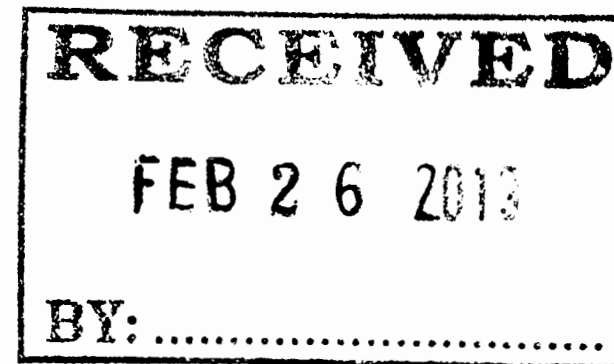




Erin Renfro
Engineering Supervisor, Operations and Production
erin.renfro@caelusenergy.com
Direct: 907-343-2127



February 20, 2019

Mr. Chris Hoidal
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: Response to Notice of Probable Violation and Proposed Compliance Order
CPF 5-2019-7002

Dear Mr. Hoidal,

Caelus Natural Resources Alaska, LLC ("Caelus") is in receipt of that certain Notice of Probable Violation and Proposed Compliance Order dated January 21, 2019 from the Pipeline and Hazardous Materials Safety Administration ("PHMSA") relating to alleged violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations in connection with the 2-inch diesel and base oil pipeline servicing the Oooguruk field located on the North Slope of Alaska (the "Notice"). The Notice was received by Caelus on January 23, 2019.

Caelus does not contest the alleged violations set forth in the Notice. Caelus likewise does not contest the Proposed Compliance Order enclosed with and made a part of the Notice, save and except for the requirement in Item 2.a. thereof that Caelus must submit its written integrity assessment plan within sixty (60) days of receipt of the Final Order.

While Caelus intends to take the remedial actions required under the Proposed Compliance Order to ensure compliance with the applicable pipeline safety regulations, Caelus hereby requests that Item 2.a. of the Proposed Compliance Order be modified to provide Caelus ninety (90) days from the date of Caelus' receipt of the Final Order to submit a written integrity assessment plan consistent with §49 CFR 195.452(j)(1) or Subpart E of 49 CFR 195, as applicable.

As of January 31, 2019, Caelus closed the sale of its interest in the Oooguruk field to Eni Petroleum US LLC ("Eni"). Caelus will continue to operate the Oooguruk field for 6 months after the closing to facilitate and provide for an orderly transition of operatorship from Caelus to Eni. The requested additional time is needed for Caelus and Eni to effectively integrate such plan into Eni's existing DOT/PHMSA compliance program.

Should you have any questions with respect to any of the matters addressed herein, please do not hesitate to contact the undersigned at (907) 343-2127 or erin.renfro@caelusenergy.com.

Sincerely,

A handwritten signature in black ink, reading "Erin D. Renfro". The signature is written in a cursive, flowing style.

Erin D. Renfro
Operations Engineering Supervisor

Cc (via email): J. Patrick Foley, Caelus
David Hart, Caelus
John Hellen, Caelus
Craig Keppers, Eni
Peter Adams, Eni
Jacob Gano, DOT PHMSA