



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

May 18, 2020

VIA ELECTRONIC MAIL TO: dwilkins@hilcorp.com

Mr. David S. Wilkins
Senior Vice President
Hilcorp Alaska, LLC
3800 Centerpoint Drive, Suite 1400
Anchorage, Alaska 99503

CPF Nos. CPF 5-2019-2001; 5-2019-2002W

Dear Mr. Wilkins:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Hilcorp Alaska, LLC, which was executed on May 18, 2020. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure: Order, Consent Agreement, and Compliance Plan

cc: Mr. Dustin Hubbard, Director, Eastern Region, Office of Pipeline Safety, PHMSA
Ms. Linda Daugherty, Deputy Associate Administrator for Field Operations, PHMSA
Mr. David Hassell, Operations Supervisor, Western Region – Alaska, PHMSA
Ms. Denali Kemppe, General Counsel, Hilcorp Alaska, LLC, dkemppe@hilcorp.com
Mr. Justin Furnace, Vice President, Government and Public Affairs, Hilcorp Energy
Company, jfurnace@hilcorp.com
Mr. James Curry, Outside Counsel, Babst Calland, jcurry@babstcalland.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

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In the Matter of)	
)	
Hilcorp Alaska, LLC,)	CPF Nos. 5-2019-2001;
)	5-2019-2002W
Respondent.)	
)	

CONSENT ORDER

By letter dated January 24, 2019, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety, issued a Notice of Probable Violation (Notice) to Hilcorp Alaska, LLC (Hilcorp or Respondent). By letter dated January 25, 2019, PHMSA issued a Warning Letter to Respondent.¹

In accordance with 49 C.F.R. § 190.239, the Notice alleged that Hilcorp reported the Middle Ground Shoal (MGS) gas pipeline system located in the waters of the Upper Cook Inlet as onshore, rather than offshore transmission mileage, in its 2015 Annual Report. The Director proposed a civil penalty of \$198,700 for this alleged violation and proposed that the Respondent take certain corrective measures to remedy the alleged violation. Also, on January 25, 2019, the Director issued a Warning Letter (Warning) to Hilcorp alleging nine probable violations of the pipeline safety regulations with regard to the MGS system.

In response to the Notice and Warning Letter, Respondent timely requested a hearing and an informal discussion concerning potential settlement of the dispute. The parties subsequently engaged in good-faith settlement discussions that have resulted in the Consent Agreement and Compliance Plan attached to this Consent Order that settles all of the allegations in the Notice and Warning Letter.

Accordingly, the Consent Agreement and Compliance Plan is hereby approved and incorporated by reference into this Consent Order. The Respondent is hereby ordered to comply with the terms of the Consent Agreement, effective immediately.

Pursuant to 49 U.S.C. 60101, *et seq.*, failure to comply with this Consent Order may result in the assessment of civil penalties of up to \$200,000, as adjusted for inflation (*see* 49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

¹ Pursuant to 49 C.F.R. § 190.205, Warning Letters are not adjudicated. However, in this case, resolution of the Warning Letter is specifically referenced in the Consent Agreement and is therefore referenced in this Order as well.

The terms and conditions of this Consent Order are effective upon service in accordance with 49 C.F.R. § 190.5.

May 18, 2020

Alan K. Mayberry
Associate Administrator
For Pipeline Safety

Date

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
)	
Hilcorp Alaska, LLC,)	CPF Nos. 5-2019-2001;
)	5-2019-2002W
Respondent.)	
)	

SETTLEMENT AGREEMENT

Starting in 2015, Hilcorp Alaska, LLC (Hilcorp or Respondent) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) (collectively, the Parties) began discussing the jurisdictional status and regulatory classification of Hilcorp’s pipelines in and around the Upper Cook Inlet. Hilcorp raised this issue with PHMSA and sought clarity on the status of these assets after acquiring them from a number of other operators. Hilcorp maintained that certain assets located within the waters of the Upper Cook Inlet were exempt from the regulatory requirements of 49 C.F.R. Parts 192 and 195. PHMSA informed Hilcorp that it disagreed with that position and maintained that the assets were subject to PHMSA’s regulatory oversight.

On October 31, 2018, PHMSA issued a report titled “Inventory of Upper Cook Inlet Pipeline Facilities and Identification of Regulators” (Inventory). The Inventory identified federal and state agencies with regulatory authority over pipelines located in the waters of the Upper Cook Inlet, listed current pipeline operators and assets in those waters, and made statements regarding PHMSA’s views concerning the jurisdictional status of the assets.

On January 24, 2019, the Director, Western Region, PHMSA Office of Pipeline Safety, (Director) issued a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice) to Hilcorp. The Notice alleged that Hilcorp reported the Middle Ground Shoal (MGS) gas pipeline system located in the waters of the Upper Cook Inlet as onshore, rather than offshore transmission mileage, in its 2015 Annual Report. The Director proposed a civil penalty of \$198,700 for this alleged violation and proposed that the Respondent take certain corrective measures to remedy the alleged violation. Also, on January 25, 2019, the Director issued a Warning Letter (Warning) to Hilcorp alleging nine probable violations of the pipeline safety regulations with regard to the MGS system.

On January 25, 2019, Hilcorp filed a Petition for Review in the United States Court of Appeals for the D.C. Circuit, No. 19-1016, challenging PHMSA’s statements of jurisdiction and regulatory oversight in the Inventory (Petition).

Hilcorp timely responded to the Notice and Warning, contested that the pipeline in question was properly classified as “offshore”, and requested a hearing and an informal discussion concerning

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potential settlement of the dispute. The Parties have reached an agreement that settlement of these proceedings will avoid further administrative proceedings or litigation, that entry into this Settlement Agreement (Agreement) is the most appropriate means of resolving the issues raised in the Notice, and addressing any findings from PHMSA inspections of the **Covered Pipelines** (defined below) that occurred before the **Effective Date** of this Agreement, and that the Agreement is in the public interest. Therefore, pursuant to 49 C.F.R. Part 190, without adjudication of any issue of fact or law, and upon consent and agreement of Hilcorp and PHMSA, the Parties agree as follows:

I. General Provisions

1. **Acknowledgements.** Hilcorp acknowledges that as of the **Effective Date** of this Agreement Hilcorp, as the operator of certain pipeline facilities that transport hazardous liquids and natural gas in the Upper Cook Inlet, is subject to the jurisdiction of the Federal Pipeline Safety Laws, 49 U.S.C. § 60101, et seq., and the regulations and administrative orders issued thereunder. Specifically, Respondent acknowledges the following:

- a. The **Submerged Gathering Pipelines, Out-of-Service Pipelines, and the Kenai Katchemak Pipeline** as defined in Table 1 of this Agreement, are subject to the jurisdiction of the Federal Pipeline Safety Laws, 49 U.S.C. § 60101, et seq., and the regulations and administrative orders issued thereunder.
- b. The **Onshore Gathering Pipeline** as defined in Table 1 of this Agreement as the West Cook Inlet Gas Gathering System, is subject to the jurisdiction of the Federal Pipeline Safety Laws, 49 U.S.C. § 60101, et seq., and the regulations and administrative orders issued thereunder, but only with regard to the portions of that pipeline that qualify as a regulated gathering line under PHMSA's gas gathering regulations.
- c. For purposes of this Agreement, Hilcorp acknowledges that it received proper notice of PHMSA's actions in these proceedings.

2. **Scope of this Agreement.** This Agreement applies to Respondents' **Submerged Gathering Pipelines, Kenai Katchemak Pipeline** and the regulated portions of the **Onshore Gathering Pipeline ("Covered Pipelines")** as defined in Table 1 of this Agreement. This Agreement also creates separate requirements applicable to the **Out-of-Service Pipelines**, as defined in Table 1 of this Agreement, which are set out in Section II of the **Compliance Plan – Plan for Out of Service Pipeline Facilities**. This Agreement does not apply to Respondent's unregulated **Production Pipelines**, the unregulated portions of the **Onshore Gathering Pipeline** as defined in Table 1 of this Agreement, or the unregulated Dolly Varden C pipeline, as the Parties agree that these pipelines are not subject to PHMSA's jurisdiction. The Agreement does not apply to any other assets not specifically identified in this Agreement.

Table 1

<i>Submerged Gathering Pipelines²</i>		
Pipeline Name	Pipeline Description	Pipeline Regulatory Classification
Monopod A	8-inch oil pipeline from Monopod Platform to Trading Bay Production Facility (TBPF)	Regulated Offshore Gathering
Dolly Varden A	8-inch oil pipeline from Dolly Varden Platform to TBPF	Regulated Offshore Gathering
Anna A	8-inch oil pipeline from Anna Platform to Bruce Platform	Regulated Offshore Gathering
Bruce GP-1	6-inch oil pipeline from Bruce Platform to Granite Point Tank Farm (GPTF)	Regulated Offshore Gathering
Granite Point B	8-inch oil pipeline from Granite Point Platform (GPP) to GPTF	Regulated Offshore Gathering
Steelhead B	10-inch gas pipeline from Steelhead Platform to TBPF	Regulated Offshore Gathering
Monopod B	8-inch gas pipeline from TBPF to Monopod Platform	Regulated Offshore Gathering
Dolly Varden B	8-inch gas pipeline from TBPF to Dolly Varden Platform	Regulated Offshore Gathering
Grayling B	10-inch gas pipeline from TBPF to Grayling Platform	Regulated Offshore Gathering
King Salmon B	8-inch gas pipeline from TBPF to King Salmon Platform	Regulated Offshore Gathering
Anna B	8-inch gas pipeline from Bruce Platform to Anna Platform	Regulated Offshore Gathering
Bruce GP-2	6-inch gas pipeline from GPTF to Bruce Platform	Regulated Offshore Gathering
Granite Point A	8-inch gas pipeline from GPTF to GPP	Regulated Offshore Gathering

² As used in this Agreement, *Submerged Gathering Pipelines* refers only to the submerged portions of the pipelines listed in Table 1. The Parties recognize that there are relatively short, onshore portions of the *Submerged Gathering Pipelines* listed in Table 1. The onshore portions of the gas *Submerged Gathering Pipelines* are currently Class 1 unregulated gas gathering lines under 49 C.F.R. § 192.8. The onshore portions of the liquid *Submerged Gathering Pipelines* are all rural gathering lines that do not meet the definition of regulated rural gathering line in 49 C.F.R. § 195.11.

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Spark B	6-inch gas pipeline from Granite Point Production Facility (GPPF) to Spark Platform	Regulated Offshore Gathering
Spark Spurr Intertie	6-inch gas pipeline from Spark Platform to Spurr Platform	Regulated Offshore Gathering

Out-of-Service Pipelines

Pipeline Name	Pipeline Description	Pipeline Regulatory Classification
Dillon B	8-inch oil pipeline from Platform C to Dillon Platform	Out of Service
Dillon D	8-inch gas pipeline from Dillon to East Foreland Facility	Out of Service
Baker A	8-inch gas pipeline from Baker Platform to Platform A.	Out of Service
Spurr Gas	6-inch gas pipeline from Spurr Platform to GPPF	Out of Service
Spurr Oil	6-inch oil pipeline from Spurr Platform to GPPF	Out of Service
Steelhead A	10-inch gas pipeline from Steelhead Platform to TBPF	Out of Service

Kenai Katchemak Pipeline (KKPL)

Pipeline Name	Pipeline Description	Pipeline Regulatory Classification
Kenai Katchemak Pipeline	12-inch gas pipeline that originates at the KKPL Tie-In Pad and terminates at the Kenai Gas Field 33-30 Pad.	Gas transmission

Onshore Gathering Pipeline

Pipeline Name	Pipeline Description	Pipeline Regulatory Classification
West-Cook Inlet Gas Gathering System (W-CIGGS)	16-inch gas pipeline from the TBPF to the terminus at a tie-	Onshore Gathering (Class 1 unregulated)

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	in with the Beluga gas transmission pipeline	
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<i>Production Pipelines</i>		
Pipeline Name	Pipeline Description	Pipeline Regulatory Classification
Grayling A	10-inch oil pipeline from Grayling Platform to TBPF	Production
King Salmon A	8-inch oil pipeline from King Salmon Platform to TBPF	Production
Steelhead C	8-inch oil pipeline from Steelhead Platform to TBPF	Production
Platform A – B1	8-inch oil pipeline from Platform A to East Foreland Facility	Production
Platform C – B2	8-inch oil pipeline from Platform C to Platform A	Production
Happy Valley	6-inch gas pipeline from Happy Valley Pad B to Happy Valley Pad A and then to KKPL Tie-In Pad	Production
Paxton	8-inch gas pipeline from Paxton Pad to KKPL	Production
Susan Dionne	8-inch gas pipeline from Susan Dionne to KKPL	Production
Ninilchik State	8-inch gas pipeline from Ninilchik State Pad to KKPL	Production
George Oskoloff (GO)	8-inch gas pipeline from GO Pad to KKPL	Production
Bartolowits	6-inch gas pipeline from Bartolowits Pad to KKPL	Production
Falls Creek	8-inch gas pipeline from Falls Creek Pad to KKPL	Production
Kasilof Extension	6-inch gas pipeline from Bartolowits Pad to KKPL	Production

3. Respondent agrees to complete the actions specified in Attachment A to this Agreement (*Compliance Plan*) and to abide by the terms of this Agreement. The *Compliance Plan* is incorporated by reference into this Agreement. This Agreement does not constitute a finding of violation of any law or regulation and may not be used in any civil, criminal, or administrative proceeding of any kind as evidence or proof of any fact, fault or liability, or as evidence of the violation of any law, rule, regulation or requirement, except in a proceeding to enforce the provisions of this Agreement.

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4. After Respondent returns this signed Agreement to PHMSA, the Agency's representative will present it to the Associate Administrator for Pipeline Safety, recommending that the Associate Administrator adopt the terms of this Agreement by issuing a Consent Order pursuant 49 C.F.R. § 190.219 incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. If the Associate Administrator accepts, the Associate Administrator will issue a Consent Order incorporating the terms of this Agreement.

5. Respondent consents to the issuance of the Consent Order, and hereby waives any further procedural requirements with respect to its issuance. Respondent waives all rights to contest the adequacy of the Notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except as set forth herein.

6. This Agreement shall apply to and be binding upon PHMSA, and upon Hilcorp, its officers, directors, and employees, and its successors, assigns, or other entities or persons otherwise bound by law. Hilcorp agrees to provide a copy of this Agreement and any incorporated work plans and schedules to all of Hilcorp's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

7. For all transfers of ownership or operating responsibility of the **Covered Pipelines**, Hilcorp will provide a copy of this Agreement to the prospective transferee at least 30 days prior to such transfer. Hilcorp will provide written notice of a transfer of ownership or operating responsibility to the Director within 30 days after such transfer. This provision shall not apply to any of those facilities that have been abandoned in accordance with 49 C.F.R. §§ 192.727 or 195.59 at or before the time of the transfer.

8. This Agreement constitutes the final, complete, and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to settlement other than those expressly contained in this Agreement.

9. Nothing in this Agreement affects or relieves Respondent of its responsibility to comply with all applicable requirements of the Federal Pipeline Safety Laws, 49 U.S.C. § 60101, et seq., and the regulations and orders issued thereunder; and nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against the Respondent pursuant to the Federal Pipeline Safety Laws, the regulations and orders issued thereunder, or any other provision of Federal or State law; with the following mutual understandings regarding timing:

- a. The Parties agree that, to allow Hilcorp time to integrate the **Covered Pipelines** into its PHMSA compliance programs, PHMSA's inspections of the **Covered Pipelines** during the pendency of this Agreement will be limited to inspections to verify compliance with this Agreement and to investigate and address existing or imminent safety conditions or concerns.

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- b. The Parties agree that nothing in this Agreement prevents PHMSA from investigating a pipeline accident or incident on any Hilcorp pipeline facilities subject to PHMSA's jurisdiction, or employing its Corrective Action Order or Safety Order authorities under 49 U.S.C. §§ 60112 and 60117(l), respectively.
- c. The Parties agree that, in light of the challenges associated with the jurisdictional status and regulatory classification of the **Covered Pipelines**, and the Parties' long-running discussions of the same, PHMSA will not bring enforcement actions for alleged violations of the Pipeline Safety Laws or PHMSA's Pipeline Safety Regulations that may have occurred with respect to the **Covered Pipelines** prior to the **Effective Date**.
- d. The Parties agree that during the pendency of this Agreement, PHMSA will not bring enforcement actions against Hilcorp regarding alleged violations of the Pipeline Safety Laws or PHMSA's Pipeline Safety Regulations that may occur with respect to the **Covered Pipelines**, except that PHMSA may bring an enforcement action with regard to alleged violations for failing to comply with the terms of this Agreement.
- e. Notwithstanding subparagraph (d) of this paragraph, the Parties agree that PHMSA may commence normal inspection and enforcement activities for the activities covered in the **Compliance Plan** on expiration of the various compliance timeframes as set forth in the **Compliance Plan**.

10. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Hilcorp's pipeline systems. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Respondent remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations, and permits.

11. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondent or its officers, employees, or agents carrying out the work required by this Agreement. Respondent agrees to hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondent or its contractors in carrying out any work required by this Agreement.

12. Should a change in law, regulation, or operational status of any of the pipelines identified in Table 1 occur that may affect the jurisdictional status or regulatory classifications of the pipeline facilities subject to this Agreement, either Party may notify the other of such potential change, and the Parties agree to discuss any potential classification changes in good faith.

13. The Director may grant an extension of time for compliance with any of the terms of this Agreement, including the **Compliance Plan**, upon a written request timely submitted demonstrating good cause for an extension. Absent unexpected delays, Hilcorp will submit any

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requests for extension no less than 30 days before the applicable deadline. The Director shall respond to any such requests within 14 business days of receipt.

II. Monetary Penalties

14. In consideration of the good faith nature of this Agreement, PHMSA hereby withdraws the allegation and proposed civil penalty of \$198,700 in Item 1 of the Notice for CPF No. 5-2019-2001.

15. If Hilcorp commits a Material Breach of this Agreement, as defined in Paragraph 16, Hilcorp will be liable for stipulated penalties, unless a force majeure event has occurred in accordance with Section VI (Force Majeure), according to the following provisions:

- a. For each Material Breach of this Agreement, Respondent will pay \$750 per day for each instance of failure to comply for the first 15 days of noncompliance; \$1000 per day for the 16th through 30th days of noncompliance; and \$1,250 per day for each day of noncompliance thereafter.
- b. Stipulated penalties under this Paragraph will begin to accrue on the day after performance is due, and shall continue to accrue through the final day of completion of the activity.
- c. Respondent will pay any stipulated penalties not more than 30 days after receipt of written demand by PHMSA for such penalties. Federal regulations (49 C.F.R. § 89.21(b)(3)) require payments in excess of \$10,000 dollars to be made by wire transfer through the Federal Reserve Communications System (Fedwire) to the account of the “U.S. Treasury.”

16. A Material Breach of this Agreement shall be the Respondent’s failure to complete certain activities required in the **Compliance Plan**, as specified below, by the deadline established in the **Compliance Plan** combined with a failure to obtain a time extension for such activity from PHMSA. Should Hilcorp appeal a PHMSA decision regarding a time extension pursuant to Paragraph 23, no Material Breach shall occur until the Associate Administrator issues a determination with respect to that appeal. A Material Breach shall only include a failure to attempt to perform an activity required by the Agreement or **Compliance Plan**, where non-performance of that activity creates a substantial likelihood that the safety of the **Covered Pipelines** will be materially degraded. A Material Breach shall not include failure to comply with reporting or notification requirements, and shall not include ministerial or inadvertent errors or omissions in filings made or compliance documentation prepared under this Agreement.

III. Dismissal of Petition for Review

17. Within five business days after the **Effective Date** of this Agreement, Hilcorp shall file with the U.S. Court of Appeals for the D.C. Circuit a Stipulation to Dismiss the Petition, pursuant to Rule 42(b) of the Circuit Rules for the District of Columbia Circuit and Rule 42 of the

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Federal Rules of Appellate Procedure, specifying that the Parties shall bear their own costs and fees.

IV. Disposition of Warning Letter

18. The Parties agree that the alleged probable violations in the Warning Letter at CPF No. 5-2019-2002W, many of which occurred before Hilcorp acquired the MGS system, have been resolved.

V. Review and Approval Process

19. With respect to any submission of any document or plan required by this Agreement that requires the approval of the Director, the Director may: (a) approve, in whole or in part, the submission, (b) approve the submission on specified, reasonable conditions, (c) disapprove, in whole or in part, the submission, or (d) any combination of the foregoing. The Director shall respond within 60 days of a submission by Respondent. If the Director approves, approves in part, or approves with conditions, Respondent will take all action as approved by the Director, subject to Respondent's right to invoke the dispute resolution procedures in Section VII with respect to any conditions the Director identifies. If the Director disapproves all or any portion of the submission, the Director will provide Respondent with a written notice of the deficiencies and a reasonable period of time to correct them. Respondent will correct all deficiencies within the time specified by the Director and resubmit for approval. If the Director does not act on a submission or any document or plan submitted under this paragraph within 60 days of submission, Respondent may proceed as provided in the document or plan, as submitted.

VI. Force Majeure

20. Respondent agrees to perform all the terms of this Agreement within the timeframes established under the ***Compliance Plan***, unless performance is delayed by a force majeure. For purposes of this Agreement, a force majeure is defined as an event arising from causes beyond the control of the Respondent, or any entity controlled by Respondent or Respondent's contractors, which delays or prevents performance of any obligation under the Agreement despite Respondent's commercially reasonable efforts to fulfill the obligation.

21. If a force majeure event occurs or has occurred that may delay the performance of any term of this Agreement beyond the approved timeframe, Respondent shall notify the Director, in writing, within 5 business days of when Respondent knew that the event might cause a delay. Such notice shall identify the cause of the delay or anticipated delay and the anticipated duration of the delay; state the measures taken or to be taken to prevent or minimize the delay; and estimate the timetable for implementation of those measures. Failure to comply with the notice provision of this paragraph and to undertake reasonable efforts to avoid and minimize the delay shall waive any claim of force majeure by Respondent.

22. If the Director determines, upon notification by Respondent, that a delay or anticipated delay in performance is or was attributable to a force majeure, then the Director will extend the time period for the performance of that term for a reasonable period. The Director will

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notify Respondent, in writing, of the length of any extension of performance of such terms affected by the force majeure. Any such extensions shall not alter Respondent's obligation to perform or complete other terms of this Agreement which are not affected by the force majeure.

VII. Dispute Resolution

23. The Director and Hilcorp will informally attempt to resolve any disputes arising under this Agreement, including but not limited to any decision of the Director. If Hilcorp and the Director are unable to informally resolve the dispute within 15 calendar days, Hilcorp may request in writing, within 10 calendar days of any failed attempt at informal resolution, a written determination resolving the dispute from the Associate Administrator for Pipeline Safety, PHMSA. Along with its request, Hilcorp will provide the Associate Administrator with all information Hilcorp believes is relevant to the dispute. If the request is submitted as provided herein, the Associate Administrator will issue a final determination in writing within 30 calendar days. Decisions of the Associate Administrator under this paragraph will constitute final agency action subject to judicial review. The existence of a dispute and PHMSA's consideration of matters placed in dispute will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process, except as agreed by the Director or the Associate Administrator in writing, or ordered by a court of competent jurisdiction.

VIII. Recordkeeping and Information Disclosure

24. Unless otherwise required in this Agreement, Hilcorp agrees to maintain records demonstrating compliance with all requirements of this Agreement for a period of at least five years following completion of the *Compliance Plan*, or as otherwise required by law or regulation, whichever period is longer.

25. For any reports, plans, or other deliverables required to be submitted to PHMSA pursuant to this Agreement, Respondent may assert a claim of business confidentiality or other protections applicable to the release of information by PHMSA, covering part or all of the information required to be submitted to PHMSA pursuant to this Agreement in accordance with 49 C.F.R. Part 7 and 49 C.F.R. § 190.343. PHMSA determines release of any information submitted pursuant to this Agreement in accordance with 49 C.F.R. Part 7, the Freedom of Information Act, 5 U.S.C. § 552, DOT and PHMSA policies, and other applicable regulations and Executive Orders.

IX. Effective Date

26. The term "*Effective Date*," as used herein, is the date on which the Consent Order is issued by the Associate Administrator incorporating the terms of this Agreement. Unless specified to the contrary, all deadlines for actions required by this Agreement run from the *Effective Date* of the Consent Order.

X. Modification

27. The terms of this Agreement may be modified only by mutual agreement of the Parties. Such modifications must be in writing and signed by both Parties. Either party may request modification by submitting a written request to the other party.

XI. Termination

28. This Agreement terminates upon completion of all terms set forth in the *Compliance Plan*, except as provided in paragraph 29 of this Agreement. Upon termination of this Agreement, all *Covered Pipelines* shall be subject to all requirements of 49 C.F.R. Parts 190-199, as applicable. Hilcorp may request written confirmation from PHMSA when this Agreement is terminated and the Director will provide such confirmation. Nothing in this Agreement prevents Hilcorp from completing any of the obligations earlier than the deadlines provided for in the *Compliance Plan*.

XII. Survival.

29. Absent a change in law, regulation, or operational status of any *Covered Pipeline* that may occur and affect the jurisdictional status or regulatory classifications of the pipeline facilities subject to this Agreement, the acknowledgements of jurisdiction as provided for in Paragraph 1 of this Agreement, the regulatory classification of Hilcorp's assets as set forth in Table 1 of this Agreement and the obligations set forth in sections I.2, I.4(g), I.4(h), and II.1(b)-(c) of the *Compliance Plan* shall, consistent with their terms, survive any termination or expiration of this Agreement and shall bind the Parties and their successors and assigns.

XIII. Ratification

30. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

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The Parties hereby agree to all terms and conditions of this Agreement.

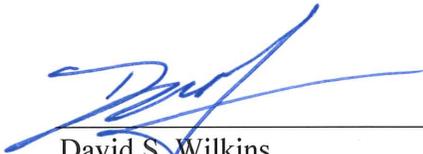
For PHMSA:

May 18, 2020

Alan K. Mayberry
Associate Administrator for Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Date

For Hilcorp Alaska, LLC:



David S. Wilkins
Senior Vice President
Hilcorp Alaska, LLC

Date