



THE STATE  
of **ALASKA**

GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF OIL & GAS  
550 WEST 7<sup>TH</sup> AVENUE, SUITE 1100  
ANCHORAGE, ALASKA 99501-3563  
Main: 907.269-8800  
Fax: 907.269-8939

November 13, 2018

Oil and Gas Leases  
(See attached Exhibit A)

Assignor:

BP Exploration (Alaska) Inc.  
Attn: John Dittrich  
P.O. Box 196612  
Anchorage, AK 99519-6612

Assignee:

ConocoPhillips Alaska II, Inc.  
Attn: Dan M. Clark  
600 North Dairy Ashford Road  
Houston, TX 77079-1175

**DECISION**  
**Assignments Approved**

On July 17, 2018, BP Exploration (Alaska) Inc. (BPXA) applied to assign its interests in the oil and gas leases as set out in the attached Exhibit A (Assigned Leases) to ConocoPhillips Alaska II, Inc (CPAI II).

The applicants have represented to the Department of Natural Resources (DNR), Division of Oil and Gas (Division) the following:

- Effective July 1, 2018, BPXA and ConocoPhillips Alaska Inc (CPAI) entered into a Purchase and Sale Agreement (PSA) for the acquisition of BPXA's entire working interest in the Kuparuk River Unit and certain other non-unitized leases.
- CPAI II is a wholly-owned subsidiary of CPAI.
- CPAI assigned the PSA, and its associated rights and obligations to CPAI II on July 6, 2018.
- CPAI is the current operator of the Kuparuk River Unit and will remain the operator after closing. CPAI II will be a non-operator, working interest owner.
- CPAI and DNR have entered into a Guaranty Agreement (GA), dated November 8, 2018 and effective July 1, 2018.

Some of the Assigned Leases are undivided interest. Under 11 AAC 82.605(c), the Commissioner will approve a transfer of an undivided interest in a lease unless the Commissioner makes a written finding that the transfer would adversely affect the interests of the state. The other Assigned Leases are divided interests. Under 11 AAC 82.605(d), the Commissioner will disapprove a transfer of a divided interest in a lease unless the Commissioner makes a written finding that the transfer would not adversely affect the interests of the state.

The state's interest includes developing the state's oil and gas resources to maximize economic and physical recovery, maximize competition, and maximize use of Alaska's human resources (AS 38.05.180(a)(1)). The state's best interest is also advanced by encouraging assessment of Alaska's oil and gas resources while minimizing the adverse impacts of exploration, development, production, or transportation activities (AS 38.05.180(a)(2)).

CPAI has agreed to certain conditions, as set out in the GA, that irrevocably and unconditionally guarantee to DNR the full, complete, and timely payment and performance of all duties, liabilities and obligations of CPAI II, now or hereafter existing under the Assigned Leases, the Kuparuk River Unit Agreement, applicable statutes and regulations, and related authorizations and approvals that are currently or may in the future be issued by DNR to CPAI II.

Under 11 AAC 82.605, I find that approving the assignments of the Assigned Leases will not adversely affect the interests of the state and hereby approve the assignments, with an effective date of July 1, 2018. The assignment approval is subject to the "ConocoPhillips Alaska Inc. Guaranty Agreement, dated November 8, 2018, between ConocoPhillips Alaska Inc. and the State of Alaska, Department of Natural Resources".

The Division will place one original copy of the assignments in each lease case file and will return one original copy to both the assignor and the assignee.

An eligible person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d), include the appropriate fee, and may be mailed or delivered to Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918; or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). This decision takes effect immediately. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Because the Division does not record assignments, you may want to record these assignments in the appropriate recording district. Please visit the State Recorder's Office website at <http://dnr.alaska.gov/ssd/recoff/default.cfm> or call (907) 269-8400 for recording requirements and fees.

Sincerely,



Chantal Walsh  
Director

Exhibit A

ADL	Segment	ADL	Segment	ADL	Segment	ADL	Segment
25512	1	25608	A	25651	A	355024	1
25513	1	25608	1	25651	1	355030	1
25519	1	25627	1	25652	1	355032	1
25520	1	25628	1	25653	1	365501	1
25521	1	25629	1	25654	1	373112	1
25522	1	25630	1	25655	1	373301	1
25523	1	25631	1	25656	1	375074	1
25524	1	25632	1	25657	1	375075	1
25528	1	25633	1	25658	1	375108	1
25531	1	25634	1	25659	1	380051	1
25532	1	25635	1	25660	A	380052	1
25544	1	25636	A	25660	1	380053	1
25546	1	25636	1	25661	A	380054	1
25547	1	25637	A	25661	1	380058	A
25548	1	25637	2	25662	A	380058	1
25549	1	25638	A	25662	1	380106	1
25551	1	25638	1	25663	A	380107	1
25568	1	25639	A	25663	1	385172	A
25569	1	25639	1	25664	1	385172	1
25570	1	25640	1	25665	1	389058	1
25571	1	25641	1	25666	1	390503	1
25585	1	25642	1	25667	1	390705	A
25586	1	25643	1	25668	1	390705	1
25587	1	25644	1	25670	1	390982	1
25588	1	25645	1	25671	1	390983	1
25589	1	25646	1	28242	A	390984	1
25590	1	25647	1	28242	1	392364	1
25603	1	25648	A	28243	A	392367	1
25604	1	25648	1	28243	1	392371	1
25605	1	25649	A	28244	1	392374	1
25607	A	25649	1	28248	A	392952	1
25607	1	25650	A	28248	1	47449	A
		25650	1	355023	1	47449	2