

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
FAX (907) 276-7542

ADMINISTRATIVE APPROVAL CONSERVATION ORDER 80.087

Kevin A. Tabler
Land Manager, Alaska
Hilcorp Alaska, LLC
3800 Centerpoint Drive, Suite 100
Anchorage, AK 99524-4027

RE: The application of Hilcorp Alaska, LLC (Hilcorp), operator of the Trading Bay Unit (TBU), to drill and complete the TBU M-29A development oil well within 1,000 feet of a well that is, or may be, capable of producing from the same pools and to drill and complete more than one well in a governmental quarter section.

Dear Mr. Tabler:

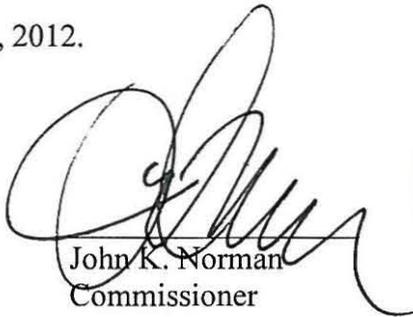
Hilcorp's April 2, 2012 application for an exception to the well spacing requirements of 20 AAC 25.055(a)(3) to drill and complete the TBU M-29A development well is proposed to maximize recovery from the Hemlock and Middle Kenai G Oil Pools at McArthur River Field by accessing oil from a location on the crest of the geologic structure.

The Alaska Oil and Gas Conservation Commission hereby authorizes the drilling and completion of the TBU M-29A development oil well pursuant to Rule 5 of Conservation Order No. 80.

DONE at Anchorage, Alaska and dated May 2, 2012.



Daniel T. Seamount, Jr.
Commissioner



John K. Norman
Commissioner



RECONSIDERATION AND APPEAL NOTICE

As provided in AS 31.05.080(a), within **20** days after written notice of the entry of this order or decision, or such further time as the AOGCC grants for good cause shown, a person affected by it may file with the AOGCC an application for reconsideration of the matter determined by it. If the notice was mailed, then the period of time shall be **23** days. An application for reconsideration must set out the respect in which the order or decision is believed to be erroneous.

The AOGCC shall grant or refuse the application for reconsideration in whole or in part within 10 days after it is filed. Failure to act on it within 10-days is a denial of reconsideration. If the AOGCC denies reconsideration, upon denial, this order or decision and the denial of reconsideration are **FINAL** and may be appealed to superior court. The appeal **MUST** be filed within **33** days after the date on which the AOGCC mails, **OR 30** days if the AOGCC otherwise distributes, the order or decision denying reconsideration, **UNLESS** the denial is by inaction, in which case the appeal **MUST** be filed within **40** days after the date on which the application for reconsideration was filed.

If the AOGCC grants an application for reconsideration, this order or decision does not become final. Rather, the order or decision on reconsideration will be the **FINAL** order or decision of the AOGCC, and it may be appealed to superior court. That appeal **MUST** be filed within **33** days after the date on which the AOGCC mails, **OR 30** days if the AOGCC otherwise distributes, the order or decision on reconsideration. As provided in AS 31.05.080(b), “[t]he questions reviewed on appeal are limited to the questions presented to the AOGCC by the application for reconsideration.”

In computing a period of time above, the date of the event or default after which the designated period begins to run is not included in the period; the last day of the period is included, unless it falls on a weekend or state holiday, in which event the period runs until 5:00 p.m. on the next day that does not fall on a weekend or state holiday.