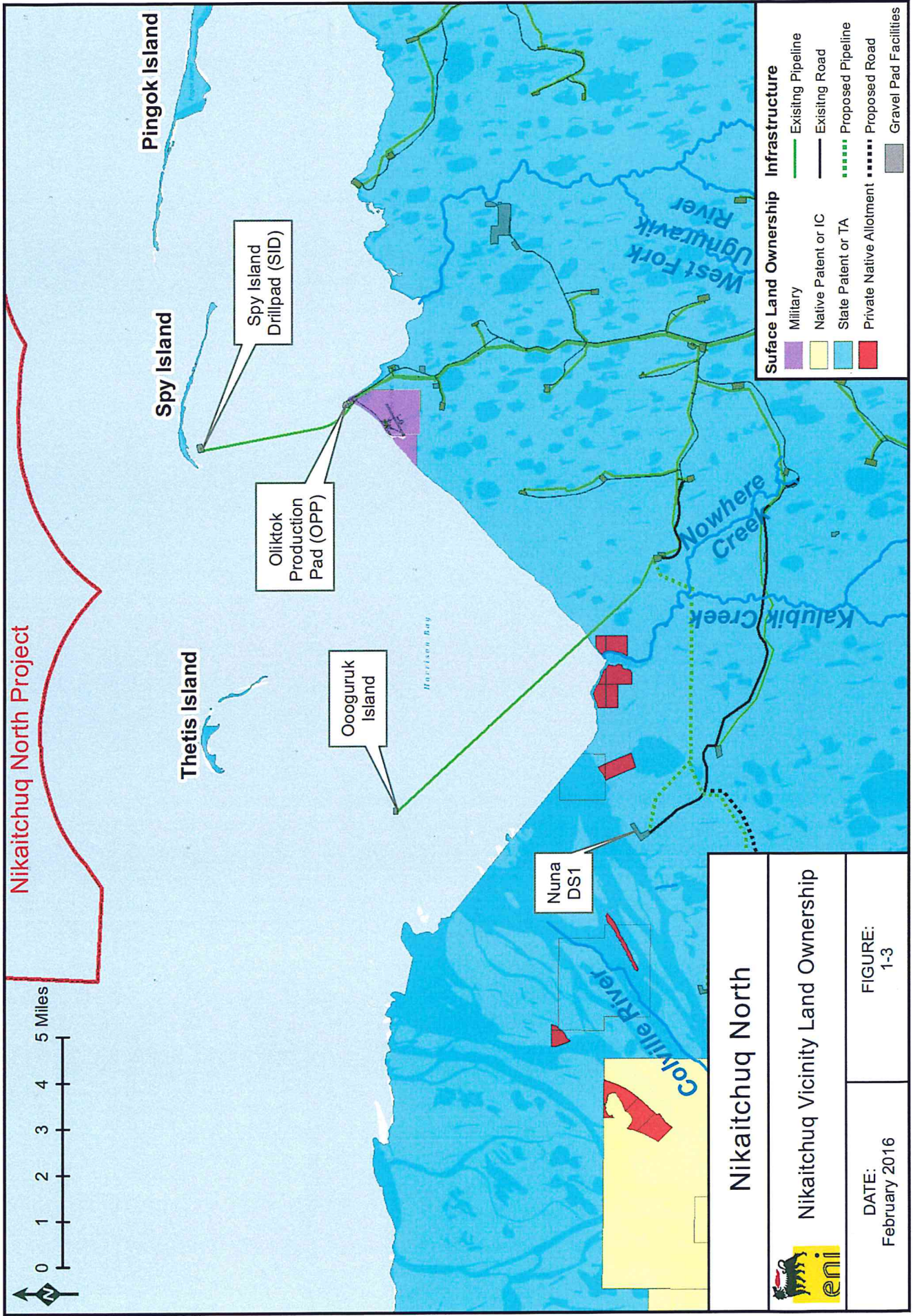
Sign here.		<i>Whitney Grande on behalf of</i>		
		Whitney Grande	Eni SEQ Director and AK Representative	3/7/2017
Signature		Name	Title	Date

APPENDIX A: MAPS

Include maps here.







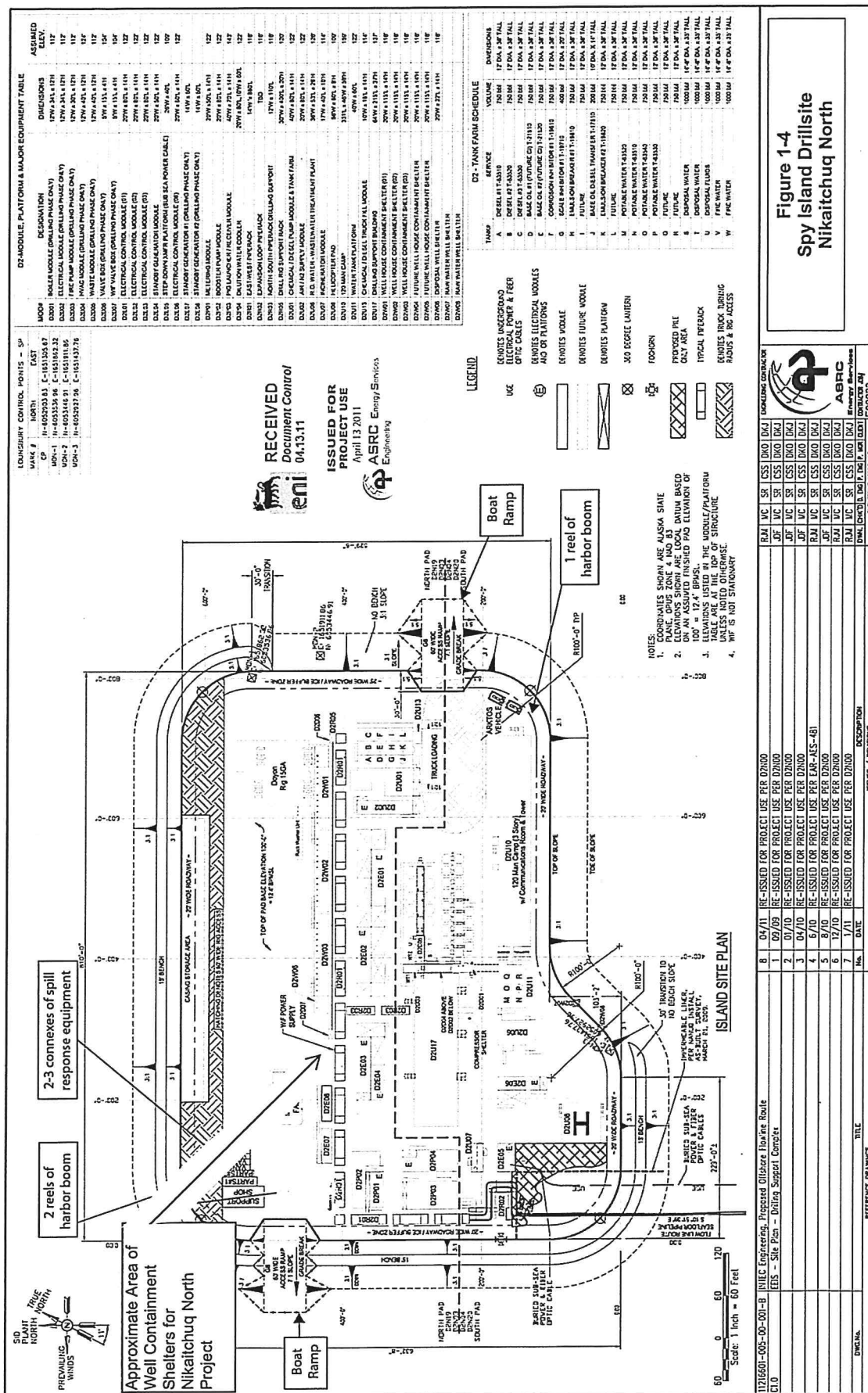
Nikaitchuk North



Nikaitchuk Vicinity Land Ownership

DATE:
February 2016

FIGURE:
1-3



APPENDIX B: MITIGATION MEASURES

Include mitigation measures here.

APPENDIX C: OTHER

Insert other information here.

LAND STATUS: SUPPLEMENTAL SECTION**1. State Mineral Estate:**

Affected ADL: ADL388583 Date Effective: 8/1/2005 Date Assigned: N/A

Oil And Gas Lessee(s): Eni US Operating Co. Inc.

Surface Ownership: State of Alaska

Do you have, or anticipate having an Access Agreement: ☒ Yes ☐ No

Special Use Lands: According to 11 AAC 96.014, ADL 388583 is not a special use land.

Jointly Managed Lands: Permanent infrastructure and certain activities are permitted through the NSB Planning and Community Services Department. Land, activities and infrastructure are managed by the State of Alaska.

Other Considerations: No other land considerations.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Nikaichuq North exploration wellbores NN01 and NN02 will pass through ADL 388583	Wellbores NN01 and NN02 will pass through MTRS: U014N009E18	ADL 388583 will have no surface components, therefore N/A
Click here to enter text.	Click here to enter text.	Click here to enter text.
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Affected ADL: ADL388574 Date Effective: 8/1/2005 Date Assigned: N/A

Oil And Gas Lessee(s): Eni US Operating Co. Inc.

Surface Ownership: State of Alaska

Do you have, or anticipate having an Access Agreement: ☒ Yes ☐ No

Special Use Lands: According to 11 AAC 96.014, ADL 388574 is not a special use land.

Jointly Managed Lands: Permanent infrastructure and certain activities are permitted through the NSB Planning and Community Services Department. Land, activities and infrastructure are managed by the State of Alaska.

Other Considerations: No other land considerations

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Nikaichuq North exploration wellbore NN01 will pass through ADL 388574	Wellbore NN01 will pass through MTRS: U014N008E13	ADL 388574 will have no surface components, therefore N/A
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Click here to enter text.	Click here to enter text.	Click here to enter text.

Affected ADL: ADL 388581 Date Effective: 8/1/2005 Date Assigned: N/A

Oil And Gas Lessee(s): Eni US Operating Co. Inc.

Surface Ownership: State of Alaska

Do you have, or anticipate having an Access Agreement: ☒ Yes ☐ No

Special Use Lands: According to 11 AAC 96.014, ADL 388581 is not a special use land.

Jointly Managed Lands: Permanent infrastructure and certain activities are permitted through the NSB Planning and Community Services Department. Land, activities and infrastructure are managed by the State of Alaska.

Other Considerations: No other land considerations

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Nikaichuq North exploration wellbore NN02 will pass through ADL 388581	Wellbore NN02 will pass through MTRS: U014N009E07	ADL 388581 will have no surface components, therefore, N/A

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Click here to enter text.	Click here to enter text.	Click here to enter text.
Affected ADL: ADL 388571 Date Effective: 8/1/2005 Date Assigned: N/A Oil And Gas Lessee(s): Eni US Operating Co. Inc.		
Surface Ownership: State of Alaska Do you have, or anticipate having an Access Agreement: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Special Use Lands: According to 11 AAC 96.014, ADL 388571 is not a special use land. Jointly Managed Lands: Permanent infrastructure and certain activities are permitted through the NSB Planning and Community Services Department. Land, activities and infrastructure are managed by the State of Alaska. Other Considerations: No other land considerations		
Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
Nikaitchuq North exploration wellbores NN01 and NN02 will pass through ADL 388571	Wellbore NN01 will pass through MTRS: U014N008E12, U014N008E01 and U014N008E02. Wellbore NN02 will pass through MTRS: U014N008E12, U014N008E01 and U015N008E36	ADL 388571 will have no surface components, therefore N/A
Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
Affected ADL: Enter ADL. Date Effective: Enter Date. Date Assigned: Enter Date. Oil And Gas Lessee(s): Click here to enter text. Surface Ownership: Click here to enter text. Do you have, or anticipate having an Access Agreement: <input type="checkbox"/> Yes <input type="checkbox"/> No Special Use Lands: Click here to enter text. Jointly Managed Lands: Click here to enter text. Other Considerations: Click here to enter text.		
Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.
2. State of Alaska Surface Lands:		
Oil And Gas Mineral Estate Owner: Click here to enter text. Access Authorization(s): Click here to enter text. Special Use Lands: Click here to enter text. Jointly Managed Lands: Click here to enter text. Other Considerations: Click here to enter text.		
Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Click here to enter text.	Click here to enter text.	Click here to enter text.
Oil And Gas Mineral Estate Owner: Click here to enter text.		

Access Authorization(s): [Click here to enter text.](#)

Special Use Lands: [Click here to enter text.](#)

Jointly Managed Lands: [Click here to enter text.](#)

Other Considerations: [Click here to enter text.](#)

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Oil And Gas Mineral Estate Owner: [Click here to enter text.](#)

Access Authorization(s): [Click here to enter text.](#)

Special Use Lands: [Click here to enter text.](#)

Jointly Managed Lands: [Click here to enter text.](#)

Other Considerations: [Click here to enter text.](#)

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Oil And Gas Mineral Estate Owner: [Click here to enter text.](#)

Access Authorization(s): [Click here to enter text.](#)

Special Use Lands: [Click here to enter text.](#)

Jointly Managed Lands: [Click here to enter text.](#)

Other Considerations: [Click here to enter text.](#)

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Click here to enter text.	Click here to enter text.	Click here to enter text.

3. Private Lands:

Oil And Gas Mineral Estate Owner: [Click here to enter text.](#)

Surface Ownership And Access Agreement(s): [Click here to enter text.](#)

Special Use Lands: [Click here to enter text.](#)

Jointly Managed Lands: [Click here to enter text.](#)

Other Considerations: [Click here to enter text.](#)

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Oil And Gas Mineral Estate Owner: [Click here to enter text.](#)

Surface Ownership And Access Agreement(s): Click here to enter text.

Special Use Lands: Click here to enter text.

Jointly Managed Lands: Click here to enter text.

Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Oil And Gas Mineral Estate Owner: Click here to enter text.

Surface Ownership And Access Agreement(s): Click here to enter text.

Special Use Lands: Click here to enter text.

Jointly Managed Lands: Click here to enter text.

Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Oil And Gas Mineral Estate Owner: Click here to enter text.

Surface Ownership And Access Agreement(s): Click here to enter text.

Special Use Lands: Click here to enter text.

Jointly Managed Lands: Click here to enter text.

Other Considerations: Click here to enter text.

Project Components	Meridian, Township, Range, And Section(s)	GPS Coordinates
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Project Description-Nikaitchuq North Exploration Project

Eni US Operating Co. Inc.

The purpose of this Project Description is to describe Eni North Slope facilities and activities as they relate to the scope of the proposed Nikaitchuq North Project.

EXISTING NIKAITCHUQ PROJECT

Eni operates the Nikaitchuq oil field, in the vicinity of Oliktok Point and Simpson Lagoon. The current Eni operations are also referred to as the Nikaitchuq Project. The Nikaitchuq Project includes the following facilities:

- Oliktok Production Pad (OPP) – an onshore production and drilling facility at Oliktok Point
- Spy Island Drillsite (SID) – a man-made gravel island located offshore of Oliktok Point
- Nikaitchuq Operations Center (NOC) – an onshore pad for support facilities
- A subsea pipeline bundle from SID to OPP
- Onshore Crude Oil Transmission Pipeline (COTP) that ties in to the Kuparuk Pipeline

Gravel placement for OPP and SID was completed in 2008, the subsea pipeline from SID to OPP was constructed in 2009, and the COTP between OPP and the Kuparuk Pipeline was constructed in 2010. Nikaitchuq began producing oil in early 2011. Production from SID began in November 2011. The current Nikaitchuq production is 25,000 barrels per day (bpd) from 70 wellbores drilled from OPP and SID.

SPY ISLAND DRILLSITE-PHYSICAL DESCRIPTION

For the purpose of focusing on the proposed Nikaitchuq North Project, a physical description of only SID is included in this Project Description. Other assets such as OPP, NOC, and the pipelines are not described in detail because the physical structures and activities associated with the Nikaitchuq North Project will remain virtually the same.

SID is a man-made gravel island located approximately 3 miles offshore of Oliktok Point just south of Spy Island in shallow water (approximately 6 – 8 feet deep). SID is located in State waters. SID supports drilling and production operations in the Nikaitchuq Unit. SID has 36 slots for producers and injectors in addition to two Class I disposal wells. Currently, SID includes the following wells:

- 18 production wells (9 dual-laterals)
- 13 injection wells
- 1 Class I disposal well/Waste Injection Facility (WIF)

All existing production wells at SID are producing oil from state-owned leases. SID was constructed under USACE permit POA-2005-1243.

PROPOSED SCOPE OF THE NIKAITCHUQ NORTH PROJECT

Eni is proposing to perform exploration drilling from state-owned land of SID into an approved unit called Harrison Bay Block 6423 Unit, located in federal waters. The project will target federal OCS leases.

NIKAITCHUQ NORTH LOCATION

All surface drilling activity for this exploration phase of the Nikaitchuq North Project will take place on the existing man-made island, SID. As previously described, SID is located approximately 3 miles offshore of Oliktok Point, just south of Spy Island in shallow water (approximately 6 - 8 feet deep). SID is located in State waters. The proposed exploration wells (up to two) will be installed adjacent to the existing row of producing wells.

The proposed exploration wells will extend from SID into Federal waters of the Harrison Bay and Beechey Point areas of the Beaufort Sea, Alaska. The prospect is approximately 6 miles offshore from Eni's SID and approximately 10 miles from the Nikaitchuq processing facilities at OPP.

NIKAITCHUQ NORTH DRILLING ACTIVITIES

The exploration drilling will take place on SID from the existing well row. Two strings of conductor pipe and wellhouses will be required for the Nikaitchuq North exploration wells. The drilling program will include drilling two S-shape wells into the targeted reservoir and logging. NN01 is planned to reach a final total depth in OCS-Y-1757 Block 6423 and NN02 in OCS-Y-1754 Block 6374. These wells are expected to be approximately 34,000 feet measured depth and approximately 8,000 feet true vertical depth. Depending on well log results, a bypass to core is planned for each well. NN01-BP01 and NN02-BP02 would reach total depth in OCS-Y-1757 Block 6423 and OCS-Y- 1754 Block 6374 respectively. Contingent upon results of the well logs and core data, a sidetrack to a 1000' horizontal section is planned to be drilled approximately 6 months later to perform a production test on either one or both wells. NN01-ST01 is planned to reach a final total depth in OCS-Y- 1757 Block 6423; and NN02-ST01 in OCS-Y-1753 Block 6373. Eni will plugback both these sidetracks while they evaluate the data. The production test will include flowback to SID through surface test equipment.

NIKAITCHUQ NORTH ANCILLARY EQUIPMENT

In general, no improvements will be required for on-island facilities. The drill rig with extended reach drilling (ERD) ability for will be required for the Nikaitchuq North Exploration Project. Doyon Rig No. 15, or similar will be used. An additional generator, upgraded piping, temporary flare and a shaker may be installed. The blow out preventer (BOP) may be changed out to adjust for the new casing size. New well containment structures will be constructed.

NIKAITCHUQ NORTH PERMIT AND PLAN COORDINATION

Eni is working with federal, state, and local agencies related to the Nikaitchuq North project. Following is a general summary of some of the permits, plans, and approvals necessary:

- Bureau of Ocean Energy Management (BOEM)
 - Exploration Plan (EP) in progress
 - Environmental Impact Analysis (EIA) revision to original document
- Bureau of Safety and Environmental Enforcement (BSEE)
- United States Fish and Wildlife Service (USFWS)
 - LOAs for Intentional/Incidental Take of Polar Bear will be amended
- United States Environmental Protection Agency (USEPA)
 - UIC, Discharge, Hazardous Waste, and Spill Prevention Control and Countermeasure (SPCC) Plan: Permits and Plans require no amendments or re-permitting
- Alaska Department of Environmental Conservation (ADEC)
 - Title V Air Permit: minor modifications may be needed
 - Oil Discharge Prevention and Contingency Plan (ODPCP): modification to the plan
 - Individual APDES Permit for SID emergency outfall discharge: no changes needed
 - General Permit NPDES Permit for oil and gas related discharges: no changes needed
- Alaska Department of Natural Resources (ADNR)
 - Division of Mining, Land and Water (DMLW): no changes needed, storage fees may apply
 - Division of Oil and Gas (DOG): Unit Plan of Operations Amendment
- Alaska Oil and Gas Commission (AOGA)
 - Permit to Drill: application to be prepared
- North Slope Borough
 - Administrative Approval: application to be prepared

NIKAITCHUQ NORTH SCHEDULE

Upon securing appropriate approvals, permits, and authorizations, Eni plans to begin drilling the Nikaitchuq North exploration well from the surface of SID on or around December 2017.