



Narwhal, LLC

June 25, 2024

VIA HAND DELIVERY AND ELECTRONIC MAIL

Director Derek Nottingham
Alaska Department of Natural Resources
Division of Oil and Gas
550 W. 7th Avenue, Suite 1100
Anchorage, Alaska 99501-3563

Re: Application for Approval of the Narwhal Unit

Dear Director Nottingham:

In accordance with 11 AAC 83.306, Narwhal, LLC (“Narwhal”) and EE Partners Corporation (“EE Partners,” together with Narwhal, the “Applicants”), as owners of one hundred percent (100%) of the working interest in the State of Alaska oil and gas leases subject to this Application, hereby submit this Application for Approval of the Narwhal Unit (the “Application”) to the Alaska Department of Natural Resources, Division of Oil & Gas (“Division”).

The proposed Narwhal Unit Agreement (“Unit Agreement”) is attached hereto as Attachment A. A description of the leases that the Applicants propose to include in the unit (Unit Agreement Exhibit A) are attached hereto as Attachment B. A map of the proposed unit area (Unit Agreement Exhibit B) is attached hereto as Attachment C. In accordance with 11 AAC 83.341 and Section 9.1 of the Narwhal Unit Agreement, the proposed initial 5-year Unit Plan of Exploration for the Narwhal Unit (“Plan of Exploration” or “POE”) (Unit Agreement Exhibit G) is attached hereto as Attachment D.

As required by 11 AAC 83.321, five copies (one original and four copies) of the nonconfidential portions of this Application have been submitted to the Division. The confidential portions of the Application have been delivered via USB drive with a request for confidential treatment under AS 38.05.035(a)(8)(C). The Applicants request that the confidential portions of the Application be maintained as confidential in accordance with applicable statutory provisions.

I. Application Contents

The Application contains the following:

A. Background and Description of Unit Area: A discussion of the background of the Applicants and the leases proposed for unitization and is provided in Section II below.

406 West Fireweed Lane, Suite 100, Anchorage, AK 99503

B. Description of Area Proposed for Unitization: A description of the area proposed for unitization is provided in Section III below.

C. Discussion of Unit Approval Criteria: A discussion of why the Application satisfies the criteria set out in 11 AAC 83.303 to approve a unit agreement as those criteria relate to the proposed Narwhal Unit leases and request for written findings and approval of the proposed Narwhal Unit Agreement pursuant to 11 AAC 83.303 is provided in Section IV below.

D. GG&E Report: Pertinent confidential geological, geophysical, engineering, and well data, and interpretation of that data have been submitted concurrently herewith as the confidential Geologic, Geophysical, and Engineering Report (“GG&E Report”) to support the Application, as required by 11 AAC 83.306(4).

E. Unit Agreement: A proposed unit agreement (“Narwhal Unit Agreement”) based upon the standard State of Alaska model unit agreement form is included as Attachment A. The form is identical to the standard State of Alaska unit agreement form, and no modifications have been made. Pursuant to 11 AAC 83.306, the Unit Agreement includes a legal description of the lands included in the proposed unit (Exhibit A), a map of the proposed Narwhal Unit (Exhibit B), and a proposed initial POE (Exhibit G). The Narwhal Unit Agreement has been executed by all parties that own a working interest in the Narwhal Unit leases and the designated Unit Operator.

F. Deferral of Establishment of PA: Pursuant to 11 AAC 83.351, the Applicants defer the establishment of the Participating Areas for the Narwhal Unit until appraisal wells have been completed and testing or production information is obtained, at which point the Applicants will make appropriate Participating Area designations.

G. Plan of Exploration: As required by 11 AAC 83.306(1), an initial Plan of Exploration for the Narwhal Unit is submitted with this Application as Attachment D and Exhibit G to the Narwhal Unit Agreement. The five-year POE provides for the drilling of at least 2 and up to 4 exploration wells and the evaluation of all available geologic and geophysical data that relates to the Narwhal Unit Area. The POE complies with the criteria provided in 11 AAC 83.341.

H. Designation of Unit Operator and Unit Operating Agreement: The Applicants have designated EE Partners as the unit operator under the Narwhal Unit Agreement submitted herewith. EE Partners is qualified to serve as unit operator under 11 AAC 83.331. As owner of 100% of the working interest in the leases proposed to be included in the unit, the Applicants defer the submission of the Unit Operating Agreement. The Narwhal Unit Operating Agreement will be executed by all working interest owners and submitted in accordance with the provisions of 11 AAC 83.306(2) as soon as it is complete.

I. Application Fee: An application fee of \$10,000 is submitted herewith pursuant to 11 AAC 83.306(6) and 11 AAC 05.110(d)(3)(D).

II. Background

Narwhal incorporated in Alaska and began to acquire leases in West Harrison Bay in 2016. In the 2016 Beaufort Sea Areawide Sale, Narwhal acquired six leases comprising 31,214.80 acres for a total cash bonus bid and interest of \$782,573.08. Narwhal then acquired seven additional West Harrison Bay leases totaling 28,899.36 acres in the 2019 Beaufort Sea Areawide Sale with a

bonus bid and interest of \$784,460.52. Narwhal's combined current leasehold (collectively referred to herein as the "Narwhal Leases") is 57,950.34 acres,¹ and Narwhal has made annual lease rental payments on these holdings that total \$3,289,490 as of the date of this Application.

Narwhal affiliate EE Partners was the high bidder on seven Beaufort Sea leases in the 2023 Beaufort Sea Areawide Sale. These leases (collectively referred to herein as the "EE Partners Leases") comprise 23,370.00 acres for a total cash bonus bid and interest of \$689,415.00. The EE Partners Leases in Harrison Bay are adjacent to the Narwhal Leases and on-trend with the Narwhal Leases' potential hydrocarbon accumulations. EE Partners was the highest bidder and largest participant in the 2023 Beaufort Sea Areawide lease sale, and the only company to acquire leases in Harrison Bay.

To date, the Applicants have invested over \$6,800,000 in the Narwhal Unit leases and continue to expend funds toward exploration of those leases. After acquiring its initial set of leases in 2017, Narwhal began to acquire and analyze subsurface data, as further described below. In 2018, Narwhal initiated negotiations with Shell Offshore, the holder of adjacent leases in West Harrison Bay, to coordinate an exploration drilling program in West Harrison Bay and share the multi-billion-dollar infrastructure cost required to bring oil to market. During extensive discussions and multiple contract negotiations between the parties, Shell acknowledged the need for all leaseholders to work together to meet the infrastructure costs and challenges in West Harrison Bay but was unable to obtain internal authorization to proceed and ultimately relinquished its West Harrison Bay Unit leases in 2024.

In 2022, Narwhal embarked on a comprehensive geological program to identify other Nanushuk Formation prospects to justify the payment of the enormous infrastructure costs required to develop West Harrison Bay leases independent of any financial or other cooperation by Shell. This work included: acquiring all available 3D seismic data for West Harrison Bay; retaining independent geologists and geoscientists to reprocess and interpret the seismic data for the Nanushuk and Torok Formations; and applying to expand the West Harrison Bay Unit to include the Narwhal Leases. Much of this geological work was detailed in Narwhal's 2023 Application for Rental Reduction, which was approved by DNR in June 2023.

Following the acquisition of the EE Partners Leases in November 2023, Narwhal retained geologists and geophysicists to conduct an in-depth evaluation of the EE Partners Harrison Bay prospects using seismic data available from DNR's previous SALSA block auctions. Narwhal also retained Wood Mackenzie to assist with estimating development costs and construct a valuation model for the Narwhal/EE Partners potential reserves. Based on this valuation, Narwhal confirmed that the Narwhal Leases and EE Partners Leases collectively contain sufficient potential reserves to justify the high estimated development and infrastructure costs of more than \$8 billion for the success case of a commercial discovery without the participation of other leaseholders in West Harrison Bay.

In 2024, Narwhal has continued to advance the permitting and field work for an exploration drilling program by:

¹ Narwhal relinquished ADL 393901 on June 28, 2023.

- Advancing the planning, permitting, and engineering for the Narwhal Unit Area exploration campaign;
- Amending and filing long-lead permits required for the proposed exploration drilling campaign, including incidental harassment authorization (“IHA”) from the National Marine Fisheries Service (“NMFS”) and the U.S. Fish and Wildlife Service (“USFWS”);
- Expanding the team of geological consultants to conduct a deep technical assessment and identify optimal drilling locations on Narwhal Unit leases;
- Conducting outreach to local communities and Alaska Native groups, including with the Alaska Eskimo Whaling Commission (“AEWC”) and the North Slope Borough regarding a Plan of Cooperation and Open Water Conflict Avoidance Agreement;
- Engaging Nordic-Calista Drilling and Doyon Drilling to coordinate procurement and transport of fit for purpose exploration drilling rigs from Canada to Alaska;
- Entering into consulting and service agreements with ten different entities, and engaging in negotiations with other service and equipment providers to prepare for the exploration drilling campaign; and
- Preparing an oil spill response plan, expanding Narwhal’s operating team, and finalizing and filing this Application.

The Applicants’ significant investment in the Narwhal Unit leases over the past eight years and extensive efforts to prepare for the proposed Narwhal Unit Area exploration drilling campaign demonstrate their commitment to developing the Narwhal Unit leases for the maximum benefit of Alaska and its people.

III. Description of the Area Proposed for Unitization

A “unit” is defined as “a group of leases covering all or part of one or more potential hydrocarbon accumulations, or all or part of one or more adjacent or vertically separate oil or gas reservoirs, which are subject to a unit agreement[.]”² A “reservoir” is an “oil or gas accumulation which has been discovered by drilling and evaluated by testing and which is separate from any other accumulation of oil and gas.”³ A “potential hydrocarbon accumulation” is “any structural or stratigraphic entrapping mechanism which has been reasonably defined and delineated through geophysical, geological, or other means and which contains one or more intervals, zones, strata, or formations having the necessary physical characteristics to accumulate and prevent the escape of oil and gas.”⁴ A unit must encompass the minimum area required to include all or part of one or more oil or gas reservoirs, or all or part of one or more potential hydrocarbon accumulations.⁵

² 11 AAC 83.395(7).

³ 11 AAC 83.395(b).

⁴ 11 AAC 83.385(7).

⁵ 11 AAC 83.356.

The Narwhal Unit Area includes multiple stacked reservoirs and potential hydrocarbon accumulations that may comprise one or more Participating Area (“PA”). The full extent of these accumulations is unknown, but the proposed unit area will allow Applicants to further explore, delineate, and develop the leases collectively to maximize the significant investment required to do so while minimizing impacts to the environment in a way that would not be possible on a lease-by-lease basis. As noted above, consistent with 11 AAC 83.351, the Applicants will apply for formation of a PA at least 90 days prior to sustained unit production.

A map of the Narwhal Unit Area is attached as Attachment C. The Applicant seeks to unitize all of the following State of Alaska leases, totaling 78,320.34 acres:

Lease	Lessee	Effective Date	Primary Term	Expiration Date
ADL 393176	Narwhal, LLC	July 1, 2017	8	June 30, 2025
ADL 393177	Narwhal, LLC	July 1, 2017	8	June 30, 2025
ADL 393178	Narwhal, LLC	July 1, 2017	8	June 30, 2025
ADL 393179	Narwhal, LLC	July 1, 2017	8	June 30, 2025
ADL 393180	Narwhal, LLC	July 1, 2017	8	June 30, 2025
ADL 393181	Narwhal, LLC	July 1, 2017	8	June 30, 2025
ADL 393895	Narwhal, LLC	August 1, 2020	8	July 31, 2028
ADL 393896	Narwhal, LLC	August 1, 2020	8	July 31, 2028
ADL 393897	Narwhal, LLC	August 1, 2020	8	July 31, 2028
ADL 393898	Narwhal, LLC	August 1, 2020	8	July 31, 2028
ADL 393899	Narwhal, LLC	August 1, 2020	8	July 31, 2028
ADL 393900	Narwhal, LLC	August 1, 2020	8	July 31, 2028
LST BS0456	EE Partners Corp.	TBD	10	TBD
LST BS0457	EE Partners Corp.	TBD	10	TBD
LST BS0458	EE Partners Corp.	TBD	10	TBD
LST BS0459	EE Partners Corp.	TBD	10	TBD
LST BS0461	EE Partners Corp.	TBD	10	TBD
LST BS0462	EE Partners Corp.	TBD	10	TBD
LST BS0466	EE Partners Corp.	TBD	10	TBD

A more complete description of the leases proposed to be included in the Narwhal Unit is provided in Attachment B.

IV. Discussion of 11 AAC 83.303 Criteria

Under 11 AAC 83.303(a), a new unit shall be approved upon a finding that the proposed unit will: (1) promote the conservation of all natural resources, (2) promote the prevention of both environmental and physical waste, and (3) provide for the protection of all parties of interest, including the State. In evaluating the 11 AAC 83.303(a) criteria, the Commissioner considers (1) the environmental costs and benefits of unitized exploration or development; (2) the geological and engineering characteristics of the potential hydrocarbon accumulation or reservoir proposed for unitization; (3) prior exploration activities in the proposed unit area; (4) the applicant's plans for exploration or development of the unit area; (5) the economic costs and benefits to the state; and (6) any other relevant factors, including measures to mitigate impacts identified above, that

the Commissioner determines necessary or advisable to protect the public interest, as set forth at 11 AAC 83.303(b).

As described below, the Narwhal Unit satisfies the 11 AAC 83.303(a) criteria as considered pursuant to the 11 AAC 83.303(b) criteria.

A. 11 AAC 83.303(a) Criteria Support Unitization

The proposed Narwhal Unit satisfies each of the 11 AAC 83.303(a) criteria.

i. The Narwhal Unit Will Promote the Conservation of All Natural Resources Including All or Part of an Oil and Gas Pool, Field or Like Area (11 AAC 83.303(a)(1)).

A unit may be formed to conserve the natural resources of all or a part of an oil or gas pool, field, or like area when determined to be necessary or advisable in the public interest.⁶ Conservation of the natural resources of all or part of an oil or gas pool, field, or like area means “maximizing the efficient recovery of oil and gas and minimizing the adverse impacts on the surface and other resources.”⁷

Unitization of the multiple stacked reservoirs and potential hydrocarbon accumulations in the Narwhal and EE Partners Leases for development under the proposed Narwhal Unit Agreement will promote efficient evaluation and development of the State’s resources and minimize the impacts to the area’s cultural, biological, and environmental resources. Approval of the Narwhal Unit will allow the Unit Operator to build and utilize one set of infrastructure and facilities to develop all of the Narwhal Unit leases, maximizing the efficient recovery of oil and gas from the Narwhal Unit leases and minimizing the adverse impacts on the surface and other resources, including hydrocarbons, gravel, sand, water, wetlands, and valuable fish and wildlife habitat. The resulting reduction in environmental impacts and preservation of subsistence access is in the public interest and supports unitization.

ii. The Narwhal Unit Will Prevent Economic and Physical Waste (11 AAC 83.303(a)(2)).

Unitization of the Narwhal Unit leases will prevent economic and physical waste by reducing the number of wells needed for efficient recovery or delineation of the oil and gas in place. Unitization will also prevent economic and physical waste by eliminating redundant expenditures and avoiding the loss of ultimate recovery through the adoption of a unified reservoir.

A finding that the proposed unit will prevent economic and physical waste is supported by Narwhal’s GG&E Report submitted to the Division with this Application. The GG&E Report illustrates that the proposed Narwhal Unit Area encompasses all or part of one or more potential hydrocarbon reservoirs and justifies inclusion of the proposed Narwhal Unit leases, as further described above.

⁶ AS 38.05.180(p).

⁷ 11 AAC 83.395(1).

iii. The Narwhal Unit Will Protect All Parties of Interest, Including the State (11 AAC 83.303(a)(3)).

Both the State and its people have an interest in maximizing the economic and physical recovery of the State's oil and gas resources.⁸ Approval of the Narwhal Unit will maximize economic and physical recovery of the State's resources.

Combining the interests of Narwhal and EE Partners and operating under the terms of the Narwhal Unit Agreement and operating agreement will ensure an equitable allocation of costs and revenues commensurate with the resources. Formation of the Narwhal Unit promotes the State's economic interests by maximizing hydrocarbon recovery and producing additional State revenue from the unit's production. Diligent exploration and development under a single approved unit plan without the complications of competing leasehold interests promotes the State's interest. Operating under the Narwhal Unit Agreement will provide for accurate reporting and record keeping, State approval of plans of exploration and development and operating procedures, royalty settlement, in-kind taking, and emergency storage of oil and gas, all of which will further the State's interests.

B. 11 AAC 83.303(b) Criteria Support Unitization

Analysis of the proposed under the 11 AAC 83.303(b) criteria further support approval of the Narwhal Unit.

i. Environmental Costs and Benefits of Unitized Exploration or Development (11 AAC 83.303(b)(I))

Unitization of the Narwhal and EE Partners Leases will allow exploration and development activities to be conducted with the least environmental impacts, consistent with the well-established prudent, efficient, and environmentally sound industry practices related to nearshore North Slope operations. Unitization allows for coordinated use of infrastructure and the completion of required work in an orderly and rational manner over a wide geographic area, instead of focusing on lease-by-lease activities and making investment decisions based on lease preservation. As noted above, the Narwhal Unit Area includes multiple stacked reservoirs and potential hydrocarbon accumulations. The environmental impacts would be significantly greater if the reservoirs were developed on a lease-by-lease or well-by-well basis, rather than on an integrated unitized basis encompassing the minimum area required to include all or part of the oil or gas reservoirs and potential hydrocarbon accumulations involved. Development under the terms of the Narwhal Unit Agreement will promote efficient evaluation and development of the State's resources and will minimize impacts to the area's cultural, biological, and environmental resources.

Ultimately, unitized exploration will reduce environmental costs by reducing duplicate exploration activities such as drilling multiple wells to explore an area when one would be sufficient. The Unit Operator also must obtain approval of a plan of operations from the State and permits from various agencies before drilling a well or wells or initiating development activities

⁸ AS 38.05.180(a).

to produce reservoirs within the unit area.⁹ Potential effects on the environment are also analyzed when permits to conduct exploration or development in the unit area are reviewed. Narwhal will operate under an approved plan of operations and the attached plan of exploration, which the Commissioner will approve with this Application.

ii. Geological and Engineering Characteristics of the Narwhal Unit Reservoirs (11 AAC 83.303(b)(2))

The confidential GG&E Report submitted separately with this Application describes the geological and engineering characteristics of the Narwhal Unit reservoirs. The Narwhal Unit leases, acquired in 2017, 2020, and 2024, highlighted the potential in the Brookian sequence. Within these leases, the Applicants have identified three independent prospects in the Nanushuk Formation, along with several leads in the Torok Formation.

Decreased technical risks for these prospects were supported by a series of successful discoveries within similar geological plays, starting with the notable Qugruk No. 3 well in 2013. These ongoing efforts have delineated at least three potential oil accumulations within the proposed Narwhal Unit area, collectively containing in excess of one billion barrels of recoverable light oil. Noteworthy comparisons include the significant Pikka and Willow oil accumulations.

Narwhal initiated its exploration activities in the Narwhal Unit area by conducting extensive reviews of unsuccessful wells (“dry-hole” analysis), examining the reasons behind the historical underestimation of the Nanushuk’s potential, and studying the petroleum systems capable of producing light oil at unusually shallow depths. This foundational work, combined with the results from recent explorations, underscored promising leads on the leases, meriting further detailed analysis. This comprehensive approach, which integrated new well data with recent discoveries and geophysical data, solidified the strategic targeting of Narwhal’s prospects in the area.

iii. Prior Exploration Activities in the Proposed Narwhal Unit Area (11 AAC 83.303(b)(3))

To date, the Applicants have made a significant investment in acquiring and maintaining their leases, and acquiring and evaluating relevant geologic, geophysical, and well data that informs their analysis of the Narwhal Unit Area. Since 2016, Narwhal has compiled an extensive collection of seismic and well data to bolster its operations in West Harrison Bay, including 2-D and 3-D seismic data.

Although no exploration wells have been drilled on the Applicants’ leases, several wells drilled in close proximity to the proposed Narwhal Unit as part of the multi-decade US Navy NPRA drilling program have informed Narwhal’s geological interpretations. These wells, including Atigaru Pt. No. 1, North Kalilpik No. 1, and Cape Halkett No. 1, provide excellent geologic control regarding the reservoir, source, and seal characteristics of the rocks they penetrated and are crucial for understanding the reservoir characteristics, source rock potential, and sealing capabilities of the region.

⁹ 11 AAC 83.346.

These and other wells have been tied to the local seismic dataset, both on 2-D and 3-D seismic surveys. A spec 3-D seismic survey acquired on ice over most of the neighboring West Harrison Bay Unit leases in 2006 represents the most recent seismic data acquisition in the area of the proposed Narwhal Unit. Multiple vintages of 2-D seismic data were acquired after the start of the NPRA drilling program, with the most significant in terms of data quality being Western Geco's 1981 data set. The seismic data are crucial for identifying geologic traps, reservoirs, and seals, especially the 3-D seismic data, which combined with the reprocessed 1981 2-D seismic data reveals critical amplitude anomalies and AVO attributes across the Narwhal Unit Area.

iv. Plan of Exploration or Development of the Narwhal Unit Area (11 AAC 83.303(b)(4))

As provided in the proposed POE (attached hereto as Attachment D), the Applicants plan to drill up to four exploration wells in the Narwhal Unit Area during the five-year period following unit approval. Prior to commencing drilling operations, preliminary field activities will be conducted in summer 2025 to support project permitting, planning, and engineering for the proposed winter drilling program in 2025-2026. Pending the success of the first drilling season, Narwhal will continue to explore and assess the discoveries and acquire seismic data in subsequent years. Summer activities include marine shallow hazard surveys (SHS), freshwater source lake surveys, an archaeological survey, and gathering technical data to support project planning and engineering. Equipment may also be advance staged in the project area to support future winter operations.

The Applicants' logistical program will be supported by an approximately 104 km coastal sea ice trail extending from Oliktok Point to the Narwhal Unit. This trail will be constructed primarily on grounded sea ice. All-terrain vehicles such as rolligons or steigers will transport equipment and materials to and from the Narwhal Unit via the coastal sea ice trail. In the immediate vicinity of the Narwhal Unit, local ice roads may be constructed on sea ice and onshore tundra to enable conventional rolling stock vehicles to support the drilling operations. The Applicants have retained experienced contractors who are assisting with permitting and planning to undertake this drilling program.

The proposed POE for the Narwhal Unit will advance the understanding of the resource potential of the Narwhal Unit leases and provide additional data needed to evaluate both the hydrocarbon potential of the leases and the economics of future development.

v. Economic Costs and Benefits to the State (11 AAC 83.303(b)(5))

A primary goal of the formation of the proposed Narwhal Unit is to facilitate efficient and expeditious exploration of the lands within the unit. The formation of the proposed Narwhal Unit will support investment in exploration, which may lead to the development of new, currently undeveloped formations underlying the leases. The State's economic interests are protected by expediting exploration drilling, efficiently allocating exploration resources, and maximizing the physical recovery of hydrocarbons from the Narwhal Unit reservoirs. Maximizing hydrocarbon recovery assures that the production-based revenue to the State is also maximized.

Formation of the proposed Narwhal Unit will also advance new production sources that can stem the decline in Alaska production, generate jobs for North Slope residents and other

Alaskans, provide royalty revenue to the State of Alaska and long-term tax revenue to the North Slope Borough and the State of Alaska, and increase the longevity of the Trans-Alaskan Pipeline infrastructure. The State's economic interests are therefore clearly advanced by unitized development of the Narwhal Unit leases.

vi. Other Relevant Factors (11 AAC 83.303(b)(6))

As discussed in this Application and the materials submitted herewith, development of the Narwhal Unit Area will require innovative development methods that require significant planning and investment. The Applicants have demonstrated their commitment to developing the State's resources in the Narwhal Unit Area and are preparing to execute the drilling campaign described in the POE. Unitization of the Narwhal Unit leases will enable the Applicants to undertake the monumental exploration and development program in a way that will promote efficient evaluation and development of the State's resources; minimize impacts to the area's cultural, biological, and environmental resources; and maximize the benefits to the State and its people.

V. Request for Approval of Application and Unit Plan of Exploration

In accordance with 11 AAC 83.303, 11 AAC 83.341, and Section 9.1 of the proposed Narwhal Unit Agreement, the Applicants request that the Division approve the formation of the Narwhal Unit and the proposed Unit Plan of Exploration.

The Applicants appreciate the Division's consideration of this Application and look forward to discussing the Application further at the technical conference. Please do not hesitate to contact us or our counsel if you have questions or would like to discuss any of the information submitted with this Application.

Sincerely,



Stéphane Labonte
Narwhal, LLC



Michael Parker
EE Partners Corporation

Enclosures: **Attachment A:** Narwhal Unit Agreement
 Attachment B: Exhibit A to Proposed UA – Description of Leases
 Attachment C: Exhibit B to Proposed UA – Map of Unit
 Attachment D: Exhibit G to Proposed UA – Plan of Exploration

NARWHAL UNIT AGREEMENT

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Exhibits

EXHIBIT A: UNIT TRACT TABLE

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EXHIBIT C: TABLE OF PARTICIPATING AREAS

EXHIBIT D: PARTICIPATING AREA MAP

EXHIBIT E: ALLOCATION OF PARTICIPATING AREA EXPENSES

EXHIBIT F: ALLOCATION OF UNIT EXPENSES

EXHIBIT G: UNIT PLAN

RECITALS

This document is the proposed Narwhal Unit Agreement (“Agreement”), executed by Narwhal, LLC and EE Partners Corporation, who are the Working Interest Owners of the leases proposed to be included in the unit (“Parties”).

The Parties submitted an application to the Alaska Department of Natural Resources (“DNR”) for approval of formation of the Narwhal Unit (“Unit”) out of state oil and gas leases.

DNR may approve unitization of state oil and gas leases when it is necessary or advisable in the public interest.

DNR’s decision on whether to approve formation of the Unit will be set forth in a separate appealable DNR decision.

ARTICLE 1: Purpose and Scope of Agreement

- 1.1. In consideration of the mutual promises in this Agreement, the Parties commit their respective interests in the Unit Area defined in Exhibit A and depicted in Exhibit B to this Agreement, subject to (1) all state statutes and regulations currently in effect or enacted or promulgated after the effective date of this Agreement; (2) the terms of this Agreement; and (3) DNR’s authority to manage state oil and gas resources and to resolve disputes by administrative decision and appeal.
- 1.2. The purpose of this Agreement is to conserve natural resources by maximizing the efficient and timely production of oil and gas resources from the leases and working interests committed to the Unit and minimizing the adverse impacts to the surface estate and other resources from development.
- 1.3. This Agreement is effective as of the Effective Date and automatically expires five years from the Effective Date as provided in 11 AAC 83.336, unless otherwise extended pursuant to 11 AAC 83.336(a)(1) or 11 AAC 83.336 (a)(2).
- 1.4. The Parties acknowledge that DNR is not a Party to this agreement but is instead the agency authorized by Alaska law to approve formation of a unit including state oil and gas leases when it is necessary and advisable in the public interest to explore, develop, and produce state oil and gas resources.

ARTICLE 2: Definitions

- 2.1. **Alaska Oil and Gas Conservation Commission** (“AOGCC”) means the independent quasi-judicial agency of the State of Alaska established by the Alaska Oil and Gas Conservation Act, Alaska Statute 31.05.
- 2.2. **Commissioner** means the Commissioner of the Department of Natural Resources, State of Alaska, or the Commissioner's authorized representative, including but not limited to the Director.
- 2.3. **Director** means the Director of the Department of Natural Resources, Division of Oil and Gas or the Director’s authorized representative.
- 2.4. **Effective Date** means 12:01 a.m. on the date identified as the effective date in the Director’s approval of the unit, and if no date is specified, the date of the unit approval decision.
- 2.5. **Lease or Leases** means one or more oil and gas leases subject to this Agreement.
- 2.6. **Operations** means physical activities in or on an oil and gas lease that a lessee or unit operator may not conduct without an approved plan of operations under 11 AAC 83.158 or 11 AAC 83.346; activities conducted in support of, in anticipation of, or in conjunction with physical activities in or on an oil and gas lease (including but not limited to analyses, review, negotiations, or other work more accurately described as administrative, technical, or commercial activity) do not constitute Operations.
- 2.7. **Participating Area** means all Unit Tracts and parts of Unit Tracts established under the provisions of Article 10 of this Agreement to allocate Unitized Substances produced from a reservoir.
- 2.8. **Participating Area Expense** means all costs, expenses, or indebtedness incurred by the Unit Operator under this Agreement for or on account of production from or Operations in a Participating Area and allocated solely to the Unit Tracts in that Participating Area.
- 2.9. **Royalty Interest** means the State’s right to a share of production from the Unitized Area. It does not include an overriding royalty interest, which is a nonpossessory interest in oil and gas produced at the surface, free of the expense of production, that is derived from a Working Interest, but is not connected to ownership of the land or minerals. Overriding Royalty Interest owners are not proper parties to this Unit Agreement, nor do they have any rights to enforce the terms of this Unit Agreement.
- 2.10. **State** means the State of Alaska.
- 2.11. **Sustained Unit Production** means continuing production of Unitized Substances from a Unit Well in the Unit Area into production facilities and transportation from the unit Area

to market, excluding temporary production for initial testing, evaluation, or pilot production purposes.

- 2.12. **Unit Area** means the lands subject to this Agreement, described in Exhibit A and shown in Exhibit B to this Agreement.
- 2.13. **Unit Expense** means all costs, expenses, or indebtedness incurred by the Unit Operator under this Agreement for or on account of production from or Operations in the Unit.
- 2.14. **Unit Operating Agreement** means any and all agreements entered into by the Unit Operator and the Working Interest Owners, as described in Article 8 of this Agreement.
- 2.15. **Unit Operations** means all Operations conducted under this Agreement in accordance with a Unit plan of operations.
- 2.16. **Unit Operator** means the party designated by the Working Interest Owners and approved by the Director to conduct Unit Operations.
- 2.17. **Unit Plan** means a unit plan of exploration, plan of operations or plan of development as described in Article 9 of this Agreement.
- 2.18. **Unit Tract** means each separate parcel of land that is described in Exhibit A and given a Unit Tract number.
- 2.19. **Tract Participation** means the percentage of Unitized Substances and costs allocated to a Unit Tract in a Participating Area.
- 2.20. **Unit Well** means a well drilled within the Unit Area after the effective date of this Agreement unless specifically authorized by the Director.
- 2.21. **Unitized Substances** means all oil, gas, and associated substances produced from the Unit Area.
- 2.22. **Working Interest** means the interest held in lands by virtue of a Lease under which the owner of the interest is vested with the right to explore for, develop, and produce minerals. The right delegated to a Unit Operator by a Unit Agreement is not a working interest.

ARTICLE 3: Exhibits and copies of the agreement

- 3.1. The Unit Operator will provide the following exhibits to the Director:
 - 3.1.1. Exhibits A, B, and G as part of the Unit Agreement when the unit formation application is filed and whenever there is a change to the Unit Area or in interests committed to the unit.

- 3.1.2. Exhibit F as part of the Unit Agreement if the Unit Area includes or is proposed to include one or more net profit share leases.
- 3.1.3. Exhibits C, D, E, and F when a Participating Area application is submitted for approval, and upon approval of the Participating Area, they become part of this Agreement.
- 3.1.4. Revised Exhibits within 30 days of the information in an Exhibit no longer being accurate, a DNR decision affecting the information in an Exhibit, or a request from DNR for revised Exhibits. Events requiring revised Exhibits include, but are not limited to, expansion or contraction of the Unit Area, expansion or contraction of a Participating Area, changes to Tract Participation, and changes to working interest in Leases.
- 3.2. Exhibit A is a table that identifies and describes each Unit Tract, and displays the Unit Tract numbers, legal descriptions, lease numbers, Working Interest ownership, Royalty Interest ownership, and the applicable royalty and net profit share rates applicable to each Unit Tract.
- 3.3. Exhibit B is a map that shows the boundary lines of the Unit Area and of each Unit Tract, identified by Unit Tract number and lease number.
- 3.4. Exhibit C is comprised of a table for each Participating Area that displays the Unit Tract numbers, legal descriptions, lease numbers, Working Interest ownership, Royalty Interest ownership, and the percentage of Unitized Substances allocated to each (“Tract Participation”). Exhibit C must include a separate table for each Participating Area. Exhibit C and any revisions to Exhibit C are not effective until approved by the Director.
- 3.5. Exhibit D is comprised of a map for each Participating Area. Each Exhibit D map must show the boundary lines of the Unit Area, the Participating Area, and the Unit Tracts in that Participating Area identified by Unit Tract number and lease number.
- 3.6. Exhibit E is comprised of a table for each Participating Area that displays the allocation of Participating Area Expense to each Unit Tract in the Participating Area, identified by Unit Tract number and Lease number. Exhibits must include a separate table for each Participating Area in the Unit Area.
- 3.7. Exhibit F is a table that displays the allocation of Unit Expense to each Unit Tract in the Unit Area, identified by Unit Tract number and lease number. Exhibit F and any revisions to Exhibit F are not effective until approved by the Director.
- 3.8. Exhibit G is a Unit Plan for the Unit. Subsequent Unit Plans are part of this Agreement, but do not need to be labelled as a revised Exhibit G.
- 3.9. At least one copy of this Agreement will be filed with DNR, Division of Oil and Gas in Anchorage, Alaska and one copy will be filed with the AOGCC.

ARTICLE 4: Creation and Effect of Unit

- 4.1. All working interests in and to the lands described in Exhibit A and shown in Exhibit B are subject to this Agreement.
- 4.2. The provisions of a Lease committed to this Agreement and of any other agreement regarding that Lease are modified to conform to the provisions of this Agreement and to statutes and regulations regarding oil and gas leases and units existing on the Effective Date of this Agreement or enacted thereafter.
- 4.3. This Agreement does not transfer title to any Lease.
- 4.4. All data, information, and interpretations determined by the Director to be necessary for the administration of the Unit or for the performance of DNR responsibilities under Alaska law will be submitted to the Director by the Unit Operator or Working Interest Owners, or both, upon DNR written request. Upon request, DNR will keep records confidential to the extent allowed under applicable law.
- 4.5. When the Commissioner or Director makes a decision related to the administration of the Unit or Unit Leases in reliance on confidential information, and there is an appeal or request for reconsideration of that decision in which the confidential information is materially relevant to the issues on appeal, the Working Interest Owners agree to enter reasonable confidentiality agreement(s), as necessary, to provide parties to the appeal or reconsideration with access to the relevant confidential information.

ARTICLE 5: Designation of Unit Operator

- 5.1. EE Partners Corporation is designated as the Unit Operator until such time, if any, that a successor unit operator is designated and approved by the Director. EE Partners Corporation accepts the rights, duties, and obligations of the Unit Operator including to diligently conduct Unit Operations and to explore, develop, and produce the Unit Area.
- 5.2. Except as otherwise provided in this Agreement, and subject to the terms and conditions of an approved Unit Plan, the rights and obligations of the Working Interest Owners to conduct Operations to explore for, develop, and produce the Unit Area are delegated to and will be exercised by the Unit Operator. This delegation does not relieve a Working Interest Owner of the obligation to comply with all Lease terms. The Unit Operator will comply with all notification requirements of the Leases, this Agreement, the Unit Operating Agreement, and applicable statutes or regulations.
- 5.3. The Unit Operator will minimize and consolidate surface facilities to minimize surface impacts.
- 5.4. With the approval of the Director and the AOGCC, any Working Interest Owner is entitled to drill and operate a well on its Lease when the Unit Operator declines to drill

that well. The Working Interest Owner must comply with all applicable statutory, regulatory, and contractual obligations for drilling or operating a well.

- 5.5. A Working Interest Owner who assigns a working interest in a Lease that is subject to this Agreement is responsible for notifying the Unit Operator of Director approval of the assignment within 15 days of the approval.

ARTICLE 6: Resignation or Removal of Unit Operator

- 6.1. The Unit Operator may resign at any time, but the resignation is not effective until the Director approves a successor Unit Operator.
- 6.2. The Unit Operator may be removed by DNR for failure to perform the required duties and obligations set forth in the Agreement. The removal will not be effective until the Director gives the Unit Operator notice and an opportunity to be heard and DNR approves a successor Unit Operator.
- 6.3. Unless specified otherwise in the Unit Operating Agreement, the Unit Operator may be removed by an affirmative vote of the Working Interest owners owning a majority interest in the Unit. The removal is not effective until the Working Interest owners give the Director, the Unit Operator, and all Parties written notice of the removal and the Director approves a successor Unit Operator.
- 6.4. The resignation or removal of the Unit Operator will not release it from liability for any failure to meet obligations that accrued before the effective date of the resignation or removal.
- 6.5. When the resignation or removal of the Unit Operator becomes effective, the Unit Operator will relinquish possession of all unit equipment, artificial islands, wells, installations, devices, records, and any other assets used for conducting Unit Operations, whether or not located in the Unit Area, to the successor Unit Operator.
- 6.6. If the Unit Operator has a Working Interest in one or more leases committed to the unit, its obligations as a Working Interest Owner continue notwithstanding resignation or removal as Unit Operator.

ARTICLE 7: Successor Unit Operator

- 7.1. A proposed successor Unit Operator will accept all rights, duties, and obligations of a Unit Operator in writing before it will be considered for approval by the Director.
- 7.2. If a successor Unit Operator that is satisfactory to the Director has not been proposed within 30 days of notice of the resignation or removal of a Unit Operator, the Director may declare this Agreement terminated.

ARTICLE 8: Unit Operating Agreement

- 8.1. The Unit Operating Agreement is an agreement between the unit Working Interest Owners regarding voting mechanisms, operational details, and non-Participating Area unit cost allocations for implementation of the Unit Agreement. It is not binding on DNR. The Unit Agreement, lease terms, statutes, and regulations control in the event of a conflict with the Unit Operating Agreement.
- 8.2. The unit applicant will file an executed copy of the Unit Operating Agreement with the Director as part of the application to form a unit. Amendments to the Unit Operating Agreement, and all other agreements between the Working Interest Owners that affect the rights, duties, and obligations of some or all of the Parties to this Agreement, must also be filed with the Director within 30 days of execution.

ARTICLE 9: Plans of Exploration, Development, and Operations; Bonding

- 9.1. A Unit Plan must comply with 11 AAC 83.341, 11 AAC 83.343 or 11 AAC 83.346 depending on whether it is a plan of exploration, plan of development or plan of operations.
- 9.2. A proposed Unit Plan is not effective until approved by the Director and will remain in effect until the date specified by the Director in the approval.
- 9.3. Approved Unit Plans, including any updates or amendments, are part of this Agreement.
- 9.4. The Unit Operator will maintain an approved Unit Plan at all times. Failure to do so is cause for default.
- 9.5. The Director, at the time a Unit Plan is approved, may, where facts and circumstances necessitate, require that the Unit Operator provide performance guarantee surety bonds or other mechanisms approved by the Director, which are adequate in the determination of the Director to protect the Unit Area and the State's interest.
- 9.6. The Unit Operator may explore, develop, or produce in the Unit Area only in accordance with an approved Unit Plan. Failure to comply with an approved Unit Plan is cause for default.
- 9.7. The Unit Plan may, in the Director's sole discretion, include a commitment to drill a well unless the Unit Operator: (a) begins within five years from the effective date of this Unit Agreement either Sustained Unit Production or Unit Operations to install permanent infrastructure; or (b) demonstrates to the Director's satisfaction that the Unit Operator has drilled a well capable of producing in paying quantities, and a prudent operator would not continue drilling additional wells.

- 9.8. Before beginning Operations on or in the Unit Area, the Unit Operator must obtain approval of its Unit Plan and any other required state, federal, or local permits and approvals. A plan of operations must be consistent with the mitigation measures set forth in the most recent state areawide lease sale best interest finding for the region that includes the Unit Area as of the time the plan of operations is submitted. An amendment to a plan of operations must be consistent with the mitigation measures in the most recent state areawide lease sale best interest finding as of the time of the amendment submittal.
- 9.9. The Unit Operator will give the Director written notice before beginning testing, evaluation, or pilot production from a well in the Unit Area.
- 9.10. If production from a Participating Area, but not the Unit as a whole, ceases and is not resumed within 90 days, then within 120 days of ceasing production from that Participating Area, the Operator will submit a plan of operations amendment that sets forth a rehabilitation plan for that Participating Area. The rehabilitation plan may address any continued use of improvements in the Participating Area for Unit Operations.
- 9.11. Sustained Unit Production will be maintained. If production should cease, the Operator will progress diligent Operations to restore Sustained Unit Production with lapses of no more than 90 days. The lapse may be longer if a suspension of Operations or production has been ordered or approved by the Director. An unapproved lapse in Sustained Unit Production of more than 90 days is cause for default.
- 9.12. After giving written notice to the Unit Operator and an opportunity to be heard, the Director may require the Unit Operator to modify from time-to-time, the rate of prospecting and development and the quantity and rate of production.

ARTICLE 10: Participating Areas and allocation of production

- 10.1. The Unit Operator will submit a request for approval of a proposed Participating Area to the Director for approval 90 days before the commencement of Sustained Unit Production from the proposed Participating Area.
- 10.2. A proposed Participating Area must be supported by an approved Unit Plan committing to Sustained Unit Production.
- 10.3. Unless another date is established by the Director, the effective date of a Participating Area will be no later than the date of first Sustained Unit Production.
- 10.4. Unitized Substance produced from one unit Participating Area (“originating Participating Area”) may be injected into another unit Participating Area (“receiving Participating Area”) for repressuring, recycling, storage, enhanced recovery, or other purposes only if the Director has approved the operation. The State will be paid royalty upon production from the originating Participating Area unless the Director approves payment of royalties

when the Unitized Substances injected are produced and sold from the receiving Participating Area under the following conditions:

- 10.4.1. The first Unitized Substances produced and sold from the receiving Participating Area will be considered to have been the injected Unitized Substances until a volume of Unitized Substances equal to the volume of injected Unitized Substances is produced and sold from the receiving Participating Area.
- 10.4.2. All Unitized Substances produced and sold from the receiving Participating Area that is considered to have been injected will be allocated back to the originating Participating Area.
- 10.4.3. The Unit Operator will provide monthly reports to the Director of the volumes transferred during the preceding month; and
- 10.4.4. The Working Interest Owners will pay royalties on injected substances produced and sold from a receiving Participating Area as if those injected substances were produced and sold from the originating Participating Area when they were produced from the receiving Participating Area.
- 10.5. The Commissioner's approval must be obtained for the proposed recovery rate and commencement date for recovery before any substance is injected within the Unit Area.
- 10.6. Production and costs will be allocated under 11 AAC 83.371 and any successor regulation. The Unit Operator will submit a proposed allocation plan, with supporting data, with the application to form a Participating Area. The allocation plan must be revised whenever a Participating Area is expanded or contracted.
- 10.7. The Working Interest Owners will pay royalties for each Unit Tract in proportion to each Working Interest Owner's ownership in that Unit Tract. The amount of Unitized Substances allocated to each Unit Tract will be deemed to have been produced from that Unit Tract.
- 10.8. If the Working Interest Owners allocate Unitized Substances, Participating Area Expense, or Unit Expense differently than described in Exhibits C, E, and F, that allocation will not be binding on the State or effective for determining royalty or net profit share payments. The Unit Operator will submit any allocation that is different than the allocations required in Exhibits C, E, or F to the Director under 11 AAC 83.371(b) for the State's information within 10 days of its effective date with a statement explaining the reason for the different allocation.
- 10.9. Royalties will not be due or payable to the State for the portion of Unitized Substances unavoidably lost or used in the Unit Area for development and production in accordance with prudent industry practices. Gas that is flared for any reason other than safety purposes as allowed by the AOGCC will not be deemed to be unavoidably lost and the Working Interest Owners will pay royalties for such flared gas as if it had been produced.

This exemption does not apply to Unitized Substances that are sold, traded, or assigned, including sales, transactions, or assignments among the Working Interest Owners.

ARTICLE 11: Offset Wells

- 11.1. Whenever there is a risk of drainage from production Operations on property outside the Unit Area, the Unit Operator shall drill wells to protect the State from loss by reason of drainage. If oil or gas is produced in Paying Quantities, as defined in 11 AAC 83.105, for 30 consecutive days from a gas well within 1,500 feet of the Unit or an oil well within 500 feet of the Unit, the Director may issue a written demand to drill. The Unit Operator will have an opportunity to be heard on the demand. If the Director then finds that production from a well outside the Unit is draining the Unit Area, the Unit Operator will begin drilling Operations for an offset well in the Unit Area within 30 days. In lieu of drilling a well required by this paragraph, the Working Interest Owners may compensate the State in full each month for the estimated loss of royalty through drainage in the amount determined by the Director.

ARTICLE 12: Leases, Rentals, and Royalty Payments

- 12.1. The Working Interest Owners will pay rent, royalty, and net profit share payments due under the Leases. Payments to the State must be made under 11 AAC 04.010 *et seq.*, 11 AAC 83.110, and 11 AAC 83.201 *et seq.*, and any successor regulations or statutes.
- 12.2. The royalty value, royalty in value, and royalty in kind provisions of state Leases committed to this agreement are amended to conform to the royalty value, royalty in value, and royalty in kind provisions of the lease attached to the state areawide lease sale best interest finding for the region that includes the Unit Area that is most recent as of the effective date of this Agreement.
- 12.3. If a state Lease committed to this Agreement provides for a discovery royalty rate reduction for the first discovery of oil or gas, that lease is amended to state that this Lease provision will not apply to a well spudded after the Effective Date.
- 12.4. Each month, the Unit Operator will furnish a schedule to the Director specifying for the previous month the amount of Unitized and Non Unitized Substances: 1) produced; 2) consumed in development and production Operations or unavoidably lost; 3) allocated to each unit tract; 4) allocated to each unit tract and delivered in-kind as royalty to the State; and 5) allocated to each Unit Tract for which royalty must be paid. The Unit Operator and Working Interest Owners will file all royalty and net profit share reports per 11 AAC 04.010 *et seq.* If any of the leases subject to this Agreement require net profit share payments, the operator will also provide an updated schedule of development costs and file net profit share reports in accordance with 11 AAC 83.201 *et seq.*

- 12.5. Each Working Interest Owner will pay royalties and net profit share payments to the State as provided in the Lease and based on the production allocated to the Unit Tract and in accordance with 11 AAC 04.010 *et seq.* and 11 AAC 83.201 *et seq.*
- 12.6. Royalties, whether paid in-kind or in-value, must be free and clear of all Lease expenses, unit expenses, and Participating Area Expenses including, but not limited to, separating, cleaning, dehydration, saltwater removal, processing, compression, pumping, manufacturing, preparing production for transportation off the Unit Area, and gathering and transportation costs incurred before the Unitized Substances are delivered to a common carrier. No lien for any expenses will attach to rent or royalty or net profit share payments due on produced Unitized Substances. But royalty and net profit share will bear a proportionate part of any gas shrinkage that occurs during gas processing and blending.
- 12.7. Parties acknowledge that sales information, including but not limited to confidential sales pricing terms, of the Parties for the production and sale of hydrocarbons from the Unit may be used by the DNR to administer the Unit, and other leases or Units in the area, including valuation for royalty purposes and DNR may disclose such confidential sales information to other producer/lessees in the same area in the administration, collection, and/or audit of royalties and net profit share payments. DNR also reserves the right to utilize information filed by the Parties with the Department of Revenue in the administration, collection, and/or audit of royalties and net profit share payments.
- 12.8. Notwithstanding any contrary Lease term or regulation, all royalty deductions for transportation, including, but not limited to, marine, truck, and pipeline transportation, from the Unit Area to the point of sale are limited to the actual and reasonable costs incurred by the Working Interest Owners. Transportation deductions are only allowed for sales quality oil and after the oil has passed through a custody transfer meter approved by the AOGCC. The State reserves the right to audit these transportation deductions. These transportation costs must be determined by taking into account all tax benefits applicable to the transportation.
- 12.9. If the Unit Operator or Working Interest Owners commingle production from the Unit with production from other sources for processing, the Unit Operator and Working Interest Owners will provide the Director with a monthly statement that identifies the quality and volume of oil or gas produced from the Unit.
- 12.10. Any unpaid, underpaid, or overpaid royalty or net profit share payment from state Leases committed to this Agreement will accrue interest as provided in AS 38.05.135(d)-(e).
- 12.11. For each Participating Area, the Unit Operator will give the Director notice of the anticipated date for commencement of production at least ninety (90) days before the commencement of Sustained Unit Production. Each month after the commencement of Sustained Unit Production, the Unit Operator will provide the Director a written estimate of unit production for the following ninety (90) days. DNR may take the State's royalty share of unit production in-kind. The Director will give the Unit Operator 90 days'

written notice of the State's initial election to take all or a portion of its share of unit production in-kind. After taking has commenced, the Director may increase or decrease the amount of its royalty share taken in-kind.

- 12.11.1. The Director may elect to specify the Unit Tracts from which the State's royalty share of Unitized Substances taken in-kind are to be allocated. If the Director does not specify any Unit Tracts in the written notice to the Unit Operator, the Unitized Substances taken in-kind will be allocated to all Unit Tracts in accordance with the Tract Participation shown on Exhibit C to this Agreement.
- 12.11.2. The Unit Operator will deliver the State's in-kind royalty to the custody transfer meter at a common carrier pipeline capable of carrying those substances, or at any other mutually agreeable place. The Director may designate any individual, firm, or corporation to accept delivery.
- 12.11.3. The State's share of Unitized Substances taken in-kind will be delivered to the point of sale in sales and common carrier pipeline quality condition. If a Working Interest Owner processes its share of the Unitized Substances to separate, extract, or remove liquids, the Director may require the Working Interest Owner to also process the State's share of Unitized Substances being taken in-kind in the same manner without cost to the State. The State, or its buyer, will only pay tariffed transportation costs and shrinkage of the volume of gas resulting from processing.
- 12.11.4. Each Working Interest Owner will furnish storage in or near the Unit Area for the State's royalty share of Unitized Substances to the same extent that the Working Interest Owner provides storage for its own share of Unitized Substances.
- 12.12. If a purchaser of the State's royalty taken in-kind does not take delivery, the Director may elect, without penalty, to underlift for up to six months following the failed delivery. The State may underlift all or a portion of its royalty share. The State's right to underlift is limited to the portion of its royalty share taken in-kind that the purchaser did not take delivery of or what is necessary to meet an emergency condition. The Director will give the unit operator written notice 30 days before the first day of the month in which the State will accept the underlifted royalty share of Unitized Substances. The State may correct an underlift of its royalty share at a daily rate not exceeding 25 percent of its royalty share of daily production, unless otherwise agreed.
- 12.13. The Unit Operator will maintain records, and will keep and have in its possession, books and records including expense records, of all exploration, development, production, and disposition of all Unitized Substances and substances from outside the Unit Area that are injected into the unit, Unitized Substances that are injected outside the unit, and substances injected into a Participating Area that were produced outside the Participating Area. Each Working Interest Owner will maintain records of the disposition of its portion

of the Unitized Substances, substances produced from outside the unit that are injected into the Unit Area, and substances produced from outside a participating area that were injected into the Participating Area including sales prices, volumes, and purchasers. The Unit Operator or Working Interest Owner must provide the Director with copies of the records upon request. The books and records may be provided in a mutually agreeable electronic format. The books and records must employ methods and techniques that will ensure the most accurate figures reasonably available. The Unit Operator and the Working Interest Owners will use generally accepted and internally consistent accounting procedures, except when it would be inconsistent with net profit share lease regulations.

- 12.14. The Working Interest Owners acknowledge that when they provide records for DNR, either directly to DNR or indirectly through another State agency, DNR may disclose those records in an official investigation or proceeding, including an audit to which the records are relevant, in accordance with AS 38.05.036.
- 12.15. If a Lease requires payment of minimum royalty, the Lease is amended to delete that minimum royalty obligation.

ARTICLE 13: Unit Expansion and Contraction

- 13.1. Upon its own election or at the direction of the Director, the Unit Operator may apply to expand the Unit Area to include additional lands that include all or part of a reservoir or potential hydrocarbon accumulation or that facilitate production.
- 13.2. A Unit expansion is not effective until approved by the Director.
- 13.3. The Director will contract the Unit as provided in 11 AAC 83.356.
- 13.4. Within 30 days after approval by DNR of any expansion or contraction of the Unit Area, the Unit Operator will submit revised Exhibits A and B to the Director.

ARTICLE 14: Unit and Lease Termination

- 14.1. A Lease or portion of a Lease contracted out of the Unit Area may be maintained only in accordance with state law, the Lease, and this Agreement.
- 14.2. This Agreement may be terminated by an affirmative vote of the Working Interest Owners, subject to Director approval.
- 14.3. This agreement automatically expires and ceases to exist five years from the Effective Date of this Agreement as provided in 11 AAC 83.336. The Effective Date is not subject to change, regardless of any change to the Unit Area or amendment to this Agreement.
- 14.4. Each Lease committed to this Agreement is extended as provided in the Lease.

- 14.5. Each Lease committed to this Agreement on the day that this Agreement expires or terminates, will remain in force for an extension period of 90 days, or any longer period approved by the Director, and for so long thereafter as the Working Interest Owners are actively drilling or redrilling or producing from the Lease in paying quantities.
- 14.6. Upon the expiration or termination of state Leases committed to this Agreement, the Working Interest Owners will continue to have rights as set forth in the Lease, including rights to access the Lease area for purposes of well abandonment and dismantlement, removal, and restoration. Notwithstanding any contrary Lease terms, within 120 days after expiration or termination of this Agreement, the Working Interest Owners will provide DNR with a proposed rehabilitation plan for any Unit Area Leases that are no longer in force, including (a) the location of all improvements; (b) plans for dismantling and removing each improvement and rehabilitating the area of the improvement; and (c) any requests to leave an improvement in place. To ensure that the Working Interest Owners return the land in good condition, DNR will approve or disapprove the rehabilitation plan and determine which, if any, improvements, such as roads, pads, and wells, may be left intact and the Working Interest Owners relieved of further responsibility for its maintenance, repair, abandonment, and rehabilitation. Returning the land in good condition includes, but is not limited to, compliance with an approved rehabilitation plan. The Working Interest Owners, or the Unit Operator on behalf of the Working Interest Owners, may at any time within a period of one year after the termination of Unit Area Leases, or any extension of that period as may be granted by DNR, remove from the Unit Area all machinery, equipment, tools, and materials. Upon the expiration of that period and at the option of DNR, any machinery, equipment, tools, materials, and improvements that the Unit Operator or Working Interest Owners have not removed from the Unit Area may, at the election of the State, become the property of the State, or be removed by the State at the expense of the Working Interest Owners, or DNR may issue an order requiring the Working Interest Owners to remove any machinery, equipment, tools, materials, and improvements within 90 days.

ARTICLE 15: Counterparts

- 15.1. The signing of counterparts of this Agreement will have the same effect as if all parties had signed a single original of this Agreement.

ARTICLE 16: Laws and Regulations

- 16.1. This Agreement and all state Leases subject to this Agreement are subject to all applicable state and federal statutes and regulations in effect on the Effective Date of this Agreement, and to all statutes and regulations or amendments to statutes and regulations placed in effect after the Effective Date of this Agreement, without regard to whether this Agreement references a particular statute or regulation. A reference to a statute or regulation in this Agreement includes any change in that statute or regulation whether by

amendment, repeal and replacement, or other means. This Agreement does not limit the power of the State of Alaska or the United States of America to enact and enforce legislation or to promulgate and enforce regulations affecting, directly or indirectly, the activities of the parties to this Agreement or the value of interests held under this Agreement. In case of conflicting provisions, statutes and regulations take precedence over this Agreement.

ARTICLE 17: Appearances and Notices

- 17.1. If the State gives the Unit Operator a notice or order relating to this Agreement, it will be deemed given to all Working Interest Owners. All notices required by this Agreement will be given in writing and delivered electronically, personally, or by United States mail to the Unit Operator at the address listed below. All notices actually received will also be deemed properly given. The Unit Operator will give 30 days' written notice to the State and the other Working Interest Owners of any change in its notice address. The State will give 30 days' written notice to the Unit Operator of any change in its notice address.

Address of the Unit Operator:

EE Partners Corporation
406 West Fireweed Lane, Suite 100
Anchorage, Alaska 99503

Address of the State:

Director, Division of Oil and Gas
550 West Seventh Avenue, Suite 1100
Anchorage, Alaska 99501-3560

ARTICLE 18: Default

- 18.1. Failure to comply with any term of this Agreement, including Unit Plans or applicable statutes and regulations, is a default of this Agreement, without regard to any specific references to default in this Agreement.
- 18.2. The failure to comply with a Unit Plan or other aspect of this Agreement because of force majeure, as defined in 11 AAC 83.395, is not a default, so long as the Unit Operator is working diligently to overcome the force majeure condition. Failure to obtain a permit or other approval from a state, federal, or local agency or a landowner is not force majeure.
- 18.3. A seasonal restriction on Operations or production or other condition required in the Lease is not a suspension of Operations or production required by law or force majeure.

ARTICLE 19: Preservation of Rights

- 19.1. Nothing in this Agreement shall diminish a Party's right to appeal a decision of the Director, in accordance with 11 AAC 02.

[signature pages follow]

IN WITNESS OF THE FOREGOING, the parties have executed this Unit Agreement on the dates opposite their respective signatures.

UNIT OPERATOR AND WORKING INTEREST OWNER

By: Michael Parker

Date: JUNE 25, 2024

EE Partners Corporation

Michael Parker, President

(Company Name, signatory's printed name and title)

STATE OF _____)
)ss.
_____)

This certifies that on the _____ of _____, 20____, before me, a notary public in and for the State of _____, duly commissioned and sworn, personally appeared _____, known to me to be the person described in, and who executed the foregoing agreement, who then after being duly sworn according to law, acknowledged to me under oath that he executed same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

NOTARY PUBLIC in and for Alaska

My Commission Expires: _____

IN WITNESS OF THE FOREGOING, the parties have executed this Unit Agreement on the dates opposite their respective signatures.

WORKING INTEREST OWNER(S)

By:  _____

Date: June 25, 2024

Narwhal, LLC

Stephane Labonte, Exploration Manager

(Company Name, signatory's printed name and title)

STATE OF _____)
)ss.
_____)

This certifies that on the _____ of _____, 20____, before me, a notary public in and for the State of _____, duly commissioned and sworn, personally appeared _____, known to me to be the person described in, and who executed the foregoing agreement, who then after being duly sworn according to law, acknowledged to me under oath that he executed same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

NOTARY PUBLIC in and for _____

My Commission Expires: _____

Exhibit A
UNIT TRACT TABLE

**EXHIBIT A – NARWHAL UNIT AGREEMENT
DESCRIPTION OF LEASES**

UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
1	ADL 393900	7/31/2028	16.66667	4,524.23	100 (Narwhal, LLC)	<p>T. 17 N., R. 01 W., Umiat Meridian, Alaska. Section 20, Unsurveyed, All tide and submerged land excluding the National Petroleum Reserve - Alaska, 278.55 acres; Section 21, Protracted, All, 640.00 acres; Section 28, Protracted, All, 640.00 acres; Section 29, Unsurveyed, All tide and submerged land excluding the National Petroleum Reserve - Alaska, 399.24 acres; Section 30, Unsurveyed, All tide and submerged land excluding the National Petroleum Reserve - Alaska, 198.82 acres; Section 31, Protracted, All, 639.00 acres; Section 32, Protracted, All, 640.00 acres; Section 33, Protracted, All, 640.00 acres;</p> <p>T. 17 N., R. 02 W., Umiat Meridian, Alaska. Section 25, Unsurveyed, All tide and submerged land excluding the National Petroleum Reserve - Alaska, 11.23 acres; Section 36, Unsurveyed, All tide and submerged land excluding the National Petroleum Reserve - Alaska, 437.39 acres.</p>

**EXHIBIT A – NARWHAL UNIT AGREEMENT
DESCRIPTION OF LEASES**

UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
2	ADL 393181	6/30/2025	16.66667	5,050.00	100 (Narwhal, LLC)	T. 16 N., R. 02 W., Umiat Meridian, Alaska. Section 1, Unsurveyed, All, Excluding the National Petroleum Reserve-Alaska, 637.00 acres; Section 2, Unsurveyed, All, Excluding the National Petroleum Reserve-Alaska, 94.00 acres; Section 11, Unsurveyed, All, Excluding the National Petroleum Reserve-Alaska, 446.00 acres; Section 12, Protracted, All, 640.00 acres; Section 13, Protracted, All, 640.00 acres; Section 14, Unsurveyed, All, Excluding the National Petroleum Reserve-Alaska, 639.00 acres; Section 15, Unsurveyed, All, Excluding the National Petroleum Reserve-Alaska, 127.00 acres; Section 22, Unsurveyed, All, Excluding the National Petroleum Reserve-Alaska, 547.00 acres; Section 23, Protracted, All, 640.00 acres; Section 24, Protracted, All, 640.00 acres.
3	ADL 393180	6/30/2025	16.66667	5,577.00	100 (Narwhal, LLC)	T. 16 N., R. 01 W., Umiat Meridian, Alaska. Section 4, Protracted, All, 640.00 acres; Section 5, Protracted, All, 640.00 acres; Section 6, Protracted, All, 576.00 acres; Section 7, Protracted, All, 579.00 acres; Section 8, Protracted, All, 640.00 acres; Section 9, Protracted, All, 640.00 acres; Section 16, Protracted, All, 640.00 acres; Section 17, Protracted, All, 640.00 acres; Section 18, Protracted, All, 582.00 acres.

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UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
4	ADL 393179	6/30/2025	16.66667	5,760.00	100 (Narwhal, LLC)	T. 16 N., R. 01 W., Umiat Meridian, Alaska. Section 1, Protracted, All, 640.00 acres; Section 2, Protracted, All, 640.00 acres; Section 3, Protracted, All, 640.00 acres; Section 10, Protracted, All, 640.00 acres; Section 11, Protracted, All, 640.00 acres; Section 12, Protracted, All, 640.00 acres; Section 13, Protracted, All, 640.00 acres; Section 14, Protracted, All, 640.00 acres; Section 15, Protracted, All, 640.00 acres.
5	ADL 393897	7/31/2028	16.66667	3,228.57	100 (Narwhal, LLC)	T. 016N., R. 001E., Umiat Meridian, Alaska. Section 5, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 92.63 acres; Section 6, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 550.72 acres; Section 7, Protracted, All, 579.00 acres; Section 8, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 491.14 acres; Section 9, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 6.06 acres; Section 16, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 287.02 acres; Section 17, Protracted, All, 640.00 acres; Section 18, Protracted, All, 582.00 acres;

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UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
6	ADL 393898	7/31/2028	16.66667	5,578.81	100 (Narwhal, LLC)	T. 16 N., R. 01 E., Umiat Meridian, Alaska. Section 19, Protracted, All, 584.00 acres; Section 20, Protracted, All, 640.00 acres; Section 21, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 617.81 acres; Section 28, Protracted, All, 640.00 acres; Section 29, Protracted, All, 640.00 acres; Section 30, Protracted, All, 587.00 acres; Section 31, Protracted, All, 590.00 acres; Section 32, Protracted, All, 640.00 acres; Section 33, Protracted, All, 640.00 acres.
7	ADL 393899	7/31/2028	16.66667	1,540.83	100 (Narwhal, LLC)	T. 016N., R. 001E., Umiat Meridian, Alaska. Section 22, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 98.91 acres; Section 26, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 7.64 acres; Section 27, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 498.62 acres; Section 34, Protracted, All, 640.00 acres; Section 35, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 295.66 acres;

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UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
8	ADL 393896	7/31/2028	16.66667	5,069.66	100 (Narwhal, LLC)	T. 15 N., R. 01 E., Umiat Meridian, Alaska. Section 1, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 104.47 acres; Section 2, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 620.32 acres; Section 3, Protracted, All, 640.00 acres; Section 10, Protracted, All, 640.00 acres; Section 11, Protracted, All, 640.00 acres; Section 12, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 504.87 acres; Section 13, Protracted, All, 640.00 acres; Section 14, Protracted, All, 640.00 acres; Section 15, Protracted, All, 640.00 acres.
9	ADL 393178	6/30/2025	16.66667	5,760.00	100 (Narwhal, LLC)	T. 15 N., R. 01 E., Umiat Meridian, Alaska. Section 22, Protracted, All, 640.00 acres; Section 23, Protracted, All, 640.00 acres; Section 24, Protracted, All, 640.00 acres; Section 25, Protracted, All, 640.00 acres; Section 26, Protracted, All, 640.00 acres; Section 27, Protracted, All, 640.00 acres; Section 34, Protracted, All, 640.00 acres; Section 35, Protracted, All, 640.00 acres; Section 36, Protracted, All, 640.00 acres.

**EXHIBIT A – NARWHAL UNIT AGREEMENT
DESCRIPTION OF LEASES**

UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
10	ADL 393895	7/31/2028	16.66667	3,793.44	100 (Narwhal, LLC)	T. 15 N., R. 02 E., Umiat Meridian, Alaska. Section 7, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 9.14 acres; Section 18, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 302.99 acres; Section 19, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 592.74 acres; Section 20, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 139.13 acres; Section 28, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 19.92 acres; Section 29, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 537.38 acres; Section 30, Protracted, All, 603.00 acres; Section 31, Protracted, All, 606.00 acres; Section 32, Protracted, All, 640.00 acres; Section 33, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 343.14 acres.

**EXHIBIT A – NARWHAL UNIT AGREEMENT
DESCRIPTION OF LEASES**

UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
12	ADL 393177	6/30/2025	16.66667	5,666.82	100 (Narwhal, LLC)	T. 14 N., R. 02 E., Umiat Meridian, Alaska. Section 4, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates in Exhibit A of the Final Decree in U.S. V. Alaska, No. 84 Original, 631.82 acres; Section 5, Protracted, All, 640.00 acres; Section 6, Protracted, All, 609.00 acres; Section 7, Protracted, All, 612.00 acres; Section 8, Protracted, All, 640.00 acres; Section 9, Protracted, All, 640.00 acres; Section 16, Protracted, All, 640.00 acres; Section 17, Protracted, All, 640.00 acres; Section 18, Protracted, All, 614.00 acres.
12	ADL 393176	6/30/2025	16.66667	3,400.98	100 (Narwhal, LLC)	T. 14 N., R. 02 E., Umiat Meridian, Alaska. Section 2, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates in Exhibit A of the Final Decree in U.S. V. Alaska, No. 84 Original, 0.09 acres; Section 3, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates in Exhibit A of the Final Decree in U.S. V. Alaska, No. 84 Original, 191.87 acres; Section 10, Protracted, All, 640.00 acres; Section 11, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates in Exhibit A of the Final Decree in U.S. V. Alaska, No. 84 Original, 486.11 acres; Section 12, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates in Exhibit A of the Final Decree in U.S. V. Alaska, No. 84 Original, 162.91 acres; Section 13, Protracted, All, 640.00 acres; Section 14, Protracted, All, 640.00 acres; Section 15, Protracted, All, 640.00 acres.
13	LST BS0466		16.66667	3,760.00	100 (EE Partners Corporation)	T. 13 N., R. 01 E., Umiat Meridian, Alaska. Section 11, 10.00 acres; Section 12, 80.00 acres; Section 13, 640.00 acres;

**EXHIBIT A – NARWHAL UNIT AGREEMENT
DESCRIPTION OF LEASES**

UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
						Section 14, 640.00 acres; Section 23, 640.00 acres; Section 24, 640.00 acres.
14	LST BS0461		16.66667	4,951.00	100 (EE Partners Corporation)	T. 13 N., R. 02 E., Umiat Meridian, Alaska. Section 4, 640.00 acres; Section 5, 640.00 acres; Section 6, 160.00 acres; Section 7, 320.00 acres; Section 8, 640.00 acres; Section 9, 640.00 acres; Section 16, 640.00 acres; Section 17, 640.00 acres; Section 18, 631.00 acres.
15	LST BS0457		16.66667	1,930.00	100 (EE Partners Corporation)	T. 13 N., R. 01 E., Umiat Meridian, Alaska. Section 15, 320.00 acres; Section 16, 160.00 acres; Section 17, 10.00 acres; Section 20, 160.00 acres; Section 21, 640.00 acres; Section 22, 640.00 acres.
16	LST BS0456		16.66667	2,650.00	100 (EE Partners Corporation)	T. 13 N., R. 01 E., Umiat Meridian, Alaska. Section 11, 10.00 acres; Section 12, 80.00 acres; Section 13, 640.00 acres; Section 14, 640.00 acres; Section 23, 640.00 acres; Section 24, 640.00 acres.
17	LST BS0459		16.66667	2,570.00	100 (EE Partners Corporation)	T. 13 N., R. 01 E., Umiat Meridian, Alaska. Section 27, 640.00 acres; Section 28, 640.00 acres; Section 29, 320.00 acres;

**EXHIBIT A – NARWHAL UNIT AGREEMENT
DESCRIPTION OF LEASES**

UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
						Section 32, 10.00 acres; Section 33, 320.00 acres; Section 34, 640.00 acres.
18	LST BS0458		16.66667	2,240.00	100 (EE Partners Corporation)	T. 13 N., R. 01 E., Umiat Meridian, Alaska. Section 25, 640.00 acres; Section 26, 640.00 acres; Section 35, 480.00 acres; Section 36, 480.00 acres.
19	LST BS0462		16.66667	5,269.00	100 (EE Partners Corporation)	T. 13 N., R. 02 E., Umiat Meridian, Alaska. Section 19, 633.00 acres; Section 20, 640.00 acres; Section 21, 640.00 acres; Section 28, 640.00 acres; Section 29, 640.00 acres; Section 30, 636.00 acres; Section 31, 480.00 acres; Section 32, 480.00 acres; Section 33, 480.00 acres.

Exhibit B

UNIT MAP

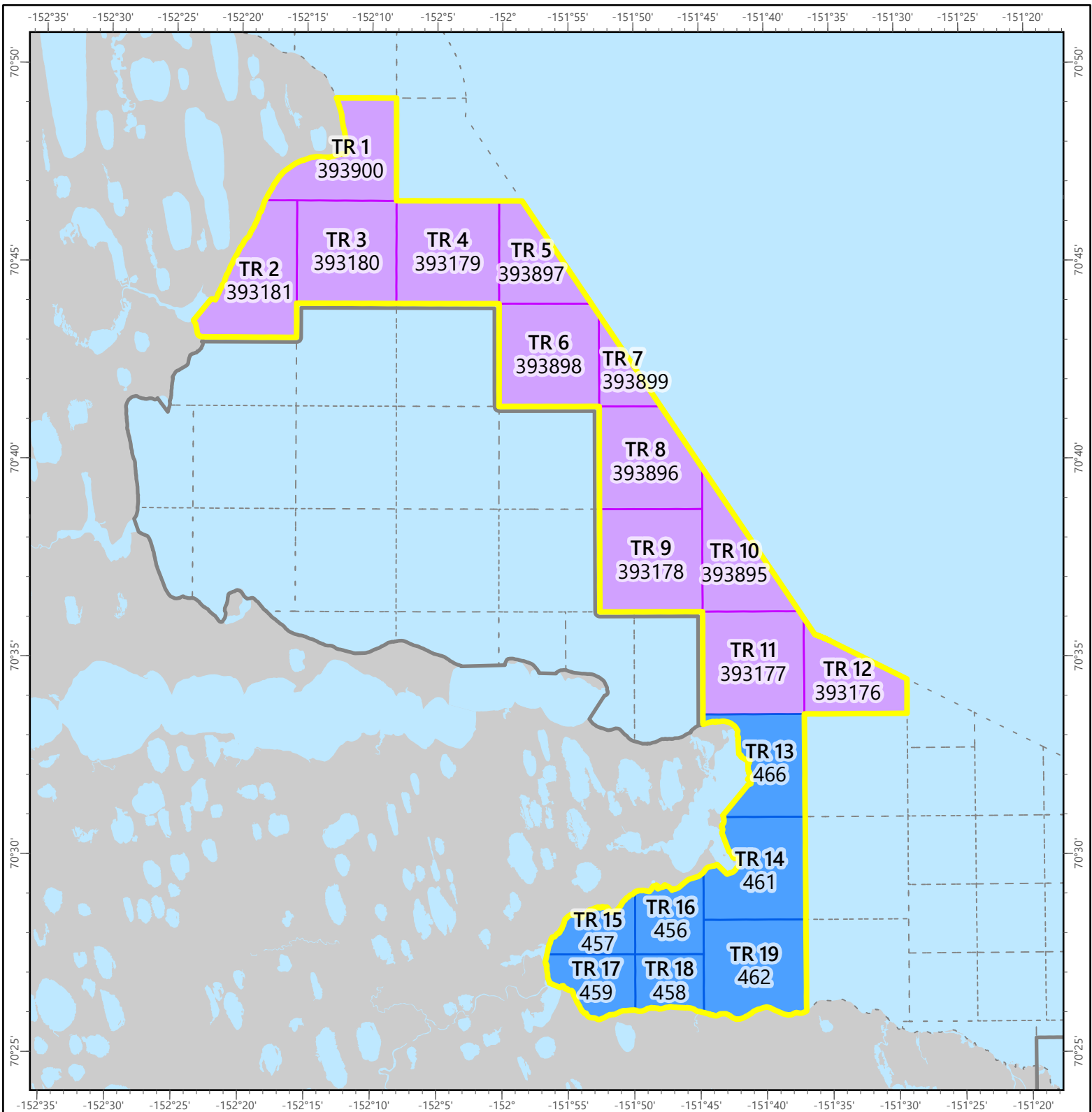


Exhibit B to Narwhal Unit Agreement

Legend

Proposed Narwhal Unit Area

State of Alaska Oil and Gas Lease Sale Tracts

Narwhal, LLC

EE Partners Corporation

Other



Exhibit C

TABLE OF PARTICIPATING AREAS

Exhibit D
PARTICIPATING AREA MAP

Narwhal Unit Agreement

Exhibit E – Allocation of Participating Area Expenses

Exhibit E

ALLOCATION OF PARTICIPATING AREA EXPENSES

Unit Tract Number	ADL	Participating Area Expense Percentage

Exhibit F

ALLOCATION OF UNIT EXPENSES

Unit Tract Number	ADL	Unit Expense Percentage

Exhibit G

UNIT PLAN OF EXPLORATION

Narwhal Unit Agreement Exhibit G

– Unit Plan of Exploration

EXHIBIT G – NARWHAL UNIT AGREEMENT

Narwhal Unit Plan of Exploration 2024-2028

Applicants request that the proposed Narwhal Unit Plan of Exploration (“POE”) be for a term of five years, consistent with the term of the Unit Agreement pursuant to 11 AAC 83.336. This term will allow for sufficient time to acquire additional information regarding the hydrocarbon potential of the Narwhal Unit Area leases through drilling, evaluate the economics of any future development, and prepare a comprehensive Plan of Development based on the additional acquired geologic information that will be gathered from the appraisal drilling and testing described in this Plan of Exploration.

As outlined herein, during the initial five-year term of the Narwhal Unit, the Joint Venture (JV) comprised of EE Partners, Narwhal, and any future partner(s) allowed into the unit will complete additional required engineering, environmental studies, and permitting necessary to support exploration and appraisal activities; drill at least two and up to four exploration wells to evaluate the resource potential of the subject lands; and prepare the initial Plan of Development for the Narwhal Unit. Pending permitting progress and other project factors, timelines may be adjusted in consultation with the Division of Oil and Gas to meet the commitments set forth below in the five-year unit term.

Calendar Year 2024

To date in 2024, Applicants have implemented the following:

- Initiated exploration phase project scoping targeting a Q1 2026 drilling campaign.
- Initiated long lead regulatory filings.
- Revise for resubmittal IHA applications to USFWS and NMFS for one-year period covering 2025 summer field survey activity and winter 2025/2026 drilling campaign.
- Retain consultants and service providers to assist with preparation for 2025/2026 drilling campaign.

The Applicants propose to undertake the following activities during the remainder of 2024:

- Complete and file critical path permit applications necessary for 2025/2026 drilling campaign.
- Continue North Slope stakeholder engagement activities.
- Retain additional technical support personnel and services required for permitting, planning, and engineering of the drilling campaign.

EXHIBIT G – NARWHAL UNIT AGREEMENT

- Continue evaluation of exploration drilling rig options for the 2025/2026 drilling campaign.
- Continue the comprehensive geological and geophysical technical assessment for optimal drilling location selection.

Calendar Year 2025

In 2025, the JV will complete the following:

- Continue the permitting process for summer technical studies, which may include shallow hazard and 3D seismic surveys in summer 2025.
- Conduct marine surveys and shallow hazard survey work in summer 2025.
- Reprocess 3D seismic data for higher resolution imaging of shallow sediments for potential shallow gas mitigation.
- Continue planning and engineering activities to support winter 2025/2026 drilling campaign, including filing additional project permits, planning, and engineering as needed.
- Contract for all necessary field equipment and services for exploration drilling in the 2025/2026 winter season.
- Continue North Slope stakeholder engagement activities.
- Commence mobilization of equipment and personnel related to winter 2025/2026 drilling campaign.
- Prepare long lead time permit applications necessary for success case drilling in the 2026/2027 winter season.

Calendar Year 2026

In 2026, the JV will complete the following:

- Complete at least two exploration wells to evaluate the Nanushuk formation. Pending ongoing analysis of geophysical data, one of the exploration wells may be drilled deeper to evaluate the Torok formation.
- Assess the drilling results and if successful: 1) continue permitting for 2026/2027 exploration/appraisal drilling campaign; 2) conduct summer 2026 technical studies, shallow hazard and 3D seismic surveys; and 3) evaluate potential acquisition of 3D seismic in summer 2027 season.

EXHIBIT G – NARWHAL UNIT AGREEMENT

Calendar Year 2027

Pending the results of the previous drilling campaign, in 2027 the JV will complete the following:

- Complete two additional exploration wells to continue evaluation of the Nanushuk and/or Torok formations.
- Acquire 3D seismic as needed.

Calendar Year 2028

In 2028, the JV will complete the following:

- Analyze results of the two additional wells.
- Prepare and submit the initial Plan of Development for the Narwhal Unit.

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1	ADL 393900	7/31/2028	16.66667	4,524.23	100 (Narwhal, LLC)	<p>T. 17 N., R. 01 W., Umiat Meridian, Alaska. Section 20, Unsurveyed, All tide and submerged land excluding the National Petroleum Reserve - Alaska, 278.55 acres; Section 21, Protracted, All, 640.00 acres; Section 28, Protracted, All, 640.00 acres; Section 29, Unsurveyed, All tide and submerged land excluding the National Petroleum Reserve - Alaska, 399.24 acres; Section 30, Unsurveyed, All tide and submerged land excluding the National Petroleum Reserve - Alaska, 198.82 acres; Section 31, Protracted, All, 639.00 acres; Section 32, Protracted, All, 640.00 acres; Section 33, Protracted, All, 640.00 acres;</p> <p>T. 17 N., R. 02 W., Umiat Meridian, Alaska. Section 25, Unsurveyed, All tide and submerged land excluding the National Petroleum Reserve - Alaska, 11.23 acres; Section 36, Unsurveyed, All tide and submerged land excluding the National Petroleum Reserve - Alaska, 437.39 acres.</p>

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3	ADL 393180	6/30/2025	16.66667	5,577.00	100 (Narwhal, LLC)	T. 16 N., R. 01 W., Umiat Meridian, Alaska. Section 4, Protracted, All, 640.00 acres; Section 5, Protracted, All, 640.00 acres; Section 6, Protracted, All, 576.00 acres; Section 7, Protracted, All, 579.00 acres; Section 8, Protracted, All, 640.00 acres; Section 9, Protracted, All, 640.00 acres; Section 16, Protracted, All, 640.00 acres; Section 17, Protracted, All, 640.00 acres; Section 18, Protracted, All, 582.00 acres.

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5	ADL 393897	7/31/2028	16.66667	3,228.57	100 (Narwhal, LLC)	T. 016N., R. 001E., Umiat Meridian, Alaska. Section 5, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 92.63 acres; Section 6, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 550.72 acres; Section 7, Protracted, All, 579.00 acres; Section 8, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 491.14 acres; Section 9, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 6.06 acres; Section 16, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 287.02 acres; Section 17, Protracted, All, 640.00 acres; Section 18, Protracted, All, 582.00 acres;

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9	ADL 393178	6/30/2025	16.66667	5,760.00	100 (Narwhal, LLC)	T. 15 N., R. 01 E., Umiat Meridian, Alaska. Section 22, Protracted, All, 640.00 acres; Section 23, Protracted, All, 640.00 acres; Section 24, Protracted, All, 640.00 acres; Section 25, Protracted, All, 640.00 acres; Section 26, Protracted, All, 640.00 acres; Section 27, Protracted, All, 640.00 acres; Section 34, Protracted, All, 640.00 acres; Section 35, Protracted, All, 640.00 acres; Section 36, Protracted, All, 640.00 acres.

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DESCRIPTION OF LEASES**

UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
10	ADL 393895	7/31/2028	16.66667	3,793.44	100 (Narwhal, LLC)	T. 15 N., R. 02 E., Umiat Meridian, Alaska. Section 7, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 9.14 acres; Section 18, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 302.99 acres; Section 19, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 592.74 acres; Section 20, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 139.13 acres; Section 28, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 19.92 acres; Section 29, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 537.38 acres; Section 30, Protracted, All, 603.00 acres; Section 31, Protracted, All, 606.00 acres; Section 32, Protracted, All, 640.00 acres; Section 33, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 343.14 acres.

**EXHIBIT A – NARWHAL UNIT AGREEMENT
DESCRIPTION OF LEASES**

UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
12	ADL 393177	6/30/2025	16.66667	5,666.82	100 (Narwhal, LLC)	T. 14 N., R. 02 E., Umiat Meridian, Alaska. Section 4, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates in Exhibit A of the Final Decree in U.S. V. Alaska, No. 84 Original, 631.82 acres; Section 5, Protracted, All, 640.00 acres; Section 6, Protracted, All, 609.00 acres; Section 7, Protracted, All, 612.00 acres; Section 8, Protracted, All, 640.00 acres; Section 9, Protracted, All, 640.00 acres; Section 16, Protracted, All, 640.00 acres; Section 17, Protracted, All, 640.00 acres; Section 18, Protracted, All, 614.00 acres.
12	ADL 393176	6/30/2025	16.66667	3,400.98	100 (Narwhal, LLC)	T. 14 N., R. 02 E., Umiat Meridian, Alaska. Section 2, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates in Exhibit A of the Final Decree in U.S. V. Alaska, No. 84 Original, 0.09 acres; Section 3, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates in Exhibit A of the Final Decree in U.S. V. Alaska, No. 84 Original, 191.87 acres; Section 10, Protracted, All, 640.00 acres; Section 11, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates in Exhibit A of the Final Decree in U.S. V. Alaska, No. 84 Original, 486.11 acres; Section 12, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates in Exhibit A of the Final Decree in U.S. V. Alaska, No. 84 Original, 162.91 acres; Section 13, Protracted, All, 640.00 acres; Section 14, Protracted, All, 640.00 acres; Section 15, Protracted, All, 640.00 acres.
13	LST BS0466		16.66667	3,760.00	100 (EE Partners Corporation)	T. 13 N., R. 01 E., Umiat Meridian, Alaska. Section 11, 10.00 acres; Section 12, 80.00 acres; Section 13, 640.00 acres;

**EXHIBIT A – NARWHAL UNIT AGREEMENT
DESCRIPTION OF LEASES**

UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
						Section 14, 640.00 acres; Section 23, 640.00 acres; Section 24, 640.00 acres.
14	LST BS0461		16.66667	4,951.00	100 (EE Partners Corporation)	T. 13 N., R. 02 E., Umiat Meridian, Alaska. Section 4, 640.00 acres; Section 5, 640.00 acres; Section 6, 160.00 acres; Section 7, 320.00 acres; Section 8, 640.00 acres; Section 9, 640.00 acres; Section 16, 640.00 acres; Section 17, 640.00 acres; Section 18, 631.00 acres.
15	LST BS0457		16.66667	1,930.00	100 (EE Partners Corporation)	T. 13 N., R. 01 E., Umiat Meridian, Alaska. Section 15, 320.00 acres; Section 16, 160.00 acres; Section 17, 10.00 acres; Section 20, 160.00 acres; Section 21, 640.00 acres; Section 22, 640.00 acres.
16	LST BS0456		16.66667	2,650.00	100 (EE Partners Corporation)	T. 13 N., R. 01 E., Umiat Meridian, Alaska. Section 11, 10.00 acres; Section 12, 80.00 acres; Section 13, 640.00 acres; Section 14, 640.00 acres; Section 23, 640.00 acres; Section 24, 640.00 acres.
17	LST BS0459		16.66667	2,570.00	100 (EE Partners Corporation)	T. 13 N., R. 01 E., Umiat Meridian, Alaska. Section 27, 640.00 acres; Section 28, 640.00 acres; Section 29, 320.00 acres;

**EXHIBIT A – NARWHAL UNIT AGREEMENT
DESCRIPTION OF LEASES**

UNIT TRACT No.	LEASE No.	EXPIRATION DATE	ROYALTY INTEREST %	TOTAL ACRES	WORKING INTEREST %	LEGAL DESCRIPTION
						Section 32, 10.00 acres; Section 33, 320.00 acres; Section 34, 640.00 acres.
18	LST BS0458		16.66667	2,240.00	100 (EE Partners Corporation)	T. 13 N., R. 01 E., Umiat Meridian, Alaska. Section 25, 640.00 acres; Section 26, 640.00 acres; Section 35, 480.00 acres; Section 36, 480.00 acres.
19	LST BS0462		16.66667	5,269.00	100 (EE Partners Corporation)	T. 13 N., R. 02 E., Umiat Meridian, Alaska. Section 19, 633.00 acres; Section 20, 640.00 acres; Section 21, 640.00 acres; Section 28, 640.00 acres; Section 29, 640.00 acres; Section 30, 636.00 acres; Section 31, 480.00 acres; Section 32, 480.00 acres; Section 33, 480.00 acres.

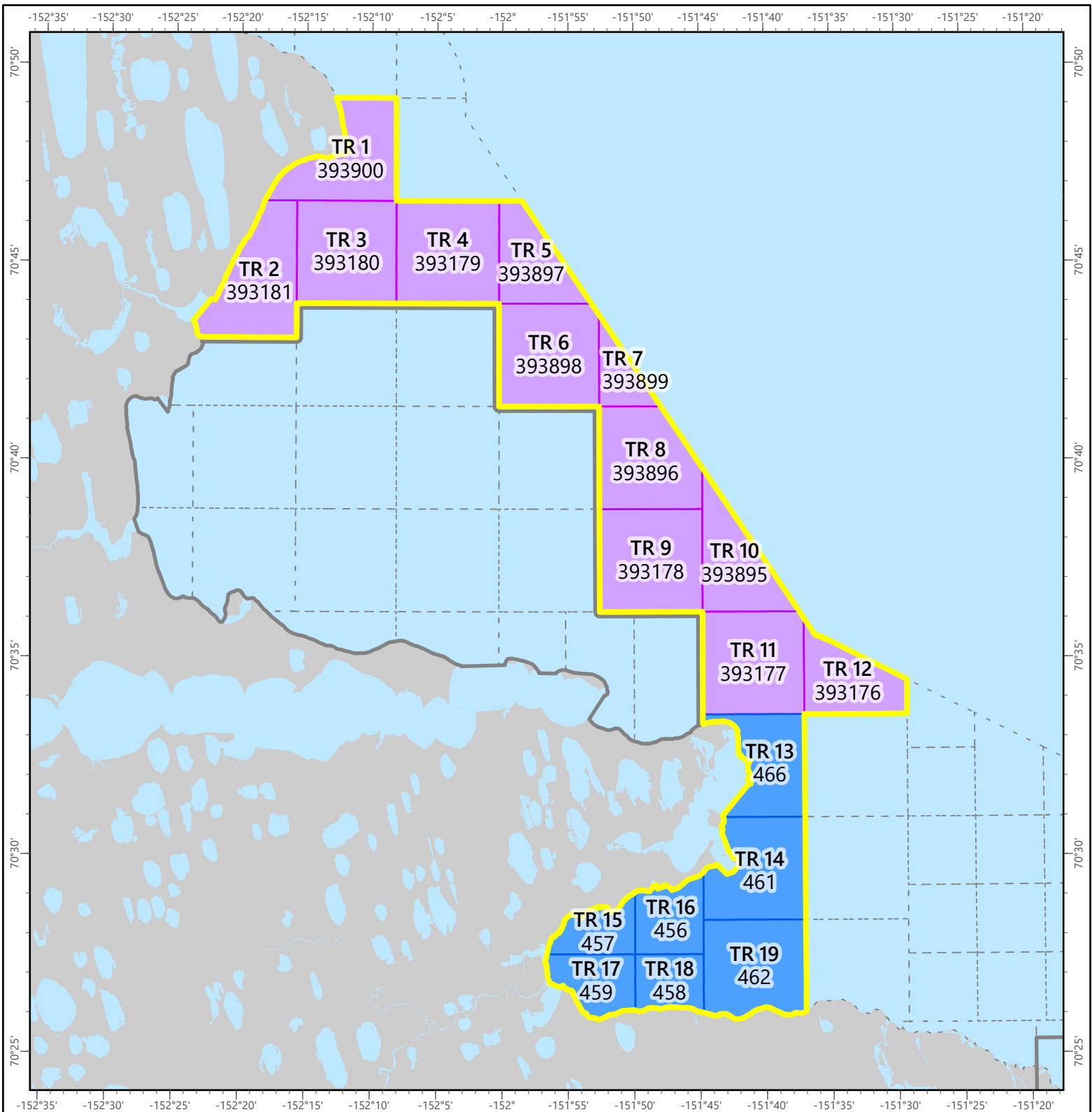


Exhibit B to Narwhal Unit Agreement

Legend

Proposed Narwhal Unit Area

State of Alaska Oil and Gas Lease Sale Tracts

Narwhal, LLC

EE Partners Corporation

Other



0 1 2 3 4 5
 Miles

EXHIBIT G – NARWHAL UNIT AGREEMENT

Narwhal Unit Plan of Exploration 2024-2028

Applicants request that the proposed Narwhal Unit Plan of Exploration (“POE”) be for a term of five years, consistent with the term of the Unit Agreement pursuant to 11 AAC 83.336. This term will allow for sufficient time to acquire additional information regarding the hydrocarbon potential of the Narwhal Unit Area leases through drilling, evaluate the economics of any future development, and prepare a comprehensive Plan of Development based on the additional acquired geologic information that will be gathered from the appraisal drilling and testing described in this Plan of Exploration.

As outlined herein, during the initial five-year term of the Narwhal Unit, the Joint Venture (JV) comprised of EE Partners, Narwhal, and any future partner(s) allowed into the unit will complete additional required engineering, environmental studies, and permitting necessary to support exploration and appraisal activities; drill at least two and up to four exploration wells to evaluate the resource potential of the subject lands; and prepare the initial Plan of Development for the Narwhal Unit. Pending permitting progress and other project factors, timelines may be adjusted in consultation with the Division of Oil and Gas to meet the commitments set forth below in the five-year unit term.

Calendar Year 2024

To date in 2024, Applicants have implemented the following:

- Initiated exploration phase project scoping targeting a Q1 2026 drilling campaign.
- Initiated long lead regulatory filings.
- Revise for resubmittal IHA applications to USFWS and NMFS for one-year period covering 2025 summer field survey activity and winter 2025/2026 drilling campaign.
- Retain consultants and service providers to assist with preparation for 2025/2026 drilling campaign.

The Applicants propose to undertake the following activities during the remainder of 2024:

- Complete and file critical path permit applications necessary for 2025/2026 drilling campaign.
- Continue North Slope stakeholder engagement activities.
- Retain additional technical support personnel and services required for permitting, planning, and engineering of the drilling campaign.

EXHIBIT G – NARWHAL UNIT AGREEMENT

- Continue evaluation of exploration drilling rig options for the 2025/2026 drilling campaign.
- Continue the comprehensive geological and geophysical technical assessment for optimal drilling location selection.

Calendar Year 2025

In 2025, the JV will complete the following:

- Continue the permitting process for summer technical studies, which may include shallow hazard and 3D seismic surveys in summer 2025.
- Conduct marine surveys and shallow hazard survey work in summer 2025.
- Reprocess 3D seismic data for higher resolution imaging of shallow sediments for potential shallow gas mitigation.
- Continue planning and engineering activities to support winter 2025/2026 drilling campaign, including filing additional project permits, planning, and engineering as needed.
- Contract for all necessary field equipment and services for exploration drilling in the 2025/2026 winter season.
- Continue North Slope stakeholder engagement activities.
- Commence mobilization of equipment and personnel related to winter 2025/2026 drilling campaign.
- Prepare long lead time permit applications necessary for success case drilling in the 2026/2027 winter season.

Calendar Year 2026

In 2026, the JV will complete the following:

- Complete at least two exploration wells to evaluate the Nanushuk formation. Pending ongoing analysis of geophysical data, one of the exploration wells may be drilled deeper to evaluate the Torok formation.
- Assess the drilling results and if successful: 1) continue permitting for 2026/2027 exploration/appraisal drilling campaign; 2) conduct summer 2026 technical studies, shallow hazard and 3D seismic surveys; and 3) evaluate potential acquisition of 3D seismic in summer 2027 season.

EXHIBIT G – NARWHAL UNIT AGREEMENT

Calendar Year 2027

Pending the results of the previous drilling campaign, in 2027 the JV will complete the following:

- Complete two additional exploration wells to continue evaluation of the Nanushuk and/or Torok formations.
- Acquire 3D seismic as needed.

Calendar Year 2028

In 2028, the JV will complete the following:

- Analyze results of the two additional wells.
- Prepare and submit the initial Plan of Development for the Narwhal Unit.