Hilcorp Alaska, LLC

Aaron O'Quinn
Land Manager
3800 Centerpoint Drive
Suite 1400
Anchorage, AK 99503

Phone: 907/564-4388
aaron.oquinn@hilcorp.com

Director Justin Miller
Bureau of Safety and Environmental Enforcement
3801 Centerpoint Dr. Suite 500
Anchorage, AK 99503-5820

December 11, 2024

Subject: Supplement to Liberty Suspension Request and Request for Confirmation Regarding Applicability of Notice to Lessees Letter No. 2019-G01 to Liberty Suspension Request

Dear Director Miller,

On August 28, 2024, Hilcorp submitted to your office a request for a Suspension of Production (the "Suspension Request") in connection with Leases Y-1650, Y-1585 and Y-1886 associated with the Liberty Unit (the "Liberty Leases"). Hilcorp would like to (i) provide materials and information relevant to the Suspension Request, and (ii) request confirmation as to the continued validity of the Liberty Leases pending final action by BSEE.

Supplement to Suspension Request

In connection with the Suspension Request, Hilcorp would like to reiterate its desire to suspend the Liberty Leases and renew its commitment to production. The DPP submitted on November 20, 2024 to BOEM contains a schedule which plans to return to production by January of 2029. Ultimately, this DPP is subject to environmental review under the National Environmental Policy Act and Hilcorp cannot proceed to execute on the stated work schedule until it receives a record of decision from BOEM and other regulatory approvals from various agencies, including BSEE, but the schedule of work nonetheless represents a sincere commitment to production by Hilcorp despite the numerous permitting delays that have occurred as a result of litigation, as detailed in the Suspension Request. By this letter, Hilcorp supplements the schedule of work found in the Suspension Request to include the schedule included in the DPP, as follows:

- November 2025-January 2028 – Permitting, Facility Upgrades, Procurement for 2028-2029 drilling campaign
- January 2028 – February 2028 – Ice Road Construction
- February 2028 – March 2028 – Mobilize Doyon 26 Rig
- March 2028 – July 2028 – Partially Drill SDI-01
- August 2028 – October 2028 – Drilling Pause (Open Water Season)
- November 2028 – January 2029 – Drill and Complete SDI-01

Confirmation re Continuation of Liberty Leases

In addition, Hilcorp understands that the Liberty Leases are preserved from termination after December 26, 2024, if BSEE does not act by that time on the Suspension Request, for the purposes of allowing BSEE to grant or deny the request.

NTL No. 2019-G01 instructs that if BSEE receives a suspension request and does "not take final action… before the scheduled lease expiration date, the lease is preserved from termination for the purposes of allowing BSEE to act on your request." This NTL is consistent with other Departmental authorities. Because Hilcorp submitted the Suspension Request prior to the scheduled expiration date of the Liberty Leases (December 26, 2024), and in reliance on the guidance provided by BSEE in NTL No. 2019-G01, we expect that the Liberty Leases will not terminate unless and until BSEE takes final action to deny the Suspension Request.

Hilcorp requests your confirmation that should BSEE fail to act on Hilcorp's Suspension Request by the expiration date of the leases, the leases will not terminate for the purpose of BSEE granting or denying the request. Clarification and confirmation on this point is crucial to Hilcorp as it continues to take actions in furtherance of its commitment to production, including actions taken in accordance with the Fourth Amended Development and Production Plan (the "DPP") with the Bureau of Ocean Energy Management (submitted November 20, 2024).

We appreciate the Bureau of Safety and Environmental Enforcement's efforts in providing clear and consistent guidance to ensure the responsible management of offshore energy resources. If any additional information or documentation is required to assist in this determination, please do not hesitate to reach out to me directly at 907-564-4388 or aaron.oquinn@hilcorp.com.

Thank you for your time and attention to this matter. I look forward to your response.

Sincerely,

Aaron O'Quinn
Land Manager, Hilcorp Alaska