

**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: Michael W. Schoetz

Title: Division Landman

Company: Hilcorp Alaska, LLC

Mailing Address: 3800 Centerpoint Drive, Suite 1400

City/State/Zip Code: Anchorage, Alaska 99503

Phone: (907) 777-8414

Email: mschoetz@hilcorp.com

SECTION II. PROJECT LOCATION/LAND STATUS

State of Alaska Surface Lands:

Are supplemental pages for Land Status included in Appendix A? Yes ☐ No ☒

Meridian, Township, Range, and Section(s):

T12N, R16E, Umiat Meridian, Alaska:
Section 28: SE/4SE/4, 40 acres

Is the project within or partially within an active Oil and Gas Unit?

Duck Island Unit and Prudhoe Bay Unit

Is the project within or partially within a valid Oil and Gas lease held by the applicant? If yes, list ADL(s):

ADL 34634 (Segment 2)

Other Considerations (Existing easement ADL if applying for amendment or renewal):

None

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

Yes ☐ No ☒ If no, please explain

LNO has been requested, and will be included at time of receipt

SECTION III. PROJECT INFORMATION

1. Project Name: DIU ADL 34634 Section 28 Development																																																																							
2. Construction Start/End Date: February 1, 2024					Easement Duration: 35 years																																																																		
3. Project Activities:																																																																							
<p>A. Project Description: ADL 34634 is a segmented lease that lies within the PBU (Segment 1) and DIU (Segment 2). In order to effectively capture resources that lie within DIU, specifically under Section 28 of Segment 2, there is the potential that future operations may need to cross Segment 1 lands. The purpose of this subsurface wellbore easement is to provide HAK the authorization to drill up to 2 wellbores from MPI Pad on ADL 34633 within the Duck Island Unit (DIU) that would cross the unit boundary and pass through the Prudhoe Bay Unit (PBU) on ADL 34634 Segment 1 before returning to the DIU on ADL 34634 Segment 2. As Segment 1 of ADL 34634 is outside of the DIU, and HAK is not the lessee, a subsurface easement is required to authorize the PBU portion of the wellbores. HAK is requesting this easement with the intent to maximize the capture of resources that lie under its DIU leases. The opportunity for production of resources across PBU/DIU boundaries may present itself. If so, it may be advantageous for the operators to negotiate a deal that allows for such. At the moment, though, HAK is seeking a wellbore easement that allows for:</p> <ul style="list-style-type: none"> • 2 future wellbores to cross the designated PBU lands; • The subject wellbores to remain within the target formation as they cross the designated PBU lands; • The subject wellbores to be open to production in accordance with AOGCC regulations/approvals. <p>Once all wellbores that have the potential to cross the proposed easement area are completed, HAK will apply to revise and reduce the easement to encompass only that area covering the wellbore paths, approximately 50 feet in width.</p>																																																																							
<p>B. Methods of Construction All wells subject to this wellbore easement will be drilled and completed in accordance with the regulations approved by the AOGCC. It is anticipated that it will take approximately 28 days to drill and complete each well.</p>																																																																							
<p>C. Easement Parameters: Not Applicable</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="4">Construction Easement (including buffers)</th> <th colspan="4">Operation Easement (including buffers)</th> </tr> <tr> <th>Projects</th> <th>Length (ft)</th> <th>Width (ft)</th> <th>Size (acre)</th> <th>Projects</th> <th>Length (ft)</th> <th>Width (ft)</th> <th>Size (acre)</th> </tr> </thead> <tbody> <tr> <td>Gravel Pad</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> <td>Gravel Pad</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> </tr> <tr> <td>Gravel Road</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> <td>Gravel Road</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> </tr> <tr> <td>Pipeline</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> <td>Pipeline</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> </tr> <tr> <td>Wellbore</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> <td>Wellbore</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> </tr> <tr> <td>Other</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> <td>Other</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> </tr> <tr> <td>Total</td> <td>1320</td> <td>1320</td> <td>40</td> <td>Total</td> <td>Enter</td> <td>Enter</td> <td>Enter</td> </tr> </tbody> </table>								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	1320	1320	40	Total	Enter	Enter	Enter
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<p>D. Waste Management: Located on MPI Pad, Duck Island Unit</p>																																																																							
<p>E. Staging and Storage Areas: Located on MPI Pad, Duck Island Unit</p>																																																																							

F. Airstrips and Landing Zones: Deadhorse, Alaska airport
G. Historical Properties and Cultural Resources: None known. Easement is for subsurface access only.
H. Anadromous Fish Streams and Other Streams: Not applicable. Easement is for subsurface access only.
I. Fuel and Hazardous Substances: Not applicable. Wellbore will not be open to production or injection within easement area
J. Air Quality Not applicable. Easement is for subsurface access only.
K. Water Quality Not applicable
L. Utilities: Not applicable
M. Material Sites: Not applicable
N. Water Supplies: Not applicable
O. Roads: Access to easement area will not be required. Easement is for subsurface access only.
4. Associated Structures: Wellbore will be spudded from the existing MPI Pad within the Duck Island Unit.
5. Is this an existing use?: Yes <input type="checkbox"/> No <input checked="" 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: Each well drilled from MPI Pad will require a Permit to Drill from the AOGCC; each well will be covered by Hilcorp Alaska, LLC's statewide AOGCC bond.
8. Generally outline your plans for rehabilitating the affected project area after completion of operations.

There will be no disturbance to the surface

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.

The proposed wellbores will be drilled in accordance with all AOGCC safety protocols and regulations.

SECTION IV. PERFORMANCE GUARANTY

Bonded Company: Enter Principal

Type: Performance Guarantee	Bond Number: 022035257	Amount: \$500,000.00
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Bonding Company: Liberty Mutual Insurance Company

Mailing Address: 175 Berkley Street, Boston, MA 02117

Phone: (617) 357-9500	Fax: Enter bonding company fax number.	Email: Enter bonding company email.
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SECTION V. INSURANCE

Comprehensive General Liability Insurance:

Amount of Insurance: Insurance will be in place before Entry Authorization and Director's Decision is issued.

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.
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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

August 21, 2023
Date

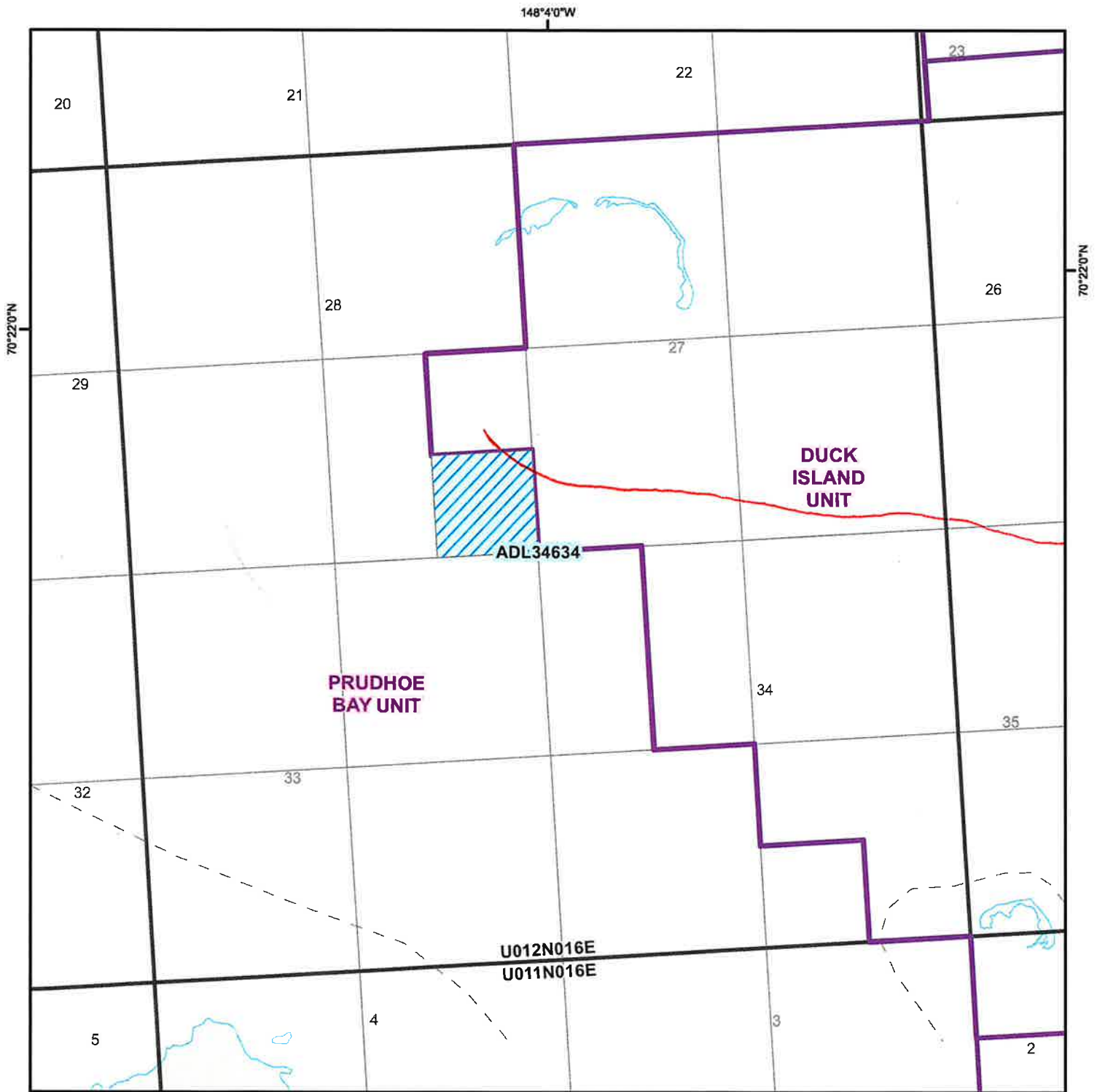
INSTRUCTIONS:

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.



Project Location: Prudhoe Bay Unit

DIU ADL 34634 Segment 2 Development

U012N016E 28 SE4 SE4

ADL 34634

Adjacent Property Owner: State of Alaska

Legend

- Existing Roads
- Existing Pipeline (Above Ground)
- Oil and Gas Unit Boundary
- Proposed Subsurface Wellbore Easement
- ADOG Lease Info
- Potential wellpath

Map Scale 1:21,694

1 inch equals 0.34 miles

Alaska StatePlane Zone 4 NAD 1983 (Feet)

0 0.3 0.6 Kilometers

0 0.35 0.7 Miles





Hilcorp Alaska LLC

P.O.Box 61229
Houston TX 77208-1229

Owner:	40012600	Check Date:	06/20/2023	Check Number:	42025853
SAP Doc No	Inv. Date	Invoice No	Discount	Net Amount	
1900093176	06/01/2023	DIU EA \	\$0.00	\$1,500.00	

THIS CHECK IS PRINTED ON CHEMICALLY REACTIVE PAPER THAT HAS VISIBLE FIBERS AND A WATERMARK –HOLD TO LIGHT TO VIEW



Hilcorp Alaska LLC
P.O.Box 61229
Houston TX 77208-1229

AMEGY BANK

35-1058

1131

Void After 90 Days

Check No	Check Date	Check Amount
42025853	06/20/2023	*****\$1,500.00

PAY *One Thousand Five Hundred Dollars And Zero Cents*

TO
THE
ORDER
OF

STATE OF ALASKA
DEPT OF NATURAL RESOURCES
550 W 7TH AVE STE 1410
ANCHORAGE AK 99501-3561

Colleen Elkman

Authorized Signature

⑈42025853⑈ ⑆113110586⑆ 044407748⑈