



Hilcorp

Integrity • Urgency • Ownership • Alignment • Innovation



Hilcorp Alaska – Our Goals

OUR GOALS

- Operate safely and environmentally responsibly
- Invest to develop additional oil and gas production and reserves
- Create efficiencies and innovations that extend field life
- Increase asset values over the long term

BENEFITS

- Provide affordable energy for Alaskans
- Increased royalty payments
- Increase property values and taxes
- Extend the life of existing fields
- More Jobs
 - 1.34 MM hours in '12 to 4.1 MM in '17
 - 100 vendors in '12 to 625 in '16
 - \$11MM in '12 to \$21MM in '17 CAP spend/month





Hilcorp Alaska – Our Team

Year End 2012

255 Employees
96% Alaska Residents

Year End 2013

316 Employees
97% Alaska Residents

Year End 2014

505 Employees
88% Alaska Residents

Year End 2015

515 Employees
89% Alaska Residents

Year End 2016

502 Employees
88% Alaska Residents

Year End 2017

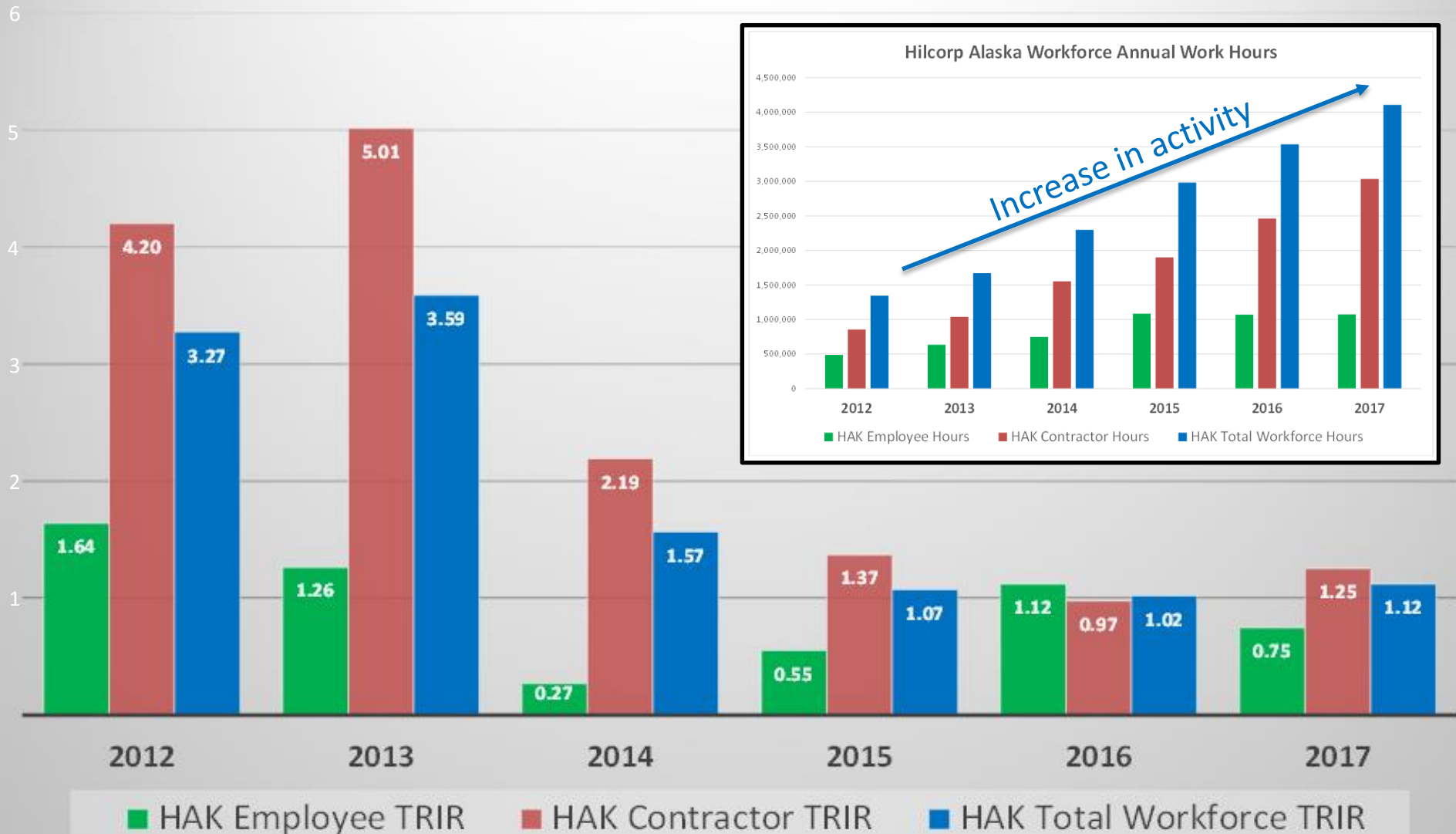
517 Employees
89% Alaska Residents





Core Value: Integrity - Do The Right Thing

Hilcorp Alaska Workforce OSHA Total Recordable Incident Rates





Our Success Story – Saving Money



\$150k/day



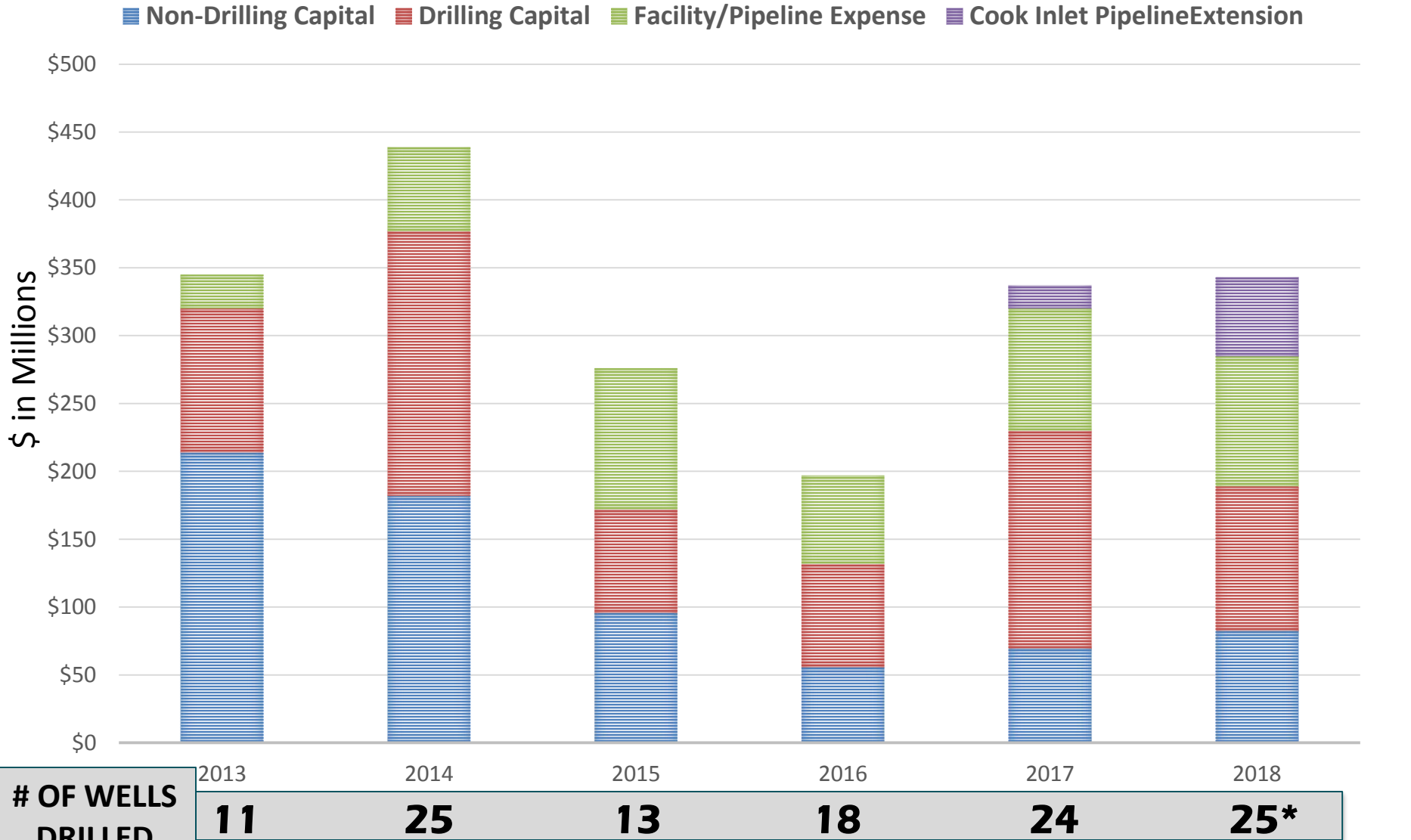
\$110k/day



\$55k/day



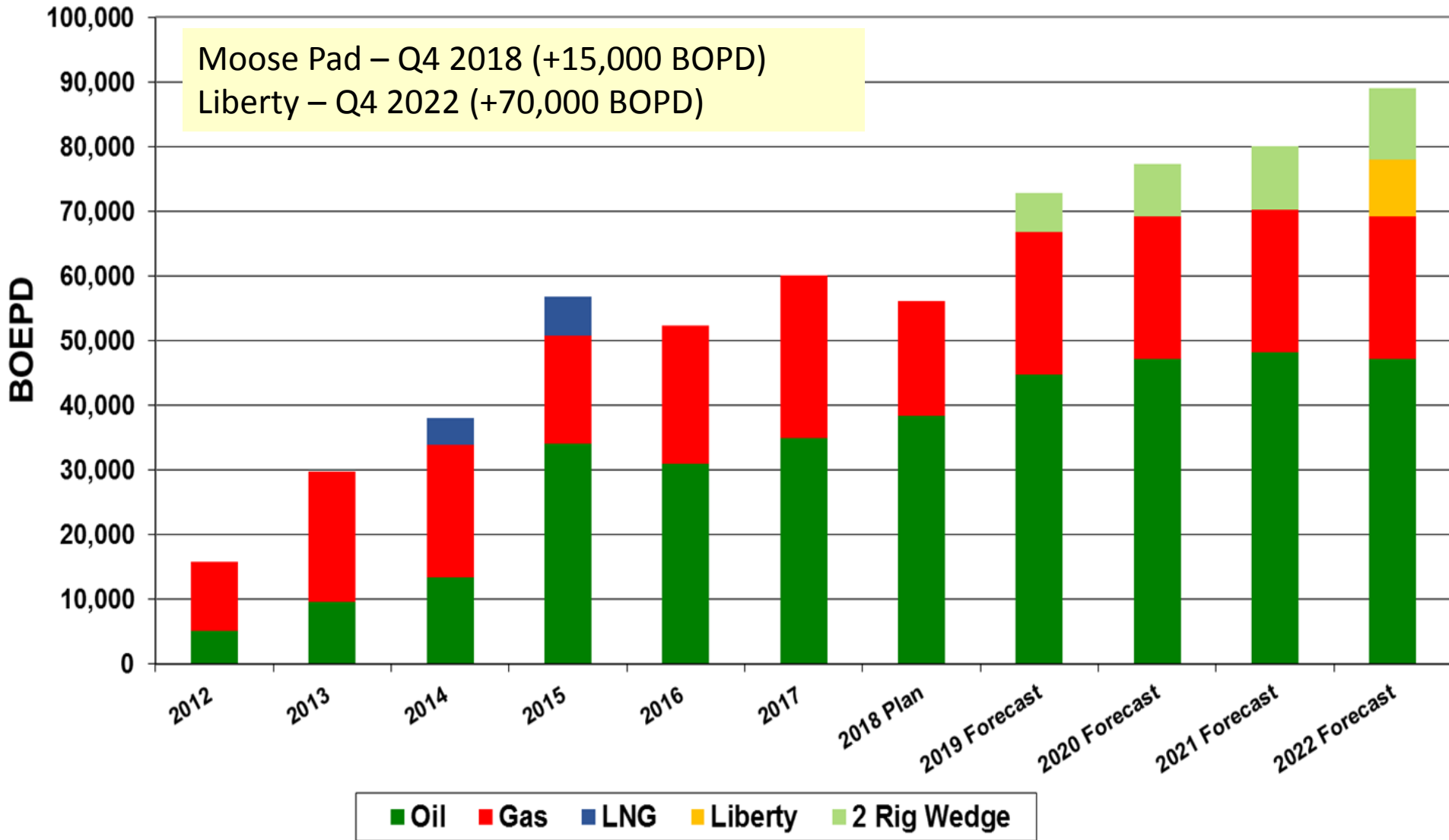
Our Success Story – Spending Money



*projected



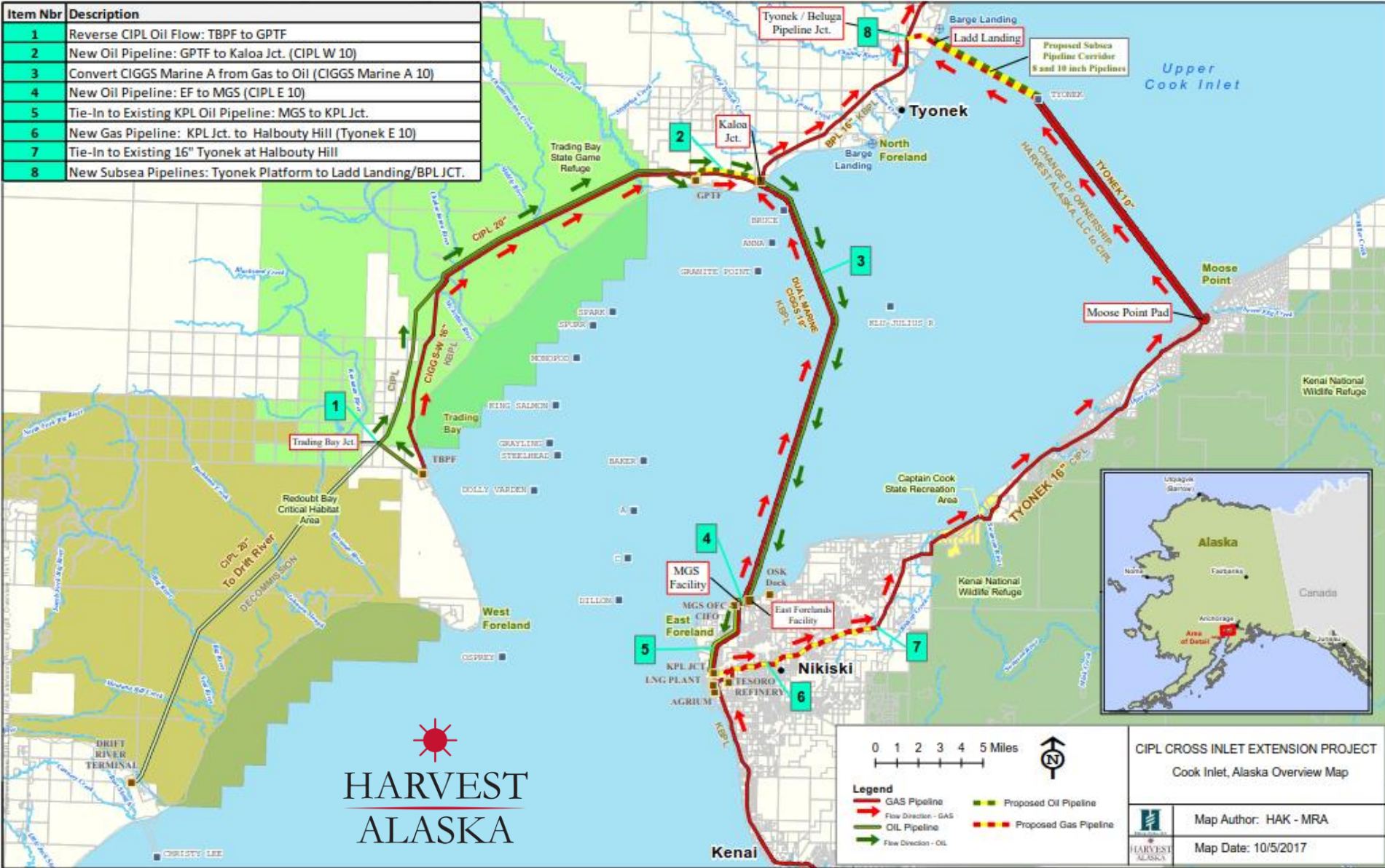
Hilcorp Alaska Net Production





Cook Inlet Pipeline: X-Inlet Extension

Item Nbr	Description
1	Reverse CIPL Oil Flow: TBPF to GPTF
2	New Oil Pipeline: GPTF to Kaloa Jct. (CIPL W 10)
3	Convert CIGGS Marine A from Gas to Oil (CIGGS Marine A 10)
4	New Oil Pipeline: EF to MGS (CIPL E 10)
5	Tie-In to Existing KPL Oil Pipeline: MGS to KPL Jct.
6	New Gas Pipeline: KPL Jct. to Halbouty Hill (Tyonek E 10)
7	Tie-In to Existing 16" Tyonek at Halbouty Hill
8	New Subsea Pipelines: Tyonek Platform to Ladd Landing/BPLJCT.



**HARVEST
ALASKA**

CIPL CROSS INLET EXTENSION PROJECT
Cook Inlet, Alaska Overview Map

Map Author: HAK - MRA
Map Date: 10/5/2017

Overview - North Slope Operations





North Slope- 2018 Outlook

Innovation Drill Rig

- 7 drill wells at Milne Point
- 2 STs and 3 RWOs at Endicott

Doyon 14

- 10 drill wells at Milne Point

Automated Service Rig (ASR)

- 20 work overs planned for Milne Point
- 3 rig preps at Endicott
- 1 WO planned at Northstar

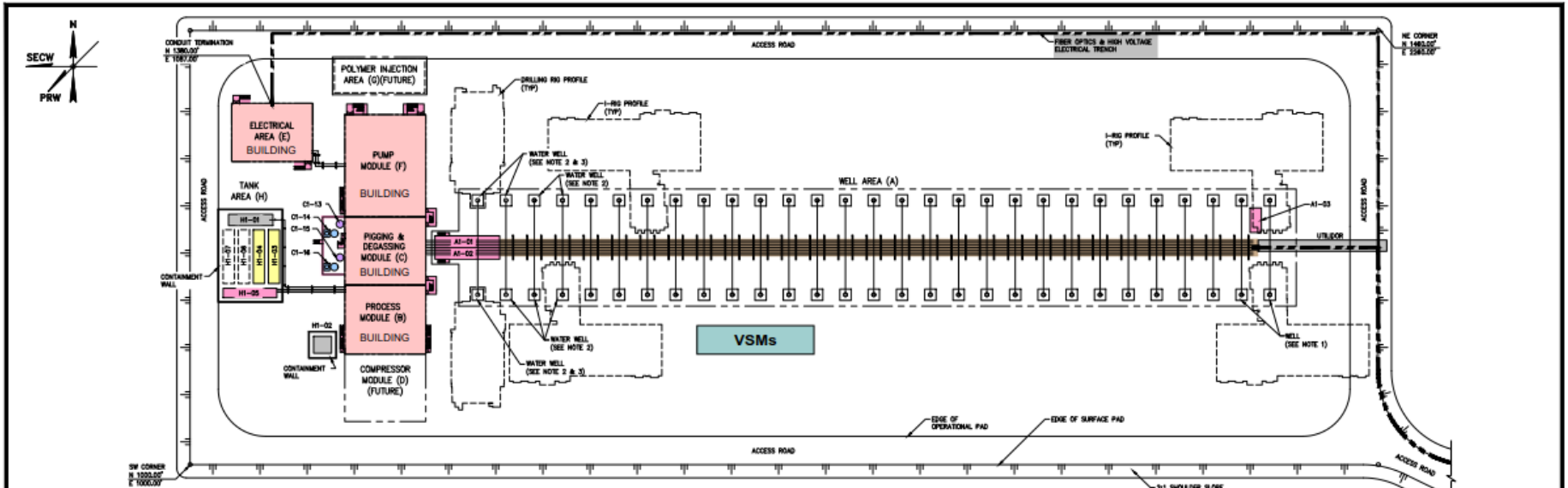
Field Development

- Milne Moose Pad facilities and pipeline
- 15MW Solar Titan power plant

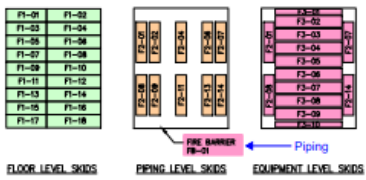




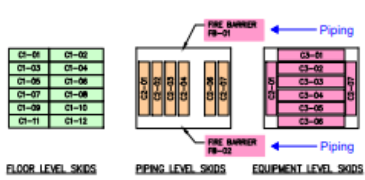
North Slope: Milne Point Moose Pad



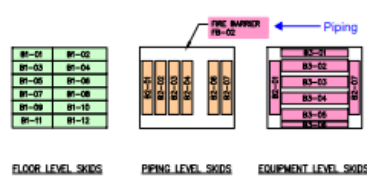
NOTE: SEE DWG 01000A FOR SKID LIST.



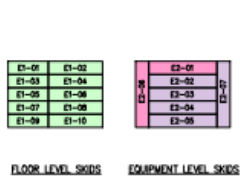
PUMP MODULE
SKID ARRANGEMENT
SCALE: 1" = 60'



PIGGING & DEGASSING
MODULE SKID ARRANGEMENT
SCALE: 1" = 60'



PROCESS MODULE
SKID ARRANGEMENT
SCALE: 1" = 60'



E-BUILDING SKID ARRANGEMENT
SCALE: 1" = 60'

FABRICATORS

PHS	DOGWOOD	C&R PIPE
NANA	SPS	HILCORP/ON-SITE
GREER	HEATEC	TBD
ETI	PEAK	

- NOTES:
- WELL ACCESSIBLE TO I-RIG ONLY FROM ICE PAD
 - OPERATIONS TO DETERMINE IF WELL IS TO BE USED AS WATER SOURCE, DISPOSAL OR INJECTION WELL.
 - IF WELLS ARE TO BE USED FOR WATER SOURCE OR DISPOSAL, WELLS MUST BE DRILLED USING THE I-RIG PRIOR TO INSTALLATION OF THE FACILITY. IF WELLS ARE TO BE USED FOR WATER INJECTION THEN WELLS MAY BE DRILLED WITH THE DOVOR 14 RIG AFTER THE INSTALLATION OF THE FACILITY.



		REVISIONS			ENGINEERING RECORD		
NO	DATE	DESCRIPTION	BY	CHK	APP	BY	DATE
J	02/02/16	ISSUED FOR REVIEW	RMW	NLS	CCA	DRH:HWL	02/02/17
H	10/23/17	ISSUED FOR REVIEW	RMW	NLS	CCA	DRH:TAD	02/02/17
G	02/29/17	ISSUED FOR REVIEW	RMW	TAD	CCA	CHG:TAD	03/02/17
F	07/26/17	ISSUED FOR REVIEW	RMW	TAD	CCA	APR:CCA	03/02/17
E	03/27/17	ISSUED FOR REVIEW	JCT	NLC	CCA	PM: C CONSTANTINO	
D	03/23/17	ISSUED FOR REVIEW	JCT	NLC	CCA	SCALE: AS NOTED	

Hilcorp Alaska, LLC
MOOSE PAD
PRODUCTION FACILITY
GENERAL ARRANGEMENT

PROJ NO TD16019 DWG NO 01001A REV J



Liberty Project



**70,000+ BOPD
Peak
Production**

**\$1 Billion+
Investment**

**Modeled after
proven
technology**

**20-30 Years
Field Life**



What Does Hilcorp Look For In A Contractor?

The obvious:

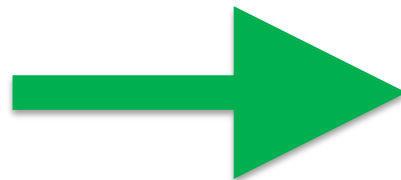
1. Value(financial and ethics)
2. The ability to execute the work
3. Safety and Environment



Hilcorp Alaska - Safety Philosophy

Our Operational Safety Culture is fully aligned with each of our Hilcorp Company Core Values

- Integrity
- Urgency
- Ownership
- Alignment
- Innovation



**Hilcorp Alaska
Operational
Safety**



More Importantly – How Is Success Created

It is all about building a winning relationship.

Hilcorp Role	Contractor Role
Define the work.	Control the work.
Allow to work (remove obstacles)	Execute the work.



Moose Pad -

Moose Pad Scope

- 2.7 mile gravel road
- 1600 x 500' gravel pad
- 2 – 14" pipelines, 5.3 miles total
- Full separation facility
- Pad expansion at L – pad to accommodate a total of 3 additional turbines for power, each 15 KW
- Planning up to 70 wells
- Continued drilling infield
- Optimizing design for more pads of similar size and eventually Liberty



Pipeline Portion

Highlights

- Changed pipeline from 12" to 14" dia., changed route
- Overcame pipe failure upon arrival of pipe in US, located and procured alternative supplier in South Korea
- Lump Sum contract completed by Doyon Associates, minimal CO's
- 5.3 miles of 14" pipeline welded and lifted into place, gauge pig run and capped - completed in **29 days**
- 0 recordable injuries, 2 recordable spills
- Currently projecting 7% over **original** estimate for 12"



How did we do it.....

- Personal ownership by everyone
 - Small team = consistency
- Assessed options
 - Blue Goo trial
 - Zap lock testing
- Partnering with Doyon
 - Lump sum contracting
 - Engineering, geotech, procurement support, utilityway, tie in etc. (10%)
 - Installation
 - Clear expectations
 - Contractor “allowed to work”
- Contract negotiations
 - Focused on tripping points, not how to protect us from each other by being open and honest
 - Being **FAIR**



Personal Ownership



Pipeline Update (cont.)

Success

- Doyon wants to work for us again
- We want to work with Doyon again
- No injuries
- We both succeeded financially



.....on to the next challenge





Thank You

