

United States Department of the Interior
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT
Alaska OCS Region
3801 Centerpoint Drive, Suite 500
Anchorage, Alaska 99503-5823

APR 21 2016

Mr. Kevin Tabler
Land Manager
Hilcorp Alaska, LLC
3800 Centerpoint Drive, Suite 1400
Anchorage, AK 99503

Dear Mr. Tabler:

Bureau of Safety and Environmental Enforcement (BSEE) has reviewed your request to add Lease OCS-Y-1886 to the Liberty Unit and have no objection to the inclusion. We have also accepted the following documents into the Liberty Unit record.

- Copy of Current Liberty Unit Joint Operating Agreement
- Revised Exhibits A and B to the Liberty Unit
- Working Interest Owner Joinder Agreement to the Liberty Unit and Unit Operating Agreement

If you have any questions, please contact Mr. Kyle Monkeliën at (907) 334-5307 or kyle.monkeliën@bsee.gov.

Sincerely,

Mark Fesmire,
Regional Director, Alaska OCS Region

cc: BOEM
R. L. Skillern, BP
Teresa Imm, ASRC



Hilcorp Alaska, LLC

April 5, 2016

Mr. Kevin J. Pendergast
Regional Supervisor, Field
Bureau of Safety and Environment Enforcement
3801 Centerpoint Drive, Suite 500
Anchorage, AK, 99503-5820

NORTH SLOPE, STATE OF ALASKA
Liberty Unit
Application to Expand the Liberty Unit

Dear Mr. Pendergast:

Hilcorp Alaska, LLC (“Hilcorp Alaska”) is in receipt of your letter dated March 23, 2016, advising of unitization matters needing to be addressed by the working interest owners of the Liberty Unit. In response and conformance with such letter, and pursuant to 30 CFR 250.1303 (d) and Article 10.1 of the Liberty Unit Agreement; Hilcorp Alaska, as Operator of the Liberty Unit (“LU”), on behalf of itself and the other LU working interest owners, herein request the Bureau of Safety and Environmental Enforcement (“BSEE”) approve the expansion of the LU effective May 1, 2016, to include oil and gas lease OCS-Y-01886, in light of the justification laid out in said letter.

Incorporated as part and in support of this LU expansion application letter, please find the following enclosures:

- Copy of the current Liberty Unit Joint Operating Agreement
- Revised Exhibits A and B to the Liberty Unit Agreement
- Working Interest Owner Joinder Agreement to the Liberty Unit and Unit Operating Agreement
- Application Fee in the amount of \$896.00 pursuant to 30 CFR 250.125 (a)(28) (paid via pay.gov)

We believe our request for Liberty Unit Expansion and inclusion of the requested documents above clarifies and resolves the irregularities that previously existed in the record.

Should you have any questions regarding the above submission, please do not hesitate to contact me directly at (907) 777-8379.

Sincerely,

Kevin A. Tabler

cc: David Johnston, BOEM
R.L. Skillern, BP
Teresa Imm, ASRC

Kevin Tabler
Land Manager, Alaska

Post Office Box 244027
Anchorage, AK 99524-4027

3800 Centerpoint Drive
Suite 1400
Anchorage, AK 99503

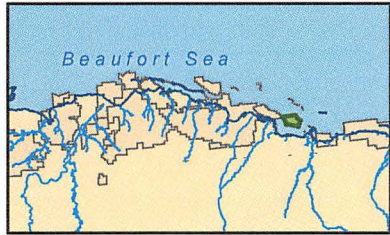
Phone: 907/777-8379
Fax: 907/777-85908580
ktabler@hilcorp.com





RECEIVED
Anchorage, Alaska

ADD 06 2016

REGIONAL SUPERVISOR
FIELD OPERATIONS
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

Exhibit A - Liberty Unit Offshore Alaska



-  Liberty Unit
-  Federal Leases
-  Three Mile Limit
-  OCS Blocks

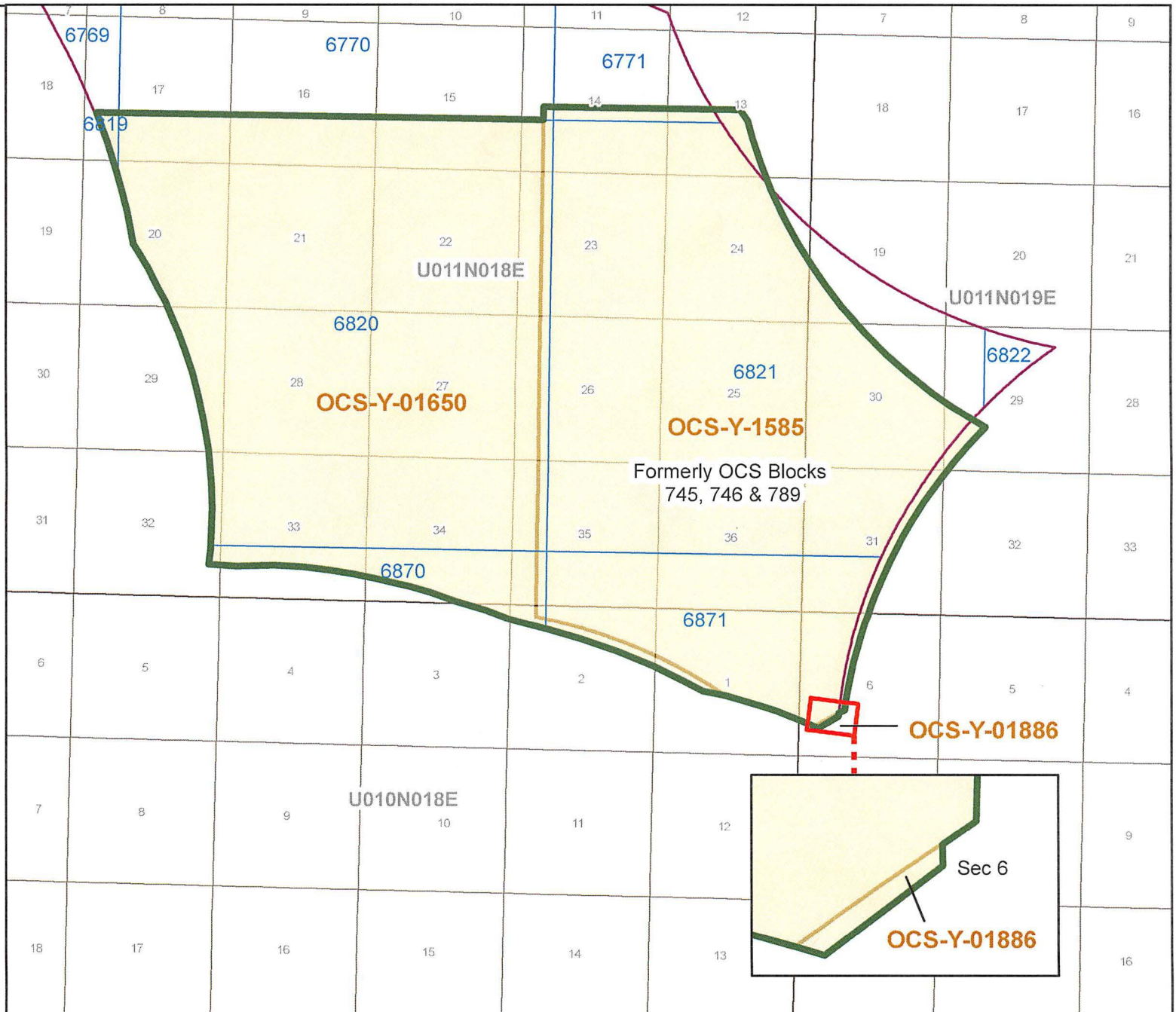
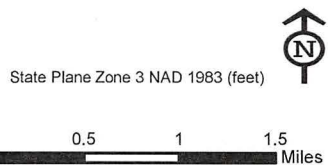


Exhibit B
Liberty Unit Agreement
Effective May 1, 2016

LEASE	LEASE DESCRIPTION	EFFECTIVE DATE-LEASE	AMOUNT OF HECTARES	ROYALTY RATE	LEASE OWNERSHIP
OCS-Y-01650	<p>That portion of Block 6819, OCS Official Protraction Diagram NR06-03, Beechey Point, approved February 01, 1996, shown as Boundary Disputed Area B on OCS Composite Block Diagram dated April 24, 1996, (attached hereto), containing 8.574797 hectares; and That portion of Block 6820, OCS Official Protraction Diagram NR06-03, Beechey Point, approved February 01, 1996, shown as Boundary Disputed Area B on OCS Composite Block Diagram dated April 24, 1996, (attached hereto), containing 1,968.218837 hectares; and That portion of Block 6870, OCS Official Protraction Diagram NR06-03, Beechey Point, approved February 01, 1996, shown as Boundary Disputed Area B on OCS Composite Block Diagram dated April 24, 1996, (attached hereto), containing 147.520199 hectares; and That portion of Block 6871, OCS Official Protraction Diagram NR06-03, Beechey Point, approved February 01, 1996, shown as Boundary Disputed Area G on OCS Composite Block Diagram dated April 24, 1996, (attached hereto), containing 23.682350 hectares.</p>	October 1, 1996	2,147.9962	12.50%	ASRC 10% BPXA 40% Hilcorp 50%
OCS-Y-1585	<p>That portion of Block 745, Official Protraction Diagram NR 6-3, Beechey Point, revised April 23, 1964 , shown as the Disputed Area on the Supplemental Official OCS Block Diagram dated December 9, 1979, (attached hereto), containing approximately 1687.02 hectares; and That portion of Block 746, Official Protraction Diagram NR 6-3, Beechey Point, revised April 23, 1964 , shown as the Disputed Area on the Supplemental Official OCS Block Diagram dated October 4, 1979, (attached hereto), containing approximately 1.29 hectares; and That portion of Block 789, Official Protraction Diagram NR 6-3, Beechey Point, revised April 23, 1964 , shown as the Disputed Area on the Supplemental Official OCS Block Diagram dated October 4, 1979, (attached hereto), containing approximately 546.48 hectares.</p>	August 1, 1991	2,234.7900	12.50%	ASRC 10% BPXA 40% Hilcorp 50%

Exhibit B
Liberty Unit Agreement
 Effective May 1, 2016

LEASE	LEASE DESCRIPTION	EFFECTIVE DATE-LEASE	AMOUNT OF HECTARES	ROYALTY RATE	LEASE OWNERSHIP
OCS-Y-01886	That portion of Block 6871, OCS Official Protraction Diagram NR06-03, Bcechey Point, revised September 30, 1997, as shown and described on the OCS Block Diagram, dated April 18, 2007, containing approximately 1.097685 hectares.	July 1, 2007	1.0977	12.50%	ASRC 10% BPXA 40% Hilcorp 50%

Total Unit Hectares: 4,383.8839

LEASE OWNERSHIP

BPXA BP Exploration (Alaska) Inc. (YK-113)
 ASRC ASRC Exploration, LLC (03397)
 Hilcorp Hilcorp Alaska, LLC (3361)



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Kevin Tabler
Land Manager
Hilcorp Alaska, LLC
3800 Centerpoint Drive, Suite 1400
Anchorage, Alaska 99503

MAR 23 2016

Dear Mr. Tabler:

The Bureau of Safety and Environmental Enforcement (BSEE), Alaska Region, manages the unitization of offshore leases according to our regulations found at 30 CFR 250.1300 *et seq.* Following an internal review of our files related to the Liberty Unit, we have discovered items that need to be addressed. These items partly pre-date Hilcorp Alaska, LLC (HAK) ownership interest in and operatorship of the Liberty project, but they have been perpetuated in some documentation provided to BSEE by HAK and BP; BP was sole owner and operator of Liberty prior to HAK's interest. The first matter relates to the inclusion of lease OCS Y-1886 into the Liberty Unit, and the other concerns updates to the Liberty Unit Agreement (LUA) and Liberty Unit Operating Agreement (LUOA).

According to our records, the Liberty Unit currently includes leases OCS Y-1585 and Y-1650; these were incorporated into the unit when it was originally formed in 2003. Following a mapping conversion from North American Datum (NAD) 1927 to NAD 1983, several small unleased slivers of lease area were formed; these were disposed in Lease Sale 202 in 2007. One of those slivers, lease Y-1886, was located adjacent to the Liberty Unit and was acquired by BP in sale 202. Though lease Y-1886 has periodically been referred to in connection with the Liberty Unit (see Joinder Agreement to the LUA, executed by BP and HAK on November 18, 2014), our records do not show that lease Y-1886 was ever requested or approved to be incorporated into the Liberty Unit. As a related matter, the Liberty Unit leases are currently under a Suspension of Production (SOP), while lease Y-1886 is in its primary term, which expires in 2017.

If HAK desires to include lease Y-1886 within the Liberty Unit and resolve that irregularity in the record, we request that you formally submit a proposal for expansion of the Liberty Unit pursuant to 30 CFR 250.1303(d). Include the appropriate fee with your request as denoted under 30 CFR 250.125(a)(27).

The second item concerns updated versions of the LUA and LUOA. Pursuant to 30 CFR 250.1301(d) and (e), BSEE hereby requires HAK to submit updated copies of the LUA and LUOA, showing the current status of and relationships among HAK, BP, and the more recent

10% interest owner Arctic Slope Regional Corporation. Following any inclusion of lease Y-1886 into the Liberty Unit, we would then expect HAK to again submit an updated LUA and LUOA if needed to update the record with regard to lease Y-1886.

If you have any questions, please contact Kyle Monkeliën at (907) 334-5307, or via e-mail at kyle.monkeliën@bsee.gov.

Sincerely,



Kevin J. Pendergast, PE CPG
Regional Supervisor, Field
Operations

cc: David Johnston, Regional Supervisor, Leasing and Plans
Bureau of Ocean Energy Management