



April 6, 2016

Ms. Janet Post
U.S. Army Corps of Engineers-Alaska District
P.O. Box 6898
JBER, Alaska 99506-0898

RE: Nanushuk Project, POA-2015-412

Dear Ms. Post:

On behalf of 70 & 148, LLC (“Armstrong”) and Repsol E&P USA, Inc. (“Repsol”), I am writing to inform you that Armstrong and Repsol have reached an agreement to strategically realign our interests in our North Slope joint venture, inclusive of the Nanushuk Project (“Project”). Pursuant to this agreement Armstrong has exercised an option to become the operator for the North Slope joint venture including the Project that is subject to POA-2015-412.

To ensure that you have all appropriate information for your pending consideration POA-2015-412, Armstrong submits the attached supplement to the permit application. All information from the original application remains unchanged except the following:

- Items 5-8 have been updated with information for Armstrong.
- Item 27 has been completed to reflect Armstrong’s verification that all information in the original application, as supplemented, is completed and accurate, and that I possess the authority to undertake the work described in the original application, as supplemented.

Please update the POA-2015-412 file with the attached supplement and make all appropriate changes in the files of the U.S. Army Corps of Engineers to reflect that Armstrong will now be the operator and primary permit applicant for this project. If you have any questions, please contact Patrick Conway at (907) 375-6938 or the undersigned at (303) 623-1821. Thank you for your consideration in this matter. I look forward to working with you as the U.S. Army Corps of Engineers processes this application.

Sincerely,

Nathan C. Lowe
Land Manager

17. DIRECTIONS TO THE SITE

The proposed Nanushuk Project (Project) is located in the North Slope Borough, approximately 52 miles west of Deadhorse and, at the southernmost location, is 7.5 miles northeast of the community of Nuiqsut. The Project is located southwest of the existing Oooguruk Development Project, west of the existing Kuparuk River Unit, and east of the existing Alpine and Alpine Satellite Development Project.

18. Nature of Activity (Description of project, include all features)

70 & 148, LLC proposes to drill wells and construct and operate infrastructure and facilities to produce and transport sales-quality oil to the Trans Alaska Pipeline System (TAPS). Project components include: the Nanushuk Pad (comprised of DS1 and a central processing facility), two standalone gravel drill sites (DS2 and DS3), an operations center pad, a tie-in pad, infield pipelines on vertical support members (VSMs), the Nanushuk Pipeline on VSMs, infield gravel roads, a gravel access road, road bridges at the Miluveach and Kachemach Rivers, and a potable water intake system. 70 & 148 proposes placement of 3,226,102 cubic yards (cy) of clean fill material into 288.0 acres of waters of the United States including wetlands to construct the Nanushuk Project. The project also includes temporary discharges to 5.8 acres of jurisdictional waters of the US for screeding activities in front of the existing Oliktok Dock and trenching for power and fiber optic cables at pipeline-road crossings. See attached Project Description and Sheet 55 of the permit drawings for specific volumes and acreage of fill for project components.

19. Project Purpose (Describe the reason or purpose of the project, see instructions)

To safely produce commercial quantities of liquid hydrocarbons in 70 & 148's oil and gas leasehold by operating from a site east of the Colville River Delta; to process hydrocarbons on or near the drill sites; and to transport sales-quality oil through a new export pipeline to the Kuparuk sales oil pipeline, and then to TAPS. A secondary purpose of the Project is to further delineate geological features and hydrocarbon accumulations in 70 & 148's leasehold from the proposed infrastructure.

USE BLOCKS 20-23 IF DREDGED AND/OR FILL MATERIAL IS TO BE DISCHARGED

20. Reason(s) for Discharge

Gravel fill is necessary for the construction of the Nanushuk Pad, DS2, DS3, the operations center pad, access road and infield roads, and tie-in pad. Clean gravel would be obtained from an existing permitted source. See Project Description for additional details.

Additional fill consisting of sand slurry mixture is necessary for the construction of VSMs to support the infield and Nanushuk Pipeline as well as the potable water system pipeline.

Approximately 2,000 - 3,000 cy of sediment will be smoothed or re-contoured to facilitate barge offloading at Oliktok Dock. Approximately 195 cy of sediment will be temporarily removed and replace at six pipeline road crossings.

21. Type(s) of Material Being Discharged and the Amount of Each Type in Cubic Yards:

| Type Amount in Cubic Yards | Type Amount in Cubic Yards | Type Amount in Cubic Yards |
|------------------------------------|-------------------------------|------------------------------------|
| 3,226,102 (gravel) 195 (trenching) | 6,338 (sand slurry) | 2,000 - 3,000 (screeding sediment) |

22. Surface Area in Acres of Wetlands or Other Waters Filled (see instructions)

Acres 288.0
or
Linear Feet

23. Description of Avoidance, Minimization, and Compensation (see instructions)

Please see the attached Applicant Proposed Mitigation Statement.

24. Is Any Portion of the Work Already Complete? Yes No IF YES, DESCRIBE THE COMPLETED WORK

25. Addresses of Adjoining Property Owners, Lessees, Etc., Whose Property Adjoins the Waterbody (if more than can be entered here, please attach a supplemental list).

a. Address- Kuukpik Corporation, PO Box 89187

City - Nuiqsut State - AK Zip - 99789

b. Address- State of Alaska, Department of Natural Resources, Division of Mining, Land and Water, 3700 Airport Way

City - Fairbanks State - AK Zip - 99709

c. Address- Please see supplemental list of additional information.

City - State - Zip -

d. Address-

City - State - Zip -

e. Address-

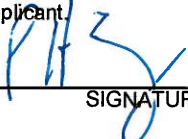
City - State - Zip -

26. List of Other Certificates or Approvals/Denials received from other Federal, State, or Local Agencies for Work Described in This Application.

| AGENCY | TYPE APPROVAL* | IDENTIFICATION NUMBER | DATE APPLIED | DATE APPROVED | DATE DENIED |
|-----------------------|----------------|-----------------------|--------------|---------------|-------------|
| See Project Descript. | | | | | |
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* Would include but is not restricted to zoning, building, and flood plain permits

27. Application is hereby made for permit or permits to authorize the work described in this application. I certify that this information in this application is complete and accurate. I further certify that I possess the authority to undertake the work described herein or am acting as the duly authorized agent of the applicant.

 _____
SIGNATURE OF APPLICANT

4-6-16 _____
DATE

_____ _____
SIGNATURE OF AGENT DATE

The Application must be signed by the person who desires to undertake the proposed activity (applicant) or it may be signed by a duly authorized agent if the statement in block 11 has been filled out and signed.

18 U.S.C. Section 1001 provides that: Whoever, in any manner within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals, or covers up any trick, scheme, or disguises a material fact or makes any false, fictitious or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than \$10,000 or imprisoned not more than five years or both.