

Platform Houchin
Petition for
Variance Findings
July 2, 2025

Agenda

- Brief history and discussion of platforms (ConocoPhillips)
- Updates on work progress (Beacon West)
 - November 2020 – mid 2024
 - 2024-2025 variance period
- Preparations for P&A (ConocoPhillips)
 - Remaining work scopes
- Variance Findings (ConocoPhillips)

Background

- Platform is part of facilities associated with relinquished Lease by Signal Hill (same as Hogan)
- Conditions of platform Houchin were worse than platform Hogan when facilities relinquished and significant repair requirements remain before P&A activities can begin
 - Order Recipients (ORs) have funded significant repairs over the last 4+ years, but initial lack of working crane impaired undertaking of significant work scopes early on
 - Well documented that ongoing work has far exceeded terms of Partial Stay Agreement
- Intend to move forward with P&A on platform once safe to do so
 - Facility repairs and upgrades to allow P&A are expected to take at least one year, unknown scopes and conditions are likely to be discovered as work is executed which may impact timelines
 - Beacon West will work on Houchin to prioritize P&A preparations, while DCOR initiates P&A on Hogan
 - Transition to DCOR to continue maintaining platform and execute P&A, once feasible
- Houchin has approximately half the number of wells with fugitive emissions that Hogan does

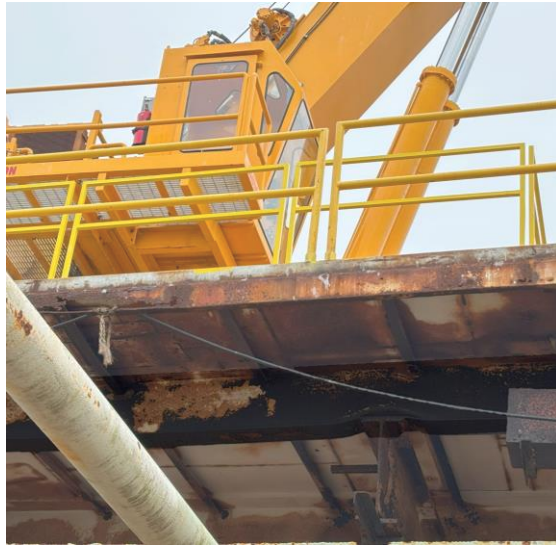
Work Accomplished on Houchin

- Initial status of platform Houchin in 2020 post-Signal Hill abandonment
- Repairs of Houchin 2020 - 2024
 - Crane replacements and refurbishments including jib crane
 - Numerous Level 1 repairs (basic safety requirements, etc.)
 - Waste and clutter removals
- Repairs and updates during 2024 - 2025 Variance Period
 - Additional Level 1 Repairs (still ongoing given volume of work)
 - Refurbishment of Helideck for medical emergency evacuations
 - Removal of marine growth from jacket and structural inspection
- Current Status
 - Continue with platform repairs and MM&P activities to prepare for upcoming P&A

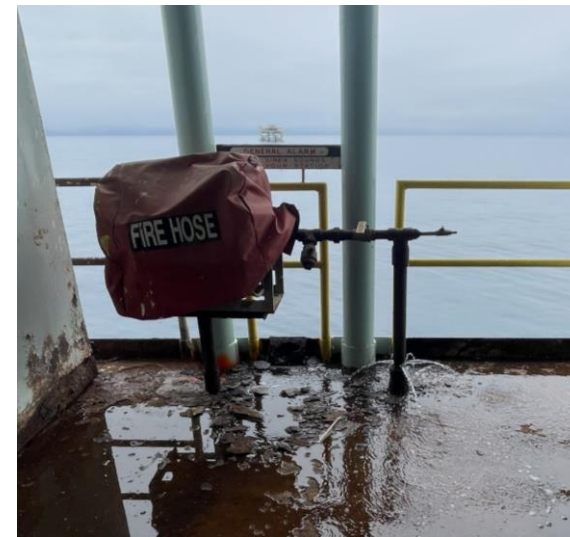
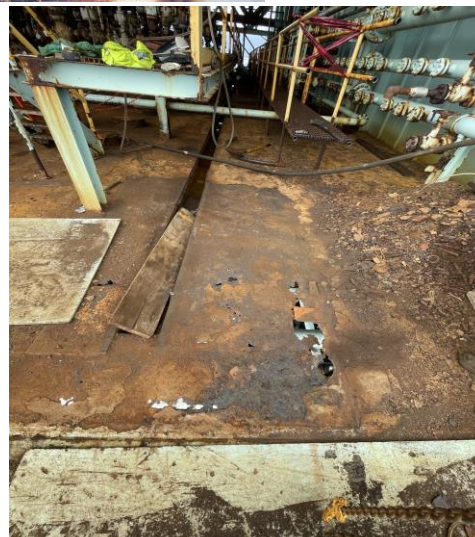
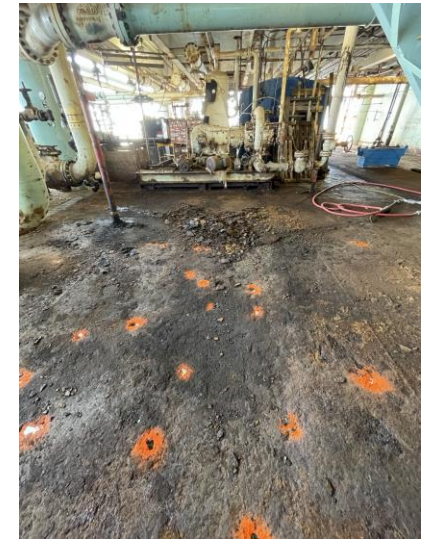
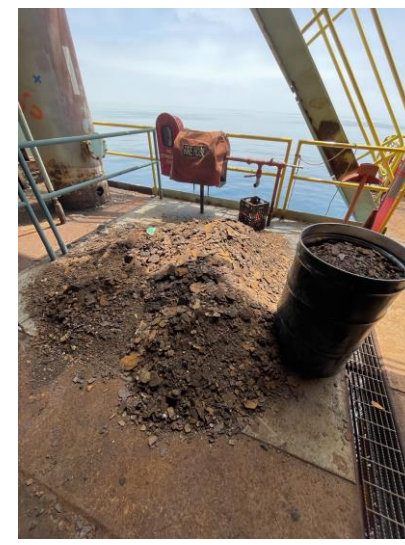
Houchin before MM&A Activities (2020)



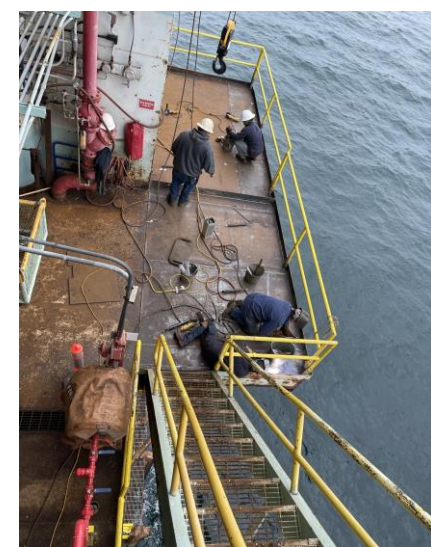
Houchin before MM&P Activities



Houchin before MM&P Activities



Houchin before MM&P Activities



Platform Cranes Refurbishment

Operable cranes are essential to perform work on offshore platforms

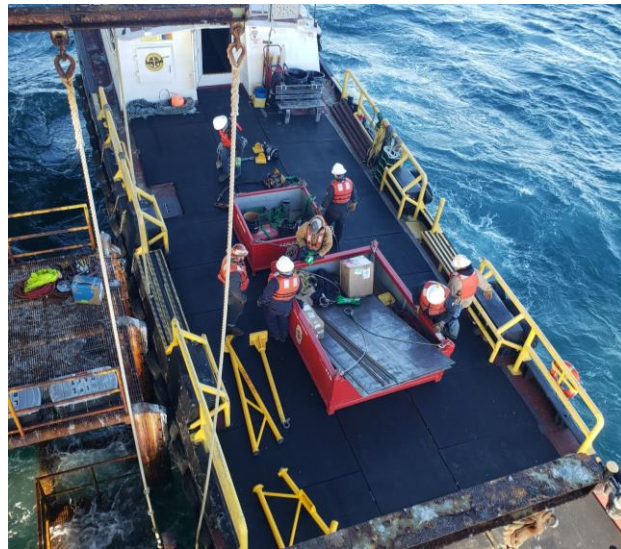
Timeline of Cranes Refurbishment Activities

- Late 2020 – Boarded abandoned platform and found all cranes inoperable
- No cranes could be made serviceable on Houchin
 - Initial focus on resurrection of old out-of-service small Jib Crane (3000 lb capacity)
- Early 2021 – Develop plan to obtain crane service for platform
 - Part A - Remove and convert old Unit 500 Mariner cranes from platforms south side
 - Part B - Order new portable cranes to replace north cranes
 - COVID19 Pandemic limited crane availability with a 1.5- to 2-year procurement lead time
 - New cranes must be engineered to meet the installation process for specific platform

Houchin Jib Crane



3000 pound lift



Platforms Cranes Refurbishment

PART A - Unit 500 removal / convert / re-install

| Date | Activity |
|---------------|--|
| March 2021 | Gulf Crane Services inspection of Unit 500 crane |
| 2021-2023 | Installation of multiple rental cranes (each one progressively larger than the previous) to facilitate the removal of existing Unit 500 crane and installation of refurbished one from Hogan |
| April 2022 | Hogan Unit 500 crane sent for refurbishment – it is coming back to Houchin <ul style="list-style-type: none">• Hydraulic (instead of friction) and new a Tier 4F engine |
| February 2023 | Removed Houchin Unit 500 crane and sent for refurbishment Installed Hogan converted Crane on pedestal |

Houchin Cranes – Unit 500 Removal

First Rental Crane

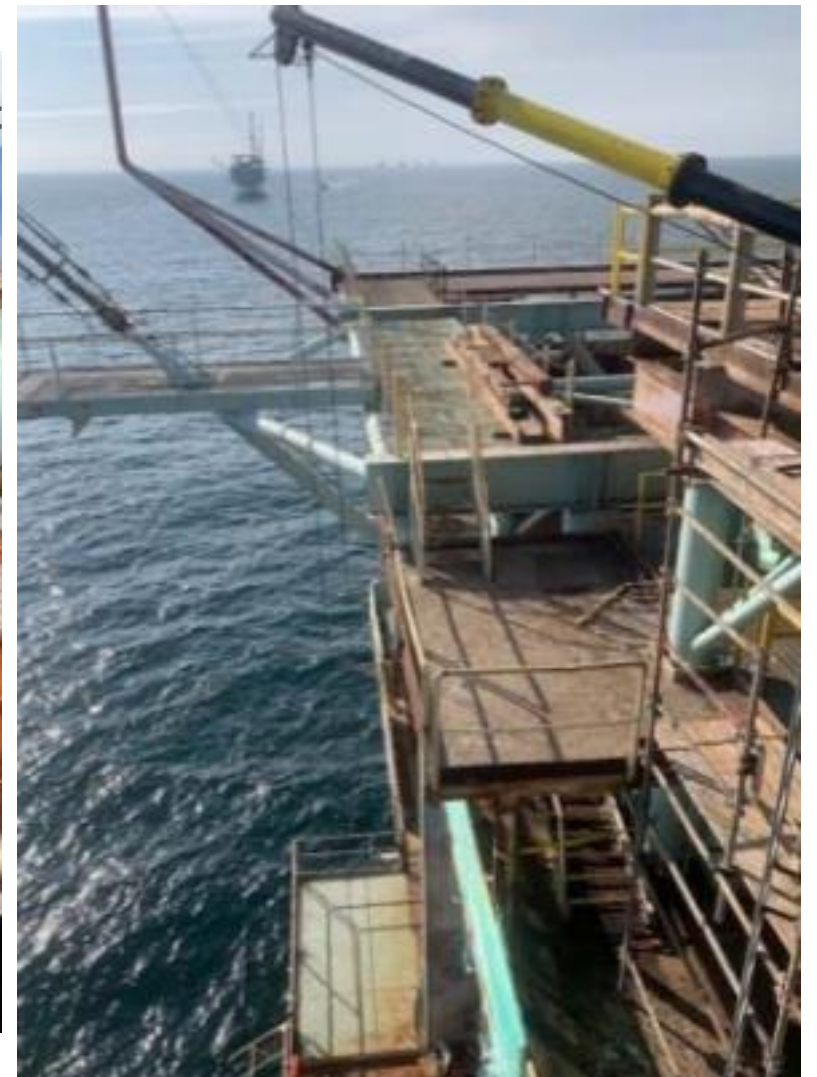


Working on Second Rental Crane

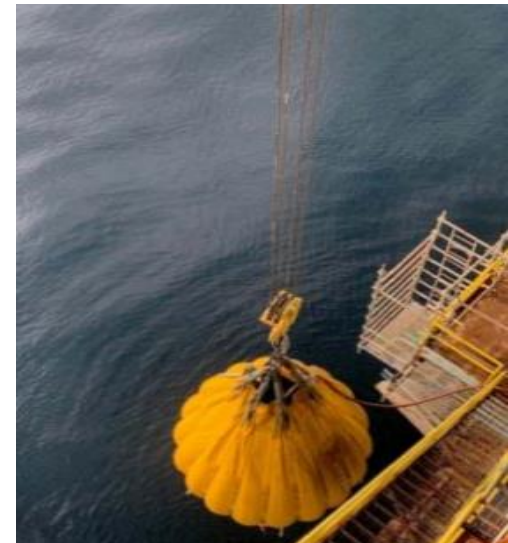
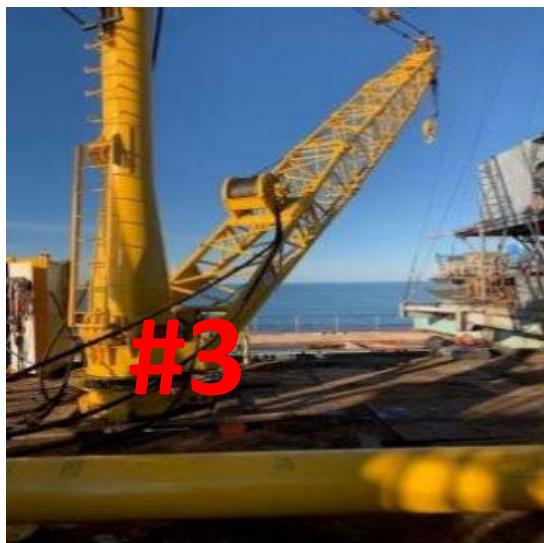
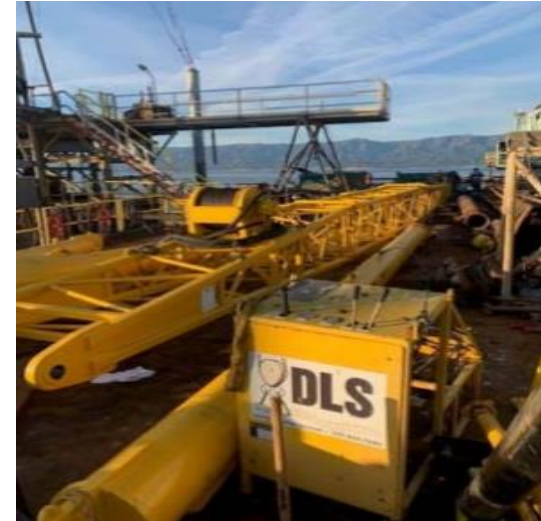
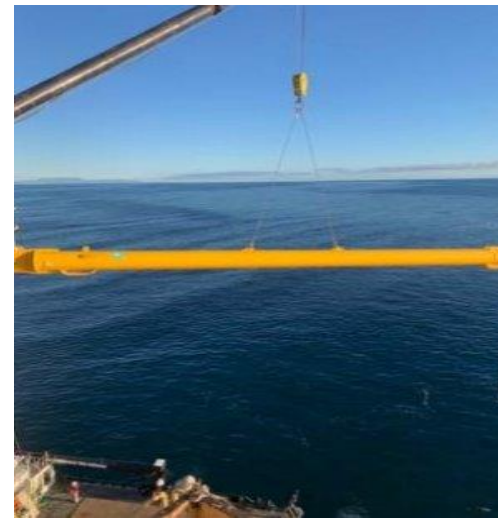
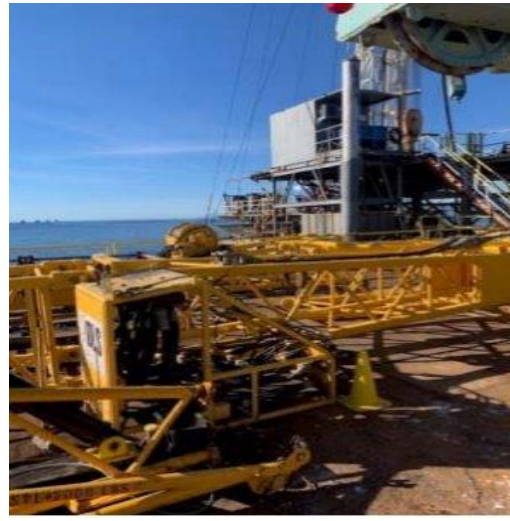
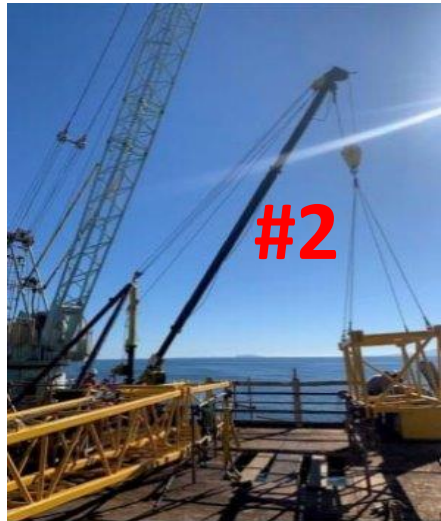


Platform had no cranes – Progressively more capable rental cranes used to remove Unit 500

Houchin Cranes - Second Rental Crane (5 Ton)



Houchin Cranes – Third Rental Crane (20 Ton)



Houchin – Third Rental Crane

Challenges

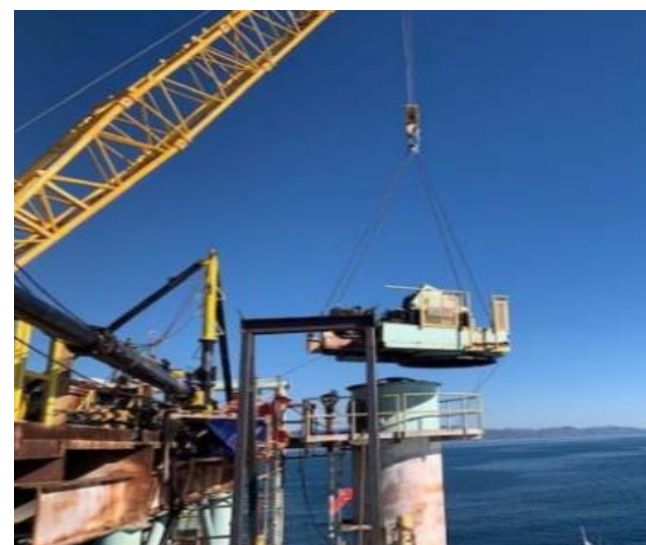
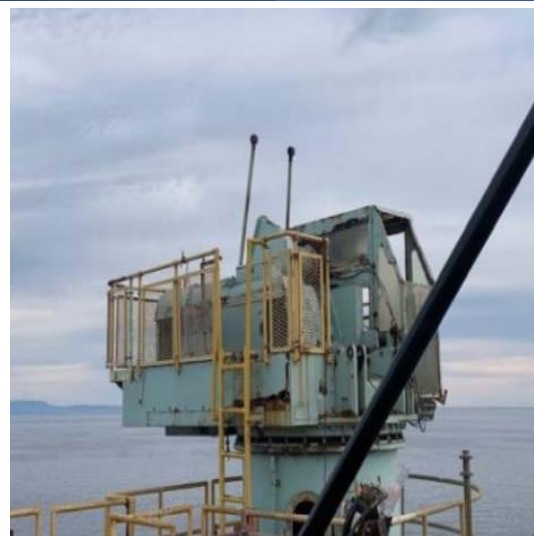
- Safety for personnel
(ex. decks with holes, but need operable crane to conduct repairs)
- Lifting heavy equipment and supplies was not feasible
- Structural engineering and supports required to safely install increasingly larger cranes
- Construction methods limited by capacity of crane
- Clutter obstructing crane and MM&P work needed to be removed (also requires cranes)
- Logistics to coordinate all components with limited capabilities and resources

All this work just to begin removal of the Unit 500 crane and install the refurbished one from Hogan

Rental cranes were disassembled and returned once the Unit 500 crane was installed.



Houchin Cranes – Unit 500 Removal

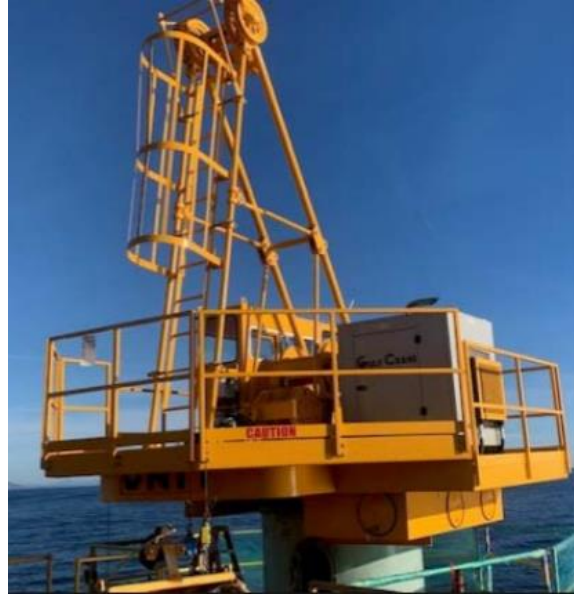


Houchin Cranes – Unit 500 Install

Crane removed from Hogan was sent to Louisiana and converted / refurbished and then installed on Houchin



Houchin Cranes – Unit 500 Install



Platforms Cranes Refurbishment

PART B – New Portable Crane - Procurement Activities

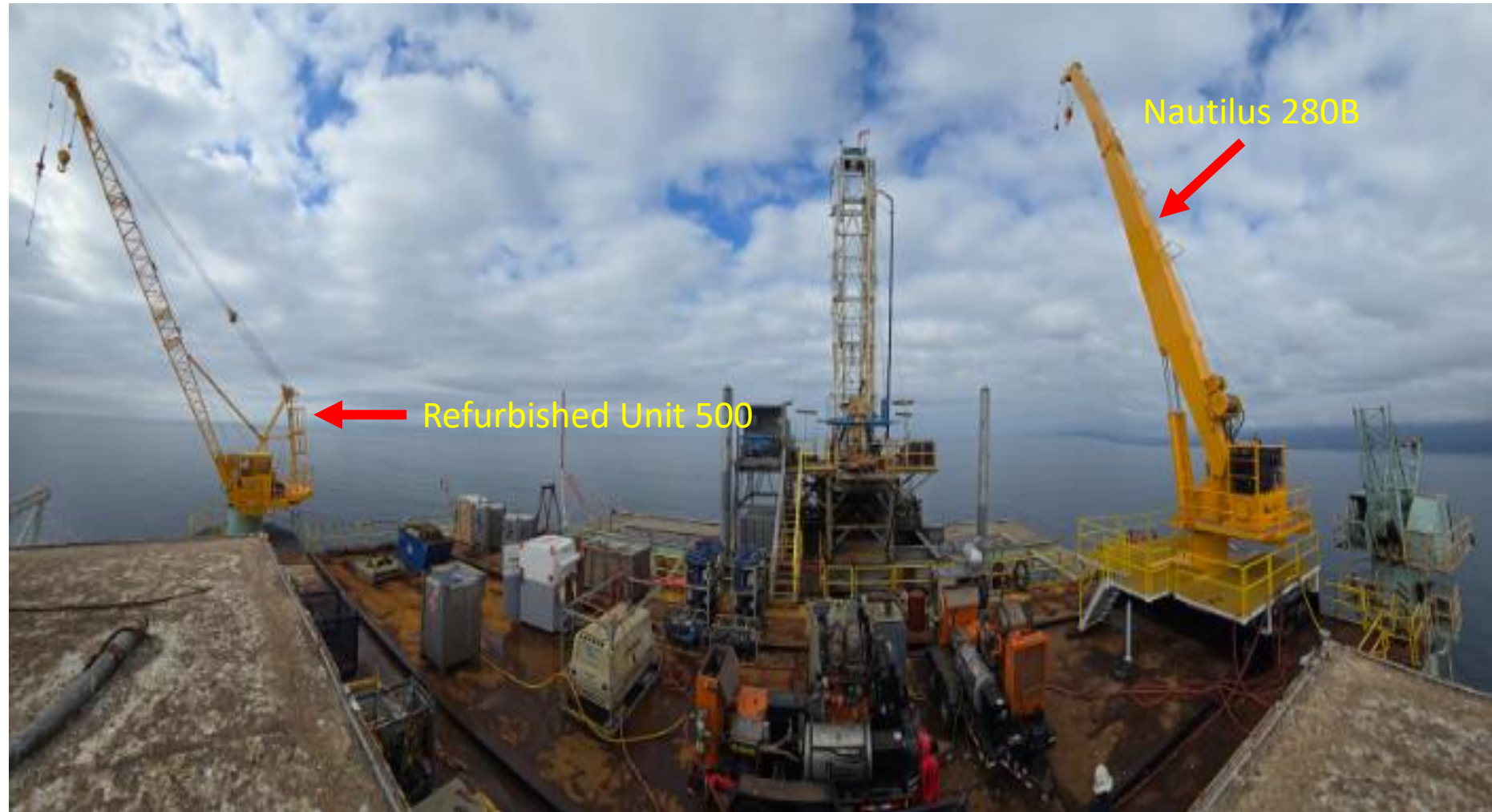
| Date | Activity |
|-------------|--|
| Q4 – 2021 | Completed initial design, engineering and specifications for 2 new cranes |
| Nov 2021 | Purchase orders issued for new crane (~2 year lead time) |
| Nov 2023 | Nautilus 280B Portable Crane installed on Hogan <ul style="list-style-type: none">• Unit 20,000 Crane required smaller crane to install larger crane |
| March 2024 | Refurbished Unit 20,000 crane installed on Hogan releasing Nautilus to go to Houchin |
| August 2024 | Nautilus 280B moved to Houchin and installed and skidded north. |

Houchin Crane - Nautilus 280B



Platform Houchin – Nautilus 280B & Unit 500 Cranes

- Unit 500 south crane continues to be maintained
- Nautilus 280B installed and commissioned on pipe rack skid rails
- Manitowoc north crane inoperable and planned to be removed



Work Accomplished in 2020 - 2024

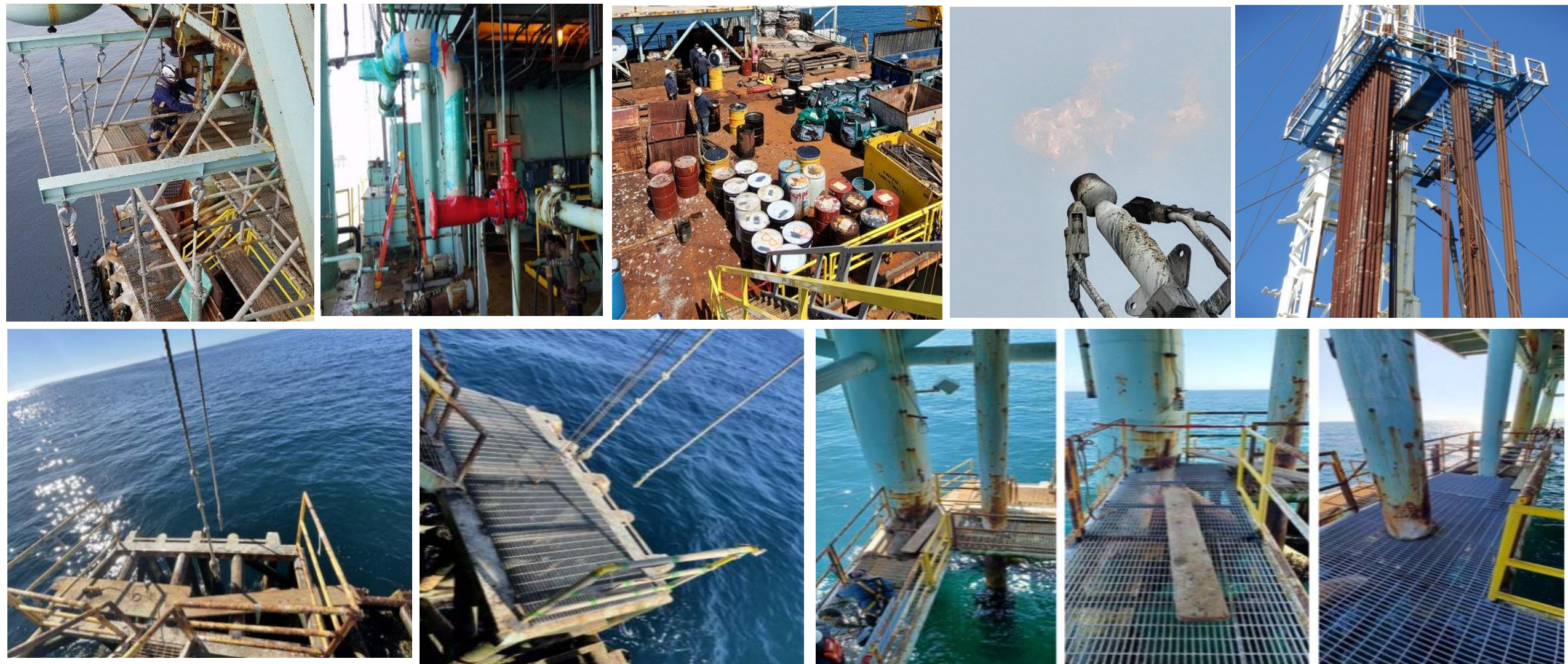
- No significant repairs/work could be completed without cranes
 - Jib crane, Unit 500 and Nautilus 280B Portable Crane
- Platform General Repairs (API Level 1 items)
 - Repair swing rope mechanisms
 - Repair handrails, large sections of decking and grating
 - Repair / replace access stairs - treads, structural members, handrails and improper mid-level landings
 - Miscellaneous structural items
 - Repairs to coating across all levels of the platform and equipment
- General Safety Systems - repairs where possible and replacement of others
- Platform Waste and Clutter Removal - enormous volumes (and more to come)

Work Accomplished 2020 - 2024 (cont.)

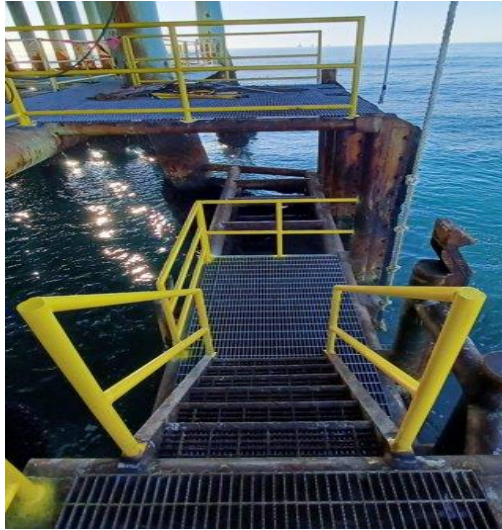
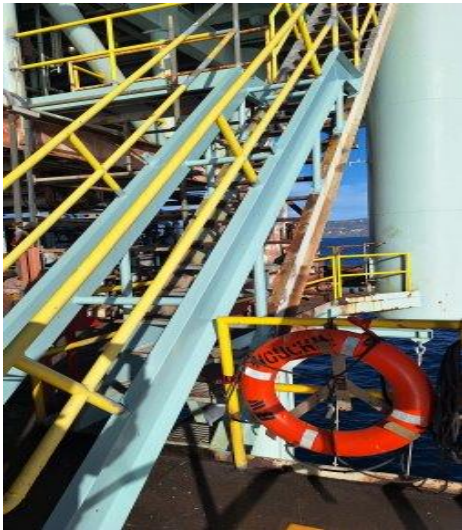
- Cathodic Protection - update and continue to maintain
- Review / Inspect wellheads and trees
- Wellhead gauge Installation – allows routine monitoring of well pressures
- Removal of wellbay grating including LBP
- Removal of tubulars standing in the old rig mast
- Rig removal and related clutter – more to be removed
- Intercom / Alarm Communications System design and install



Houchin MM&P Accomplishments 2021-2024



Houchin MM&P Accomplishments 2021-2024



Houchin MM&P Accomplishments (2021-2024)



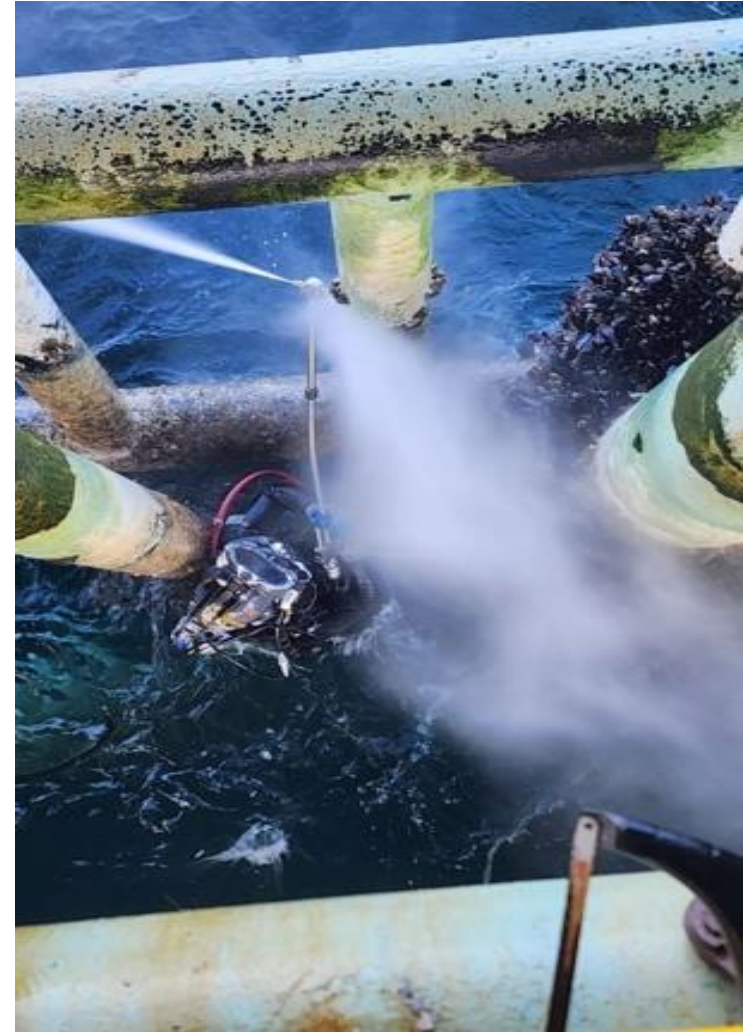
Completed Tasks During 2024-25 Variance Period

- Nautilus 280B portable crane installed and commissioned – facilitates completion of more significant work scopes required for P&A preparations
- Removal of marine growth from jacket legs using divers and performance of underwater structural inspection (>230 dives and 400 hours of dive time)
- Removed the dilapidated and unsafe rig, BOP, and substructure
- Started to repair and upgrade Houchin firewater and fire detection systems
- Ongoing repairs for platform decking, deck coating, grating, hatch covers, stairways, and railings
- Refurbished platform helideck to convert to a medivac hoisting location
- Began demolition of buildings and production equipment

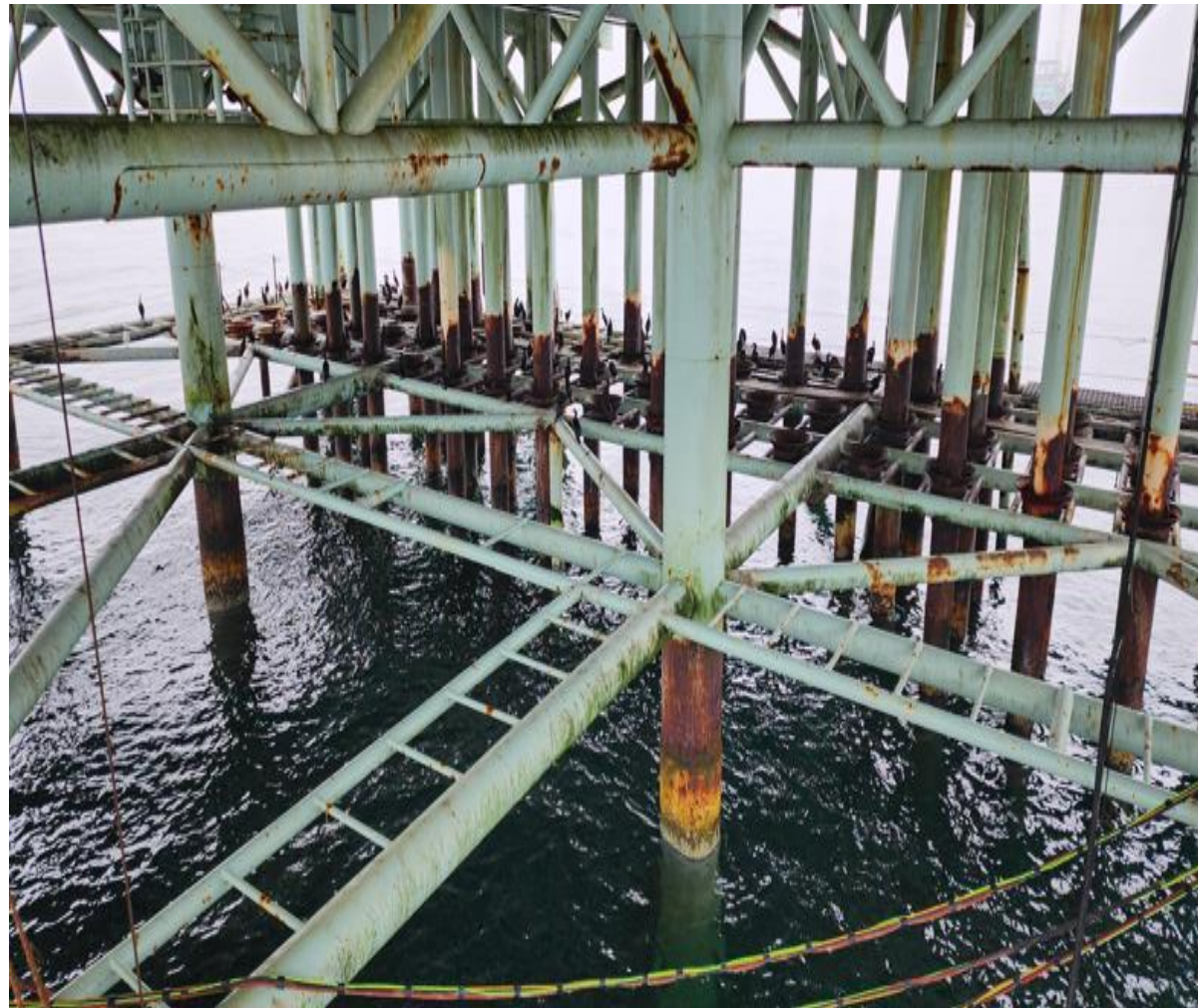
Completed Tasks During 2024-25 Variance Period

- Initiated flushing, purging, and cleaning of process vessels and equipment
- Quarterly Method 21 inspections continued to assess fugitive emission concentrations through variance period
- Continued well pressure monitoring
- Continued repair of wellhead fugitive emissions where safe to do so with the limited onboard equipment
- Completed well remediation analysis and evaluations

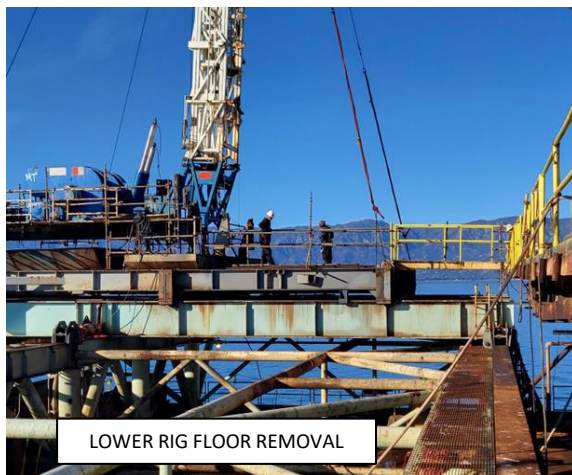
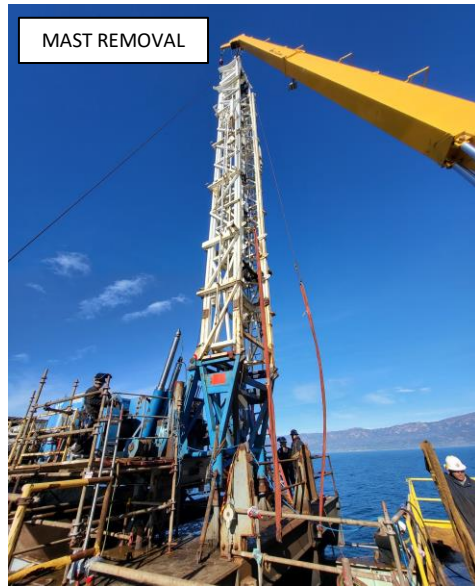
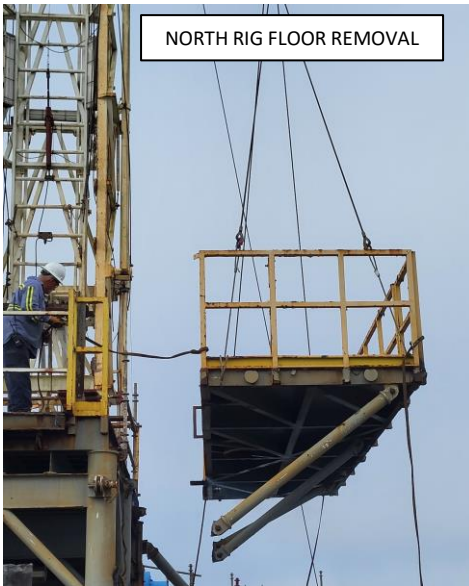
Platform Houchin – Marine Growth Removal



Platform Houchin – Marine Growth Removal



Houchin – Rig Demo & Removal



Houchin – Facility Refurbishment

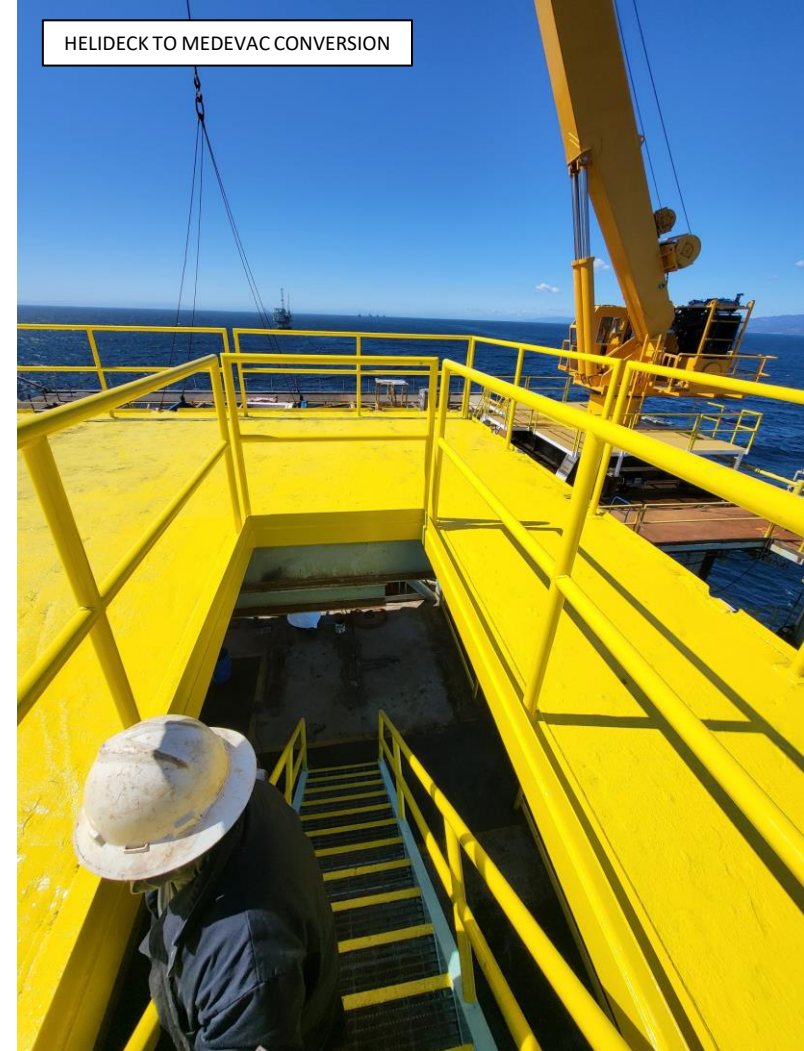
FIREWATER PUMP & PIPING INSTALL



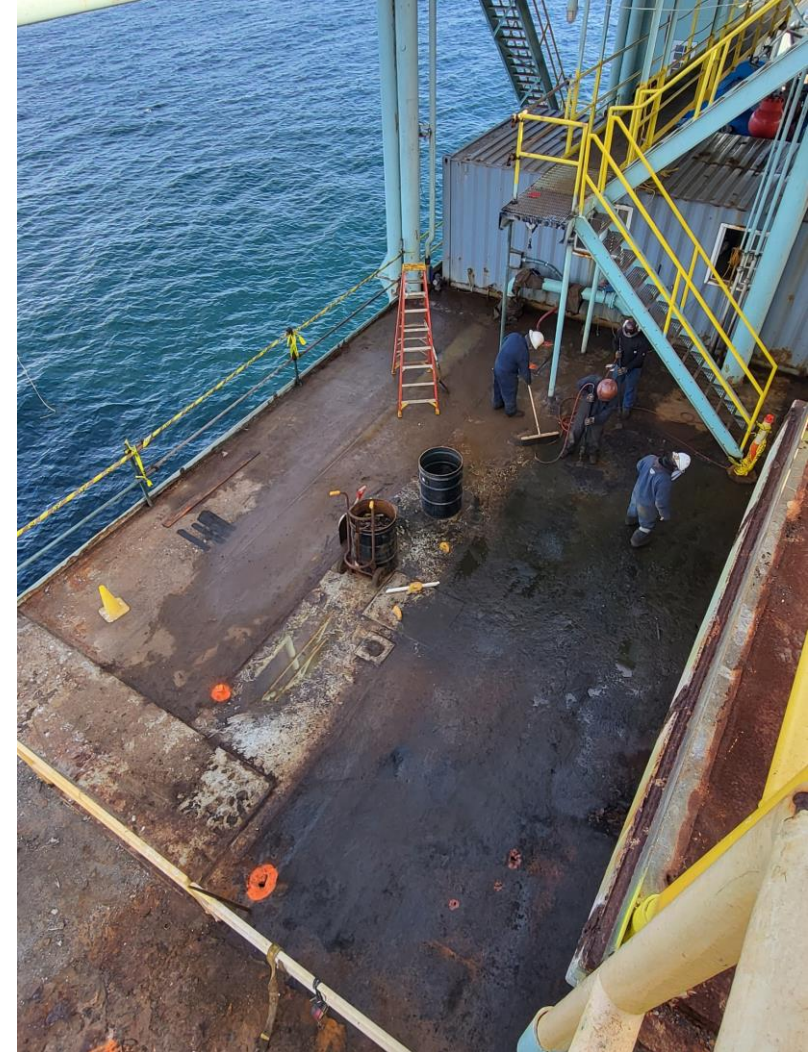
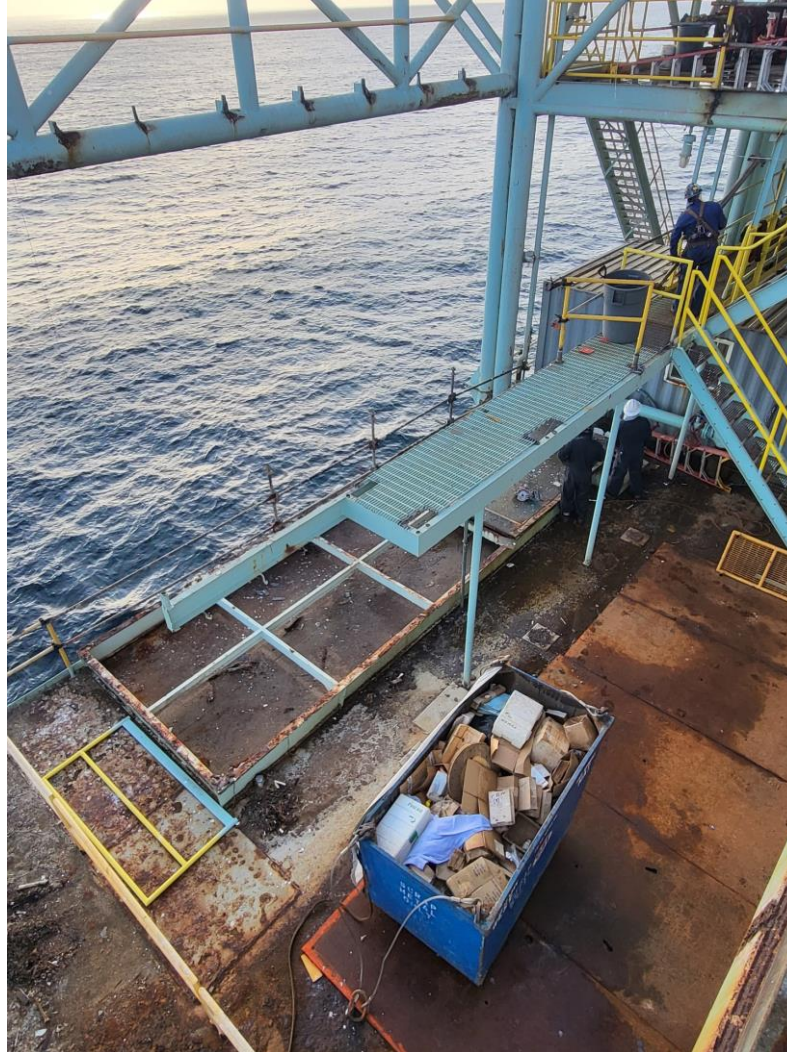
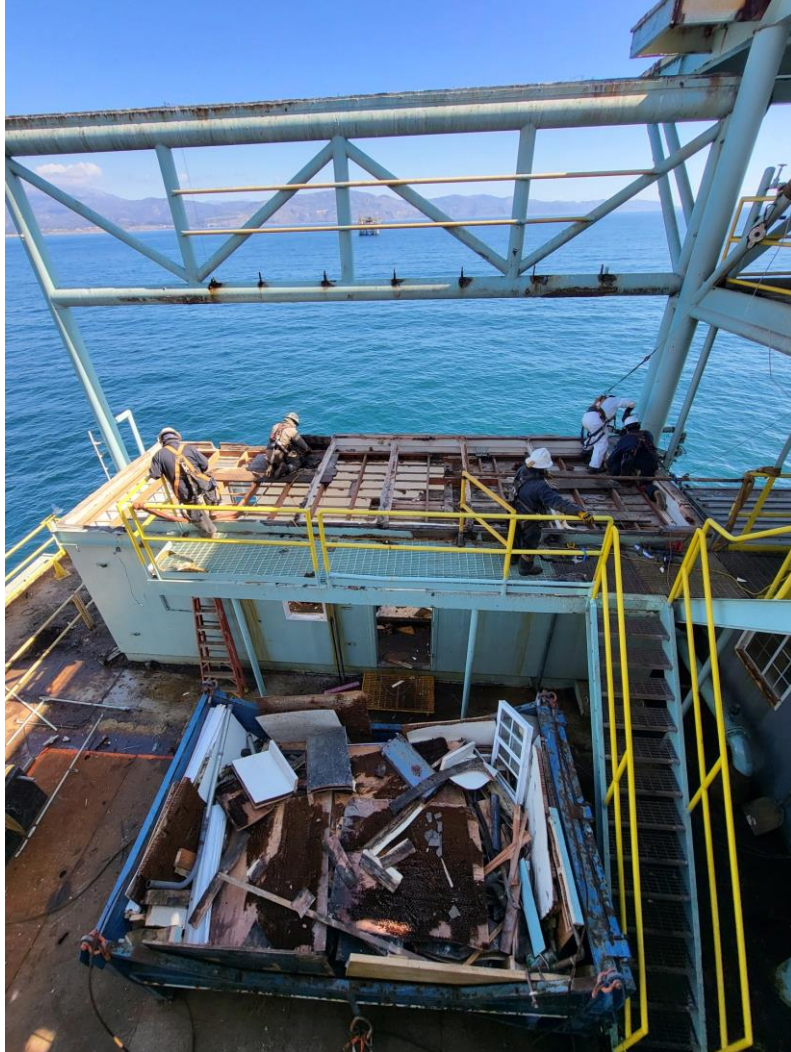
HELIDECK TO MEDEVAC CONVERSION



HELIDECK TO MEDEVAC CONVERSION



Houchin – Buildings Demolition

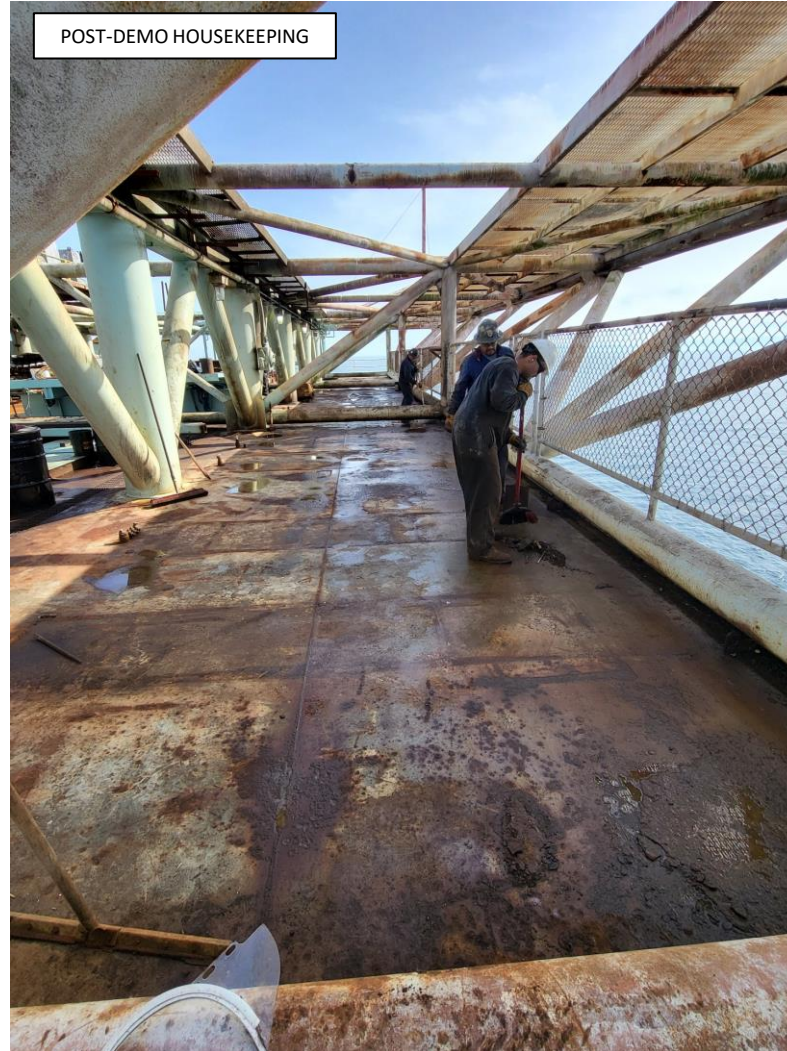


Houchin – Production Equipment Demolition

HYDRAULIC UNITS REMOVAL



POST-DEMO HOUSEKEEPING



BACKLOAD OF REMOVED EQUIPMENT



Current Facility & Equipment Status

- Continue to perform maintenance and monitoring activities
- Platform Houchin is permanently shut down, all wells shut-in, and no oil and gas production. These facilities will not produce oil and gas again.
- Pipelines to Hogan are isolated and filled with seawater
- All oil and gas production equipment and piping is out of service, isolated, and depressurized. Flushing and cleaning of residual hydrocarbons is in process.
- Quarterly Method 21 fugitive inspections ongoing to assess fugitive leaks

Current Facility & Equipment Status (cont.)

- Well pressure monitoring continues.
- Flare system remains in intermittent service. No venting of hydrocarbons.
- Platform stationary and portable (Nautilus 280B) cranes in operation.
- Ongoing Level 1 repairs and maintenance activities to prepare the platform for installation of rig and living quarters for P&A activities.
- Fugitive emissions from shut-in wells are monitored and documented. Repairs to minimize emissions are completed where possible.

Houchin in 2025



Variance Order Compliance Status

- During the current variance period (2024-25), 100% of the variance conditions have been complied with under Variance Order 2021-04-M4
- Compliance with all conditions and increments of progress to date.
- Order Recipients and their contractors “have invested extensive resources into the maintenance and restoration of the platform facilities under the Partial Stay Agreement, and the platform improvements have far exceeded the terms of the Partial Stay Agreement” (District Staff Report pp.3)
- “P&A activities on Platform Houchin cannot commence until the P&A is completed on Platform Hogan.” (District Staff Report pp. 4)

Planned Activities for Next Variance Period

- Quarterly Method 21 inspections to assess fugitive emission concentrations
- Well pressure monitoring and repair of fugitive emissions where safe to do so with limited onboard equipment, including incorporation of lessons learned from Hogan Operations
- Continue prep for installation of living quarters and rig, as well as P&A activities
- Complete firewater system / fire detection system repairs and upgrades
- Continue with Level I repairs for platform decking, coatings, grating replacement, hatch cover installation, stairways and railings
- Remove remaining inoperable rig components including mud pumps & SCR house
- Refurbish and repair emergency generator components and switching systems

Planned Activities for Next Variance Period (cont.)

- Remove clutter to provide room for well intervention equipment and tools.
- Install new potable water system.
- Install new marine sanitation system.
- Remove remaining dilapidated buildings to make space for living quarters.
- Engineer, design, and construct the structural, electrical and safety systems repairs and/or upgrades required for P&A activities
- Continually assess conditions and identify and execute any required repairs, replacements, maintenance activities

Proposed Increments of Progress

- Increments of progress identified in [the proposed] Variance Order 2021-04-M5 (District Staff Report pp.8):
 - Complete removal of remaining rig components by October 31, 2025
 - Remove Manitowoc from pedestal by November 30, 2025
 - Complete flushing, purging and cleaning of residual hydrocarbons to eliminate potential emission source locations by November 30, 2025
 - Define lighting requirements to support 24/7 operations and complete required repairs and upgrades by January 31, 2026
 - Complete all work necessary for platform to be physically capable of accepting rig by December 31, 2027
- Monthly reports to be provided on status of work and emission resolutions

Six Explicit Findings in Support of Variance

1. APPLICANT is unable to comply with district rule or HSC 41701 (Visible Emissions)
2. NONCOMPLIANCE due to CONDITIONS BEYOND APPLICANTS REASONABLE CONTROL and requiring compliance would result in UNREASONABLE TAKING OF PROPERTY or CLOSING OF BUSINESS.
3. SUCH TAKING is WITHOUT CORRESPONDING BENEFIT in reducing pollution.
4. APPLICANT confirms platforms are NON-OPERATIONAL.
5. APPLICANT will REDUCE EMISSIONS to maximum extent feasible.
6. APPLICANT will MONITOR and REPORT emissions.

Two Implicit Findings in support of Variance

1. Monitoring and maintenance activities under variance NOT a NUISANCE.
2. OTHER REQUIREMENTS to progress EXPEDITIOUS COMPLIANCE with emissions standards or increments of progress.

Response to District Findings

1. APPLICANT is not able to comply with district rule or HSC 41701 (Visible Emissions)

- District Rule 331.D, E and I (Fugitive Emissions Inspection and Maintenance)
- Sec D Requirements – General
- Sec E Requirements – Repair
- Sec I Requirements – Compliance Schedule

Response:

We confirm we are unable to comply with these permit conditions due to the current inability to safely complete work on well fugitive emissions.

P&A operations are planned to commence once safe to do so and after completion of P&A on platform Hogan.

Response to District Findings

1. APPLICANT is unable to comply with district rule or HSC 41701 (Visible Emissions) (Continued):

District Rule 206 (PTO 9109) & Permit Conditions

- 9.C.2.a, b(i) and b(ii) Fugitive Hydrocarbon Emissions Components
 - Emission Limits
 - Operational Limits

Response:

We confirm we are unable to comply with these permit conditions due to the current inability to safely complete work on well fugitive emissions.

P&A operations are planned to commence once safe to do so and after completion of P&A on platform Hogan.

Response to District Findings

2. NONCOMPLIANCE due to CONDITIONS BEYOND APPLICANTS REASONABLE CONTROL and requiring compliance would result in UNREASONABLE TAKING of PROPERTY or CLOSING of BUSINESS?

Response (from Petition):

- Effective and safe mitigation of the well head fugitive emissions cannot be addressed until the platform is physically prepared and has the necessary safety and other ancillary systems to support a comprehensive well intervention program. The platform is not currently in a state to safely support a well intervention program.
- Neither the petitioner nor the former Lease holders of Outer Continental Shelf Lands Act Lease P-0166 (“Lease”) are the owner or operator of the Lease wells, and a well intervention program to address well head fugitive emissions is not part of the terms of the Partial Stay Agreement. However, the petitioner plans to complete work required to support P&A activities.
- Neither the petitioner nor the former Lease holders is the current owner/operator of the platform. A taking of property (the permit) will only obstruct the continued progress to prepare the platform for a well intervention program.

Response to District Findings

3. SUCH TAKING is WITHOUT CORRESPONDING BENEFIT in reducing pollution.

Response:

- All platform oil & gas production has permanently ceased pending well intervention program and/or P&A.
- Without continued variance coverage, the petitioner would be forced to cease all maintenance and refurbishment activities necessary to support future well P&A. Without completion of this work, the petitioner would not be able to move forward with planned P&A activities.
- A taking would have no air pollution benefit; yet it would detrimentally impact the planned maintenance and refurbishment activities for the platform and may negate some or all the extensive completed repairs to the platform, as well as preventing commencement of P&A activities.
- Petitioners will proceed in a safe manner to protect worker safety and the environment.

Response to District Findings

4. APPLICANT CONSIDERED CURTAILING OPERATIONS IN LIEU OF VARIANCE.

Response:

- Curtailing operations is not applicable in this instance as the facility is permanently shutdown and will not resume production.
- All platform pollution source operations and equipment have been permanently taken out of service or curtailed to the extent possible.
- Ongoing activities are in preparation for a well intervention program and execution of P&A. P&A operations are planned to commence once a rig and appropriate equipment have been installed and regulatory approvals received.

Response to District Findings

5. APPLICANT will REDUCE EMISSIONS to maximum extent feasible.

Response:

- During the period the variance is in effect, emissions will continue to be reduced to the maximum extent feasible by removing, repairing, or replacing equipment as appropriate.
- The former Lease holders and their contractors are committed to continuing to apply the necessary resources for the continued restoration, maintenance and repair of the Houchin facilities to ensure safety and minimize emissions to the extent feasible.
- Although fugitive emissions remain, the petitioner will assess safe and technically feasible alternatives to address these ahead of a full P&A campaign, based on experience and lessons learned on Hogan platform.
- Applicant will continue to comply with all variance conditions.

Response to District Findings

6. APPLICANT will MONITOR and REPORT emissions

Response:

- Platform activities will continue to address compliance with District permitting procedures.
- Quarterly Method 21 monitoring will continue for fugitive leaks.
- Permitted emissions will continue to be reported semi-annually as required by PTO 9109

Two Implicit Findings

1. Monitoring and Maintenance activity under variance NOT a NUISANCE.

Response:

Cessation of oil and gas production, limited equipment operation and remote offshore location ensures no nuisance potential.

2. OTHER REQUIREMENTS to progress EXPEDITIOUS COMPLIANCE with emissions standards or increments of progress.

Response:

- The former Lease holders and their contractors have invested and continue to invest extensive resources into the maintenance and restoration of the Houchin facilities under the Partial Stay Agreement to reduce and mitigate emissions.
- Complete platform repairs and alterations necessary to support installation of rig and living quarters from Hogan.
- Complete 100% of well bay fugitive leak repairs within 2 years of rig and living quarter installations.

Conclusion

- Petitioner recognizes the legitimate concerns of the Hearing Board and District Staff, and takes those concerns very seriously. Petitioner intends to fully comply with all the District's legal requirements.
- Petitioner has fully cooperated with District Staff.
- Petitioner has performed work that far exceeds the terms of the Partial Stay Agreement to address and repair fugitive leaks.
- Petitioner has complied with 100% of the conditions and increments of progress to date in the current operative Variance Order 2021-04-M4.
- Petitioner will proceed in a safe manner and intends to complete all required preparations for P&A work on the wells through the Variance Period.

Q&A