

**MEMORANDUM OF OIL AND GAS LEASE
HILCORP ALASKA, LLC**

THIS MEMORANDUM is made this _____ day of _____ 2018, by and between Kenai Peninsula Borough, an Alaska Municipal Corporation, whose address is 144 N. Binkley Street, Soldotna AK 99669, as "Lessor," and HILCORP ALASKA, LLC, a Delaware limited liability company, with offices located at 3800 Centerpoint Drive, Suite 1400, Anchorage, Alaska 99503, as "Lessee."

WITNESSETH: That Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, for the sum of Ten Dollars (\$10.00), and other good and valuable consideration for an oil and gas lease covering the land subsurface herein after described, and for the term and subject to the covenants, conditions and provisions and for the purposes set forth in said lease. That certain land is situated in the Kenai Peninsula Borough, Homer Recording District, State of Alaska, and more particularly described as follows:

LEGAL DESCRIPTION

See attached Exhibit "A"

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Oil and Gas Lease to be executed the day and year first herein above written.

KENAI PENINSULA BOROUGH:

Signature: _____
Charlie Pierce, Mayor Lessor/Date

HILCORP ALASKA, LLC

Signature: _____
David S. Wilkins, Senior Vice President Lessee/Date

ACKNOWLEDGEMENT OF LESSOR

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by Charlie Pierce, Mayor of the Kenai Peninsula Borough, an Alaska Municipal Corporation, for and on behalf of the corporation.

Notary Public in and for the State of _____
My commission expires: _____

ACKNOWLEDGEMENT OF LESSEE

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by David S. Wilkins, Senior Vice President of Hilcorp Alaska, LLC, a Delaware limited liability company, on behalf of the limited liability company.

Notary Public in and for Alaska
My Commission Expires: _____

RETURN TO
Hilcorp Alaska, LLC
Attn: Land Manager
3800 Centerpoint Drive, Suite 1400
Anchorage, Alaska 99503

EXHIBIT "A"

OIL AND GAS LEASE

THIS OIL AND GAS LEASE made as of ____ day of _____, 2018, by and between **Kenai Peninsula Borough**, hereinafter called "Lessor", and Hilcorp Alaska, LLC, hereinafter called "Lessee".

LEGAL DESCRIPTION

Parcel No. 1

T04S, R15W, SM, AK

Section 34: Amended Spruce Acres Subdivision, Lot 23, Plat No. 60-45, being the same parcel of land as KPB Parcel No. 16517025, containing 1.17 acres, more or less.

Parcel No. 2

T05S, R15W, S.M, AK

Section 3: ½ mineral interest in August Knight Subdivision - Amended, Lot 1, Plat No. 83-17, being the same parcel of land as KPB Parcel No. 16931001, containing 0.32 acres, more or less.

Parcel No. 3

T05S, R15W, S.M, AK

Section 4: A tract of land situated in the SW ¼ NE ¼ , more particularly described as: Beginning at the NE 1/16 corner of said Section 4; Thence N 89 degrees, 56 minutes W 322.5 ft to the True Point of Beginning; Thence N 89 degrees, 56 minutes W 1000.0 ft to the center north 1/6 corner of said Section 4; Thence S 0 degrees, 2 minutes E along said centerline 601.34 ft; Thence S 89 degrees, 56 minutes E 1272.19 feet to the westerly Right-of-Way line of the Old Sterling Highway; Thence N 40 degrees, 47 minutes E 76 ft, more or less, along said westernly Right-of-Way line to the intersection thereof with the East 1/6 line of said Section 4; Thence N 89 degrees 56 minutes W 136.71 ft; Thence N 0 degrees, 1 minute W 478.73 ft; Thence N 89 degrees, 56 minutes W 185.30 ft; Thence N 0 degrees, 1 minute W 65 ft to the True Point of Beginning, being the same parcel of land as KPB Parcel No. 16905067 & 16905071, containing 15.92 acres, more or less.

Parcel No. 4

T05S, R15W, S.M, AK

Section 5: That portion of land located in Government Lot 5, more particularly described as: From the meander corner of Section 5 and Section 8, T05S, R15W, S.M., Thence North 10 degrees 6 minutes West 1,474.28 feet, Thence North 21 degrees 9 minutes West 573.67 feet, Thence North 7 degrees 0 minutes West 180 feet, being the true Point of Beginning; Thence North 83 degrees 0 Minutes East 182 feet, Thence North 7 degrees 0 minutes West 150 feet, Thence South 83 degrees 0 minutes West 284 feet more or less to the mean High Tide Line, Thence approximately South 6 degrees 37 minutes East 150 feet more or less along the mean High Tide Line, Thence North 83 degrees 0 minutes East 103 feet to the true Point of Beginning, being the same parcel of land as KPB Parcel No. 16901049, containing 1.0 acres, more or less.

Parcel No. 5

T05S, R15W, SM, AK

Section 4: That certain real property situated in the NW $\frac{1}{4}$ NE $\frac{1}{4}$, described as follows: Beginning at the East $\frac{1}{16}$ corner of Section 4, located on the Township line between T4S and 5S, R15W, Seward Meridian; thence South 45 degrees 00' West 42.42 feet to Corner No. 1, the true Point of Beginning; thence South 0 degrees 01' East 150.00 feet to Corner No. 2; thence West 200.0 feet to Corner No. 3; thence North 0 degrees 01' West 150.0 feet to Corner No. 4; thence East 200.0 feet to the Point of Beginning, being the same parcel of land as KPB Parcel No. 16905018, containing 0.69 acres, more or less.

Containing approximately 19.1 acres, more or less.