



Hilcorp Alaska

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Hilcorp to Reduce Gas Pipeline Pressure and Shut-In Oil Production

ANCHORAGE, AK – March 25, 2017 – Hilcorp continues response efforts, in coordination with state and federal regulatory authorities, to repair an 8-inch natural gas pipeline in the Middle Ground Shoal area of the Cook Inlet.

After recent discussions with Governor Walker and meetings with the Alaska Department of Environmental Conservation, the parties have agreed to reduce the pressure in the gas pipeline to approximately 65 psi. This will necessitate shutting in oil production from Middle Ground Shoal platforms A & C. Hilcorp appreciates the proactive and transparent way Governor Walker has expressed his concerns regarding this matter.

Previous weather conditions have prevented Hilcorp from shutting in oil production at an earlier date. Shutting in wells and idling lines and equipment in very cold temperatures create a known risk of freeze-up and potential rupture. Warmer ambient temperatures now permit a safer shut in process of the wells along with the associated lines and equipment.

Shutting in oil production allows the gas pipeline to operate with 65 psi, the minimum positive pressure. Minimum positive pressure is necessary to prevent water from entering the line and a potential washout of the residual crude oil that remains in the pipeline. Further, maintaining minimum pressure on the line will allow for the platforms to run essential equipment and safety systems.

As Hilcorp works with state and federal agencies to finalize the plan to reduce gas line pressure, shut-in production and repair the pipeline, the safety of personnel, wildlife and the environment remain the top priority.

Planning and preparations have already begun, and once approved by the regulators, shut-in procedures will begin this weekend.

Hilcorp's response team and the necessary equipment are ready to immediately commence repair operations as soon as it can be done safely. Based on current weather forecasts Hilcorp anticipates repair operations to occur in the next two weeks.

For additional information and updates on the response go to: www.hilcorpresponse.com

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