

**APPLICATION FOR EASEMENT ON STATE LAND
AS 38.05.850**



State of Alaska
Department of Natural Resources, Division of Oil and 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



Non-refundable application fee: \$1500

ADL# _____
(to be filled in by state)

SECTION I. APPLICANT INFORMATION	
Applicant Name: Jim Shine (or Curtis Smith)	Title: Land Manager
Company: Hilcorp Alaska, LLC	
Mailing Address: 3800 Centerpoint Drive, Suite 1400	
City/State/Zip Code: Anchorage/ Alaska/ 99503	
Phone: 907-777-8300	Email: jshine@hilcorp.com (or csmith@hilcorp.com)
SECTION II. PROJECT LOCATION/LAND STATUS	
State of Alaska Surface Lands:	
Are supplemental pages for Land Status included in Appendix A? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Meridian, Township, Range, and Section(s): Seward Meridian, Township 8 North, Range 13 West, Sections 1, 11, 12, 13, 14, 23, 26, 35, and 36. Seward Meridian, Township 8 North, Range 12 West, Sections 17, 18, 20, 21, 27, 28, 31, 32, 33, 34 and 35. Seward Meridian, Township 9 North, Range 12 West, Section 31. Seward Meridian, Township 9 North, Range 13 West, Section 36.	
Is the project within or partially within an active Oil and Gas Unit? No. The Middle Ground Shoal Unit (MGSU) was terminated effective June 30, 2023.	
Is the project within or partially within a valid Oil and Gas lease held by the applicant? If yes, list ADL(s): Yes: ADLs 18754, 17595 and 18756 (“Retained Leases” associated with Platforms Baker, A and C).	
Other Considerations (Existing easement ADL if applying for amendment or renewal): The purpose of the proposed consolidated easement is to: (i) consolidate the five (5) separate non-exclusive pipeline easements associated with the former MGSU, (ii) support the continued use of the Baker, A and C platforms (the “SOP Platforms”) in connection with continued oil and gas activities for the Retained Leases by providing for utilization of existing infrastructure within the former MGSU, (iii) contribute to the establishment of an integrated utility corridor between the SOP Platforms and the Dillon platform (collectively, the “Existing Platforms”) and shore, and (iv) provide for the potential utilization of the Existing Platforms for other beneficial purposes (including, but not limited to, research and development of offshore wind, tidal energy and CCUS) (subparts (i) through (iv), the “Purpose”).	

Letter of non-objection or third-party commercial agreement obtained from other affected parties?

Yes No If no, please explain Hilcorp is sole owner and operator of all infrastructure

SECTION III. PROJECT INFORMATION

1. Project Name: Middle Ground Shoal (“MGS”) Consolidated Easement

2. Construction Start/End Date: N/A. Easement is for continued use of existing offshore infrastructure

Easement Duration: 25 years (subject to DNR right to terminate from and after October 30, 2038, in the event that Hilcorp or any third party fails to utilize the Lands or the Existing Platforms in connection with the Purpose and such failure continues for a period of at least 12 consecutive months

3. Project Activities:

A. Project Description:

As owner and operator of existing offshore oil and gas infrastructure, namely platforms and pipelines, Hilcorp intends to make reasonable access available to third parties (e.g., universities, utilities, national laboratories, private entities, public agencies) for research, development, and implementation of tidal, wind and CCUS projects, as well as marine mammal and environmental research. This is the primary purpose of the easement and will be the focus of activities for the initial ten-year project period. Hilcorp’s role would not be as an alternative energy project developer or independent power producer, but rather as site host and provider of support / logistical services.

B. Methods of Construction

N/A This application applies only to existing infrastructure. Hilcorp and/or third parties will be responsible for obtaining approvals or permits from other persons or governmental agencies that may also be required for alternative energy research, development, implementation or environmental studies conducted from existing infrastructure within the proposed easement.

C. Easement Parameters:

25’ from centerline of existing pipelines; 200’ from footprint of existing platforms. Legal description, maps and acreage calculations for individual pipeline segments and platform locations is attached hereto.

Construction Easement (including buffers)				Operation Easement (including buffers)			
Projects	Length (ft)	Width (ft)	Size (acre)	Projects	Length (ft)	Width (ft)	Size (acre)
Gravel Pad	Enter	Enter	Enter	Gravel Pad	Enter	Enter	Enter
Gravel Road	Enter	Enter	Enter	Gravel Road	Enter	Enter	Enter
Pipeline	Enter	Enter	Enter	Pipeline	Enter	Enter	Enter
Wellbore	Enter	Enter	Enter	Wellbore	Enter	Enter	Enter
Other	Enter	Enter	Enter	Other	Enter	Enter	Enter
Total	N/A	N/A	N/A	Total	See Exhibits	See Exhibits	See Exhibits
<p>D. Waste Management: No onsite refuse disposal will be authorized. All waste generated will be removed and disposed of at an offsite ADEC approved disposal facility.</p>							
<p>E. Staging and Storage Areas: N/A</p>							
<p>F. Airstrips and Landing Zones: Platforms Baker, A, C and Dillon have operational helipads</p>							
<p>G. Historical Properties and Cultural Resources: N/A. Easement applies to only existing infrastructure. If future expansion is required, Hilcorp will consult with the Alaska Heritage Resources Survey and ensure compliance with the Alaska Historic Preservation Act.</p>							
<p>H. Anadromous Fish Streams and Other Streams: N/A</p>							
<p>I. Fuel and Hazardous Substances: No new Fuel or Hazardous Substances will be stored on site as part of this application. Diesel fuel for facility light/power/CP (applicable to Baker and Dillon Platforms) will be stored in properly sized secondary containment.</p>							
<p>J. Air Quality N/A</p>							
<p>K. Water Quality N/A</p>							
<p>L. Utilities: This proposed consolidated easement will establish a private non-exclusive utility corridor between MGS platforms and shore</p>							
<p>M. Material Sites: N/A</p>							
<p>N. Water Supplies: N/A.</p>							

O. Roads: N/A
4. Associated Structures: The consolidated easement will include existing pipelines and platforms associated with the former Middle Ground Shoal Unit.
5. Is this an existing use?: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, provide documentation verifying existing use, such as easement atlas, affidavits attesting to use and existence, pictures, etc.
6. Are you applying to be granted a Private Easement? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
7. Other permits or authorizations applied in conjunction with this proposed project: N/A. No new construction or site disturbance is anticipated.
8. Generally outline your plans for rehabilitating the affected project area after completion of operations. See Project Description and Schedule.
9. Operating procedures designed to mitigate, minimize, or avoid adverse effects Describe operating procedures designed to prevent or minimize adverse effects on other natural resources and other uses of the project area and adjacent areas, including fish and wildlife habitats, historic and archaeological sites, and public use areas. Any training related to minimizing adverse effects. i.e. cultural awareness, wildlife awareness etc. should be included. Describe project specific procedures. Hilcorp recognizes the authority and jurisdiction of various state, federal and local agencies and will comply with all environmental laws relating to the handling, use, generation, accumulation, storage, transportation, disposal, release, treatment or sale of hazardous substances, and recognizes the applicable authority of various state, federal and local agencies. Moreover, Hilcorp complies with the Marine Mammal Protection Act and Endangered Species Act through consultations and permits authorized by the US Fish and Wildlife Service as well as National Marine Fisheries Service. These permits and consultations specify measures to mitigate potential impacts to marine mammals, including implementation of a Protected Species Observer program for any activities that the potential to cause Level B or Level A harassment.

SECTION IV. PERFORMANCE GUARANTY		
Bonded Company: N/A (covered by Hilcorp's Financial Assurances Agreement)		
Type: Enter Type of Bond	Bond Number: Enter Bond Number	Amount: Enter Bond Amount
Bonding Company: Enter Corporate Surety		
Mailing Address: Enter bonding company mailing address.		

Phone: Enter bonding company phone number.	Fax: Enter bonding company fax number.	Email: Enter bonding company email.
SECTION V. INSURANCE		
Comprehensive General Liability Insurance:		
Amount of Insurance: N/A (on file with DNR) for existing MGS assets		
Insurer Name: Enter insurer's name.		
Mailing Address: Enter insurer's mailing address.		
Phone: Enter insurer's phone number.	Fax: Enter insurer's fax number.	Email: Enter insurer's email.

If this authorization is granted, I agree to construct and maintain the improvements authorized in a workmanlike manner, and to keep the area in a neat and sanitary condition; to comply with all the laws, rules, and regulations pertaining thereto; and provided further that upon termination of the easement for which application is being made, I agree to remove or relocate the improvements and restore the area without the cost to the state and to the satisfaction of the Director of the Division of Oil and gas.



 Applicant's signature

09/01/2023

 Date

INSTRUCTIONS:

Maps

Attach a USGS map (scale of 1:63,360) or a state status plat showing the location of the proposed easement. Please see the easement guidance document for further map requirements.

The final granting of easement will be contingent upon our receipt of as-built depicting the post construction location of the improvements. If your application is approved, instructions for the completion of the as-built will be provided by the Survey Section in the Division of Mining, Land, and Water.

AS 38.05.035 (a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made a part of the state public land records and becomes public information under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) and confidentiality is requested). Public information is open to inspection by you or any member of the public. A person who is subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.



Hilcorp Alaska, LLC

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csmith@hilcorp.com

September 1, 2023

Derek Nottingham, Director
Division of Oil & Gas
Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1100
Anchorage, AK 99501

RE: Application for Consolidated Easement of MGS Infrastructure

Director Nottingham:

On May 31, 2023, Hilcorp Alaska, LLC (“**Hilcorp**”), as owner and operator of the Middle Ground Shoal Unit (“**MGSU**”), submitted a letter to the Department of Natural Resources (“**DNR**”), Division of Oil and Gas (“**Division**”) which proposed the following action items: (i) withdraw the proposed 2023 Plan of Development (“**POD**”) for the MGSU; (ii) voluntarily terminate the MGSU effective June 30, 2023; (iii) relinquish two oil and gas leases associated with the Dillon platform (ADL 18744 and 18746); (iv) request a Suspension of Operations and Production for three oil and gas leases associated with Platforms C, A, and Baker (ADL 18756, 18754, and 17595); (v) request a land use permit for the Dillon platform structure; and (vi) request modification of existing pipeline easements associated with the MGSU.

On June 30, 2023, the Division issued a decision which (i) approved termination of the MGSU, effective as of June 30, 2023, (ii) approved relinquishment of oil and gas leases ADL 18744 and 18746, effective as of October 30, 2023, (iii) approved an Extension by Suspension of Production for ADLs 18756, 18754 and 17595 (collectively, the “**Retained Leases**”), effective June 30, 2023 through June 30, 2026, (iv) directed Hilcorp to submit a Lease Plan of Operation by September 1, 2023, and (v) committed to working with Hilcorp to grant the necessary surface use rights necessary for the continued use of certain facilities and infrastructure at MGSU in connection with oil and gas activities, the establishment of a future utility corridor, and the utilization of existing platforms for other beneficial purposes (including, but not limited to, research and development of offshore wind, tidal energy and CCUS).

Thus, Hilcorp is submitting this Application for Easement on State Land under AS 38.05.850 (the “**Consolidated Easement**”) in order to (i) consolidate the five (5) separate non-exclusive pipeline easements associated with the former MGSU,¹ (ii) support the continued use of the Baker, A and C platforms (the “**SOP Platforms**”) in connection with continued oil and gas activities for the Retained Leases by providing for utilization of existing infrastructure within the former MGSU, (iii)

¹ The five (5) existing pipeline easements include ADL 29257 (between Baker Platform and Platform A); ADL 34900 (between Platform A and Platform C); ADL 28192 (Between Platform A and shore); ADL 35340 (between Platform C and Dillon platform), and ADL 32985 (between Dillon platform and shore).

contribute to the establishment of an integrated utility corridor between the SOP Platforms and the Dillon platform (collectively, the “*Existing Platforms*”) and shore, and (iv) provide for the potential utilization of the Existing Platforms for other beneficial purposes (including, but not limited to, research and development of offshore wind, tidal energy and CCUS) (subparts (i) through (iv), the “*Purpose*”).

Lands Covered by Consolidated Easement

The Consolidated Easement shall include the lands described on Exhibit A (the “*Lands*”).

Term

In order to allow sufficient time to develop the Lands and to utilize the Existing Platforms in connection with the Purpose, subject to the DNR right to terminate described below, Hilcorp is requesting a twenty-five (25) year term with an effective date of **October 30, 2023** (the “*Term*”).² Additionally, the Term may be renewed if the DNR reasonably determines the Consolidated Easement is in good standing and the renewal is reasonably determined to be in the best interests of the State of Alaska. Notwithstanding the foregoing, the Consolidated Easement would further provide that from and after **October 30, 2038**, in the event that Hilcorp or any third party fails to utilize the Lands or the Existing Platforms in connection with the Purpose and such failure continues for a period of at least 12 consecutive months, the DNR shall have the right to terminate the Consolidated Easement.

Relationship between Retained Leases and Consolidated Easement

With respect to the Lands associated with the Dillon platform, beginning as of **October 30, 2023**, this Consolidated Easement shall provide Hilcorp with the land use authorization required to utilize the Dillon platform structure and associated infrastructure for other beneficial purposes (including, but not limited to, research and development of offshore wind, tidal energy and CCUS).

For the avoidance of doubt, with respect to the Lands associated with the SOP Platforms, the terms and conditions of the Retained Leases shall continue to apply and control in connection with Hilcorp’s oil and gas operations until the termination of such Retained Leases, as applicable. From and after such termination and throughout the duration of the Term, the terms and conditions of this Consolidated Easement shall apply and control in connection with the utilization of the SOP Platforms and associated infrastructure for other beneficial purposes (including, but not limited to, research and development of offshore wind, tidal energy and CCUS).

In accordance with the terms and conditions set forth in the Consolidated Easement, the DNR would acknowledge that Hilcorp’s existing obligations for removal of improvements and restoration under

² The Effective Date shall coincide with the effectiveness of Hilcorp’s pending voluntary relinquishment of ADLs 18746 and 18744.

ADL 18744, ADL 18746, ADL 18756, 18754,17595 (“*MGS Oil and Gas Leases*”) and ADL 29257, ADL 28192, ADL 35340, and ADL 32985 (“*MGS Pipeline Easements*”) would be superseded and governed during the Term by terms and stipulations set forth in the Consolidated Easement. At the expiration or termination of the Consolidated Easement, such terms and stipulations relating to the removal of improvements and restoration of the Lands shall survive such expiration or termination.

Assignments

In order to serve as a facilitator for the development of the Lands in connection with the Purpose, Hilcorp requests that the Consolidated Easement may be assigned, in whole or in part, to potential third-party developers, subject to approval by DNR.

Project Summary

As discussed, Hilcorp’s role in connection with the Purpose would not be as an alternative energy project developer or independent power producer, but rather as site host and provider of support / logistical services. During the Term of the Consolidated Easement, Hilcorp would provide reasonable access to the Lands to third parties (e.g., universities, utilities, national laboratories, private entities, public agencies) who will have the opportunity to pursue research, development, and implementation of tidal, wind, CCUS projects, as well as marine mammal and environmental research in Cook Inlet.

Description of MGS Pipeline Easements and Existing Platforms

ADL 29257: Platform Baker to A Corridor

Originally issued in 1965, ADL 29257 established a pipeline corridor between Pan American’s Baker Platform and Shell’s Platform A. This private non-exclusive easement contains two pipelines:

The “A” Pipeline” is out of service (originally liquids pipeline, later converted to natural gas).

The “B Pipeline” is abandoned in place. The line formerly transported fuel gas from the subsea manifold located at the base of Platform A to the Baker platform.

ADL 28192: Platform A to Shore Corridor

Originally issued in in 1965, ADL 28192 established a pipeline corridor between Platform A and Hilcorp’s MGS Production Facility on the shore of the Kenai Peninsula, near Nikiski. Two 8” subsea crude pipelines were originally installed (A and B pipelines).

Pipeline A was subsequently converted to transport natural gas fuel from shore to Platform A and is also referenced as the Middle Ground Shoal Fuel Gas System. The MGSFS was suspended in 2021 due to pipeline integrity concerns and was abandoned in place.

The B pipeline exists to transport crude oil and produced fluids from the A and C Platforms to Hilcorp's onshore facility for final processing and sales. Due to integrity concerns with the MGSFS, Hilcorp converted the B pipeline to deliver natural gas to Platforms A and C, where it is consumed as fuel to support platform operations.

ADL 34900: Platform A to Platform C Corridor

Originally issued in 1968, this private non-exclusive easement authorized the installation of two 8" pipelines between Platform A and Platform C. Today, the liquids pipeline between Platform A and C (the B pipeline) has been converted to fuel gas service and remains in a ready state, should it be needed. Additionally, the gas pipeline remains in fuel gas service. Both pipelines could be utilized to transport fuel from A to C for operations.

ADL 35340: Platform C to Platform D Corridor

Originally issued in 1968, this private non-exclusive easement authorized the installation of two 8" pipelines between Platform C and the Dillon platform (liquids and natural gas). Today, the natural gas pipeline (the A Pipeline) and the liquids pipeline (the B Pipeline) are abandoned in place. The Dillon platform utilizes diesel for onboard power generation.

ADL 32985

Originally issued in 1966 to Pan American, this non-exclusive easement authorized two 8" pipelines between the Dillon platform and shore. Both the natural gas pipeline (the D Pipeline) and the liquids line (the C Pipeline) have been abandoned in place. All wells on the Dillon platform have been plugged and abandoned and the topsides cleaned. No crew housing facilities remain, although temporary camps have recently been used. The Dillon is maintained in Lighthouse mode and has strong potential to be purposed to support future alternative energy projects. The existing pipeline infrastructure is anticipated to serve as a conduit for installation of subsea power cables between the platform and shore.

BAKER PLATFORM

Originally constructed in 1965 to develop oil and gas lease ADL 17595, the platform has four (4) legs, each with an outer diameter of 14' and ~85' span between each leg. The Baker Platform sits in approximately 102' of water and sits approximately 7 miles from shore. The centroid of the platform is located at 60.8283 Latitude , -151.4861 Longitude (NAD 83). The topside heliport and cranes are operational. Navigation lights and cathodic protection are maintained utilizing diesel power generation.

The platform is unmanned and lacks permanent crew housing facilities. Hilcorp is evaluating the future utility of existing wells to promote future exploration. Otherwise, it is anticipated that all

wells on the Baker Platform will have reservoir plug and abandonment plugs installed in 2024-2025, leaving the upper wellbores available for future development opportunities.

PLATFORM A

Originally constructed in 1964 to develop oil and gas leases ADL 18754 and ADL 18756, the platform has four (4) legs, each with an outer diameter of 14.5'. Platform A sits in approximately 90' of water and sits approximately 6 miles from shore. The centroid of the platform is located at 60.7953 Latitude, -151.4978 Longitude (NAD 83). The topside heliport and cranes are operational. The Platform has operational crew housing capacity and is currently manned. Power is generated onboard utilizing natural gas. Platform A is anticipated to return to oil and gas production, but excess operational capacity exists to co-locate or host initial alternative energy research or demonstration projects.

PLATFORM C

Originally constructed in 1967 to develop oil and gas lease ADL 18756, the platform has four (4) legs, each with an outer diameter of 15.5 feet. Platform C sits in approximately 73' of water and sits approximately 4.5 miles from shore. The centroid of the platform is located at 60.7633 Latitude, -151.5042 Longitude (NAD 83). The topside heliport and crane(s) are fully operational. The Platform has operational crew housing capacity and is continuously manned. Power is generated onboard utilizing natural gas.

Platform C is not anticipated to return to production and will be maintained in Lighthouse mode. However, significant portions of the associated oil and gas lease (ADL 18754) remain viable for future oil production via platform A. Navigation lights and cathodic protection are maintained using natural gas generators, fuel is sourced from shore via subsea pipeline from Platform A.

DILLON PLATFORM

Originally constructed in 1966 to develop oil and gas leases ADL 18746 and ADL 18744, the platform has four (4) legs, each with an outer diameter of 14' and ~70' span between each leg. The Dillon platform sits in approximately 92' of water and sits approximately 3.6 miles from shore. The centroid of the platform is located at 60.7458 Latitude, -151.5125 Longitude (NAD 83). The platform is unmanned. All wells have been permanently plugged and abandoned. All production equipment has been removed and/or abandoned and the topside facilities have been cleaned. The heliport and crane(s) will remain operational. Navigation lights and cathodic protection are maintained utilizing onboard diesel power generation. The Dillon platform is continuously managed in Lighthouse mode and offers no significant risk of spills or discharge to the environment.

Please take this application for Consolidated Easement on State Land under AS 38.05.850 into serious consideration and if you have any questions or comments, please contact the undersigned. Hilcorp Alaska is available to meet at your office to discuss this application and answer any questions you or your staff may have.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Smith", is positioned above the typed name.

Hilcorp Alaska, LLC

cc: Heather Beat, Division of Oil and Gas (via email)
Graham Smith, Division of Oil and Gas (via email)

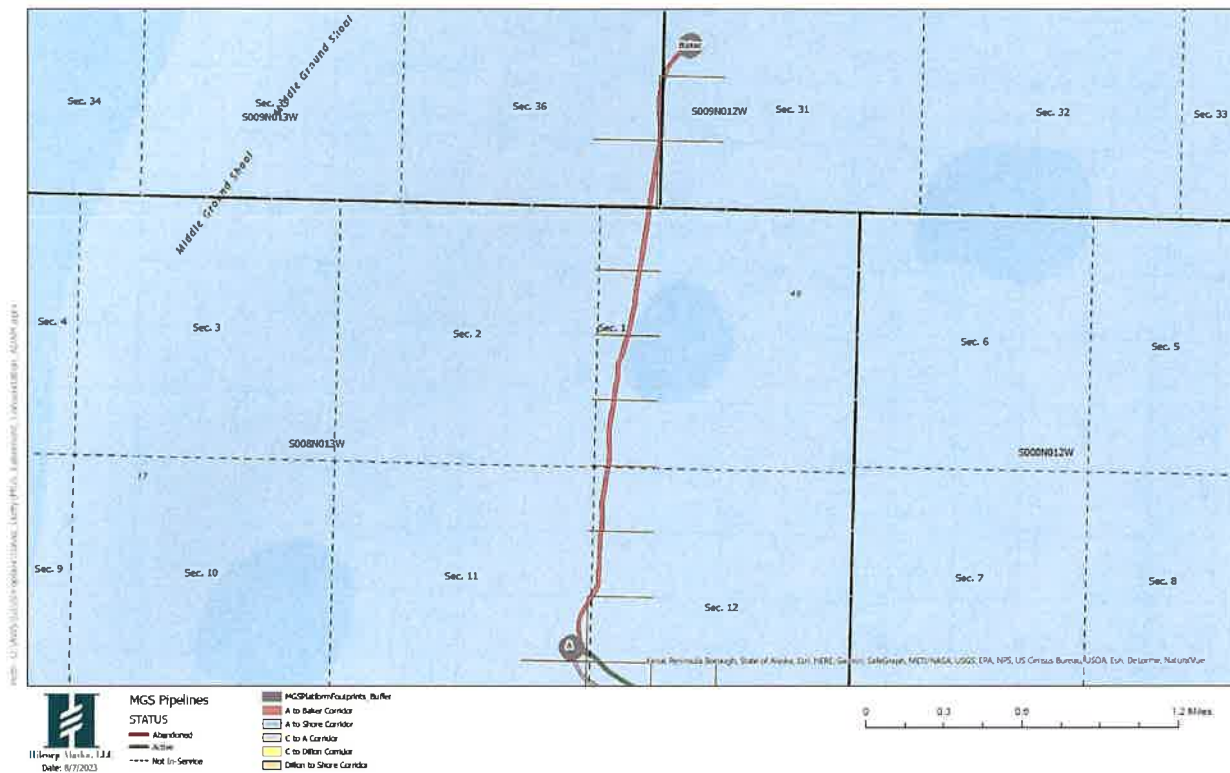
EXHIBIT A

Consolidated Easement “Lands”

MGS Pipeline Easements

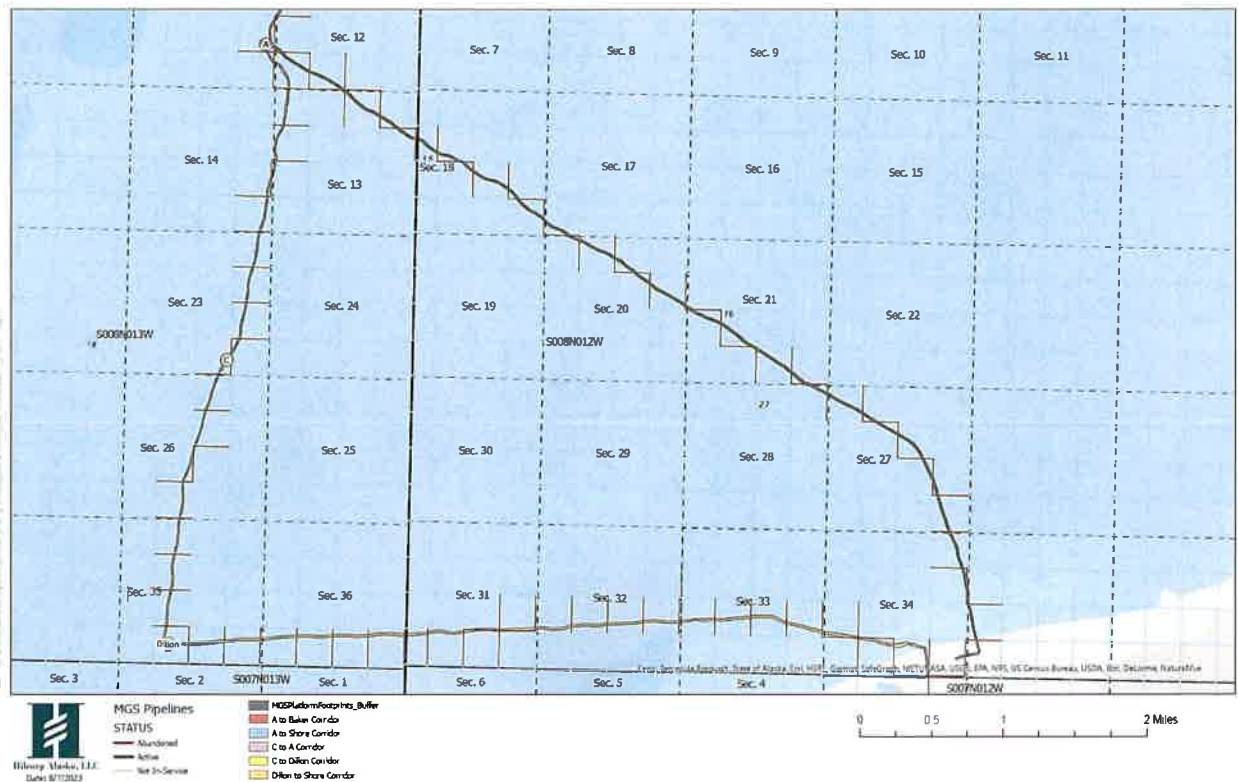
1. Baker Platform – Platform A: ADL 29257

A Right of Way on tide and submerged lands, extending a width of 25 feet on either side of the centerline of two existing subsea pipelines, extending approximately 12,000 feet in length located below the mean high tide line of Cook Inlet within Sections 1, 11 and 12, Township 8 North, Range 13 West, Section 31, Township 9 North, Range 12 West, and Section 36, Township 9 North, Range 13 West, Seward Meridian, containing approximately 22.16 acres, more or less (“*Baker to A Corridor*”) as further depicted on the map below:



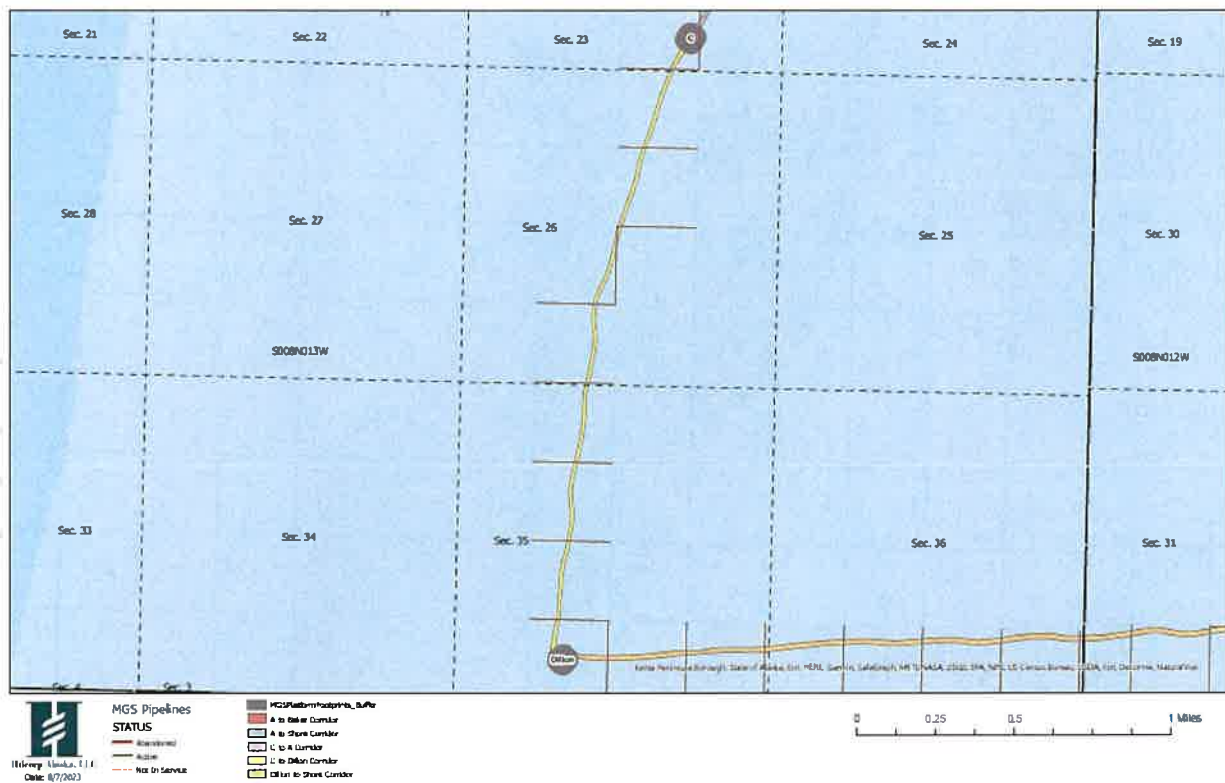
2. Platform A – Shore: ADL 28192

A Right of Way on tide and submerged lands, extending a width of 25 feet on either side of the centerline of two existing subsea pipelines, extending approximately 38,000 feet in length located below the mean high tide line of Cook Inlet within Sections 11, 12 and 13, Township 8 North, Range 13 West, and Sections 17, 18, 20, 21, 27, 28, 34 and 35, Township 8 North, Range 12 West, Seward Meridian, containing approximately 64 acres, more or less (“*A to Shore Corridor*”) as further depicted on the map below:



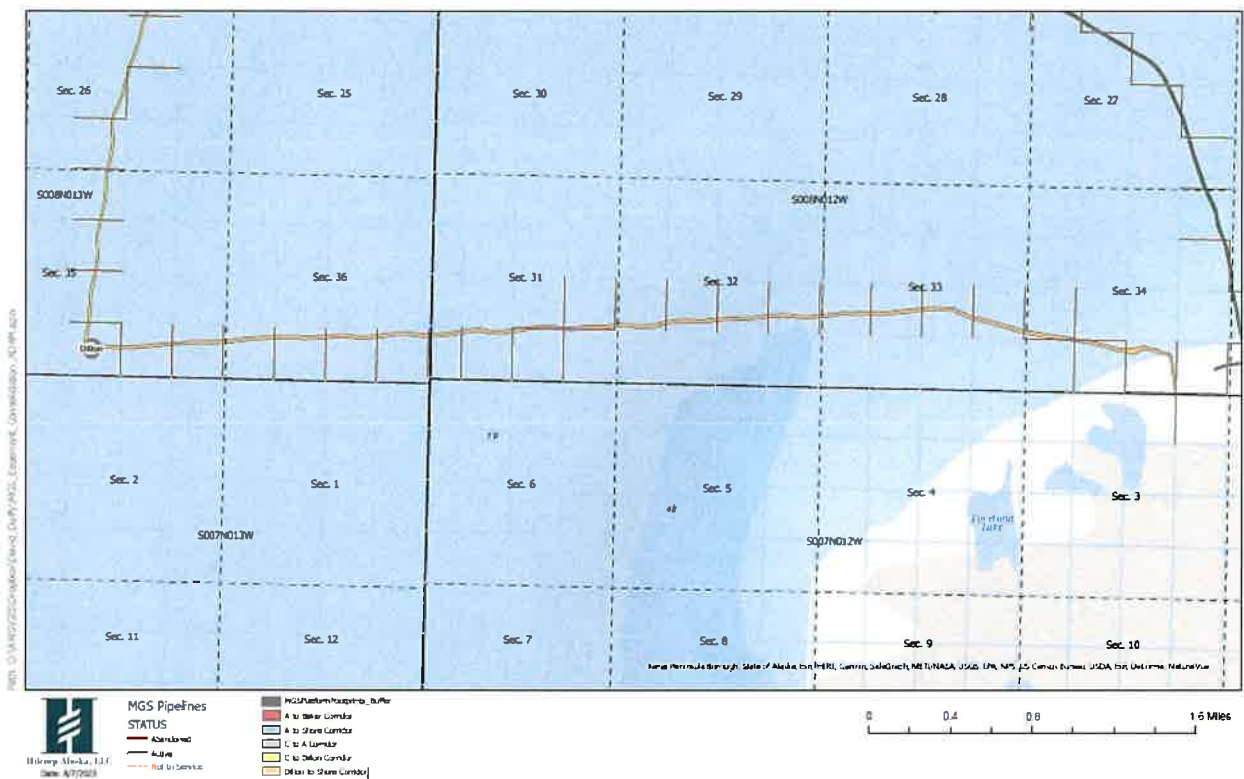
4. Platform C to Platform D: ADL 35340

A Right of Way on tide and submerged lands, extending a width of 25 feet on either side of the centerline of two existing subsea pipelines, extending approximately 10,858 feet in length located below the mean high tide line of Cook Inlet within Sections 23, 26 and 35, Township 8 North, Range 13 West, Seward Meridian, containing approximately 14.18 acres, more or less ("*C to D Corridor*") as further depicted on the map below:



5. Platform D to Shore: ADL 32985

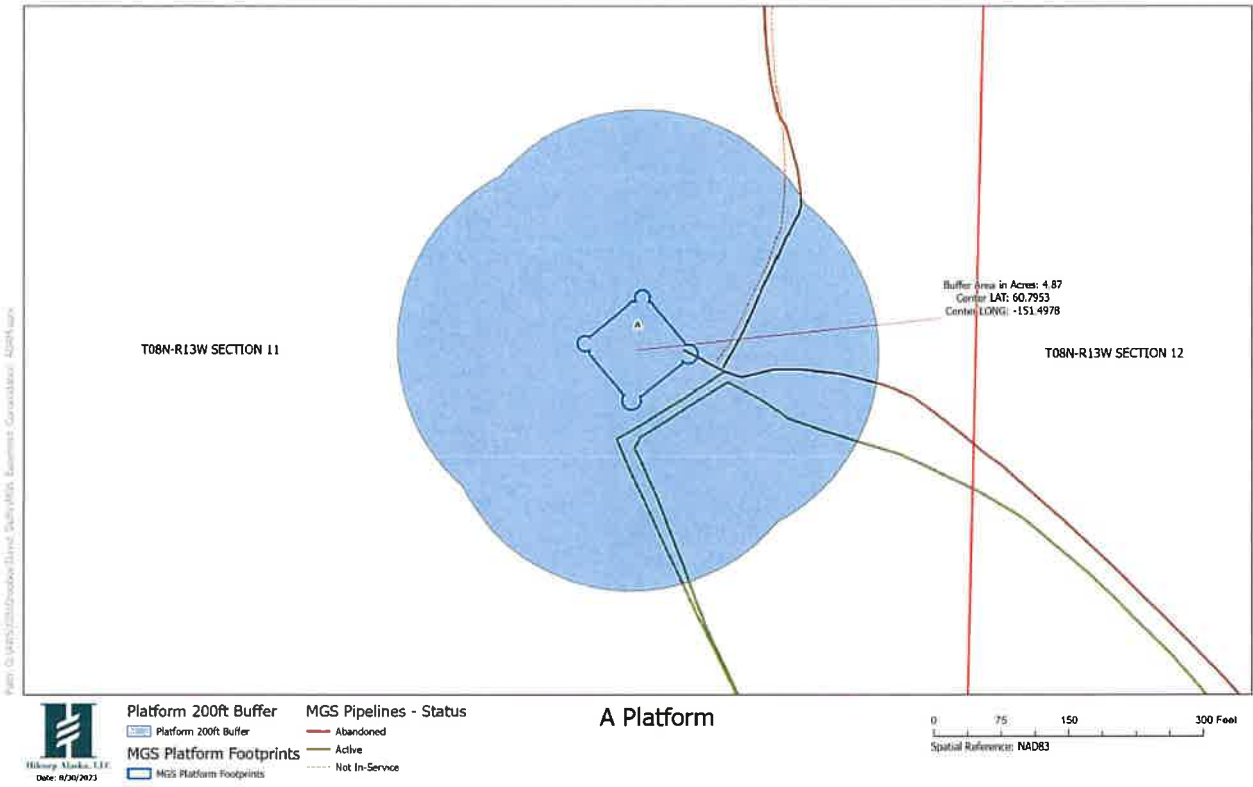
A Right of Way on tide and submerged lands, extending a width of 25 feet on either side of the centerline of two existing subsea pipelines, extending approximately 29,178 feet in length located below the mean high tide line of Cook Inlet within Sections 35 and 36, Township 8 North, Range 13 West, and Sections 31, 32, 33 and 34, Township 8 North, Range 12 West, Seward Meridian, containing approximately 54.2 acres, more or less ("***D to Shore Corridor***") as further depicted on the map below:



Existing Platforms

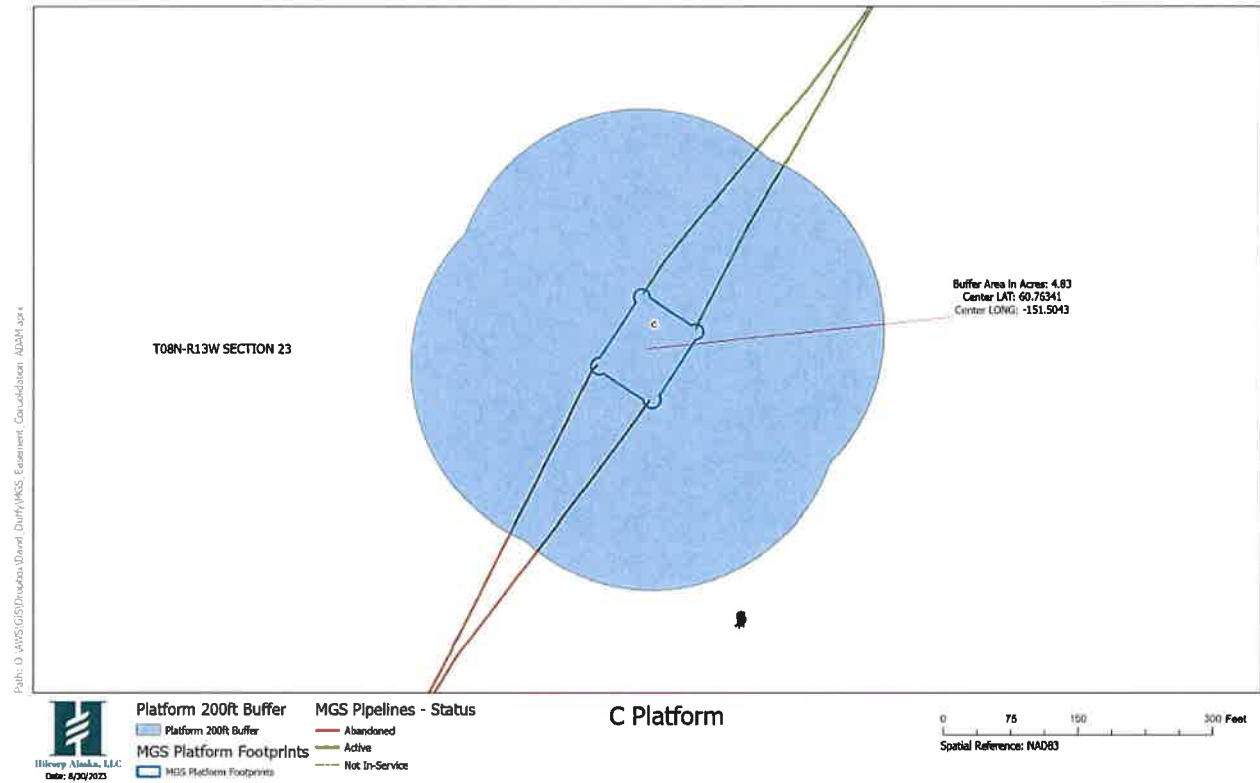
6. Platform A

The subsea and aerial lands occupied by Platform A, together with an additional 200 ft halo from the as-built structural footprint. Platform A sits in approximately 90' of water and sits approximately 6 miles from shore. The centroid of the platform is located at 60.7953 Latitude, -151.4978 Longitude (NAD 83). For purposes of the Consolidated Easement, the acreage associated with Platform A is 4.87 acres, as depicted on the map below:



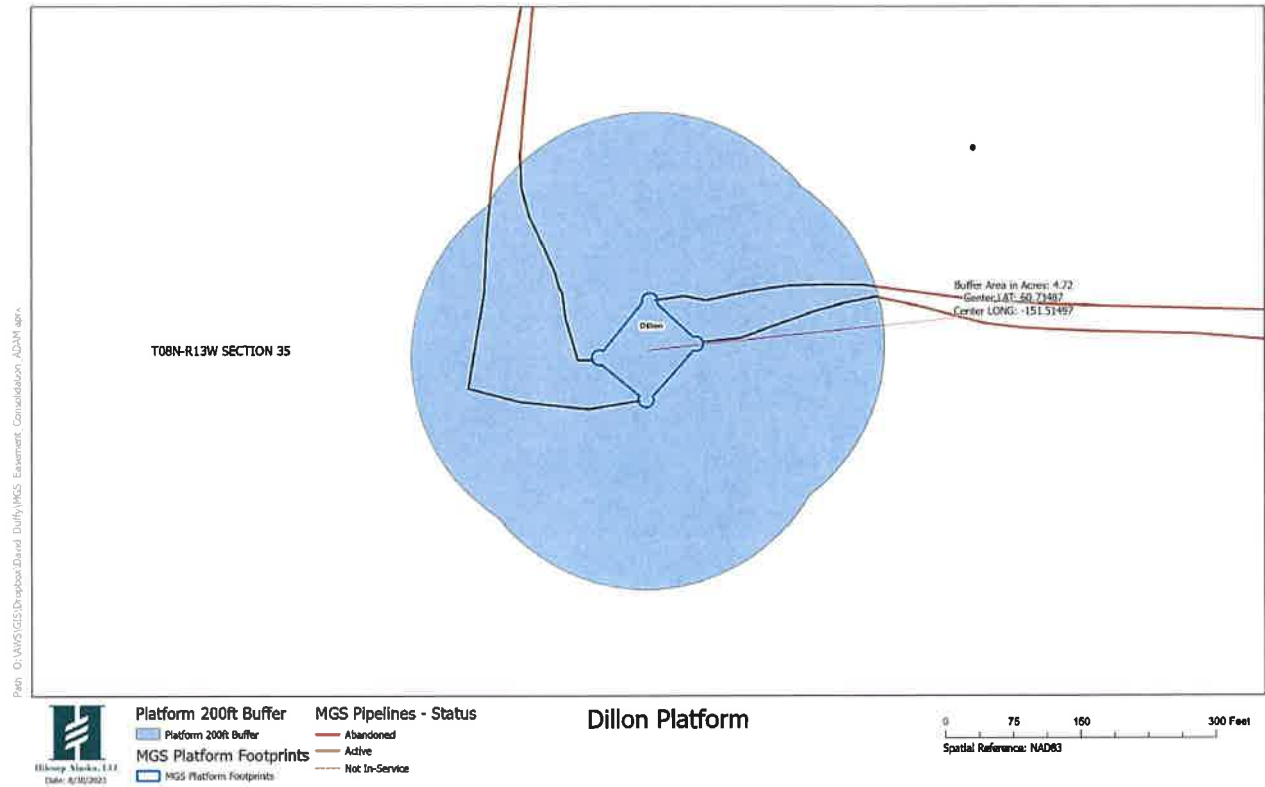
7. Platform C

The subsea and aerial lands occupied by Platform C, together with an additional 200 ft halo from the as-built structural footprint. Platform C sits in approximately 73' of water and sits approximately 4.5 miles from shore. The centroid of the platform is located at 60.7633 Latitude, -151.5042 Longitude (NAD 83). For purposes of the Consolidated Easement, the acreage associated with Platform C is 4.83 acres, as depicted on the map below:



8. Dillon Platform

The subsea and aerial lands occupied by the Dillon platform, together with an additional 200 ft halo from the centroid of the Dillon platform. The Dillon platform sits in approximately 92' of water and sits approximately 3.6 miles from shore. The centroid of the platform is located at 60.7458 Latitude, -151.5125 Longitude (NAD 83). For purposes of the Consolidated Easement, the acreage associated with Platform D is 4.72 acres, as depicted on the map below:



9. Baker Platform

The subsea and aerial lands occupied by the Baker Platform, together with an additional 200 ft halo from the centroid of the Baker Platform. The Baker Platform sits in approximately 102' of water and sits approximately 7 miles from shore. The centroid of the platform is located at 60.8283 Latitude, -151.4861 Longitude (NAD 83). For purposes of the Consolidated Easement, the acreage associated with Platform D is 4.81 acres, as depicted on the map below:

EXHIBIT B

Locator Map

Middle Ground Shoal Pipeline Easements

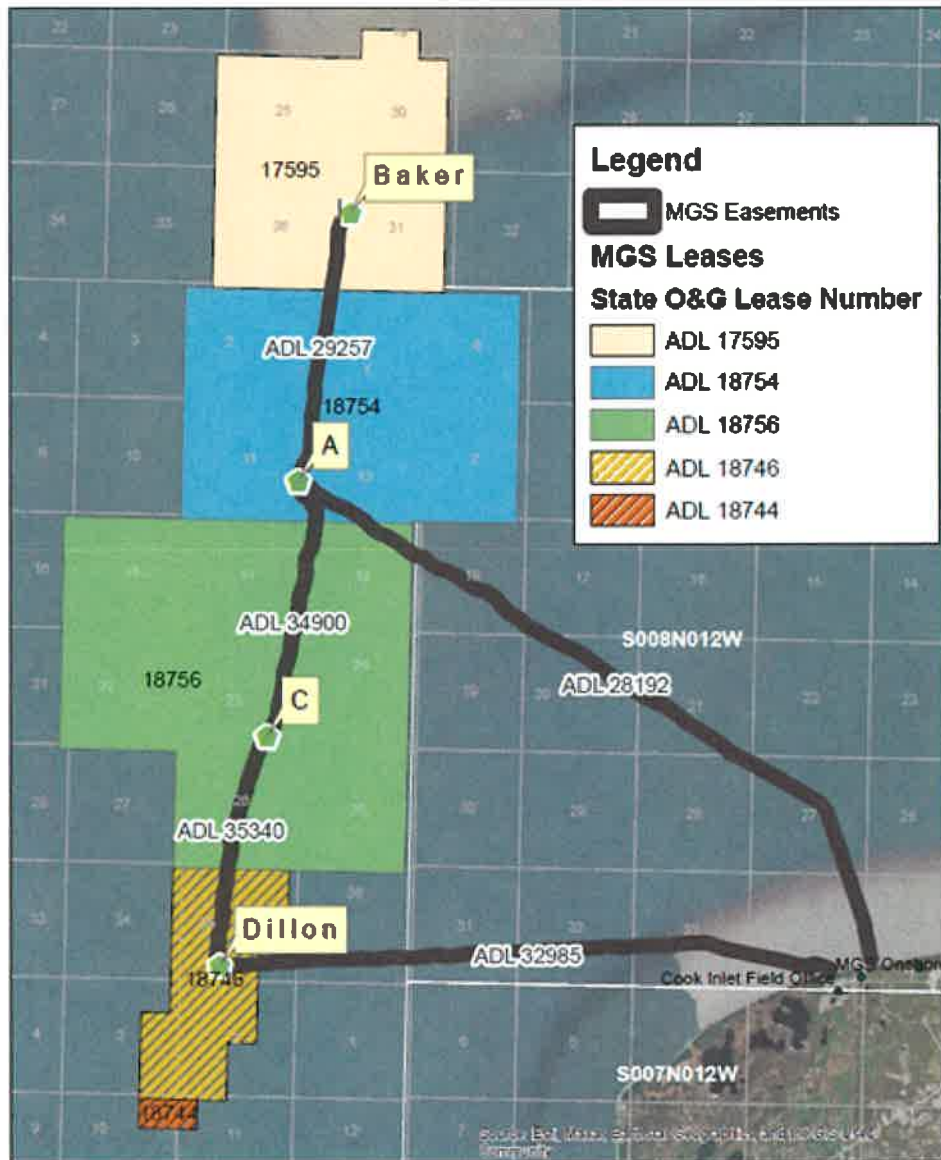


EXHIBIT C

Consolidated Easement Acreage Summary

Consolidated Easement Segments	Acreage
Baker to A Corridor (ADL 29257)	22.16
A to Shore Corridor (ADL 28192)	64.00
A to C Corridor (ADL 34900)	15.59
C to D Corridor (ADL 35340)	14.18
D to Shore Corridor (ADL 32985)	54.2
Platform Baker	4.81
Platform A	4.87
Platform C	4.83
Platform Dillon	4.72
Segment Sum	189.36
Final GIS Acreage Calculation^{3 4}	185.42

³ Side scan sonar data, showing actual location of pipelines and platform locations was used as basis for acreage calculations. Individual “corridors” were calculated in GIS using a 25’ buffer on each pipeline within a particular easement segment. Easement acreage for individual platform locations were calculated using a 200’ buffer on the structural footprint of individual platforms. Pipeline corridors and platform locations, with applicable buffers, were then merged and “dissolved” in GIS to eliminate overlaps, resulting in a reduction of the Consolidated Easement acreage by a factor 3.94 acres, more or less. These GIS layers were then used to update legal descriptions for individual segments.

⁴ For purposes of calculating the fee, the gross acreage calculation would initially not include 14.51 acres, which represents the acreage associated with the SOP Platforms. Upon termination of the applicable Retained Leases, the corresponding acreage amounts would then be included in the calculation.