



United States Department of the Interior  
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT  
Alaska OCS Region  
3801 Centerpoint Drive, Suite 500  
Anchorage, Alaska 99503-5823

NOV 28 2017

Whitney Grande  
Vice President, Safety, Environment, and Quality  
Eni US Operating Co. Inc.  
1200 Smith Street Ste. 1700  
Houston, Texas 77002

Dear Mr. Grande:

The Bureau of Safety and Environmental Enforcement - Alaska Region (BSEE) is in receipt of the Application for Permit to Drill (APD) submitted by Eni US Operating Co. Inc. (Eni) for Well Number NN01, on lease OCS-Y-1757, Harrison Bay Block 6423, in the Beaufort Sea. BSEE has coordinated with the State of Alaska in assigning this well API number 50-629-23583-00.

We have completed our review of your APD, and find that it conforms to the relevant sections of BSEE regulations at 30 CFR Part 250, under the Outer Continental Shelf Lands Act. Your application is hereby approved pursuant to 30 CFR 250.410, and subject to the conditions set forth in Enclosure 1 to this letter.

In addition, based on our analysis of historical information and the geological and geophysical information Eni provided, we agree with Eni's assertion that H<sub>2</sub>S will be absent during drilling of the NN01 well. Therefore, pursuant to 30 CFR 250.490(c), your request for a H<sub>2</sub>S Absent classification is approved.

BSEE will maintain a regular, but not continuous inspection presence during drilling operations. As provided for in 30 CFR 250.133, Eni may request reimbursement for expenses related to inspections to include food, quarters, and transportation they provide for BSEE representatives while they inspect lease facilities and operations. Requests must be made within 90 days of the inspection date. Contact the BSEE Alaska Region office for instructions on submitting invoices.

Should you have any questions, please contact me at (907) 334-5311, or via e-mail at [kevin.pendergast@bsee.gov](mailto:kevin.pendergast@bsee.gov).

Sincerely,



Kevin J. Pendergast, PE CPG  
Regional Supervisor, Field Operations

Enclosures:

1. Conditions of Approval for Nikaitchuq North Well No. NN01

cc: Hollis French, Chair, Alaska Oil and Gas Conservation Commission (AOGCC)  
David Johnston, BOEM Regional Supervisor, Leasing and Plans

**ENCLOSURE 1**  
**Conditions of Approval for Nikaitchuq North Well No. NN01**

1. Pursuant to 30 CFR 250.409, and based on the justifications provided with your APD, the following requests for departures from the regulations are approved:
  - a. 250.721(a) Testing of casing strings as indicated on the Well Design Information page (form BSEE-0123) is approved.
  - b. 250.431 Request to use a single vent line for the diverter is approved.
  - c. 250.433(a) Request to test the diverter to 150 psi is approved.
  - d. 250.433(a) Request to actuate the diverter system every 7 days is approved.
  - e. 250.433 Request to borescope (video) – not flow test – the diverter vent line is approved. Arrange a presentation of the video to BSEE Alaska Region staff to demonstrate that the vent line is open to flow.
2. The test pressure for the annular preventer as indicated on the Well Design Information page (form BSEE-0123) in the permit is approved.
3. The test pressure for the BOP components as indicated on the Well Design Information page (form BSEE-0123) in the permit is approved.
4. This office will conduct a pre-drill inspection of the Doyon 15 drilling rig prior to the start of operations.
5. Provide the final third-party verification of the blowout preventer system as required in 30 CFR 250.731(c)(2), and of the accumulator system as required in 30 CFR 250.731(c)(3); this must be submitted to BSEE Alaska Region prior to the initial use of the BOP on this well.
6. Follow the incident reporting requirements of 30 CFR 250.187-190. Use the BSEE Alaska Region Drilling Alert Line (1-855-277-2733) to report incidents requiring immediate notification. In addition, use the Drilling Alert Line to provide notification to the BSEE Alaska Region of any event of interest; this line will be monitored (voice or message) 24 hours per day, 7 days per week during drilling operations.
7. Immediately notify this office if a significant well event occurs, to include (but not limited to) the events listed in Box 15 of form BSEE-0133, and anything else that could impact well control.
8. Eni must comply with 30 CFR Part 250, Subpart S with respect to these drilling operations and associated equipment.
  - a. The drilling rig and associated well equipment used for these drilling operations are a "facility" for the purposes of complying with 30 CFR Part 250, Subpart S.
  - b. Eni must report data related to these drilling operations in its BSEE-0131 form.
9. The submitted welding plan documents and the procedures they incorporate comply with the basic requirements for a welding plan under 30 CFR 250.109-113. They must be implemented on the Doyon 15 rig and available for review upon request by BSEE inspectors.
10. As required by 30 CFR 250.743 submit Well Activity Reports (WARs) to BSEE daily by 8:00 a.m. Alaska time via the program eWell, subject to the following:
  - a. Begin submitting WARs as soon as you commence drilling operations leading to the spudding of the well.
  - b. Public information copies of the WARs must be submitted on form BSEE-0133 daily by 2:00 p.m. Alaska time, preferably via e-mail through existing contacts.

- c. Do not submit a well as-built drawing daily as indicated in 30 CFR 250.743(c); rather, submit an as-built drawing once weekly.
11. If BSEE determines that the WARs and other information reveal trends in subsurface information that were not expected, Eni must brief BSEE upon request regarding data and findings to date.
  12. Adhere to the well data and records submittal procedures and criteria provided in NTL No. 2016-N07 Well Records. When filing your End of Operations Report (form BSEE-0125), include a complete list of all types of well logging operations that were performed.
  13. Notify the BSEE Alaska Region via the Drilling Alert Line (1-855-277-2733) a minimum of 72 hours prior to all BOP testing, FIT/Leak Off testing, casing testing and cementing operations.
  14. Conduct your operations in accordance with your approved Exploration Plan, and with all associated BOEM Conditions of Approval and mitigation measures.
  15. You must be in compliance with OCSLA and all other applicable statutes and regulations. This includes but is not limited to leases, plans, and permits and associated stipulations, conditions of approval, and mitigations issued under OCSLA and all other applicable statutes and regulations.
  16. Adhere to all provisions, reasonable and prudent measures, and terms and conditions of the relevant National Marine Fisheries Service (NMFS) and U.S. Fish and Wildlife Service (USFWS) biological opinions issued under the Endangered Species Act. You must also adhere to all conditions of the USFWS Letter of Authorization (LOA) under the Marine Mammal Protection Act, for activities described in the Exploration Plan and this APD. All reporting required under these approvals and authorizations must be submitted in PDF format to BSEE Alaska Region at [AKOCScompliance@bsee.gov](mailto:AKOCScompliance@bsee.gov).
  17. All reports required to be submitted to BOEM under the Exploration Plan Conditions of Approval and Mitigation Measures and Conditions must also be submitted in PDF format to BSEE Alaska Region at [AKOCScompliance@bsee.gov](mailto:AKOCScompliance@bsee.gov).
  18. The oil spill financial responsibility requirements for lease OCS-Y-1757 expire on December 31, 2017. Provide proof to BSEE, prior to December 31, 2017, that the requirements have been met beyond that date.
  19. BSEE inspectors must be given unfettered access to all areas of the drilling rig and support areas, as long as such access can be accomplished in compliance with Eni safety procedures and operational considerations.
  20. Report any noncompliance with the above conditions of approval to the BSEE Alaska Region as soon as you become aware of it, but not later than 24 hours after it is discovered.
  21. Prior to commencing the proposed operations, any changes to this approved APD must be requested via a Revised Application for Permit to Drill (RPD) submitted through eWell. After drilling starts, any changes to the approved APD must be requested via an Application for Permit to Modify (APM), which should also be submitted via eWell. In cases where written or oral approval is requested and granted, APMs must still be submitted through eWell no later than the end of the third business day following the initial approval.
  22. Eni must submit and gain approval of an APM through eWell in advance of either temporarily or permanently abandoning this well. The request must contain all information required in 30 CFR Part 250, Subpart Q.