



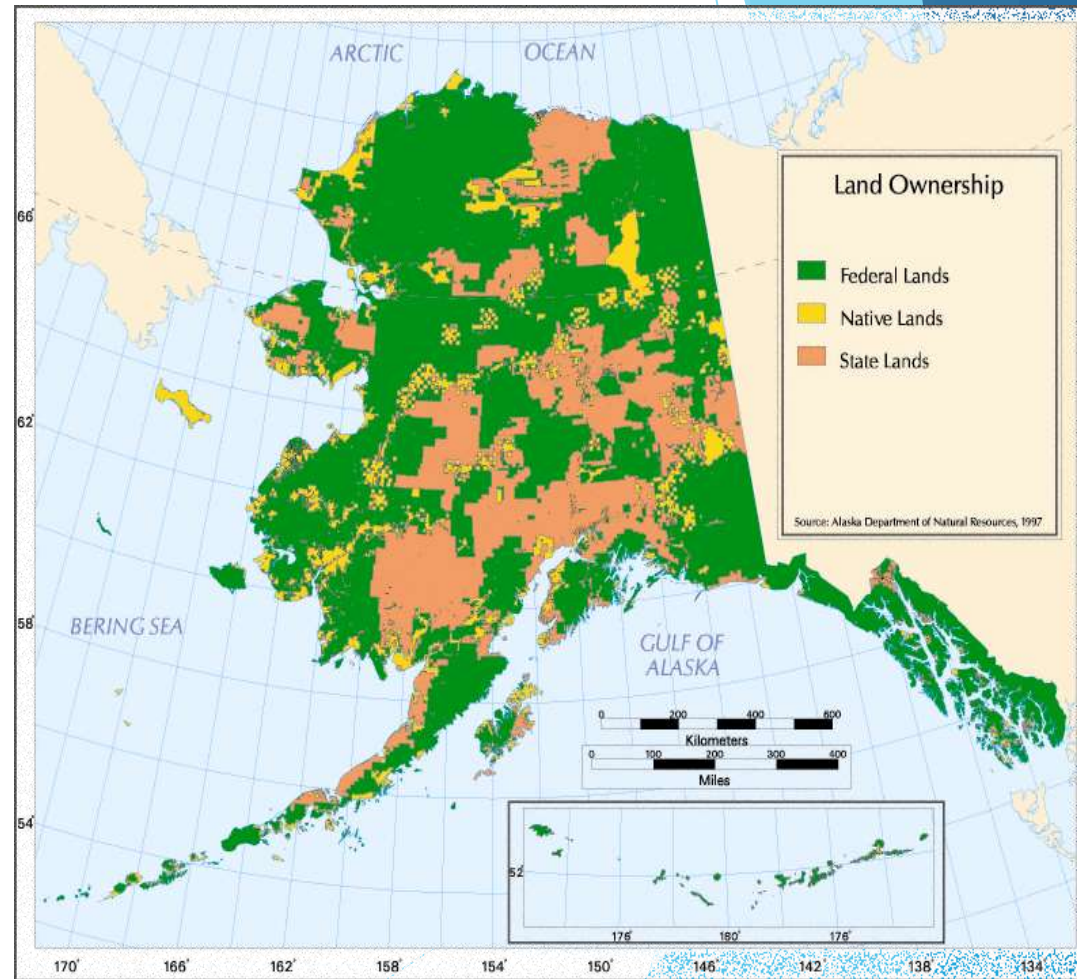
Large Project Permit Coordination State of Alaska, Department of Natural Resources

Presented by: Sara Longan, Executive Director, Office of Project
Management & Permitting (OPMP)
December 8, 2016



Alaska Department of Natural Resources Department Mission

*Develop, Conserve and
Maximize the use of
Alaska's Natural Resources
Consistent with the
Public Interest*



Office of Project Management & Permitting (OPMP) - - Regulatory Coordination is Key

One-Stop Permit Coordination

Increase consistency, transparency, efficiency, defensibility - - encourage collaboration and stakeholder input

OPMP coordinates:

- ▶ Oil & Gas
- ▶ Large Mine Projects Team
- ▶ Transportation
- ▶ Renewable Energy
- ▶ Federal Planning



OPMP Authority

OPMP coordinates permitting of natural resource development projects in accordance with AS 38.05.020(b)(9):

The commissioner may lead and coordinate all matters relating to the state's review and authorization of resource development projects.

- OPMP is located in the DNR Commissioner's Office
- OPMP coordination is voluntary
- OPMP does not have regulatory authority



Underground Injection Control

Fish Resource Permits

Water Reservations
Material Sale
Material Site

National Environmental Policy Act (NEPA) Process

Plugging & Abandonment

Fish Habitat Permits

Water Right
Land Easement

- Bureau of Land Management (BLM)
- Corps of Engineers (USACE)
- Bureau of Ocean Energy Management (BOEM)
- US Fish & Wildlife Service
- Environmental Protection Agency (EPA)

Permit to Drill

Fish & Game

Temporary Water Use Authorization (TWUA)
Land Lease
Land Use Permit

Plan of Operations (POO)

Plan of Development (POD)

AOGCC

Natural Resources

Leasing

Decommission, Dismantlement & Removal

Oil & Gas Permit Team

Office of Project Management and Permitting

Cultural Resource Investigation

Financial Assurance

Heavy Haul Permit

Transportation & Public Facilities

Revenue

Waste Management Permit (WMP)

Public Rights-of-Way

Health and Social Service

Environmental Conservation

Spill Prevention & Response (SPAR) Authorizations

Camp Permit (individual or general)

Key

— Formal authority

- - - - - Advisory role

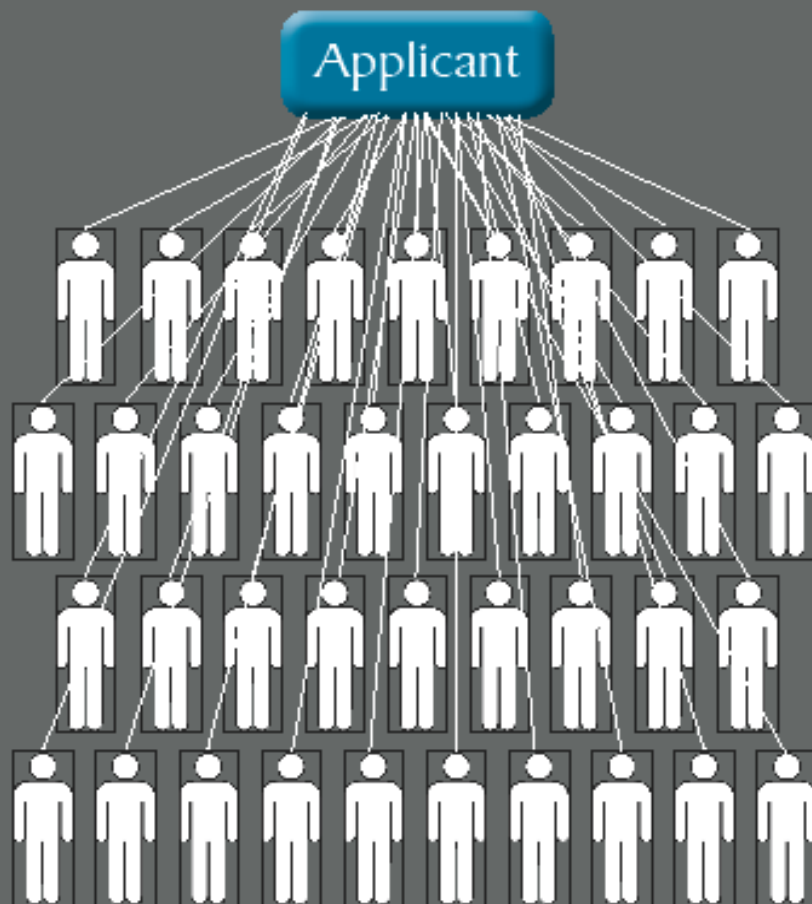
Health Impact Assessment (HIA)

Air Permit

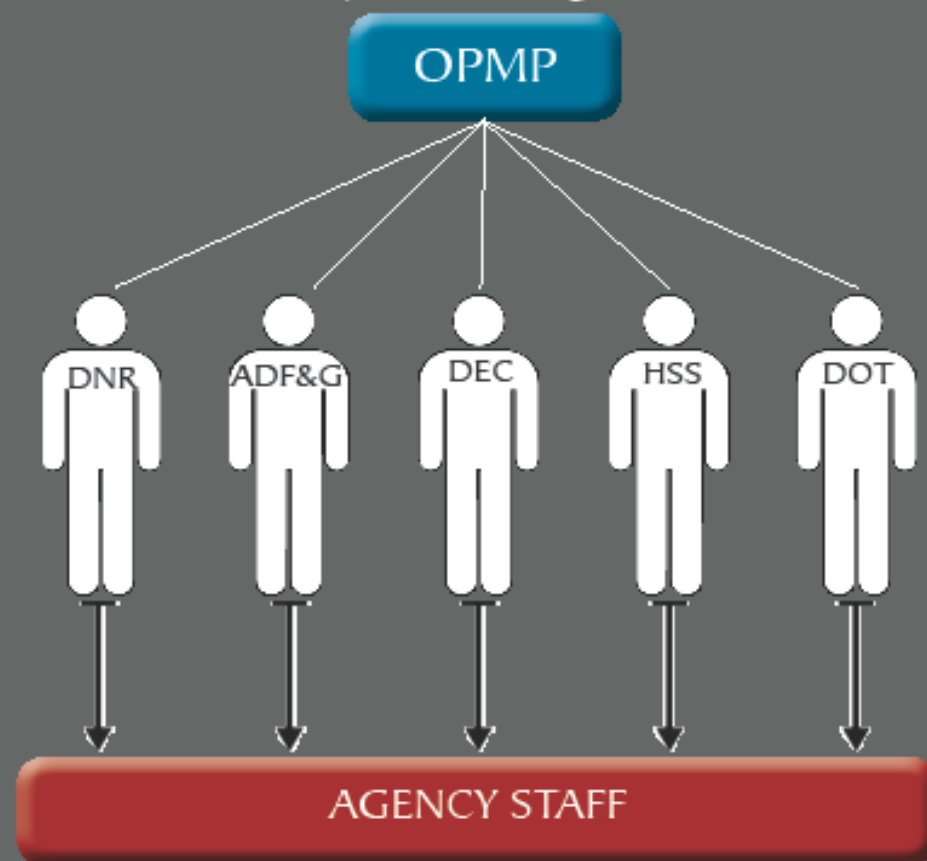
Alaska Pollution Discharge Elimination System (APDES)

Proposed Communication Model to Ensure the Flow of Information to each Participating Commissioner's Office

"Shotgun" Approach

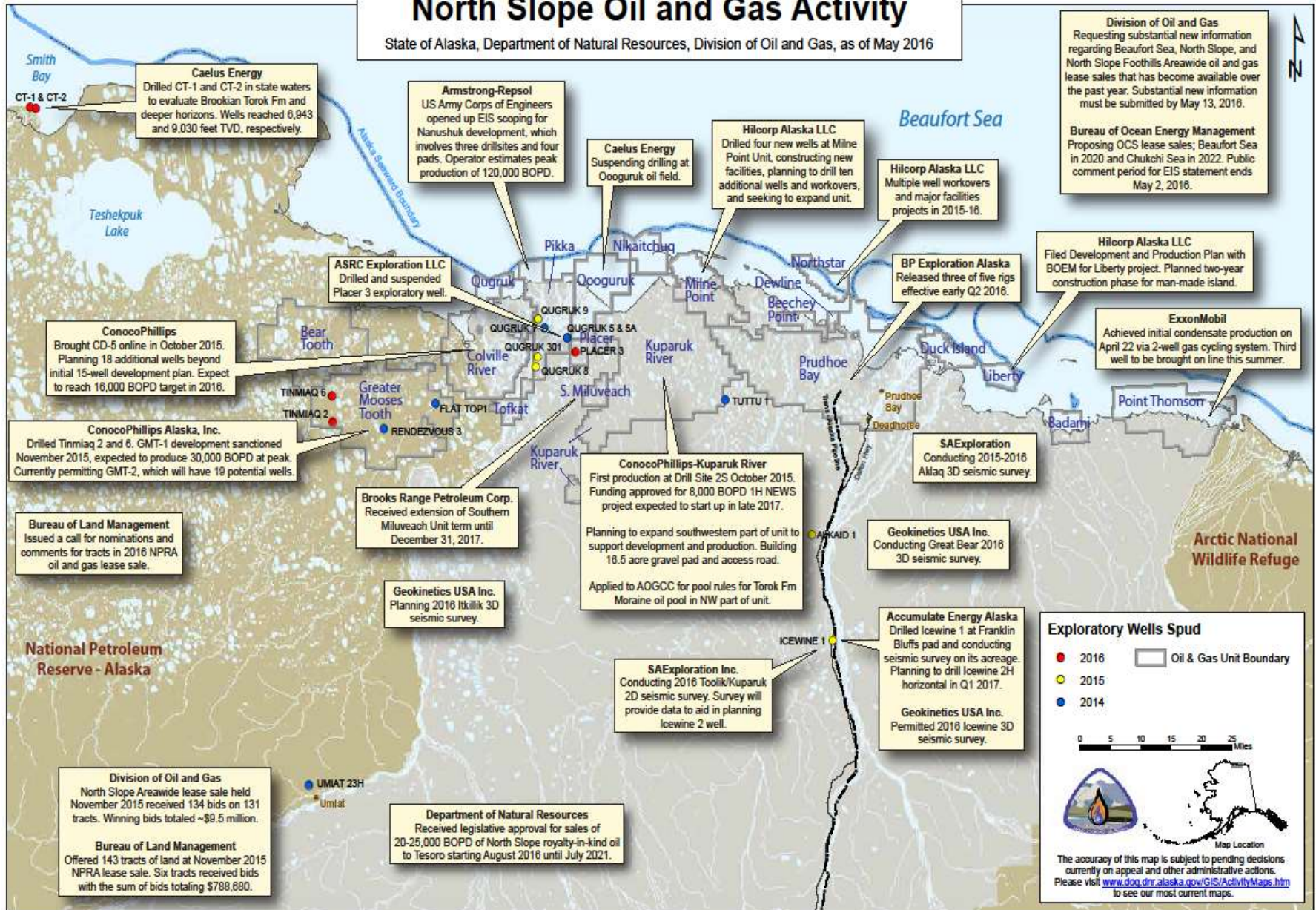


Management Liaison's Role in Project Management



North Slope Oil and Gas Activity

State of Alaska, Department of Natural Resources, Division of Oil and Gas, as of May 2016



Division of Oil and Gas
Requesting substantial new information regarding Beaufort Sea, North Slope, and North Slope Foothills Areawide oil and gas lease sales that has become available over the past year. Substantial new information must be submitted by May 13, 2016.

Bureau of Ocean Energy Management
Proposing OCS lease sales; Beaufort Sea in 2020 and Chukchi Sea in 2022. Public comment period for EIS statement ends May 2, 2016.

Hilcorp Alaska LLC
Filed Development and Production Plan with BOEM for Liberty project. Planned two-year construction phase for man-made island.

ExxonMobil
Achieved initial condensate production on April 22 via 2-well gas cycling system. Third well to be brought on line this summer.

SAExploration
Conducting 2015-2016 Aklak 3D seismic survey.

Geokinetics USA Inc.
Conducting Great Bear 2016 3D seismic survey.

Accumulate Energy Alaska
Drilled Iowine 1 at Franklin Bluffs pad and conducting seismic survey on its acreage. Planning to drill Iowine 2H horizontal in Q1 2017.
Geokinetics USA Inc.
Permitted 2016 Iowine 3D seismic survey.

SAExploration Inc.
Conducting 2016 Toolik/Kuparuk 2D seismic survey. Survey will provide data to aid in planning Iowine 2 well.

ConocoPhillips-Kuparuk River
First production at Drill Site 2S October 2015. Funding approved for 8,000 BOPD 1H NEWS project expected to start up in late 2017.
Planning to expand southwestern part of unit to support development and production. Building 16.5 acre gravel pad and access road.
Applied to AOGCC for pool rules for Torok Fm Moraine oil pool in NW part of unit.

Brooks Range Petroleum Corp.
Received extension of Southern Miluveach Unit term until December 31, 2017.

Geokinetics USA Inc.
Planning 2016 Itkiklik 3D seismic survey.

Armstrong-Repsol
US Army Corps of Engineers opened up EIS scoping for Nanushuk development, which involves three drillsites and four pads. Operator estimates peak production of 120,000 BOPD.

Caelus Energy
Suspending drilling at Ooguruk oil field.

Hilcorp Alaska LLC
Drilled four new wells at Mine Point Unit, constructing new facilities, planning to drill ten additional wells and workovers, and seeking to expand unit.

Hilcorp Alaska LLC
Multiple well workovers and major facilities projects in 2015-16.

BP Exploration Alaska
Released three of five rigs effective early Q2 2016.

ASRC Exploration LLC
Drilled and suspended Placer 3 exploratory well.

ConocoPhillips
Brought CD-5 online in October 2015. Planning 18 additional wells beyond initial 15-well development plan. Expect to reach 16,000 BOPD target in 2016.

ConocoPhillips Alaska, Inc.
Drilled Tinmiaq 2 and 6. GMT-1 development sanctioned November 2015, expected to produce 30,000 BOPD at peak. Currently permitting GMT-2, which will have 19 potential wells.

Bureau of Land Management
Issued a call for nominations and comments for tracts in 2016 NPRA oil and gas lease sale.

Division of Oil and Gas
North Slope Areawide lease sale held November 2015 received 134 bids on 131 tracts. Winning bids totaled ~\$9.5 million.

Bureau of Land Management
Offered 143 tracts of land at November 2015 NPRA lease sale. Six tracts received bids with the sum of bids totaling \$788,680.

Department of Natural Resources
Received legislative approval for sales of 20-25,000 BOPD of North Slope royalty-in-kind oil to Tesoro starting August 2016 until July 2021.

Exploratory Wells Spud

- 2016
- 2015
- 2014

□ Oil & Gas Unit Boundary

0 5 10 15 20 25 Miles

Map Location

The accuracy of this map is subject to pending decisions currently on appeal and other administrative actions. Please visit www.dog.dnr.alaska.gov/GIS/ActivityMaps.htm to see our most current maps.

Cook Inlet Oil and Gas Activity

State of Alaska, Department of Natural Resources, Division of Oil and Gas, as of May 2016

Division of Oil and Gas
 Bid openings for Alaska Peninsula and Cook Inlet
 Area-wide 2016 competitive oil and gas lease
 sales are scheduled to be held May 4, 2016.

Visit
http://dog.dnr.alaska.gov/Leasing/Documents/E-mail_Subscription_FAQs.pdf
 to subscribe to leasing announcements.

Alaska Energy Authority
 Alaska Industrial Development and Export Authority
 Alaska Housing Finance Corporation
 Governor Walker signed administrative order 281 to
 consolidate the above corporations and improve efficiency.

Division of Oil and Gas
 Released seismic data and information
 for the Moquawkie 2D seismic survey
 through Geologic Materials Center

Nenana Basin, Doyon, Ltd
 Toghothete 1 exploration well to be drilled Summer 2016
 with potential follow-up well during same drilling season.
 Conducting 2016 Nenana Basin 2D seismic survey.

Cook Inlet Energy
 Relinquishing Susitna V
 exploration license.

Copper River Basin, Ahna
 Ahna company Toksona Oil and
 Gas Exploration, LLC constructing
 road and pad near Glenallen for
 Toksona 1 gas exploration well.
 Drilling scheduled for April
 with well testing in May.

Aurora Exploration LLC
 Lease plan of operations approved for
 natural gas exploration wells,
 Theodore River 2 and Chedatna Lake 1

ConocoPhillips Alaska Inc.
 Completed purchase and sale agreement
 with Municipal Light and Power and Chugach
 Electric for Beluga River Unit. Approved by
 Regulatory Commission of Alaska.

Furie Operating Alaska
 Filed new plan of operations for Kitchen Lights
 unit, including ten exploratory wells over the next five years.
 Randolf Yost jack-up rig arrived early March.
 Planning to drill two development wells this year.

SAExploration
 Conducting Shadura 2D and
 3D seismic survey

Regulatory Commission of Alaska
 Allowing CINGSA to sell 2 BCF of
 found native gas.

11 development wells drilled in
 six fields during 2015:
 Kenai (3), Cannery Loop (2),
 Ninilchik (2), Swanson River (2),
 Deep Creek (1), and North Fork (1).

Apache Alaska Corporation
 Suspending seismic acquisition and
 exploration activities in Alaska.

Hilcorp Alaska LLC
 Relinquishing Kaslof Unit
 by May 31, 2016.

BlueCrest Energy
 Production from Cosmopolitan
 Unit began April 2016. Arrival
 of new land-based drill rig for
 oil development planned
 for sometime 2016. Plan
 to drill offshore delineation
 well in 2016 or 2017.

Hilcorp Alaska LLC
 Asking state to defer contraction of
 leases at Deep Creek and Ninilchik
 Units until May 31, 2017.

Hilcorp Alaska LLC
 Permitting Greystone pad
 for exploration project
 between Deep Creek and Nikolaevsk Units.

Bureau of Ocean
 Energy Management
 Proposing Cook Inlet lease sale in
 2021. Public comment period for
 EIS statement ends May 2, 2016.

Global Geophysical Services
 Conducting 2016 South Kenai 2D seismic survey.

Exploratory Wells Spud

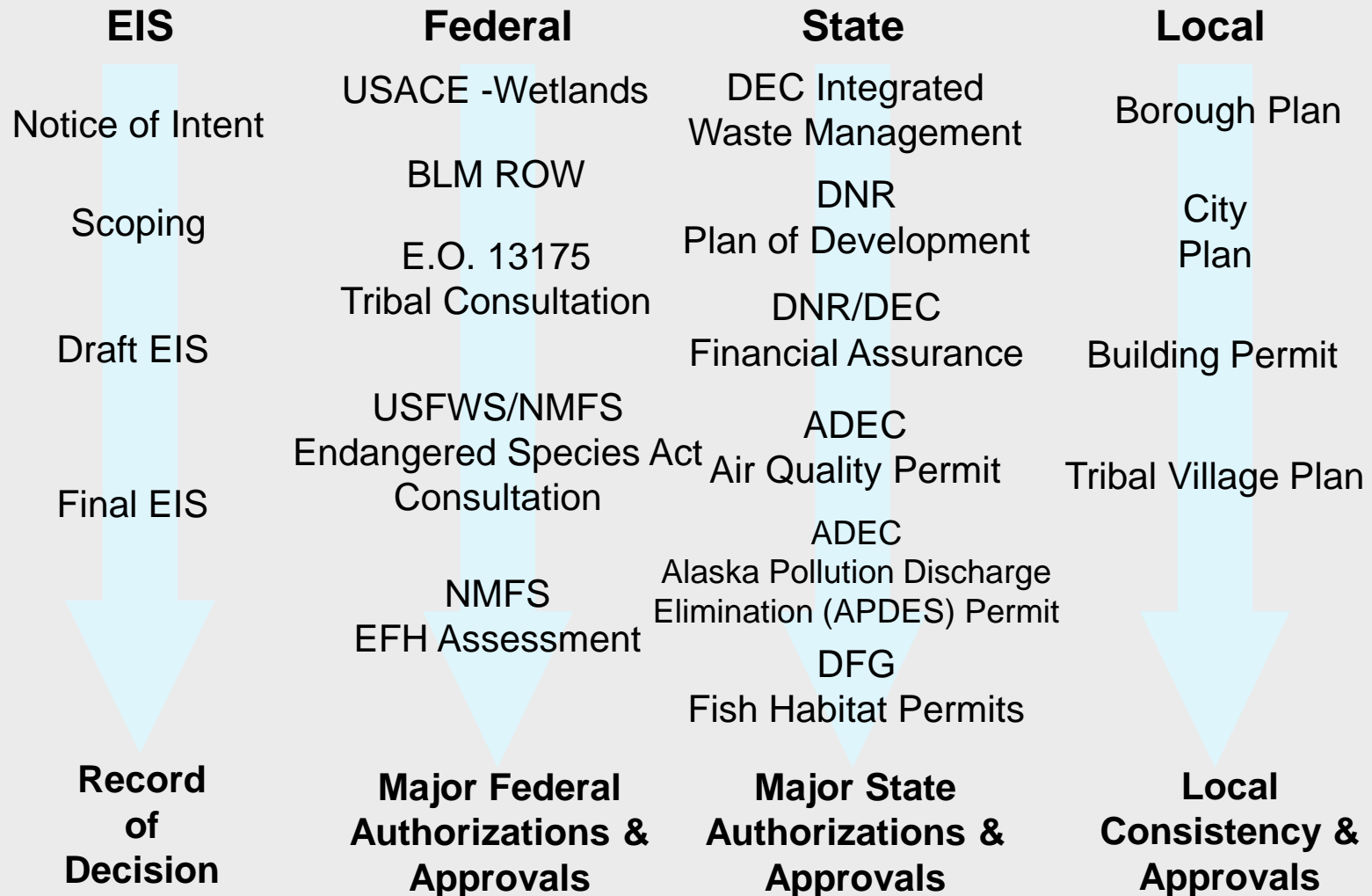
- 2016, 2015 No Activity
- 2014
- Existing Wells
- Approved for Gas Storage
- Field
- Oil & Gas Units
- Exploration License



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Large Project Major Authorizations

MULTIPLE PERMITTING/APPROVAL PROCESSES RUN IN PARALLEL



Permit Coordination, Efficiencies

- ▶ *Executive Order 13580* - Interagency Working Group on Coordination of Domestic Energy Development and Permitting in Alaska
- ▶ *Executive Order 13563* - Improving Regulation and Regulatory Review
- ▶ *Executive Order 13604* - Improving Performance of Federal Permitting and Review of Infrastructure Projects
- ▶ FAST ACT - “Fixing America’s Surface Transportation”
- ▶ Results-Driven Implementation with Follow-up is Key

