

**EXHIBIT A
STIPULATIONS**

**ADL 419237
POLAR LNG PIPELINE
RIGHT-OF-WAY LEASE**

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1. GENERAL

1.1 Responsibilities

1.1.1 Except where the approval of the Pipeline Coordinator is required before the Lessee may commence a particular operation, neither the State nor any of its agents or employees is in any way obligated to examine or review any plan, design, specification, or other document which may be filed with the Pipeline Coordinator by the Lessee pursuant to these Stipulations.

1.1.2 The absence of any comment by the Pipeline Coordinator or any other agent or employee or Contractor of the State with respect to any plan, design, specification, or other document which may be filed by the Lessee with the Pipeline Coordinator shall not be deemed to represent in any way whatever, assent to, approval of, acceptance of, or concurrence in such plan, design, specification, or other document or of any action proposed therein.

1.2 Pipeline Activities Plan

1.2.1 The Lessee shall not initiate any Pipeline Activities, unless otherwise authorized in writing by the Pipeline Coordinator pursuant to Stipulation 1.5, until a Pipeline Activities plan is reviewed and accepted by the Pipeline Coordinator.

1.2.2 The Lessee shall submit a Pipeline Activities plan that includes, unless otherwise agreed to by the Pipeline Coordinator:

- a. Construction and Operation schedules;
- b. spatial data depicting the boundaries of the construction zone and alignment of the pipeline;
- c. groundwater control;
- d. erosion and sediment control;
- e. runoff or other potential impacts to vegetation;
- f. proposed stockpiles or disposal areas;
- g. Hazardous Substances control, cleanup and disposal;

- h. safety and hazard preventions;
- i. sanitation and waste disposal;
- j. public awareness and traffic management;
- k. fire prevention and response;
- l. emergency preparedness;
- m. site rehabilitation plans; and
- n. description of the hydrology.

1.3 Quality Management Program

- 1.3.1 The Lessee (including its agents, employees, Contractors, and the employees of each of them) shall comply with the approved Quality Management Program during Pipeline Activities. Any amendments to the Quality Management Program must be approved by the Pipeline Coordinator prior to the amendment being implemented.

1.4 Other Data As Requested

- 1.4.1 The Lessee shall submit to the Pipeline Coordinator such other data relevant to Pipeline Activities as may be requested by the Pipeline Coordinator.

1.5 Written Authorizations

- 1.5.1 The Pipeline Coordinator may require a Written Authorization for a major activity or significant modification to the Pipeline. Required information shall be project-specific and provided to the Lessee in writing.
- 1.5.2 Once all project information is received from the Lessee, the Pipeline Coordinator shall have up to thirty (30) days for review of each complete request, unless the Pipeline Coordinator states, in written notice, that more time is needed.
- 1.5.3 Any Written Authorization may contain site-specific terms and conditions as deemed necessary by the Pipeline Coordinator.

1.6 Surveillance

- 1.6.1 The Lessee shall develop and submit a surveillance program to detect and abate situations that endanger health, safety, the environment, or the integrity of the Pipeline. The surveillance program shall be approved by the Pipeline Coordinator prior to Natural Gas being transported through the Pipeline.

1.7 Reporting

- 1.7.1 The Pipeline Coordinator may require additional notice of events or incidents. The Pipeline Coordinator shall give the Lessee written notice of such reporting requirements.

- 1.7.2 The Lessee shall provide a comprehensive annual report by March 1 of each year this Lease is in effect beginning after the first Lease Anniversary Date unless notified otherwise by the Pipeline Coordinator. The Pipeline Coordinator shall provide a written description of the annual reporting requirements.

1.8 Completion of Use

- 1.8.1 Upon completion of use of all, or a very substantial part, of the Leasehold, the Lessee shall promptly remove all improvements and equipment, except as otherwise approved by the Pipeline Coordinator, and shall restore the Leasehold to a condition that is approved in writing by the Pipeline Coordinator or, at the option of the Lessee, pay the cost of such removal and Restoration. Where approved by the Pipeline Coordinator, buried pipe may be left in place provided all residue is removed from the pipe and the ends are suitably capped.
- 1.8.2 All areas that do not constitute all, or a very substantial part of the Leasehold, or other portion of the Pipeline, utilized pursuant to authorizations issued in connection with the Pipeline, shall be "put-to-bed" by the Lessee upon completion of use unless otherwise directed by the Pipeline Coordinator. "Put-to-bed" is used herein to mean that access roads, material sites, and other areas shall be left in such stabilized condition that erosion shall be minimized through the use of adequately designed and constructed waterbars, Revegetation, and chemical surface control; that culverts and bridges shall be removed by the Lessee in a manner satisfactory to the Pipeline Coordinator; and that access roads, sites and areas shall be closed to use. The Lessee's Restoration and Revegetation plans shall be approved by the Pipeline Coordinator prior to Termination of use of any access road, or any part thereof.

1.9 Changes in Condition

- 1.9.1 Unforeseen conditions arising during Pipeline Activities may make it necessary to revise or amend these Stipulations to control or prevent damage to the environment or hazards to public health and safety. In that event, the Lessee and the Pipeline Coordinator shall agree as to what revisions or amendments shall be made.

1.10 Public Access

- 1.10.1 The Lessee shall regulate or temporarily prohibit public access and vehicular traffic on roads on State Land, which are not managed or owned by the Alaska Department of Transportation and Public Facilities, as required for activities in the immediate vicinity of the Pipeline and Related Facilities. The Lessee shall provide appropriate warnings, flagging, barricades, and other safety measures when the Lessee is regulating public access.
- 1.10.2 Pipeline Activities shall not interfere with the public's free and unrestricted access to and upon the Leasehold, except that, with the Pipeline Coordinator's approval, the Lessee shall regulate or limit access, including vehicular traffic, to and upon the Leasehold to the extent necessary to facilitate Pipeline Activities, maintain Pipeline integrity, or to protect the public and wildlife from hazards associated with Pipeline Activities.
- 1.10.3 The Lessee shall make provisions for suitable permanent crossings for the public where the Leasehold or access roads cross existing roads, foot trails, winter trails, easements or other rights-of-way, unless otherwise authorized by the Pipeline Coordinator.

1.11 Health and Safety

1.11.1 The Lessee shall take all measures necessary to protect the health and safety of all Persons affected by Pipeline Activities and shall immediately abate any health or safety hazards.

1.12 Protection of Survey Monuments

1.12.1 The Lessee shall mark and protect all survey monuments encountered during Pipeline Activities. These monuments are not to be disturbed; however, if a disturbance of a monument, or any of its accessories, becomes necessary, the Lessee shall contact the survey section of the Division of Mining Land and Water for current information on the policies regulating the implementation of "Records of Monument" (AS 34.65.040).

1.12.2 A written report to the Pipeline Coordinator shall be made by the Lessee in the event that any monuments or accessories are inadvertently damaged.

1.13 Protection of Cultural Resources

1.13.1 The Lessee shall take affirmative responsibility to require its agents, employees, and Contractors to protect cultural resources while conducting Pipeline Activities.

1.13.2 Should any sites or suspected sites be discovered during the course of Pipeline Activities, the activities that may disturb or damage the site shall cease. The State of Alaska Office of History and Archaeology and the North Slope Borough shall be notified immediately.

1.14 Off Right-of-Way Traffic

1.14.1 The Lessee shall not operate mobile ground equipment off the Leasehold, access roads, State highways, or authorized areas, unless approved by the Pipeline Coordinator or when necessary to prevent harm to any Person.

2. ENVIRONMENTAL

2.1 Environmental Briefings

2.1.1 The Lessee shall develop and provide environmental briefings for supervisory and field personnel and Field Representatives. The briefings shall communicate, at a minimum, Lease and environmental permit requirements.

2.2 Fish and Wildlife Protection

2.2.1 The Pipeline Coordinator may require additional measures necessary for the protection of fish and wildlife resources.

3. TECHNICAL

3.1 General

3.1.1 All methods employed in design or employed during Pipeline Activities shall be in accordance with sound engineering practice and shall meet or exceed the applicable federal, state and local

requirements and regulations, in particular the U.S. Department of Transportation Regulations 49 CFR, Parts 191, 192 and 199.

- 3.1.2 Requirements in addition to those set forth in the above minimum standards may be imposed by the Pipeline Coordinator as reasonably necessary to reflect the impact of arctic environment or other specialized situations. The Pipeline Coordinator shall make every effort to identify such additional requirements during the design phase.

3.2 Maintenance Program

- 3.2.1 The Lessee shall submit a maintenance program to detect and abate situations that endanger health, safety, the environment, or the integrity of the Pipeline. The maintenance program shall include a system to document a complete and up-to-date record on major maintenance activities. The program must be submitted to the Pipeline Coordinator for review and acceptance no less than thirty days prior to operational startup.

3.3 Design Basis and Criteria

- 3.3.1 The Lessee shall develop a Design Basis and Criteria document for acceptance by the Pipeline Coordinator prior to initiating any Pipeline Activities, in accordance with Stipulations 1.2 and 1.5. The document shall follow the Pipeline Coordinator's standard format modified to encompass the specific characteristics of the project. After acceptance, any modifications to the contents of the Design Basis and Criteria must be accepted by the Pipeline Coordinator.

3.4 Technical Record Keeping

- 3.4.1 Critical drawings and technical documents shall be kept up-to-date. Changes to the Pipeline will be documented by final drawings of record, with engineering seals in accordance with State statutes, regulations and administrative codes.

3.5 Electronics and Communications

- 3.5.1 The Lessee shall screen, filter, or otherwise suppress any electronically operated devices installed which are capable of producing electromagnetic interference radiations so that such devices shall not unreasonably interfere with the functioning of the Pipeline communication or automation systems.
- 3.5.2 Structures shall not interfere with radiation patterns of existing point-to-point terrestrial communication systems or navigational aids.
- 3.5.3 The Pipeline shall have a fully functioning and reliable control system.

3.6 Corrosion

- 3.6.1 The Lessee shall conform to corrosion protection and mitigation practices in accordance with 49 CFR, Part 192, good engineering practices, standard North Slope design and good industry practices.

3.7 Road Crossings

- 3.7.1 The original ground surface below road crossings shall be thermally protected by insulation.

- 3.7.2 The buried pipeline section and/or casing will be designed and constructed per API 1102 and 49 CFR 192. The buried pipeline section and/or casing will be designed and constructed per DOT/PF requirements at public roads.
- 3.7.3 Cased road crossings shall be electrically isolated between the casing and the pipeline at all locations.
- 3.7.4 Road casings and nearby drainage will be designed to prevent water flow through the casing.
- 3.7.5 Road casings will be designed and maintained in such a way as to not damage or cause deterioration of the condition of nearby road crossings.

3.8 Surface Disturbance and Access Roads

- 3.8.1 All Pipeline Activities shall be conducted to minimize surface modifications. These activities shall be planned and executed in such a way that the resulting surface disturbance or alteration of permafrost shall not jeopardize Pipeline integrity or the surrounding environment.
- 3.8.2 Construction of ice ramps, ice work pads, protective work mats, or any other method to protect the ground surface shall be approved by the Pipeline Coordinator. Approvals shall be obtained during all Pipeline Activities.
- 3.8.3 Permanent and temporary work pads shall be designed and constructed to protect the ground surface and prevent thermal degradation of permafrost.

3.9 Hydrological

- 3.9.1 Culverts or similar structures shall be designed at a minimum to accommodate a fifty (50) year flood and (on public roads) be designed in accordance with criteria established by the American Association of State Highway and Transportation Officials and the Federal Highway Administration, and in accordance with the DOT/PF Alaska Highway Drainage Manual.
- 3.9.2 Where practicable, pipeline routes will avoid placement of Vertical Support Members (VSMs) in lakes. If placement in lakes is necessary, the additional length of the active layer will be evaluated and included in the design.