



Samuel Widmer
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December 18, 2013

To: Distribution

Re: Kuparuk River Unit
Kuparuk Industrial Center and Kuparuk Construction Services Pad Expansions
Permit Applications

ConocoPhillips Alaska, Inc. (CPAI) requests approval to expand the existing Kuparuk Industrial Center (KIC) pad and the Kuparuk Construction Services (KCS) pad. The proposed developments are expanding the KIC & KCS pad located within the Kuparuk Oil Field. KIC is located approximately 1 mile northeast of the Kuparuk Main Camp and Central Process Facility No. 1 (CPF-1). The KCS pads is located approximately 3 miles west of Kuparuk Main Camp. CPAI is submitting an Environmental Evaluation Document and Functional Assessment along with the permit applications and drawings in support of the permitting process for this development.

The following permit applications and requests for authorization are enclosed:

Agency	Permit/Approval
U.S. Army Corps of Engineers	Section 404 Permit USACE Mitigation Measures
Alaska Department of Natural Resources - Division of Oil & Gas	Lease/Unit Plan of Operations North Slope Mitigation Measures
North Slope Borough	Development Permit

The North Slope Borough Inupiat History, Language and Culture (IHLC) clearance of the project site request will be submitted under a separate cover letter.

Where required, checks for application fees are attached to the agency's copy of the applications.

If you have any questions or request additional information for any of the applications please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Widmer". The signature is written in a cursive style with a large initial "S" and a long, sweeping underline.

Samuel Widmer
Environmental Coordinator

Attachments

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

LEASE / UNIT* PLAN OF OPERATIONS APPLICATION

Applicant: ConocoPhillips Alaska, Inc. (CPAI) Date: 12/18/2013

Contact Person: Samuel Widmer Telephone #: 907/265-1450 Fax # 907/265-6216

Mailing Address: PO Box 100360 Anchorage, AK 99510-0360.

E-mail Address: Sam.Widmer@conocophillips.com

Is this activity within a Unit? Yes Which Unit? Kuparuk River Operator: CPAI

Is any part of the proposed project or activity discussed in the approved Unit Plan of Exploration or Development filed with the Division of Oil and Gas? No.

If no, attach a detailed explanation. This project was not anticipated in the plan.

The Applicant is: Unit Operator Lessee* Tract Operator Other*: _____

Project Description: See the attached Project Description.

Project Location / Facility Name: Kuparuk River Unit/KIC Pad Expansion

Pad Location: Latitude: 70.340086 Longitude: -149.584879 (NAD83)

ADL # (*mandatory*): ADL 025639 ADL 026648 Oil and Gas Bond #: 889180

Plan of Operations require a \$250.00 permit fee; payable to the State of Alaska, Department of Revenue; and *should* accompany this application.

1. Plan of Operations: See attached Project Description.

(Attach extra sheets if necessary, include applicable diagrams)

2. Surface Property Owner: State of Alaska.

3. Legal Description: Section 34, Township 10N, Range 10E
Sections 3 & 4, Township 12N, Range 10E

4. Site Access: Existing infrastructure.

5. Proposed Start-up Date: May 1, 2014

6. Expected Completion Date: April 31, 2015

7. Project Material: Gravel

8. Material Source: Mine Site C

a) Amount: (pad) 385,000 cu yds. (road) (other)

b) Acreage Covered: (pad) 47.79 acres (28.05 on acres state land) (road) (other)

9. Snow Removal Plan: Snow will be removed as necessary and will follow Kuparuk's Procedures.

*** Unit Plan of Operations approvals are not considered complete until the consent of the Unit Operator has been obtained by the applicant.**

10. Will Any Off-road (tundra or ice) Travel be Required? N/A.

- a) Period of Off-road Travel: _
- b) Equipment to be Utilized:

11. Will a Temporary Water Use Permit be Required? N/A.

- a) Purpose:
- b) Sources: _
- c) Access:
- d) Max. Anticipated Withdrawal:

12. Will Fuel or Any Other Hazardous Substances be Stored on Site? No.

- a) Type: _____.
- b) Volume: _____.
- c) Handling Technique: _____.
- d) Access: _____.
- e) Duration of Storage: _____.

13. If a Pipeline is Being Constructed, will the line be a:

Common Carrier Pipeline Field Gathering Line Other: _____

- a) Location / Route:
- b) Number, Diameter and Length:
- c) Type and Use: _ _
- d) Construction Access: _ _

14. Plan for Rehabilitation: Upon Abandonment Specific: *see attached plan*

15. Is Any Part of this Application Confidential? No.

16. How will Solid Waste be Disposed of? Hauled to Kuparuk – See Project Description.

17. What Infrastructure will be Used to Support the Project? Kuparuk River Unit.

18. Additional Comments: Please see Project Description of additional details

The undersigned hereby requests that each page of this application marked confidential be held confidential under AS 38.05.035(a) (9).



Signature

Senior Environmental Coordinator

Title

12/18/2013

Date

LESSEE/SURFACE-OWNER INTERACTION

Statutes and regulation are explicit about how surface and subsurface owners and lessees shall interact; the subsurface estate is controlling. We have paraphrased here the relevant portions of AS 38.05.125 and AS 38.05.130 (a photocopy of the full text may be obtained by calling 269-8775):

AS 38.05.125 Reservation. *(a) Each contract for the sale, lease or grant of state land, and each deed . . . is subject to the following reservation:*

". . . Alaska, hereby expressly saves . . . and reserves out of the grant . . . forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every . . . kind . . . which may be in or upon said land . . . and the right to explore the same . . ., and it expressly saves and reserves . . . the right to enter . . . upon said land, . . . at any and all times for the purpose of opening, developing, drilling, and working mines or wells . . . and taking out and removing . . . oils [and] gases . . . and to that end it further expressly reserves . . . the right to erect, construct, maintain, and use all such buildings, machinery, roads, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said land . . . for the foregoing purposes and to occupy as much of said land as may be necessary or convenient . . . expressly reserving to itself, its lessees, successors, and assigns, . . . all rights and powers in, to, and over said land . . . reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby . . . reserved."

That language is part of each deed awarded when the state transfers the surface estate; it retains the subsurface. The reservation includes the right to use the surface to develop the subsurface as well as to use existing facilities such as roads for the benefit of the entire state. Protection from damages is afforded surface owners at AS 38.05.130:

AS 38.05.130. Damages and posting of bond. *Rights may not be exercised by the state, its lessees, successors or assigns under the reservation . . . [AS 38.05.125] . . . until the state, its lessees, successors, or assigns make provisions to pay the owners of the land full payment for all damages sustained . . . by reason of entering upon the land. If the owner refuses . . . to settle the damages, the state, its lessees, successors, assigns . . . may enter upon the land in the exercise of the reserved rights after posting a surety bond determined by the director, after notice and an opportunity to be heard, to be sufficient as to form, amount, and security to secure . . . payments for damages, and may institute legal proceedings . . . to determine to damages which the owner may suffer.*

In addition, there are general stipulations in the regulations at 11 AAC 96.140 that address the conduct of operations. Most relevant here is (10):

No person may engage in mineral exploratory activity on land, the surface of which has been granted or leased by the State of Alaska . . . until good-faith attempts have been made to agree with the surface owner . . . on settlement for damages If agreement cannot be reached, . . . operation may be commenced . . . only with specific approval of the director, and after making adequate provisions for full payment of any damages . . .

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

LEASE / UNIT* PLAN OF OPERATIONS APPLICATION

Applicant: ConocoPhillips Alaska, Inc. (CPAI) Date: 12/18/2013

Contact Person: Samuel Widmer Telephone #: 907/265-1450 Fax # 907/265-6216

Mailing Address: PO Box 100360 Anchorage, AK 99510-0360.

E-mail Address: Sam.Widmer@conocophillips.com

Is this activity within a Unit? Yes Which Unit? Kuparuk River Operator: CPAI

Is any part of the proposed project or activity discussed in the approved Unit Plan of Exploration or Development filed with the Division of Oil and Gas? No.

If no, attach a detailed explanation. This project was not anticipated in the plan.

The Applicant is: Unit Operator Lessee* Tract Operator Other*: _____

Project Description: See the attached Project Description.

Project Location / Facility Name: Kuparuk River Unit/KCS Pad Expansion

Pad Location: Latitude: 70.342256 Longitude: -149.731005 (NAD83)

ADL # (**mandatory**): ADL 025646 Oil and Gas Bond #: 889180

Plan of Operations require a \$250.00 permit fee; payable to the State of Alaska, Department of Revenue; and *should* accompany this application.

1. Plan of Operations: See attached Project Description.
(Attach extra sheets if necessary, include applicable diagrams)
2. Surface Property Owner: State of Alaska.
3. Legal Description: Section 1, Township 11N, Range 9E
4. Site Access: Existing infrastructure.
5. Proposed Start-up Date: May 1, 2014
6. Expected Completion Date: April 31, 2015
7. Project Material: Gravel
8. Material Source: Mine Site C
 - a) Amount: (pad) 80,000 cu yds. (road) (other)
 - b) Acreage Covered: (pad) 10 acres (road) (other)
9. Snow Removal Plan: Snow will be removed as necessary and will follow Kuparuk's Procedures.

of the Unit Operator has been obtained by the applicant.

10. Will Any Off-road (tundra or ice) Travel be Required? N/A.
- a) Period of Off-road Travel: _
 - b) Equipment to be Utilized:
11. Will a Temporary Water Use Permit be Required? N/A.
- a) Purpose:
 - b) Sources: _
 - c) Access:
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 - b) Number, Diameter and Length:
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18. Additional Comments: Please see Project Description of additional details

The undersigned hereby requests that each page of this application marked confidential be held confidential under AS 38.05.035(a) (9).

San Wichner
Signature

Senior Environmental Coordinator
Title

12/18/2013
Date

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AS 38.05.130. Damages and posting of bond. *Rights may not be exercised by the state, its lessees, successors or assigns under the reservation . . . [AS 38.05.125] . . . until the state, its lessees, successors, or assigns make provisions to pay the owners of the land full payment for all damages sustained . . . by reason of entering upon the land. If the owner refuses . . . to settle the damages, the state, its lessees, successors, assigns . . . may enter upon the land in the exercise of the reserved rights after posting a surety bond determined by the director, after notice and an opportunity to be heard, to be sufficient as to form, amount, and security to secure . . . payments for damages, and may institute legal proceedings . . . to determine to damages which the owner may suffer.*

In addition, there are general stipulations in the regulations at 11 AAC 96.140 that address the conduct of operations. Most relevant here is (10):

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PROJECT DESCRIPTION

KUPARUK RIVER UNIT KUPARUK CONSTRUCTION SERVICES AND KUPARUK INDUSTRIAL CENTER PAD EXPANSION PROJECTS



**ConocoPhillips Alaska, Inc.
700 G Street
Anchorage, AK 99501**

December 18, 2013

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Attachment 2 Wildlife Avoidance and Interaction Plan
Attachment 3 USFWS LOA for Incidental Takes
Attachment 4 Economic Opportunity Plan

1.0 APPLICANT

ConocoPhillips Alaska, Inc. (CPAI)
 Post Office Box 100360
 Anchorage, Alaska 99510-0360
 Point of Contact: Samuel Widmer (907) 265-1450
 Email: sam.widmer@conocophillips.com

2.0 PROJECT LOCATION

The proposed Kuparuk Industrial Center (KIC) and Kuparuk Construction Services (KCS) gravel pad expansions will be located in the Kuparuk River Unit. KIC is located approximately 1 mile northeast of the Kuparuk Main Camp and Central Process Facility No. 1 (CPF-1). The KCS pad is located approximately 3 miles west of Kuparuk Main Camp. The KIC project is an approximate 47.79-acre expansion on three sides of the existing pad and the KCS project is an approximate 10-acre expansion to the south of the existing pad. These sites are within a North Slope Borough Resource Development District and are approximately 25 miles east of the Village of Nuiqsut. None of the project facilities will be on, or near, any Native Allotments.

Table 1, along with Attachment 1, shows the project locations.

Table 2 shows the Alaska Department of Natural Resources (ADNR) - Oil & Gas Lease Numbers and the North Slope Borough.

Table 1: Project Location

Project Component	Township	Range	Sections
KCS Pad Expansion	11 North	9 East	1
KIC Pad Expansion	11 North	10 East	3 & 4
KIC Pad Expansion	12 North	10 East	34
Project Component	Latitude	Longitude	
KIC Pad Expansion	70.340086	149.584879	
KCS Pad Expansion	70.342256	149.731005	

Table 2: ADNR Div. of Oil & Gas Leases

KIC ADL 025639 ADL 026648
KCS ADL 025646

3.0 PROJECT OVERVIEW

CPAI proposes the placement of approximately 80,000 cubic yards of gravel fill material onto approximately 10 acres of tundra at KCS. CPAI proposes the placement of approximately 385,000 cubic yards of gravel fill material onto approximately 47.79 acres of tundra at KIC. This gravel placement is necessary for the expansion of the two pads accommodate continued development of the Greater Kuparuk Area. No new drill sites, cross country pipelines, or power lines

are to be constructed as part of this project. The development will utilize the existing Kuparuk road infrastructure for access to the gravel pit(s) and pads. Gravel for the KIC pad expansion will come from C-Pit. Gravel for the KCS pad expansion will come from either C-Pit or E-Pit.

The KIC Expansion is both on State and North Slope Borough Land. Under attachment No. 1 for KIC drawing number NSK 6.16-d103 part 2 of 3 it shows the boundary between state and NSB Land. 28.05 acres of the expansion is on state land and 19.44 acres are on NSB Land.

The proposed KCS gravel expansion is approximately 145-feet from Charlie Creek. Under attachment No. 1 for KIC drawing number NSK 6.16-d103 part 2 the pad expansion labeled F-3 is approximately 25-30-feet from Ugnuravik River. The proposed KIC gravel expansion for Area A-3 is approximately 180-feet from Ugnuravik River.

All of the proposed gravel expansions are within the existing Kuparuk River Unit (KRU) and will be used to support oil and gas production.

4.0 PROJECT PURPOSE AND NEED

The proposed action would place gravel fill material to expand the work surfaces of KIC and KCS pads to support growth necessary for the continued development and production of oil and gas resources within the KRU.

The placement of fill would accommodate continued development and maintenance activities by providing space for current and potential future shops, offices, camps, and equipment storage. Expansion at KIC would allow equipment to be staged next to shops for service and maintenance. Existing infrastructure would be used to support the Projects for access, egress, and power supply. No new drill sites, cross-country pipelines, or power lines are proposed as part of these projects.

Over the past 20 years, the work load within the KRU has increased by 4% to 4.5% each year and these pad expansions would increase efficiency to continue to meet this increasing demand. As a result CPAI is currently outsourcing some of the work to Deadhorse shops to keep up with the demand; there is a lack of space on this pad to support this work. Utilizing more of the Deadhorse shops increases travel time by travel an extra 1 hour ½ each way, increases the risk of having a vehicle or off road incident, and increase air emissions. Without allowing for growth, it will increase air emissions, added driving time and personnel exposure, and increase operating costs. Specifically, this new pad expansion will allow equipment to be staged adjacent to the Equipment Shops when being serviced or maintained, result in greater efficiency and lower cost, improved response time in the event of an incident, and provide for greater vehicle and pedestrian safety in this area.

The 2nd access road for the KIC Expansion will improve pedestrian and vehicle safety in the northwest area of the KIC pad. This is an area of frequent movement of large service company trucks, parked light plants, heavy equipment, and regular foot traffic to and from shops. Recently a new 400 man camp, which generates significant amounts vehicle and pedestrian traffic, was placed on the south west section of the pad and due to the restricted available pad space is a safety concern, especially during winter conditions. There are plans to add shop additions at the north end of the KIC pad, along with further camp additions, which will generate further traffic congestion in this area.

The proposed KIC & KCS gravel expansion projects will help meet the energy needs of the nation and economically benefit both private and public parties through taxes, royalties, employment, and contribute to the important revenues for schools, health care public facilities, and social services. The North Slope Borough would also benefit from tax revenues and increased employment opportunities.

5.0 PROJECT BACKGROUND

The proposed KIC and KCS Pad Expansion Project would allow for continued development of Kuparuk within the KRU. Development within the KRU began in the early 1980's. With additional development, supported by this Project, production is expected to continue for another 30 to 40 years. The KIC pad is located approximately 1 mile north of CPF-1 and the KCS pad is located approximately 3 miles west of CPF-1 within the KRU.

6.0 DEVELOPMENT SCHEDULE

Construction of the KIC and KCS pad expansions are schedule to begin in the second quarter of 2014. Most gravel would be placed in 2014 and would be allowed to season and dry in 2015. An alternate schedule would begin with construction of the KCS expansion prior to the KIC expansion. Under both the proposed and alternate schedules, the proposed expansion Projects would be completed by the end of 2015. Additional information can be found under Section 2.4 in the Environmental Evaluation Document.

7.0 PROJECT COMPONENTS

The overall scope of the pad expansions includes use of the following existing resources:

- Gravel from Mine Site C (ADL 419337);
- Gravel from Mine Site E (ADL 419337);
- Access Roads; and

- Fresh water from the KIC Reservoir (ADL 407812), Mine Site D (LAS 23894), and Lake K107 (TWUP A2011-166) for gravel compaction and dust control.
 Expansion areas and new or replacement facilities proposed for these Projects would include:
 - A 48 acre (19 hectare) expansion of KIC pad (Figure 2-2) to accommodate:
 - Access Road
 - Temporary Camp Additions,
 - Wells Chemical Building,
 - Construction Office Expansion,
 - Construction Shops, Roads and Pads Equipment Building,
 - Wells Shop and Offices, and
 - Field Services Shops, Office, and Parts Storage.
 - A 10 acre (4 hectare) expansion of KCS pad (Figure 2-3) to accommodate:
 - Bulk Chemical Tanks,
 - Maintenance Office Building,
 - Drilling Office Building,
 - Fabrication Shop Office Building,
 - Wells Tool Shop,
 - Electrical and Instrumentation Shop,
 - Well House Assembly Shop, and
 - Consolidated Warehouse and Office Building.

7.1 PAD DESIGN

The proposed KIC pad expansion is about 47.79 acres and the proposed KCS pad expansion is about 10 acres. Impacted acreage includes area covered by the gravel pad side-slopes. The size and shape of the pads, and the details of the layout of the facilities, is shown in Attachment 1.

Table 3: Material and Impacted Area

	Gravel - Cubic Yards	Acres
KIC Pad Extension	385,000	47.79
KCS Pad Extension	80,000	10
Total	453,000	57.49

Gravel pad space will be provided at KIC & KCS for additional infrastructure to support oil production from the Greater Kuparuk Area.

The pad will be constructed to a minimum thickness of five feet of gravel fill, with additional depth as needed, for thermal protection of the permafrost. The side slopes will be constructed to a ratio of 2:1 to minimize surface impact. Space on the gravel pad will be provided for the bulk chemical storage, material storage, warehouses, shops, offices, equipment storage and temporary camps.

The APDES Stormwater Pollution Prevention Plan (SWPPP) would be required for the proposed Projects to minimize potential impacts of stormwater discharges to waters within or near the Projects. CPAI will comply with the existing North Slope APDES permit to ensure that no water quality impacts would occur during construction or operation of the proposed Projects.

7.2 MATERIAL SITES (Mine Site)

The gravel required for the expansion of these pads will be obtained from the existing Mine Site C and Mine Site E. CPAI has existing material sales from the State of Alaska (ADL 419337) for the purchase of the fill material. Gravel will be hauled over the existing road system and no ice roads will be constructed for the haul.

7.3 CAMP REQUIREMENTS

No oil production or production processing will be conducted at either KIC or KCS pads and no permanent camp facilities are required on those pads. All gravel construction personnel will be housed at the Kuparuk Operations Center (KOC). Potable water will come from the KOC & KIC water plants. Waste water from the camps will be treated at the KOC waste water treatment plant for disposal. Food waste will be incinerated at Kuparuk and non-burnables will be recycled or trucked to the NSB landfill at Deadhorse.

8.0 ICE ROADS AND OTHER FRESH WATER REQUIREMENTS

The only freshwater that would be required for the proposed Projects would be for gravel compaction and dust control during construction of the pad expansions. The water would come from the KIC Reservoir, Mine Site D, and Lake K107. All sources would be permitted for water use. All freshwater sources and use would be authorized and would comply with state water withdrawal requirements and permit conditions.

9.0 FUEL STORAGE

Secondary containment for regulated fuel storage tanks will be sized appropriately for the container type and size. When necessary, secondary containment will be sized to allow for participation. Manifold tanks without

isolation valves will be treated as a single tank for calculating secondary containment requirements. Specific information on tanks and spill prevention details are contained in the contingency plans discussed in Section 13.0.

10.0 NORTH SLOPE ECONOMIC OPPORTUNITY PLAN

CPAI is committed to continuing its partnership with local contractors and businesses in the development of the Greater Kuparuk Area. This gravel will be placed by the existing maintenance contractor work force at Kuparuk. When reasonably foreseeable to do so CPAI has committed to hire and, where appropriate, to provide training to Kuukpiik shareholders, Nuiqsut residents and Alaska Natives. When appropriate, local resident hire will continue to be coordinated through the Kuukpiik employment coordinator to identify and place qualified individuals interested in working on the project. In addition, CPAI and its contractors assist with scholarships, career training and internship opportunities to further expand local workforce capabilities and ensure that local residents are hired and retained as CPAI's employment requirements increase. Attachment 4 is the Economic Opportunity Plan.

11.0 TRAINING

CPAI requires all North Slope employees and contractors to complete a minimum level of compliance training; however, the specific activities or tasks an employee is assigned to perform will ultimately determine the extent of training required. An 8-hour unescorted training program provided by the North Slope Training Cooperative (NSTC) is the minimum requirement for employees of all operating companies and contractors working in or on the North Slope facilities and consists of: a general camps and safety orientation, a review of the Alaska Safety Handbook and training focused on environmental excellence, HAZWOPER First Responder Awareness, personal protective equipment, and hazard communication (HAZCOM). Company or contract employees who require access to operating facilities and well pads/drill sites may also require hydrogen sulfide training. Job specific and special awareness training driven by regulation or company policy include courses in: confined space entry procedures, respiratory protection, energy isolation procedures, fall protection, asbestos awareness, benzene awareness, electrical safety, hearing conservation, naturally occurring radioactive materials (NORM), Toxic Substances Control Act (TSCA), National Petroleum Reserve Alaska (NPRA) Orientation, static electricity, and cultural awareness training.

12.0 CONTINGENCY PLANS

CPAI will amend the current approved Kuparuk River Unit (KRU) Oil Discharge Prevention and Contingency Plan (ODPCP) and Spill Prevention, Control, and Countermeasure (SPCC) Plan to address construction and operation of the new KIC and KCS Pad Expansions. The KRU ODPCP complies with State of Alaska

requirements in AS 46.03.020(10)(A) and 18 AAC 75 and federal EPA requirements in 40 CFR 112.

The intent of the ODPCP and SPCC Plan is to demonstrate CPAI's capability to prevent oil and hazardous materials spills from entering the water and land and to ensure rapid response if a spill event occurs.

13.1 SPILL PREVENTION MEASURES

CPAI has designed the project facilities to minimize the possibility of spills. CPAI will also implement pipeline maintenance and inspection programs and an employee spill prevention training program to further reduce the likelihood of spills occurring.

CPAI will provide regular training for its employees on the importance of preventing oil or hazardous material spills. CPAI will provide new-employee orientation, annual environmental training seminars, and appropriate certification classes about specific issues, including spill prevention and response. CPAI employees will participate in frequent safety meetings, which will address spill prevention and response issues, as appropriate. The CPAI Incident Management Team will also participate in regularly scheduled training programs and will conduct spill response drills in coordination with federal and state agencies.

13.2 STATE SPILL RESPONSE PLAN

CPAI will implement an oil spill contingency plan designed to minimize accidental oil spill impacts. The existing Alaska Department of Environmental Conservation (ADEC) approved KRU ODPCP will be amended to include the KIC & KCS Expansions. Through the amended KRU ODPCP, CPAI would ensure that readily accessible inventories of appropriate oil spill response equipment and personnel at Kuparuk will be available for use at the sites. In addition, the spill response cooperative, Alaska Clean Seas (ACS), will act as CPAI's primary response action contractor and will provide trained personnel to manage all stages of a spill response, from detection, to containment and cleanup.

13.3 FEDERAL SPILL RESPONSE PLAN

The KRU SPCC Plan will be implemented to prevent oil discharge to navigable waters of the United States. The KRU SPCC Plan will address spill prevention program to minimize the potential for oil discharges at these locations.

13.0 WILDLIFE ACCESS

The usual wildlife that could be in the area during the winter are: owls, ravens, arctic fox, musk ox, and possibly an occasional over-wintering caribou. These animals frequent all locations on the North Slope.

Grizzly bears also inhabit the general area but it is unlikely they will be active during the winter construction season. Polar bears are occasionally seen north of this area along the coast. Although encounters with polar bears, or grizzly bears, are unlikely, CPAI and its contractors will exercise caution while establishing the ice roads and watch for bear sign. If there is a sign of a bear, or a bear den is identified, the Alaska Department of Fish and Game (ADF&G) and US Fish and Wildlife Service (USFWS) will be notified and the transportation route altered to avoid any disturbance. CPAI will employ a Polar Bear/Personnel Encounter Plan approved by the USFWS. See Attachment 2. Also, CPAI previously applied for, and received, a Letter of Authorization (LOA) from the USFWS for the incidental take of polar bears during oil and gas operations within the Greater Kuparuk Area. See Attachment 3.

The probability of encountering a grizzly bear during winter drilling operations is remote. However, should a grizzly bear be encountered, the same procedures outlined in the attached Polar Bear/Personnel Encounter Plan would be applicable. Food will be kept inside buildings or containers that minimize odors. Hazardous materials will be kept in drums or other secure containers. Buildings and drill pad layouts will be designed to maximize visibility and minimize potential areas that a bear could crawl into or otherwise be hidden from view. Any sightings will be immediately reported to the site superintendent and personnel in the area will be warned of the location of the bear. Any grizzly bear sightings will be reported to Security & the Kuparuk Field Environmental Coordinators, who will then report to the ADF&G and the USFWS.

Project personnel will be instructed not to feed wildlife of any type or in any other way attempt to attract them either at the drill site or on the ice roads.

14.0 COMMUNICATIONS

The existing microwave telecommunications will support the KIC and KCS Pad Expansions. No new communications tower will be required.

15.0 SNOW REMOVAL

The current Kuparuk snow removal plan will be used for this project. KRU standard operating procedures require the use of snow blowing equipment to minimize gravel carry over to the tundra.

16.0 WASTE DISPOSAL

Sanitary wastes that may be generated from a temporary camp will be hauled to the Kuparuk wastewater treatment system. Food waste will be incinerated at Kuparuk and non-burnables will be recycled or trucked to the NSB landfill at Deadhorse.

17.0 AIR EMISSIONS

Crude production processing will not occur on either KIC or KCS pads. Minor air emissions during the gravel construction will occur and will include only mobile and temporary equipment such as dozers, trucks, loaders, light plants and temporary heaters. No air permit is required for this activity.

18.0 CULTURAL RESOURCES

An archaeological survey of the project areas has been conducted and a request for authorization was submitted and approved by Alaska Department of Natural Resources State Historic Preservation Office (SHPO). A request will be submitted to the North Slope Borough Department of Inupiat History, Language and Culture (IHLC). Cultural resources will not be significantly impacted by the proposed project. The NSB, State, and local entities will be notified immediately in the event that prehistoric, historic, or archaeological objects are discovered during construction activities or operations.

19.0 IMPACT MITIGATION

ConocoPhillips Alaska, Inc. intends to implement features and procedures designed to prevent or minimize impacts to the environment and human resources. The major features or procedures include:

Table 4: Impact Mitigation

Protection/Impact	Activity	Standard Design Feature or Practice
Bear Dens	Agency Coordination	CPAI coordinates with ADF&G and the USFWS to locate bear dens so that they can be avoided.
Cultural/archaeological Resources	Construction	Cultural/archaeological resource survey are conducted prior to ground disturbing activity
Dust Control	Road Watering	Gravel roads are watered to minimize dust and maintain the integrity of the roads
Minimal Foot Print	Road Design	Roads are built to the minimum width necessary for adequate operations and safety
Minimal Foot Print	Pad Design	Pad is designed for the minimum footprint necessary for the activity
Permafrost	Road and Pad Design	Gravel road and pad are a minimum of 5 feet thick
Ponding, runoff	Operations	Cleared snow is placed in designated areas
Predator Control	Food Waste	Predator-proof dumpster bins are used for accumulation of food wastes. Workers are trained regarding the problems associated with feeding wildlife
Predator Control	Training	CPAI prepared a Predator Plan to provide guidance to employees and contractors for managing predators
Runoff, ponding	Pad Design	Pad and facilities are orientated to minimize wind drifted snow accumulations
Socio-cultural	Jobs	CPAI hires Borough residents for jobs at Kuparuk

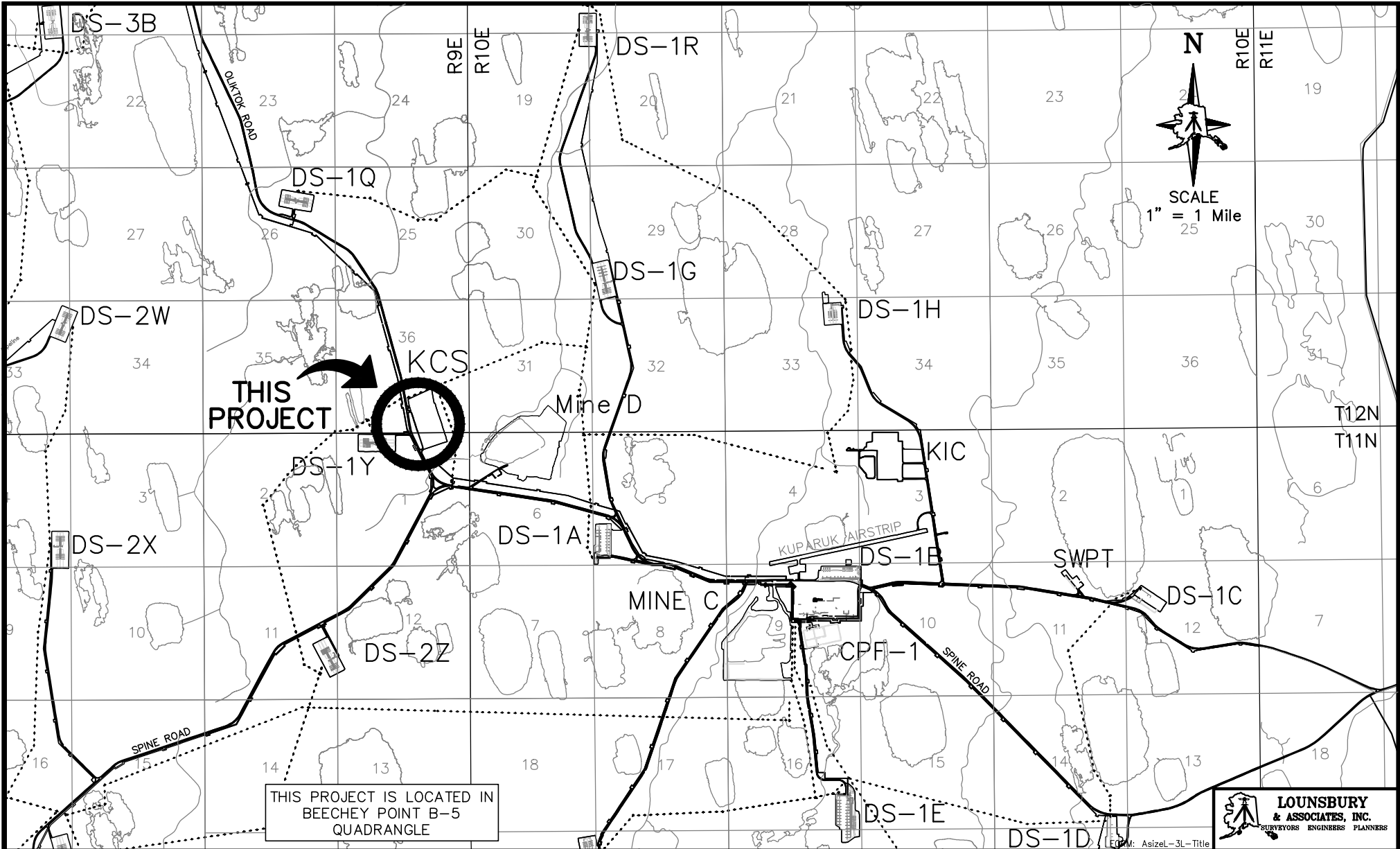
Socio-cultural	Training	CPAI employees and contractors receive cultural awareness training
Spills	Pipeline Operations	Pipelines are inspected and maintained regularly using inspection and maintenance pigs and other standard operating procedures
Spills	Spill Prevention and Response Planning	CPAI prepares Oil Discharge Prevention and Contingency Plans and Spill Prevention Control and Countermeasures Plans (or amends existing plans) to address spill prevention measures and response actions for all drill sites
Spills	Spill Response	Alaska Clean Seas is funded by CPAI and its partners to respond to spills
Subsistence	Hunter Access	Subsistence hunters are allowed access to CPAI's oil fields subject to safety policies
Waste Minimization	Waste Disposal	Wastes are managed according to the Alaska Waste Disposal and Reuse Guide (the "Red Book").
Wildlife, Safety	Speed Limits	CPAI maintains safe speed limits on all North Slope roads.

20.0 REQUIRED PERMITS

Table 5 lists the permits and associated plans and approvals potentially required for the proposed development.

Table 5: Potential Permits and Associated Plans and Approvals

Agency and Permit	
US Army Corps of Engineers	CWA Section 404
US Fish & Wildlife Service	Endangered Species Act (ESA) Section 7 consultation
Alaska Department of Natural Resources	Lease/Unit Plan of Operations (DOG) Cultural Site Clearance (SHPO) Temporary Water Use Permit (DMLW) Land Use - Tundra Travel Authorization (DMLW) Material Sales Contract (DMLW)
Alaska Department of Environmental Conservation	CWA Section 401 Certification APDES Kuparuk Storm Water Pollution Prevention Plan (SWPPP) Amendment ODPCP Plan Amendment
North Slope Borough	Development Permit Cultural Clearance (IHLC)



THIS PROJECT IS LOCATED IN
BEECHEY POINT B-5
QUADRANGLE



REV. NO.	CUST APP	DATE	REVISIONS	BY	CHK	JOB ENGR	PROJ ENGR

ConocoPhillips
Alaska, Inc.

APPROVAL: —

DATE: 7/11/13 LK618D35

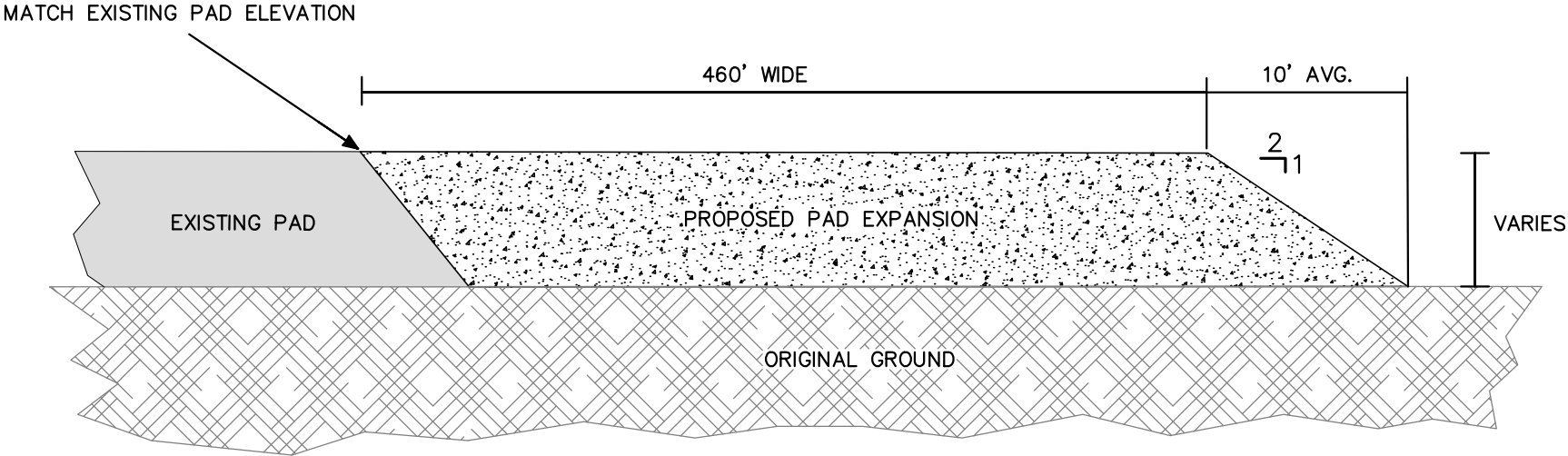
DRAWING NO.
NSK 6.18-d35

**KCS PAD
FACILITIES EXPANSION PLANNING
ENVIRONMENTAL ASSESSMENT**

PART: 1 of 3 REV: 0

IMPACTED AREA & VOL. OF FILL REQUIRED

LOCATION	AREA (ACRES)	VOL. OF FILL (C.Y.)
KCS	10.08	80,000

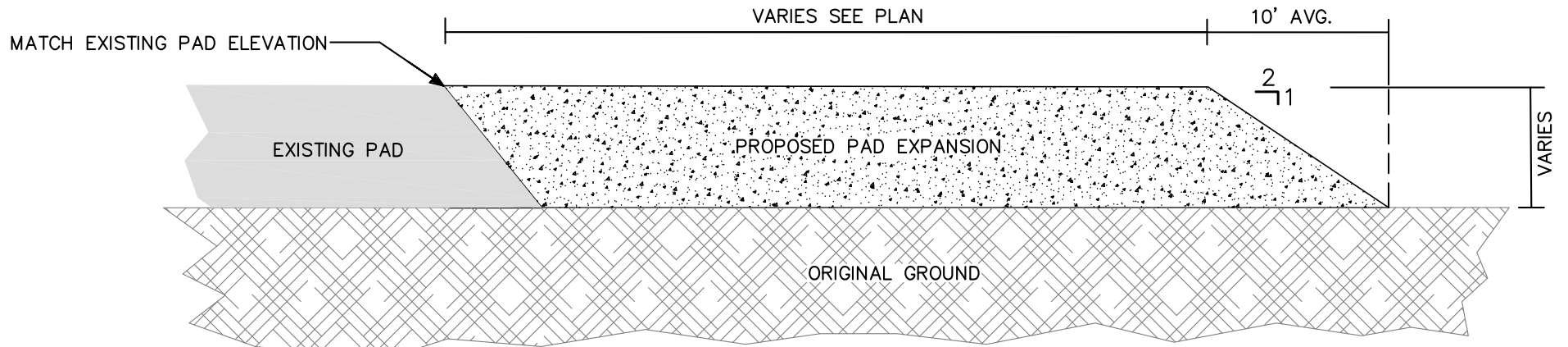


(TYPICAL PAD EXPANSION CROSS-SECTION DETAIL)
NTS

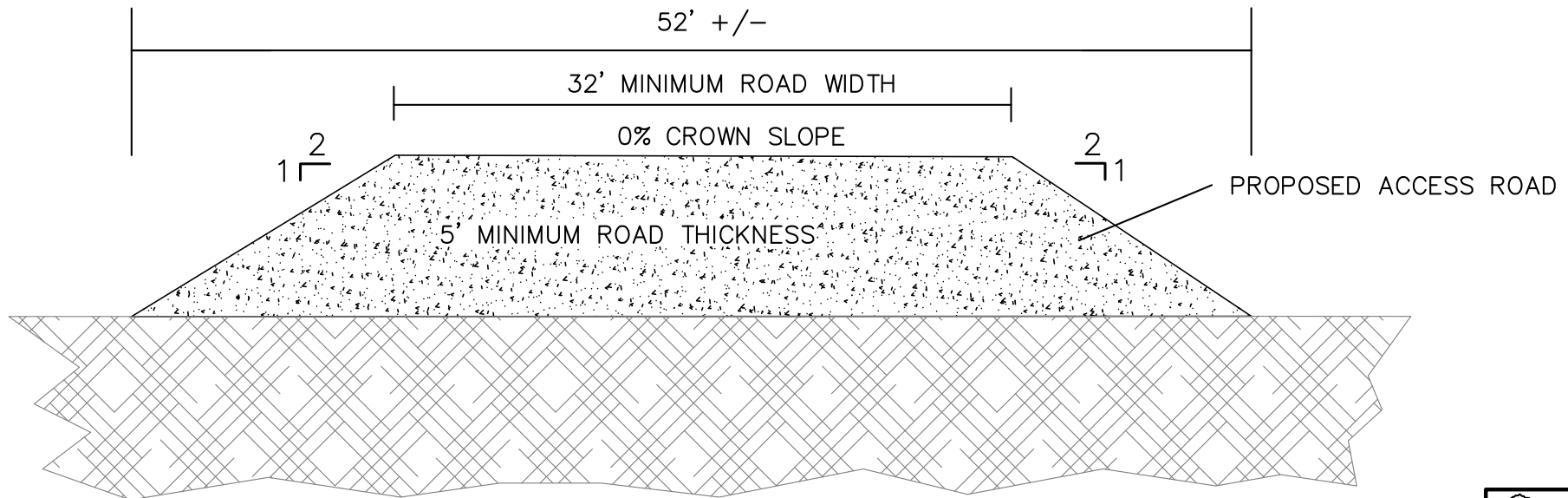


FORM: AsizeL-3L-Title

				ConocoPhillips <small>Alaska, Inc.</small>				KCS PAD FACILITIES EXPANSION PLANNING ENVIRONMENTAL ASSESSMENT			
				APPROVAL: -							
				DATE: 7/11/13 LK618D35							
2	12/18/13	Revised Location Name in the table	MBS	BGM	DRAWING NO.				PART:	REV:	
1	11/27/13	Added Shoulder to Toe Dimension	MEH	BGM	NSK 6.18-d35				3 of 3	2	
REV. NO.	CUST APP	DATE	REVISIONS	BY	CHK	JOB ENGR	PROJ ENGR				



(TYPICAL PAD EXPANSION CROSS-SECTION DETAIL) NTS



(TYPICAL ROAD CROSS-SECTION DETAIL) NTS



FORM: AsizeL-3L-Title

				ConocoPhillips Alaska, Inc.				KUPARUK INDUSTRIAL CENTER FACILITIES EXPANSION PLANNING ENVIRONMENTAL ASSESSMENT			
				APPROVAL: -							
				DATE: 7/11/13							
1		11/27/13	Added Shoulder to Toe Dimension	MEH	BGM			DRAWING NO. NSK 6.16-d103			
REV. NO.	CUST APP	DATE	REVISIONS	BY	CHK	JOB ENGR	PROJ ENGR	PART: 3 OF 3	REV: 1		

MITIGATION MEASURE ANALYSIS: NORTH SLOPE

The following instructions are provided for guidance to adequately complete the Mitigation Measure Analysis form.

1. The applicant shall respond to each Mitigation Measure, and all subsets of mitigation measures; i.e. A.2.d.i should be addressed and A.2.d.ii, and so forth.
2. The applicant's response shall begin by clearly indicating if the **mitigation measure is satisfied**, a **waiver is requested**, or if the mitigation measure is **not applicable**.
3. The applicants' response shall then address how the proposed project clearly satisfies the mitigation measure, meets the intent of the mitigation measure, is not practicable, or is not applicable.
4. The applicant shall verify working 'in consultation with' parties other than Department of Natural Resources (DNR), Division of Oil and Gas (DO&G) by reporting meeting dates and parties present for Mitigation Measures which require consultation with parties other than DNR, DO&G; i.e. Mitigation Measure 1.b.

Please note that this form, along with the Plan of Operations Application form and the Plan of Operations, must be adequately completed before DNR DO&G will review an application for potential approval.

NORTH SLOPE	Company Response
A. Mitigation Measures	
1. Facilities and Operations	
<p>a. A plan of operations must be submitted and approved before conducting exploration, development or production activities, and must describe the lessee's efforts to minimize impacts on residential, commercial, and recreational areas, Native allotments and subsistence use areas. At the time of application, lessee must submit a copy of the proposed plan of operations to all surface owners whose property will be entered.</p>	<p>A.1.a. Mitigation measure satisfied. The KIC Pad Expansion is on State of Alaska lands and a Plan of Operations is included as part of this application to the Alaska Department of Natural Resources – Division of Oil & Gas with the project applications, as well as other permitting agencies, on December 18, 2013. There are no native allotments and the NSB owns a portion of the property.</p>
<p>b. Facilities must be designed and operated to minimize sight and sound impacts in areas of high residential, commercial, recreational, and subsistence use and important wildlife habitat. Methods may include providing natural buffers and screening to conceal facilities, sound insulation of facilities, or by using alternative means approved by the Director, in consultation with ADF&G and the NSB.</p>	<p>A.1.b. Mitigation measure satisfied. The proposed project is not in an area of high residential, commercial, or recreational use. The project is located in a substance use area and is within the existing Kuparuk Oil field. There will be an increase in noise during construction activities but this will be temporary. The pad lighting will be directed downward, and only those structures necessary for oil and gas production will be situated on the pad (see Environmental Evaluation Document for further details).</p>
<p>c. To the extent practicable, the siting of facilities will be prohibited within 500 feet of all fish-bearing streams and waterbodies and 1,500 feet from all current surface drinking water sources. Additionally, to the extent practicable, the siting of facilities will be prohibited within one-half mile of the banks of the main channel of the Colville, Canning, Sagavanirktok, Kavik, Shavirovik, Kadleroshilik, Echooka, Ivishak, Kuparuk, Toolik, Anaktuvuk and Chandler Rivers. Facilities may be sited within these buffers if the lessee demonstrates to the satisfaction of the Director, in consultation with ADF&G, that site locations outside these buffers are not practicable or that a location inside the buffer is environmentally preferred. Road, utility, and pipeline crossings must be consolidated and aligned perpendicular or near perpendicular to watercourses.</p>	<p>A.1.c. The project is situated closer than 500 feet from Ugnuravik River from which is a fish bearing stream. The pad is expanded in this direction to increase the pad space in this area. There are no surface drinking water sources within 1500 feet of the project. The project is located at a distance of greater than one half mile from the Colville, Canning, Sagavanirktok, Kadleroshilik and Kuparuk rivers. The project will use the existing Kuparuk road system and no new power lines or utilities will be constructed.</p>
<p>d. No facilities will be sited within one-half mile of identified Dolly Varden overwintering</p>	<p>A.1.d. Mitigation measure not applicable. The project is not within a</p>

<p>and/or spawning areas on the Canning, Shaviovik, and Kavik rivers. Notwithstanding the previous sentence, road and pipeline crossings may only be sited within these buffers if the lessee demonstrates to the satisfaction of the Director and ADF&G in the course of obtaining their respective permits, that either (1) the scientific data indicate the proposed crossing is not within an overwintering and/or spawning area; or (2) the proposed road or pipeline crossing will have no significant adverse impact to Dolly Varden overwintering and/or spawning habitat.</p>	<p>half mile of any Dolly Varden overwintering or spawning areas.</p>
<p>e. Impacts to important wetlands must be minimized to the satisfaction of the Director, in consultation with ADF&G and ADEC. The Director will consider whether facilities are sited in the least sensitive areas. Further, all activities within wetlands require permission from the US Army Corps of Engineers (see Lessee Advisories).</p>	<p>A.1.e. Mitigation measure satisfied. The facilities are designed to the minimum size and tundra footprint to meet project needs. Use of the existing KIC pad was evaluated and found to be of insufficient size for the development. See Environmental Evaluation Document (EED) for details.</p>
<p>f. Exploration facilities, including exploration roads and pads, must be temporary and must be constructed of ice unless the Director determines that no practicable alternative exists. Re-use of abandoned gravel structures may be permitted on a case-by-case basis by the Director, after consultation with the director, DMLW, and ADF&G. Approval for use of abandoned structures will depend on the extent and method of restoration needed to return these structures to a usable condition.</p>	<p>A.1.f. Mitigation measure not applicable. The project is not an exploration facility.</p>
<p>g. Pipelines must utilize existing transportation corridors where conditions permit. Pipelines must be designed to facilitate the containment and cleanup of spilled fluids. Where practicable, onshore pipelines must be located on the upslope side of roadways and construction pads, unless the director, DMLW, determines that an alternative site is environmentally acceptable. Wherever possible, onshore pipelines must utilize existing transportation corridors and be buried where soil and geophysical conditions permit. All pipelines, including flow and gathering lines, must be designed, constructed and maintained to assure integrity against climatic conditions, geophysical hazards, corrosion and other hazards as determined on a case-by-case basis.</p>	<p>A.1.g. Mitigation measure not applicable. No pipelines are being installed as part of this project.</p>
<p>h. Pipelines shall be designed and constructed to avoid significant alteration of caribou and other large ungulate movement and migration patterns. At a minimum, above-ground pipelines shall be elevated 7 feet, as measured from the ground to the bottom of the pipe, except where the pipeline intersects a road, pad, or a ramp installed to facilitate</p>	<p>A.1.h. Mitigation Measure not applicable. No new pipelines will be constructed. A.1.h.i Mitigation Measure not applicable.</p>

<p>wildlife passage. Lessees shall consider increased snow depth in the sale area in relation to pipe elevation to ensure adequate clearance for wildlife. ADNR may, after consultation with ADF&G, require additional measures to mitigate impacts to wildlife movement and migration.</p> <p>i. The state of Alaska discourages the use of continuous-fill causeways. Environmentally preferred alternatives for field development include use of buried pipelines, onshore directional drilling, or elevated structures. Approved causeways must be designed, sited, and constructed to prevent significant changes to nearshore oceanographic circulation patterns and water quality characteristics (e.g., salinity, temperature, suspended sediments) that result in exceedances of water quality criteria, and must maintain free passage of marine and anadromous fish.</p> <p>ii. Causeways and docks shall not be located in river mouths or deltas. Artificial gravel islands and bottom founded structures shall not be located in river mouths or active stream channels on river deltas, except as provided for in (iii).</p> <p>iii. Each proposed structure will be reviewed on a case-by-case basis. Causeways, docks, artificial gravel islands and bottom founded structures may be permitted if the Director, in consultation with ADF&G, ADEC, and the NSB determines that a causeway or other structures are necessary for field development and that no practicable alternatives exist. A monitoring program may be required to address the objectives of water quality and free passage of fish, and mitigation shall be required where significant deviation from objectives occurs. (See also Lessee Advisories regarding U.S. Army Corps of Engineers requirements.)</p>	<p>A.1.h.ii Mitigation Measure not applicable. A.1.h.iii Mitigation Measure not applicable.</p>
<p>i. Dismantlement, Removal and Rehabilitation (DR&R): Upon abandonment of material sites, drilling sites, roads, buildings or other facilities, such facilities must be removed and the site rehabilitated to the satisfaction of the Director, unless the Director, in consultation with DMLW, ADF&G, ADEC, NSB, and any non-state surface owner, determines that such removal and rehabilitation is not in the state's interest.</p>	<p>A.1.i. Mitigation measure satisfied. ConocoPhillips Alaska, Inc. (CPAI) will plan to fully dismantle, remove, and restore all temporary and permanent improvements approved by the Plan of Operations unless the State determines, at the time of rehabilitation, that different rehabilitation measures are necessary to deliver up the land in good order and condition. When CPAI completes construction of all of the improvements approved by the Alaska Department of Natural Resources (ADNR) that are detailed in the Plan of Operations, CPAI will submit to ADNR a list of actions that CPAI anticipates taking to</p>

<p>j. Gravel mining sites required for exploration and development activities will be restricted to the minimum necessary to develop the field efficiently and with minimal environmental damage. Where practicable, gravel sites must be designed and constructed to function as water reservoirs for future use. Gravel mine sites required for exploration activities must not be located within an active floodplain of a watercourse unless the director, DMLW, after consultation with ADF&G, determines that there is no practicable alternative, or that a floodplain site would enhance fish and wildlife habitat after mining operations are completed and the site is closed.</p> <p>Mine site development and rehabilitation within floodplains must follow the procedures outlined in McLean, R. F. 1993, North Slope Gravel Pit Performance Guidelines, ADF&G Habitat and Restoration Division Technical Report 93-9, available from ADF&G.</p>	<p>rehabilitate the area.</p> <p>A.1.j. Mitigation measure satisfied. The KIC Pad Expansion will use gravel fill from the existing Mine Site C located within the Kuparuk River Unit and which is also currently used for general Kuparuk field wide gravel needs. Mine Site C has an approved mining and rehabilitation plan.</p>
<p>2. Fish and Wildlife Habitat</p>	

<p>a. Detonation of explosives within or in proximity to fish-bearing waters must not produce instantaneous pressure changes that exceed 2.7 pounds per square inch in the swim bladder of a fish. Detonation of explosives within or in close proximity to a fish spawning bed during the early stages of egg incubation must not produce a peak particle velocity greater than 0.5 inches per second. Blasting criteria have been developed by ADF&G and are available upon request from ADF&G. The location of known fish-bearing waters within the project area can also be obtained from ADF&G.</p> <p>The lessee will consult with the NSB prior to proposing the use of explosives for seismic surveys. The Director may approve the use of explosives for seismic surveys after consultation with the NSB.</p>	<p>A.2.a. Mitigation measure satisfied. The KIC Pad Expansion will use gravel fill from the existing Mine Site C located within the Kuparuk River Unit and which is active mine site that is also used for general field wide gravel needs. The mine site does not contain fish bearing waters.</p>
<p>b. Water intake pipes used to remove water from fish-bearing waterbodies must be surrounded by a screened enclosure to prevent fish entrainment and impingement. Screen mesh size shall be no greater than 1 mm (0.04 inches), unless another size has been approved by ADF&G. The maximum water velocity at the surface of the screen enclosure may be no greater than 0.1 foot per second, unless an alternative velocity has been approved by ADF&G.</p>	<p>A.2.b. Mitigation measure satisfied. All withdrawals from fish bearing sources use a screen with mesh no greater than 1 mm (0.04 inches) and the surface of the screen enclosure will allow a maximum water intake velocity no greater than 0.1 foot per second (meeting the requirements of ADF&G Technical Report No. 97-8, Water Intake Structures).</p>
<p>c. Removal of snow from fish-bearing rivers, streams and natural lakes shall be subject to prior written approval by ADF&G. Compaction of snow cover overlying fish-bearing waterbodies is prohibited except for approved crossings. If ice thickness is not sufficient to facilitate a crossing, ice or snow bridges may be required.</p>	<p>A.2.c. Mitigation measure satisfied. Any removal of snow from fish-bearing lakes will on be done after prior approval from the ADF&G. No ice roads will cross streams or other fish bearing waters.</p>
<p>d. Bears:</p> <p>i. Before commencement of any activities, lessees shall consult with ADF&G (907-459-7213) to identify the locations of known brown bear den sites that are occupied in the season of proposed activities. Exploration and production activities must not be conducted within one-half mile of occupied brown bear dens, unless alternative mitigation measures are approved by ADF&G. A lessee who encounters an occupied brown bear den not previously identified by ADF&G must report it to the Division of Wildlife Conservation, ADF&G, within 24 hours. Mobile activities shall</p>	<p>A.2.d.i. Mitigation measure satisfied. As is standard practice for CPAI, prior to the start of winter construction CPAI will consult with ADF&G to identify the locations of known brown bear dens in the project area to ensure that the appropriate setback distance of ½ mile is addressed. If deviation from this requirement is necessary ADF&G personnel will be contacted for approval. See Attachment 1 of the Project Description - Wildlife Avoidance and Interaction Plan - for details.</p> <p>A.2.d.ii. Mitigation measure satisfied. As is standard, CPAI will consult with the USFWS regarding the location of known Polar Bear dens and</p>

<p>avoid such discovered occupied dens by one-half mile unless alternative mitigation measures are approved by the Director, with concurrence from ADF&G. Non-mobile facilities will not be required to relocate.</p> <p>ii. Before commencement of any activities, lessees shall consult with the USFWS (907-786-3800) to identify the locations of known polar bear den sites. Operations must avoid known polar bear dens by 1 mile. A lessee who encounters an occupied polar bear den not previously identified by USFWS must report it to the USFWS within 24 hours and subsequently avoid the new den by 1 mile. If a polar bear should den within an existing development, off-site activities shall be restricted to minimize disturbance.</p> <p>iii. For projects in proximity to areas frequented by bears, lessees are required to prepare and implement a human-bear interaction plan designed to minimize conflicts between bears and humans. The plan should include measures to:</p> <ul style="list-style-type: none">A. minimize attraction of bears to facility sites;B. organize layout of buildings and work areas to minimize interactions between humans and bears;C. warn personnel of bears near or on facilities and the proper actions to take;D. if authorized, deter bears from the drill site;E. provide contingencies in the event bears do not leave the site;F. discuss proper storage and disposal of materials that may be toxic to bears; andG. provide a systematic record of bears on the site and in the immediate area.	<p>following consultation with the USFWS will survey the appropriate locations prior to the start of construction using a Forward Looking Infrared (FLIR) camera to document the presence of Polar Bear dens. Project personnel will maintain a one mile distance from all known dens in the project area. As per CPAI's Polar Bear Avoidance and Interaction Plan (January 2012) on file with the USFWS and included as Attachment 1 of the Project Description, newly identified dens will be reported to the USFWS within 24 hours and mitigation measures developed as appropriate.</p> <p>A.2.d.iii. Mitigation measure satisfied. The KIC Pad Expansion will implement the CPAI Wildlife Avoidance and Interaction Plan (April 2012) to minimize conflicts between bears and humans. The plan discusses the proper handling of food and food waste, infrastructure design, grizzly and polar bear alert system, deterrence guidelines, and reporting. See Attachment 1 of the Project Description – Wildlife Avoidance and Interaction Plan - for details.</p>
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<p>e. Permanent, staffed facilities must be sited to the extent practicable outside identified brant, white-fronted goose, snow goose, tundra swan, king eider, common eider, Steller's eider, spectacled eider, and yellow-billed loon nesting and brood rearing areas.</p>	<p>A.2.e. Mitigation measures satisfied. The project site is an extension to an existing pad with no history of use by nesting or brood-rearing waterfowl. Habitats are primarily human modified Wet Sedge Meadow Tundra, Patterned Wet Meadow, and Dry Dwarf Shrub. Winter construction of gravel surfaces will eliminate physical disturbances of nesting sites and reduce noise and vehicle related disturbances during the breeding season.</p>
<p>3. Subsistence, Commercial and Sport Harvest Activities</p>	

<p>a.</p> <ul style="list-style-type: none"> i. Exploration, development and production operations shall be conducted in a manner that prevents unreasonable conflicts between lease-related activities and subsistence activities. Lease-related use will be restricted when the Director determines it is necessary to prevent conflicts with local subsistence, commercial and sport harvest activities. In enforcing this term DO&G will consult with other agencies, the affected local borough(s) and the public to identify and avoid potential conflicts that are brought to the division's attention both in the planning and operational phases of lease-related activities. In order to avoid conflicts with subsistence, commercial and sport harvest activities, restrictions may include alternative site selection, requiring directional drilling, seasonal drilling restrictions, and other technologies deemed appropriate by the Director. ii. Prior to submitting a plan of operations for either onshore or offshore activities which have the potential to disrupt subsistence activities, the lessee shall consult with the potentially affected subsistence communities and the NSB (collectively "parties") to discuss the siting, timing, and methods of proposed operations and safeguards or mitigating measures which could be implemented by the operator to prevent unreasonable conflicts. The parties shall also discuss the reasonably foreseeable effect on subsistence activities of any other operations in the area that they know will occur during the lessee's proposed operations. Through this consultation, the lessee shall make reasonable efforts to assure that exploration, development, and production activities are compatible with subsistence hunting and fishing activities and will not result in unreasonable interference with subsistence harvests. iii. A discussion of agreements reached or not reached during the consultation process and any plans for continued consultation shall be included in the plan of operations. The lessee shall identify who participated in the consultation and send copies of the plan to participating communities and the NSB when it is submitted to the division. 	<p>A.3.a.i. Mitigation measure satisfied. The only off-pad activities related to this project is: the placement of gravel fill for the pad expansion. These off-pad activities will occur during the winter months. All other construction activities will occur year round, will be during the construction period (2015 -2017) will be on-pad. Subsistence hunters will be allowed access to the area (subject to safety polices).</p> <p>A.3.a.ii. Mitigation measure satisfied. Meetings with the North Slope Borough (NSB) and other permitting agencies were held to discuss the project scope, schedule, and potential impacts on: 4/30/2013, 7/24, 2013, 8/29/2013, 10/29/2013, and 10/30/2013.</p> <p>A.3.a.iii. Mitigation measure satisfied. Five pre-application meetings with agencies were held prior to submittal of the Plan of Operations and attendees are documented in the Environmental Evaluation Document (EED) submitted with the permit applications. April 30, 2013 a pre-application meeting with the US Army Corps of Engineers (USACE). On 7/24/2013 a pre-application meeting with the North Slope Borough. On 8/29/2013 a pre-application meeting with the North Slope Borough Planning Commission. On 10/29/2013 a pre-application meeting with the US Army Corps of Engineers (USACE), the Alaska Department of Natural Resources (ADNR) – Division of Oil and Gas, the US Fish and Wildlife Service (USF&WS), and the EPA. 10/30/2013 a pre-application meeting with Alaska Department of Natural Resources – Mining, Land, and Water and a copy of the presentation was provided to ADF&G since they couldn't attend the meetings.</p>
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<p>iv. If the parties cannot agree, then any of them may request the Commissioner of DNR or his/her designee to intercede. The commissioner may assemble the parties or take other measures to resolve conflicts among the parties.</p> <p>v. The lessee shall notify the Director of all concerns expressed by subsistence hunters during operations and of steps taken to address such concerns.</p>	<p>A.3.a.iv.Mitigation measure satisfied. There were no unresolved issues from the community and pre-application meetings and no request for DNR to intercede.</p> <p>A.3.1.v. Mitigation measure satisfied. The director will be notified of any subsistence hunter concerns during project construction and operations.</p>
<p>b. Traditional and customary access to subsistence areas shall be maintained unless reasonable alternative access is provided to subsistence users. "Reasonable access" is access using means generally available to subsistence users. Lessees will consult the NSB, nearby communities, and native organizations for assistance in identifying and contacting local subsistence users.</p>	<p>A.3.b Mitigation measure satisfied. The project is in a traditional subsistence hunting area used by the community of Nuiqsut. Customary and reasonable access to the area will be maintained and any subsistence access concerns will be discussed with KSOP.</p>
<p>4. Fuel, Hazardous Substances and Waste</p>	
<p>a. Secondary containment shall be provided for the storage of fuel or hazardous substances.</p>	<p>A.4.a. Mitigation measure satisfied through compliance with robust federal and state oil pollution prevention and secondary containment. Secondary containment will be provided for regulated storage tanks as required by applicable federal regulations under the jurisdiction of the U.S. Environmental Protection Agency (USEPA) in Title 40 of the Coder of Federal Regulations, Part 112, and state of Alaska regulations under the jurisdiction of the Alaska Department of Environmental Conservation (ADEC) in Title 18 of the Alaska Administrative Code, Chapter 75. Containment for tanks will be sized appropriately for the container type and capacity, and in some cases, will consider type of typical failure mode and resulting quantity that could be spilled.</p> <p>Providing 110% of the volume of the largest tank plus 12 inches of freeboard is excessive and is not practicable, particularly for small capacity containers; it does not provide reasonable added protection over similar requirements that are substantially addressed within regulations under USPEA and ADEC authority. Additionally, 110%</p>

	capacity plus 12 inches or freeboard are in excess of typical industry standards and company best practices for containment systems and reducing facility footprint or impact. In addition, use of double walled tanks in lieu of external containment is allowed under USEPA and ADEC regulations, under specific conditions; double walled tanks are proven effective to contain spills when managed and maintained accordingly. We request an exception to the requirement to provide 110% of the volume of the largest tanks plus 12 inches of freeboard. We also request exception to disallowing double walled tanks to meet requirements for secondary containment.
b. Containers with an aggregate storage capacity of greater than 55 gallons which contain fuel or hazardous substances shall not be stored within 100 feet of a waterbody, or within 1,500 feet of a current surface drinking water source.	A.4.b. Mitigation measure satisfied. Containers with a capacity larger than 55 gallons will not be stored within 100 ft. of a water body or within 1,500 feet of a current surface drinking water source.
c. During equipment storage or maintenance, the site shall be protected from leaking or dripping fuel and hazardous substances by the placement of drip pans or other surface liners designed to catch and hold fluids under the equipment, or by creating an area for storage or maintenance using an impermeable liner or other suitable containment mechanism.	A.4.c. Mitigation measure satisfied. Drip pans and liners will be placed under equipment and connections, as appropriate to minimize the possibility of leakage to the environment. Some equipment may have built-in containment that satisfies this requirement. CPAI will provide training to employees on the importance of preventing the release of oil or hazardous material spills.
d. During fuel or hazardous substance transfer, secondary containment or a surface liner must be placed under all container or vehicle fuel tank inlet and outlet points, hose connections, and hose ends. Appropriate spill response equipment, sufficient to respond to a spill of up to five gallons, must be on hand during any transfer or handling of fuel or hazardous substances. Trained personnel shall attend transfer operations at all times.	A.4.d. Mitigation measure satisfied. All fueling operations will be done in accordance with the Kuparuk Fieldwide Standard Operations Procedure for Fluid Transfers (F-005) and liners will be used as required by the Fieldwide Procedure for Liners and Drip Pans (F-006). Appropriate spill response equipment, sufficient to respond to a spill of up to 5 gallons, will be on hand during transfers or handling of fuel or hazardous substances. CPAI will provide training to employees on preventing oil or hazardous materials.
e. Vehicle refueling shall not occur within the annual floodplain, except as addressed and approved in the plan of operations. This measure does not apply to water-borne vessels.	A.4.e. Mitigation measure satisfied. No fueling will occur within the annual floodplain.
f. All independent fuel and hazardous substance containers shall be marked with the	A.4.f. Mitigation measure satisfied. Independent fuel and hazardous

<p>contents and the lessee's or contractor's name using paint or a permanent label.</p>	<p>containers will be marked with the lessee's or contractor's name.</p>
<p>g. A fresh water aquifer monitoring well, and quarterly water quality monitoring, is required down gradient of a permanent storage facility, unless alternative acceptable technology is approved by ADEC.</p>	<p>A.4.g. Mitigation measure not applicable</p>
<p>h. Waste from operations must be reduced, reused, or recycled to the maximum extent practicable. Garbage and domestic combustibles must be incinerated whenever possible or disposed of at an approved site in accordance with 18 AAC 60. (See Lessee Advisories, ADEC.)</p>	<p>A.4.h. Mitigation measure satisfied. Sanitary waste that may be generated from the temporary camp will be hauled to the Kuparuk Operations Center (KOC) wastewater treatment facility. Food waste will be incinerated at the KOC facility and non-burnables will be recycled or trucked to the North Slope Borough landfill at Deadhorse.</p>
<p>i. New solid waste disposal sites, other than for drilling waste, will not be approved or located on state property during the exploration phase of lease activities. Disposal sites may be provided for drilling waste if the facility complies with 18 AAC 60. (See Lessee Advisories, ADEC.)</p>	<p>A.4.i. Mitigation measure not applicable.</p>
<p>j. The preferred method for disposal of muds and cuttings from oil and gas activities is by underground injection. Drilling mud and cuttings cannot be discharged into lakes, streams, rivers, or important wetlands. On pad temporary cuttings storage will be allowed as necessary to facilitate annular injection and/or backhaul operations. Impermeable lining and diking, or equivalent measures, will be required for reserve pits. Surface discharge of drilling muds and cuttings into reserve pits shall be allowed only when the Director, in consultation with ADF&G, determines that alternative disposal methods are not practicable. Injection of non-hazardous oilfield wastes is regulated by AOGCC through its Underground Injection Control (UIC) Program for oil and gas wells. See also Mitigation Measure 8.a.vi.</p>	<p>A.4.i. Mitigation measure not applicable. No drilling will occur at this pad.</p>
<p>k. Proper disposal of garbage and putrescible waste is essential to minimize attraction of wildlife. The lessee must use the most appropriate and efficient method to achieve this goal. The primary method of garbage and putrescible waste is prompt, on-site incineration in compliance with state of Alaska air quality regulations. The secondary method of disposal is on-site frozen storage in animal-proof containers with backhaul to an approved waste disposal facility. The tertiary method of disposal is on-site non-frozen</p>	<p>A.4.k. Mitigation measure satisfied. Food waste will be incinerated at the KOC facility and non-burnables will be recycled or trucked to the North Slope Borough landfill at Deadhorse. As per polices outlined in CPAI's Wildlife Avoidance and Interaction Plan, all food taken into vehicles will be stored in containers to minimize odors and all food waste returned to the construction camp to be handled as stated</p>

<p>storage in animal proof containers with backhaul to an approved waste disposal facility. Daily backhauling of non-frozen waste must be achieved unless safety considerations prevent it.</p>	<p>above. See Attachment 1 of the Project Description – Wildlife Avoidance and Interaction Plan for details</p>
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5. Access	
<p>a. Except for approved off-road travel, exploration activities must be supported only by ice roads, winter trails, existing road systems or air service. Wintertime off-road travel across tundra and wetlands may be approved in areas where snow and frost depths are sufficient to protect the ground surface. Summertime off-road travel across tundra and wetlands may be authorized subject to time periods and vehicle types approved by DMLW. Exceptions may be granted by the director of the DMLW, and the Director, if an emergency condition exists; or, if it is determined, after consulting with ADF&G that travel can be accomplished without damaging vegetation or the ground surface. Exceptions, including the use of gravel, may also be granted on a site specific basis, if it is determined, after consulting with ADF&G and DMLW, that no practicable alternatives exist for constructing an exploration road or pad in the area south of the boundary described below and depicted in the map below:</p>	<p>A.5.a. Mitigation measure not applicable. No exploration activities are required.</p>

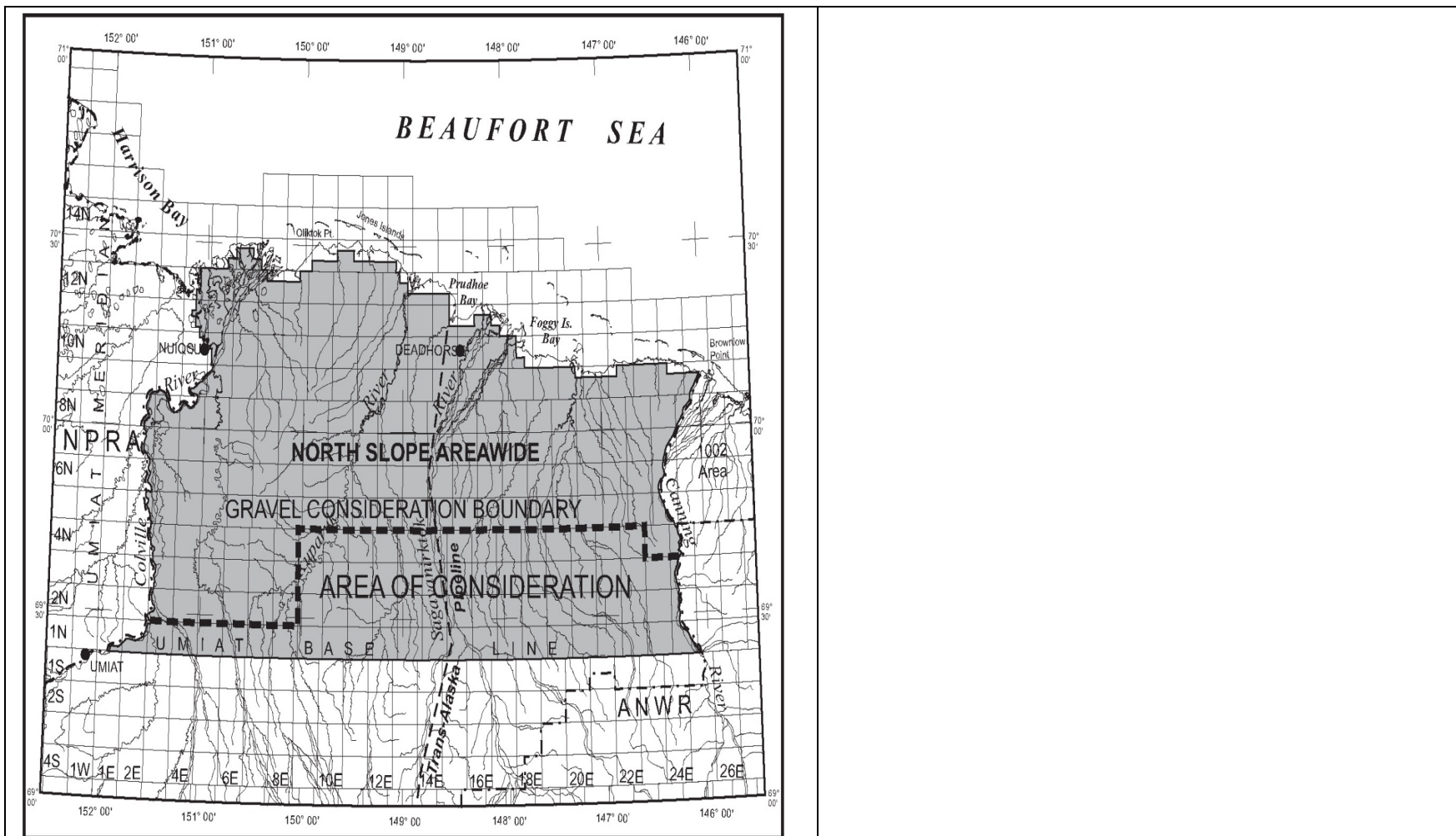


Figure 7.1: Gravel Consideration Boundary

Beginning at the NPR-A boundary, from the northeast corner of T 1N, R 2E,

<p>Figure 7.1: Gravel Consideration Boundary</p> <p>Beginning at the NPR-A boundary, from the northeast corner of T 1N, R 2E,</p> <ul style="list-style-type: none">• east to the northwest corner of T 1N, R 9E, then• north to the northwest corner of T 4N, R 9E, then• east to the northwest corner of T 4N, R 23E, then• south to the southwest corner of T 4N, R 23E, and then• east along the top of T 3N to the ANWR boundary.	
<p>b. Public access to, or use of, the lease area may not be restricted except within the immediate vicinity of drill sites, buildings, and other related facilities. Areas of restricted access must be identified in the plan of operations. Lease facilities and operations shall not be located so as to block access to or along navigable or public waters as defined in AS 38.05.</p>	<p>A.5.b. Mitigation measure not applicable. The KIC project is outside of the "Area of Consideration".</p>

6. Prehistoric, Historic, and Archeological Sites	
<p>a. Prior to the construction or placement of any structure, road, or facility resulting from exploration, development, or production activities, the lessee must conduct an inventory of prehistoric, historic, and archeological sites within the area affected by an activity. The inventory must include consideration of literature provided by the NSB, nearby communities, Native organizations, and local residents; documentation of oral history regarding prehistoric and historic uses of such sites; evidence of consultation with the Alaska Heritage Resources Survey and the National Register of Historic Places; and site surveys. The inventory must also include a detailed analysis of the effects that might result from the activity.</p>	<p>A.6.a. Mitigation measure satisfied. An inventory of prehistoric, historic, and archeological sites within the affected area was performed by Mr. Rick Reanier of Reanier and Associates in August 2013. Prior to this most recent survey the entire project area had been examined for cultural resources numerous times over the past 25 years. Mr. Reanier's survey included a literature survey, including a review of the North Slope Borough TLUI, and a ground search. A request for clearance is being submitted to the Alaska State Historic Preservation Office (SHPO) along with the permit applications. Cultural or archeological resources are not expected to be affected by this project.</p>
<p>b. The inventory of prehistoric, historic, and archeological sites must be submitted to the Director, and to SHPO who will coordinate with the NSB for review and comment. If a prehistoric, historic, or archeological site or area could be adversely affected by a lease activity, the Director, after consultation with SHPO and the NSB, will direct the lessee as to the course of action to take to avoid or minimize adverse effects.</p>	<p>A.6.b. Mitigation measure satisfied. The entire project area was examined for cultural resources and historical artifacts by Mr. Rick Reanier of Reanier & Associates, Inc. in August of 2013. No cultural resource sites were found as a result of his survey.</p>
<p>c. If a site, structure, or object of prehistoric, historic, or archaeological significance is discovered during lease operations, the lessee must report the discovery to the Director as soon as possible. The lessee must make reasonable efforts to preserve and protect the discovered site, structure, or object from damage until the Director, after consultation with the SHPO and the NSB, has directed the lessee as to the course of action to take for its preservation.</p>	<p>A.6.c. Mitigation measure satisfied. No historic or cultural resources found. During construction, if a site, structure, or object of prehistoric, or archaeological significance is discovered, CPAI will report the discovery to the director as soon as possible and reasonable efforts will be made preserve and protect the discovery until the director, after consultation with DPOR Office of History and Archeology and the NSB provide direction as to the course of action to take for its preservation.</p>

<p>7. Local Hire, Communication, and Training</p>	
<p>a. Lessees are encouraged to employ local and Alaska residents and contractors, to the extent they are available and qualified, for work performed in the lease area. Lessees shall submit, as part of the plan of operations, a proposal detailing the means by which the lessee will comply with the measure. The proposal must include a description of the operator's plans for partnering with local communities to recruit, hire and train local and Alaska residents and contractors. The lessee is encouraged, in formulating this proposal, to coordinate with employment and training services offered by the State of Alaska and local communities to train and recruit employees from local communities.</p>	<p>A.7.a. Mitigation measure satisfied. CPAI is committed to continuing its partnership with local contractors and business in the construction of the KIC Pad Expansion project through competitive bid contracting opportunities. When reasonably foreseeable to do so CPAI is committed to hire and, where appropriate, to provide training to Kuukpik shareholders, Nuiqsut residents and Alaska Natives. When appropriate, local resident hire will continue to be coordinated through the Kuukpik employment coordinator to identify and place qualified individuals interested in working on the project. In addition, CPAI and its contractors assist with scholarships, career training and internship opportunities to further expand local workforce capabilities and ensure that local residents are hired and retained as CPAI's employment requirements increase.</p>
<p>b. A plan of operations application must describe the lessee's past and prospective efforts to communicate with local communities and interested local community groups.</p>	<p>A.7.b. Mitigation measure satisfied. See Project Description Section 11.0 and A 7.a (above).</p>
<p>c. A plan of operations application must include a training program for all personnel including contractors and subcontractors. The program must be designed to inform each person working on the project of environmental, social, and cultural concerns that relate to that person's job. The program must use methods to ensure that personnel understand and use techniques necessary to preserve geological, archeological, and biological resources. In addition, the program must be designed to help personnel increase their sensitivity and understanding of community values, customs, and lifestyles in areas where they will be operating.</p>	<p>A.7.c. Mitigation measure satisfied. In addition to all North Slope employees and contractors completing a minimum level of compliance training, which includes the specific activities or tasks an employee is assigned to perform, an unescorted training program, a general camp and safety orientation and a review of the North Slope Safety Handbook, training focusing on environmental excellence and cultural awareness is required of all personnel working on the North Slope.</p>
<p>8. Definitions</p>	

<p>a. In this document:</p> <ul style="list-style-type: none">i. “Facilities” means any structure, equipment, or improvement to the surface, whether temporary or permanent, including, but not limited to, roads, pads, pits, pipelines, power lines, generators, utilities, airstrips, wells, compressors, drill rigs, camps and buildings;ii. “Important wetlands” means those wetlands that are of high value to fish, waterfowl, and shorebirds because of their unique characteristics or scarcity in the region or that have been determined to function at a high level using the hydrogeomorphic approach;iii. “Minimize” means to reduce adverse impacts to the smallest amount, extent, duration, size, or degree reasonable in light of the environmental, social, or economic costs of further reduction;iv. “Plan of operations” means a lease Plan of operations under 11 AAC 83.158 and a unit Plan of operations under 11 AAC 83.346;v. “Practicable” means feasible in light of overall project purposes after considering cost, existing technology, and logistics of compliance with the standard;vi. “Secondary containment” means an impermeable diked area or portable impermeable containment structure capable of containing 110 percent of the volume of the largest independent container plus 12 inches of freeboard. Double walled tanks do not qualify as Secondary Containment unless an exception is granted for a particular tank.vii. “Temporary” means no more than 12 months.	<p>A.8.a.vi “Secondary containment” – CPAI request exception: Providing 110% of the volume of the largest tank plus 12 inches of freeboard is excessive and is not practicable, particularly for small capacity containers; it does not provide reasonable added protection over similar requirements that are substantially addressed within regulations under USPEA and ADEC authority. Additionally, 110% capacity plus 12 inches or freeboard are in excess of typical industry standards and company best practices for containment systems and reducing facility footprint or impact. In addition, use of double walled tanks in lieu of external containment is allowed under USEPA and ADEC regulations, under specific conditions; double walled tanks are proven effective to contain spills when managed and maintained accordingly. We request an exception to the requirement to provide 110% of the volume of the largest tanks plus 12 inches of freeboard. We also request exception to disallowing double walled tanks to meet requirements for secondary containment.</p>
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