

May 1, 2017

VIA FACSIMILE TO (907) 777-8301 AND CERTIFIED MAIL

Mr. Greg Lalicker
President
Hilcorp Alaska, LLC
1111 Travis Street
Houston, Texas 77002

**RE: Corrective Action Order CPF No. 5-2017-7002H
Granite Point Tank Farm Pipeline Facilities (Anna to Bruce Pipeline)
Notice of Withdrawal**

Dear Mr. Lalicker:

On April 7, 2017, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a Corrective Action Order (CAO) to Hilcorp Alaska, LLC (Hilcorp) for the potential hazards associated with the April 1, 2017 release of crude oil from Hilcorp's Granite Point Tank Farm Pipeline Facilities. Hilcorp initially reported to PHMSA that the release was a result of a failure on the Anna to Bruce crude oil pipeline (Pipeline), which is a component of the Granite Point Tank Farm Pipeline Facilities, and runs between the Anna Platform and the Bruce Platform in the Cook Inlet, Alaska.

The CAO required Hilcorp to perform certain corrective measures with respect to the Pipeline, to include, a 49 CFR Part 195 Subpart E pressure test of the pipeline; a visual inspection of the pipeline; review of Hilcorp's 2016 In-line inspection (ILI) data from the pipeline; completion of a root cause analysis of the failure; and submission of a restart plan for approval. Hilcorp completed a Subpart E pressure test of the Pipeline, conducted a visual inspection of the Pipeline, reviewed the prior ILI data, performed an internal root cause analysis that was subsequently reviewed by an independent third party expert, submitted a restart plan for approval, and provided PHMSA with all of the required documentation associated with each of these tasks. On April 27, 2017, PHMSA approved Hilcorp's restart plan as it relates to pipeline operations.

PHMSA, in conjunction with relevant state and federal authorities, undertook a thorough review and analysis of the documentation submitted by Hilcorp in response to the CAO. As a result of this review, PHMSA has determined that the crude oil release of April 1, 2017, was due to

components on the Anna Platform, not from the Pipeline or from a pipeline facility subject to PHMSA's regulatory authority. As a result, PHMSA withdraws CAO No. 5-2017-7002H in its entirety, effective immediately.

If you have any questions concerning this letter, please contact Mr. Alan Mayberry, Associate Administrator for Pipeline Safety, at (202) 366-5124.

Sincerely,

Alan Mayberry
Associated Administrator
for Pipeline Safety.

cc: PHP-60 Compliance Registry
PHP-500 D. Hassell
PHP-500 D. Hubbard
Mr. Larry White, Presiding Official
Mr. David S. Wilkins, Senior Vice President, Hilcorp Alaska, LLC
Ms. Erin McKay, Regulatory Compliance Manager, Hilcorp Alaska, LLC
Mr. James Curry, counsel for Hilcorp Alaska, LLC