

June 25<sup>th</sup>, 2021

Mr. Tom Stokes, Director  
Division of Oil & Gas  
Alaska Department of Natural Resources  
550 West 7<sup>th</sup> Avenue, Suite 1100  
Anchorage, AK 99501-3563

**RE: Proposed Prudhoe Bay Unit Greater Point McIntyre Area 2021 Plan of Development**

Dear Mr. Stokes:

Hilcorp North Slope, LLC (“Hilcorp North Slope”), as Operator of the Prudhoe Bay Unit (“PBU”) Greater Point McIntyre Area Participating Areas (“GPMA PAs”), hereby submits the proposed 2021 Plan of Development (“POD”) for the GPMA PAs pursuant to 11 AAC 83.343(c) on behalf of itself and the other working interest owners, ConocoPhillips Alaska, Inc., ExxonMobil Alaska Production, Inc., and Chevron U.S.A., Inc. The GPMA PAs consist of the Combined Niakuk, Lisburne, North Prudhoe Bay, Point McIntyre, Raven, and West Beach Participating Areas (“PA”). This proposed plan will be effective October 1, 2021 through September 30, 2022 (“2021 POD Period”).

On August 26, 2019, the Standard Oil Company (“Standard Oil”) and Hilcorp Alaska, LLC (“Hilcorp Alaska”) entered into a Purchase and Sale Agreement for the sale by Standard Oil to Hilcorp Alaska of all of the issued and outstanding shares of stock of BPXA. As a result of this stock sale, which closed on June 30, 2020, Hilcorp Alaska indirectly, through its ownership of BPXA, owns and controls all of BPXA’s oil and gas interests in Alaska. On July 1, 2020, the entity BPXA underwent a name change to Hilcorp North Slope, LLC.

On June 26, 2020, BPXA submitted the GPMA 2020 POD (“2020 POD”). The Division notified Hilcorp North Slope of the approval of the 2020 POD on August 17, 2020, for the period October 1, 2020 through September 30, 2021 (“2020 POD Period”).

**I. FIELD OVERVIEW**

Combined Niakuk PA

Niakuk Reservoir development began in April 1994 from the Niakuk Participating Area and then from the West Niakuk Participating Area in April 1995. The two PAs were combined in December 2007 to form the Combined Niakuk PA. Waterflood began in April 1995 and is still in use.

Lisburne PA

The Lisburne field was discovered in early 1968 with the drilling of the Prudhoe Bay State #1 well by ARCO/Exxon. Development drilling started in 1985 along with long term testing of the wells in the pilot waterflood area. The field came on-line in December 1986, ramping up production by 1987 to 45 thousand barrels of oil per day (“MBO/D”). The Lisburne PA was formed effective December 15, 1986.

The Lisburne Gas Cap Water Injection Surveillance (“GCWI”) began as a pilot project in 2008 and is still in use. Since December 1986 production is primarily processed at the Lisburne Production Center (“LPC”).



Production allocation is in accordance with the Alaska Department of Natural Resources, Alaska Department of Revenue, and Alaska Oil and Gas Conservation Commission, with a test separator at each Lisburne Drill Site.

#### North Prudhoe Bay PA

The North Prudhoe Field is a small satellite field located north of the Prudhoe Bay Field and south of the Pt. McIntyre Field. Production from the North Prudhoe Bay PA is from the Sag River and Ivishak formations. The North Prudhoe Bay PA was formed effective January 1, 1995.

#### Point McIntyre PA

The Point McIntyre PA was formed effective October 13, 1993 with the reservoirs consisting of the Point McIntyre and Stump Island Reservoirs. The field has been developed from two drill sites, PM1 and PM2.

#### Raven PA

The Raven PA was approved in December 2007 with the reservoirs consisting of the Sag River Formation and the Ivishak Sandstone Member of the Sadlerochit Group. Production from the Raven PA is processed at LPC.

#### West Beach PA

The West Beach PA was formed effective February 22, 1993. Production began in April 1993, with water injection occurring from December 2000 through September 2003. The last production occurred in 2009. Surface facilities remediation is needed prior to returning the PA to production.

## **II. 2020 PLAN OF DEVELOPMENT REVIEW**

The following annual report describes the operations conducted under the 2020 POD as required by 11 AAC 83.343(d).

### **A. 2020 POD Production Summary**

The GPMA PAs produced approximately 146 billion cubic feet (“BCF”) of gas and 9,461 thousand barrels (“Mbbbl”) of oil and 1,362 thousand barrels of NGLs from April 1, 2020 through March 31, 2021. The average daily production rate was 29,651 barrels of oil per day (“BOPD”). The GPMA PAs produced approximately 52 million barrels of water (“MMBW”). Table 1 provides a summary of the production data for each of the GPMA PAs. Three Tract Operations (“Tract Ops”) lie outside of the existing GPMA PAs and their production summary is also included below.

*Table 1. April 1, 2020 - March 31, 2021 Production Summary*

<b>PA / Tract Op</b>	<b>Gas Production (BCF)</b>	<b>Oil Production (Mbbbl)</b>	<b>NGLs (Mbbbl)</b>	<b>Average Daily Production (BOPD)</b>	<b>Water Production (MMSTBW)</b>	<b>Water Injection (MMSTBW)</b>	<b>Gas Injection (BCF)</b>
Combined Niakuk	0.4	297	4	825	3.6	3.9	0.0
Lisburne	76.8	3,543	696	11,612	4.8	13.9	66.0
North Prudhoe Bay	0.0	0	0	0	0.0	0.0	0.0
Point McIntyre	66.8	5,182	565	15,745	43.5	54.2	54.2
Raven	1.7	214	47	715	0.5	0.3	0.0
West Beach	0.0	0	0	0	0.0	0.0	0.0
<i>Total GPMA PAs</i>	<i>146</i>	<i>9,461</i>	<i>1,362</i>	<i>29,651</i>	<i>52</i>	<i>72</i>	<i>120</i>
NK-14B	0.1	25	6	85	0.0024	0.0	0.0
NK-08B	0.7	171	38	572	0.0105	0.0	0.0
P1-09	0.1	29	6	97	0.0002	0.0	0.0
<i>Total Tract Ops</i>	<i>0.9</i>	<i>225</i>	<i>50</i>	<i>754</i>	<i>0.0131</i>	<i>0</i>	<i>0</i>

Hilcorp North Slope, upon taking over operatorship of GPMA, has focused on returning idle wells to service, optimizing production through the existing surface infrastructure, targeting reservoirs that had been under-developed, improving voidage replacement, and improving operational efficiency, which together led to a 2.7% (289 Mbbbl) year-on-year increase in overall oil production rate from GPMA from the period April 1, 2019 – March 31, 2020 to April 1, 2020 – March 31, 2021.

### **B. 2020 POD Drilling Program**

No new wells were planned or drilled during the 2020 POD period.

Hilcorp North Slope does not anticipate drilling any additional wells during the remainder of the 2020 POD period.

### **C. 2020 POD Workover Program**

The 2020 POD proposed no workovers of existing wells and thus far none have been completed.

Hilcorp North Slope plans to complete up to four workovers during the remainder of the 2020 POD period, two workovers within the Lisburne PA, one workover within the Niakuk PA, and one workover within the Point McIntyre PA.

#### **D. 2020 POD Major Facility Projects**

During the 2020 POD Period, two facility capacity expansion projects have been completed. The details associated with these projects are summarized below:

##### Lisburne PA

- L4 pad was reinstated and resumed production on March 23<sup>rd</sup>, 2021, after having been shut-in since 2014. As of June 1<sup>st</sup>, 2021, L4 pad production was approximately 1,200 BOPD.

##### Point McIntyre PA

- The on-pad three-phase piping at Drill Site PM2 was re-engineered to reduce the vibration issue and therefore allow more throughput. Production had been curtailed at PM2 since 2016 to mitigate vibration problems. This project was completed on May 27<sup>th</sup>, 2021 and production from PM2 is expected to increase 2,000-3,000 BOPD due to the success of this project.

In addition, Hilcorp North Slope is currently evaluating two additional major facility projects, the LPC Rich Gas to the Central Gas Facility and the L5 Pipeline Replacement Projects. Both projects will improve production capacity of the GPMA PAs.

### **III. 2021 PLAN OF DEVELOPMENT AND OPERATIONS**

For the period of October 1, 2021 through September 30, 2022, Hilcorp North Slope anticipates completing the following drilling, workover, and facility projects.

#### **A. Proposed Drilling Program**

Hilcorp North Slope anticipates drilling up to four new wells during the 2021 POD period. Potential drilling candidates include two coil tubing drilling (“CTD”) sidetracks within the Lisburne and Point McIntyre PAs.

No new wells are planned for the Combined Niakuk, North Prudhoe Bay, Raven, or West Beach PAs.

#### **B. Proposed Wellwork and Workover Program**

During the 2021 POD period, Hilcorp North Slope anticipates completing up to three well workovers with the Thunderbird 1 workover rig. Potential workover candidates include two rig workovers within the Lisburne PA and one rig workover within the Point McIntyre PA.

No well workovers are planned for the Combined Niakuk, North Prudhoe Bay, Raven, or West Beach PAs.

#### **C. Major Facility Projects**

Key facility projects Hilcorp North Slope anticipates undertaking during the 2021 POD period may include:

- LPC Rich Gas to CGF
- L5 Pipeline Replacement



#### D. Long-Range Activities

Hilcorp North Slope continues to evaluate future drilling opportunities and plans to continue to evaluate potential undeveloped resources. During the 2021 POD period, Hilcorp North Slope plans the following:

- To evaluate and execute additional facility capacity expansion projects
- To evaluate the development potential in the Lisburne L4/L5 area
- To evaluate the development potential in the Niakuk Kuparuk
- To evaluate the development potential at West Beach and North Prudhoe Bay
- To evaluate the development potential of existing Tract Ops:
  - NK-14B
  - NK-08B
  - P1-09

Hilcorp North Slope, as PBU Operator, will propose modifications to this POD to the appropriate governmental agencies should conditions warrant. No modifications will be made without first obtaining necessary governmental approvals.

The Division's approval of the proposed GPMA PA 2021 POD is respectfully requested. Hilcorp North Slope believes the proposed 2021 POD satisfies the requirements of 11 AAC 83.343(c) and complies with the provisions of 11 AAC 83.303. Should you have any questions, please contact me at (907) 777-8489 or [ashowalter@hilcorp.com](mailto:ashowalter@hilcorp.com).

Sincerely,

Alicia Showalter  
Land Representative  
Hilcorp North Slope, LLC

cc: Justin Black, Deputy Director, Alaska Division of Oil & Gas  
Dave Roby, Sr. Reservoir Engineer, Alaska Oil and Gas Conservation Commission  
ConocoPhillips Alaska, Inc.  
ExxonMobil Alaska Production, Inc.  
Chevron U.S.A., Inc.