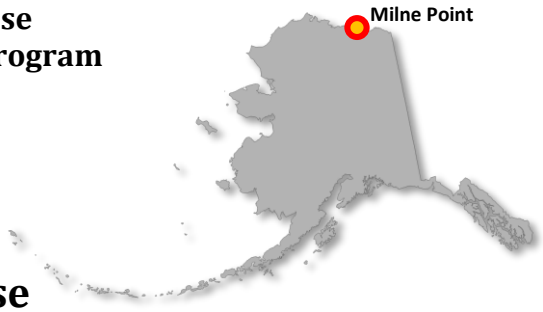
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Division of Spill Prevention and Response
Prevention and Emergency Response Program
SITUATION REPORT



CHANGES FROM SITUATION REPORT #3 ARE DENOTED IN RED TEXT

Milne Point Tract 14 Production Line Release

SITREP #: 4 REVISED

SPILL #: 15399905901

TIME/DATE OF DISTRIBUTION: 4:00 p.m. March 18, 2015

POTENTIAL RESPONSIBLE PARTY (PRP): Hilcorp Alaska, LLC (HCA)

INCIDENT LOCATION: Milne Point Tract 14 Production Line (approximately 25 miles northwest of Deadhorse and 40 miles northeast of Nuiqsut).

TIME/DATE OF SPILL: 7:50 a.m. on February 28, 2015

HOW/WHEN SPILL WAS DISCOVERED AND REPORTED: A release from a 10-inch production line was observed at 7:50 a.m. on February 28, 2015. Alaska Department of Environmental Conservation's (ADEC's) After Hours Call service was notified at approximately 9:00 a.m. on the same day. ADEC responders were then contacted within 15 minutes.

TYPE/AMOUNT OF PRODUCT SPILLED: HCA engineering calculations have resulted in an estimated maximum of 14,238 gallons (339 barrels) of produced fluids including crude oil and produced water were released to the pad and tundra. HCA estimates that the produced fluids contained 35% crude oil and 65% produced water.

CAUSE OF SPILL: The cause of the production line rupture is under investigation. Produced fluids escaped from an estimated 1/4-inch diameter hole discovered in the six o'clock position of the 10-inch pipeline.

SOURCE CONTROL: Tract 14 wells were shut in; production was stopped, and the 15-foot segment of pipe in which the hole is located was isolated by shutting valves on either side of the hole. Pressure inside the pipe segment was relieved to zero pressure. A wooden plug was inserted in the hole and that portion of the production line was wrapped to prevent further release. Containment supplies were placed under the release point to reduce further environmental impact, and the remaining product in the affected pipe segment was removed. Production wells were reestablished within 24 hours after operations installed a temporary bypass line restoring flow to production.

RESPONSE ACTION: HCA has continued 24-hour operations to recover the released product. HCA has maintained two 12 hour shifts using 15 responders each shift. Crews have been segregating clean snow, removing contaminated snow, defining the spill impact on the tundra plant community, establishing ice treatment cells for the water flood/flush recovery tactic, and maintaining waste management and staging resources between March 3 and March 16. On March 17, operations were adjusted to one shift to form a single crew of 16 responders. Responders began the water flood/flush tactic to remove released product from the gravel pad and tundra in accordance with ADEC's Tundra Treatment Guidelines.

Other site work accomplished during the cleanup phase included establishing a surveyed grid throughout the spill site to reference the cleanup tactics, environmental field screening, and the analytical confirmations sample locations. Ground disturbance utility locates were identified prior to the mechanical recovery of the embedded oil in the gravel pad. The pipeline spool that contained the section of pipeline that leaked was removed and is being held pending the completion of a formal causal investigation.

Cleanup workers recovered approximately 2,000 cubic yards of snow impacted by the produced fluids. The impacted snow is stockpiled in ice cells, capped with lake water and surrounded by exclusion fence. The snow will be melted on site in a snow melter and the fluids injected for enhanced oil recovery through an approved injection well. Approximately 8 cubic yards of contaminated gravel were removed from the edge of the gravel pad before constructing the ice berm treatment cell on the tundra adjacent to the gravel pad.

RECOURSES AT RISK OR AFFECTED: Preliminary delineation activities have reported that approximately 38,800 square feet of gravel pad and tundra have been heavily to lightly misted by fluids. There have been no reports of impacted wildlife. As a precaution, wildlife fencing has been erected to prevent wildlife from entering the impacted area. Wildlife hazing permits and hazing personnel have been activated to further deter and protect wildlife. A survey was conducted to determine any impacts to historic or cultural sites. The survey concluded that there were no sites present.

FUTURE PLANS AND RECOMMENDATIONS: Field operations will continue using the flood/flush and recovery tactic removing produced fluids north and south of the pipeline road crossing at the Tract 14 intersection. Field screening and analytical confirmation sampling is ongoing. Impacted snow melting is scheduled after the tundra tactics are completed.

WEATHER: Today: Clear -5° F, SE wind about 5 mph.

UNIFIED COMMAND AND PERSONNEL:

Incident Commander: Rob Handy/Mark O'Malley, HCA
State On-Scene Coordinator: Tom DeRuyter, ADEC
Federal On-Scene Coordinator: Matt Carr, Environmental Protection Agency
Local On-Scene Coordinator: Waska Williams, North Slope Borough
State Field Operations: John Ebel

TIME/DATE OF THE NEXT REPORT DISTRIBUTION: As the situation warrants.

FOR ADDITIONAL INFORMATION CONTACT: Tom DeRuyter, SOSC, ADEC (907) 451-2145

http://dec.alaska.gov/spar/perp/response/sum_fy15/150228301/150228301_index.htm

AGENCY/STAKEHOLDER NOTIFICATION LIST: Please refer to the first situation report distributed February 28. The link to the first sitrep can be found in the **Additional Information** box above.

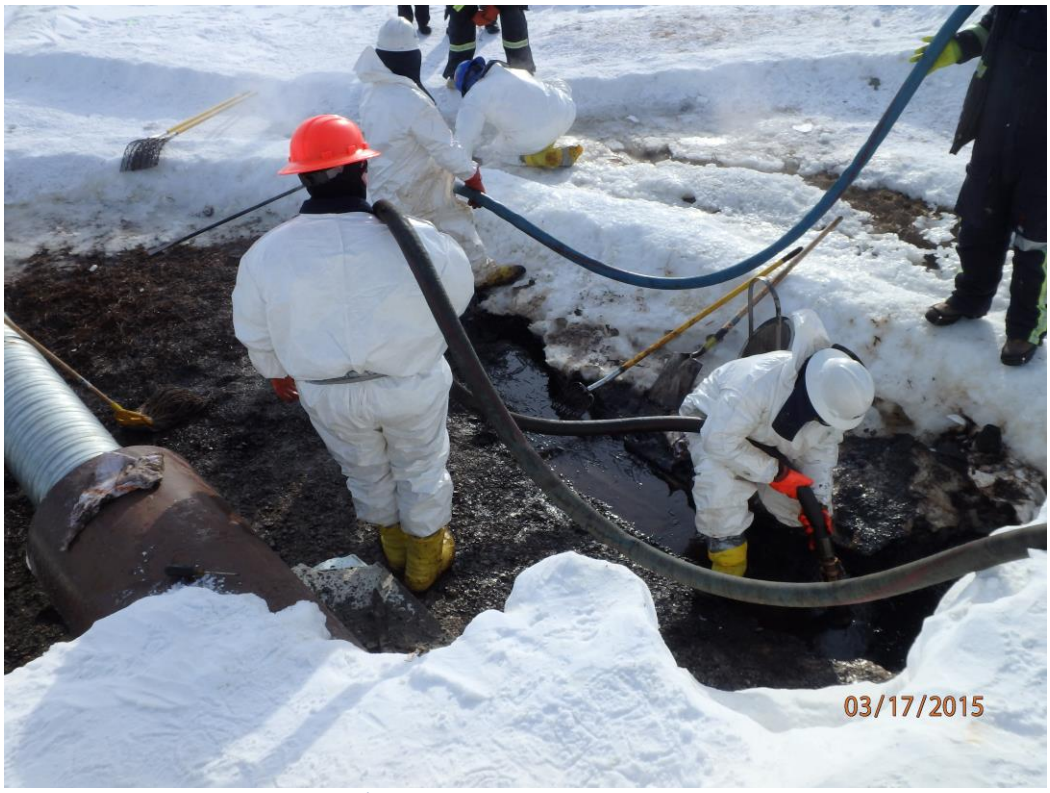


Figure 1. Tundra flood/flush and recovery operations to recover released fluids.