Hilcorp

January 10, 2025

Laura Daniel-Davis
Acting Deputy Secretary
U.S. Department of the Interior
1849 C Street NW
Washington, D.C. 20240

Paul Huang
Acting Director
Bureau of Safety and Environmental Enforcement
U.S. Department of the Interior
1849 C Street NW
Washington, D.C. 20240

Dear Ms. Daniel-Davies and Mr. Huang:

This responds to the December 26, 2024, letter denying Hilcorp Alaska, LLC's (Hilcorp) request for a Suspension of Production (SOP) for the three Outer Continental Shelf (OCS) leases, OCS-Y-1585, OCS-Y-1650, and OCS-Y-1886. The denial discourages investment in American energy and disregards Hilcorp's sustained and substantial investment in development of these three leases, which comprise the Liberty Unit. Hilcorp intends to pursue all remedies available to it to challenge this decision.

Hilcorp has worked diligently towards development and production over many years, investing substantial resources including in defense of litigation challenging the Department's original approval of the Liberty Unit Development and Production Plan (DPP). That litigation concluded with the Ninth Circuit's vacatur of the DPP approval in late 2020 -- the DPP approval which Hilcorp, and its predecessor, spent years pursuing.

At no time has Hilcorp indicated a lack of commitment to moving this project forward. After the Ninth Circuit vacatur, Hilcorp continued with its efforts to develop plans and analysis that reflect the best possible approach to development of the Liberty Unit in an environmentally responsible manner. Indeed, Hilcorp's prior SOP requests have been routinely granted. Yet Hilcorp heard no concerns from the agency after Hilcorp submitted its August 2024 SOP request until Hilcorp received the denial letter.

Contrary to Hilcorp's plain commitment to and investment in the Liberty Unit, the December 26, 2024, denial letter attempts to paint Hilcorp's efforts as dilatory. The inaccurate depiction of Hilcorp's commitment to development and production mischaracterizes the history of this matter and Hilcorp's efforts to date. Indeed, as the letter acknowledges, Hilcorp has submitted a revised DPP to BOEM and intends to work with BOEM through its iterative review process.

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Hilcorp is committed to moving forward with the Liberty Unit project and intends to pursue all available remedies to challenge the denial of its SOP request.

Sincerely,

Spencer L. Kerr
Senior Vice President & General Counsel

cc: Bureau of Ocean Energy Management, U.S. Department of the Interior