

VIA E-MAIL TO MR. GREG LALICKER

November 28, 2022

Mr. Greg Lalicker
Chief Executive Officer
Hilcorp Energy Company
1111 Travis Street
Houston, Texas 77002

**RE: Amended Corrective Action Order CPF No. 5-2021-019-CAO
Middle Ground Shoal Fuel Gas System - Request for Closure**

Dear Mr. Lalicker:

On April 6, 2021, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued an Amended Corrective Action Order (ACAO) requiring Hilcorp Alaska, LLC, (Hilcorp or Respondent), a subsidiary of Hilcorp Energy Company, to take certain corrective actions with respect to a natural gas leak on its 8-inch Middle Ground Shoal (MGS) Fuel Gas System A Pipeline (MGS-A) that failed on or about April 1, 2021, within the Upper Cook Inlet, Alaska, on a subsea segment of the MGS-A pipeline between the MGS onshore facility and “A” Platform.

The ACAO required Hilcorp to shut down the MGS-A pipeline, repair the pipeline before restarting it, and replace the MGS-A pipeline within one year of the date the ACAO was issued. Since that time, Hilcorp determined that it is not currently commercially viable to replace the pipeline, as required by the ACAO, and instead Hilcorp proposed to permanently abandon the MGS-A pipeline without replacement. PHMSA agreed that by permanently abandoning the MGS-A pipeline, Hilcorp has mitigated known integrity threats of the MGS-A pipeline system consistent with the intent of the ACAO. PHMSA received notice that Hilcorp permanently abandoned the MGS-A pipeline in September 2022.

On September 29, 2022, Hilcorp provided the CAO Documentation Report (CDR). The CDR was the last outstanding item of the ACAO. The CDR summarized actions taken by Hilcorp in response to the ACAO and describes how Hilcorp has integrated lessons learned from the failure, including the results of the Root Cause Failure Analysis, into their programs and procedures. Because Hilcorp has abandoned the MGS-A pipeline system and provided all documentation required by the ACAO, I have determined that the terms of the ACAO have been completed and accordingly, the referenced ACAO is terminated. Thank you for your cooperation in this matter.

Sincerely,

Dustin Hubbard
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Gano (#21-209244)
Ben Wasson, Hilcorp Alaska (via email)
Cindy Monnin, Hilcorp Alaska (via email)