

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

11TH FLOOR, STATE OFFICE BLDG.
POUCH M - JUNEAU 99811

June 24, 1981

Mr. F. G. Turpin, President
Alyeska Pipeline Service Company
1835 South Bragaw Street
Anchorage, Alaska 99512

Dear Mr. Turpin:

This letter is in response to Alyeska letter number 80-1882-G dated July 30, 1980, and subsequent discussions between your attorney, representatives of the Attorney General's Office, and members of my staff concerning modification of the TAPS Right-of-Way Boundaries (as existed during construction) to be modified in such a way as will result in the Lessees retaining only the Right-of-Way for Related Facilities described in the Lease, and a Right-of-Way along the pipeline not exceeding 100 feet in width with the centerline of the line of pipe and Right-of-Way being the same unless the Right-of-Way is expanded in the manner provided in the Lease. A review of subsequent correspondence and documentation suggests that an amendment to Section 1.d.(ii) of the Lease Agreement is necessary and appropriate before the "Modification of Right-of-Way Boundaries" requested can be approved and the Related Facility areas be finalized.

Therefore, under the authority of AS 38.05. et. seq., I propose to amend Section 1.d.(ii) of the Right-of-Way Lease Agreement to read as follows:

"(ii) After completion of construction of the Pipeline within a particular Mapping Segment, the land subject to the Right-of-Way shall be (1) 400 feet in width along the line of pipe across State Land, except that in locations where the line of pipe enters or crosses any river, river bed or flood plain, the width of the Right-of-Way shall be 600 feet in width within an area bounded by parallel lines on each side of and 1,000 feet from the centerline of the particular river, the centerline of the pipe being also the centerline of the 400 and 600 foot Rights-of-Way, and (2) the sites for Related Facilities described in Exhibit "D". Following the commissioning of the pipeline and as soon as practical thereafter, Lessees shall release all interest(s) in such portions of the above established Right-of-Way

F.G. Turpin, President
Alyeska Pipeline Service Co.

June 24, 1981

as will result in Lessees retaining no more than (1) the Right-of-Way for Related Facilities described in Exhibit "D" and (2) the Right-of-Way along the lines of pipe not exceeding 100 feet in width as located by Lessees, except that at such locations where Lessees request authority from the Commissioner to retain a wider Right-of-Way and the Commissioner has found and recorded the reasons for his finding that in his judgment a wider Right-of-Way is necessary for the operation and maintenance of the Pipeline after construction and/or that a wider Right-of-Way is necessary to protect the environment or public safety, the width of the Right-of-Way which Lessees retain may exceed the 100 feet in width in accordance with the Commissioner's finding. Approval by the Commissioner of filing(s) by Lessees requesting a final Right-of-Way width and Right-of-Way for Related Facilities and acceptance of such approval by Lessees shall operate as a release of all interests of Lessees in all lands not included in the final Right-of-Way for the Pipeline and Related Facilities."

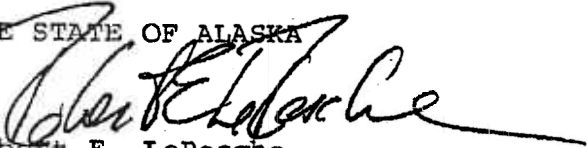
In addition, Subparagraph e of Section 1 is amended to read as follows:

"Lessees shall survey and provide adequate monumentation as the Commissioner may require to locate and describe the Right-of-Way and the Lessees shall file: (i) proof of construction of the Pipeline in accordance with the provisions of this Lease and the applicable regulations of the Department of Natural Resources; and (ii) a map, or maps or survey, approved by the Commissioner, showing the final "as built" location of the completed Pipeline, including the final locations of all buried and above-ground improvements, all to be referenced to the boundaries of the Right-of-Way as definitely located."

I request that you notify me if you accept the above amendment at your earliest convenience. The above amendment will become effective immediately upon acceptance indicated by signature below. This letter amendment may be executed in counterpart. It will be appreciated if I am furnished one executed copy of each counterpart. To assist in accomplishing that, I enclose sixteen executed copies.

Sincerely,

THE STATE OF ALASKA


Robert E. LeResche
Commissioner of Natural Resources

ACCEPTED BY LESSEES:

AMERADA HESS PIPELINE CORPORATION

By: Michael J. Stoptela Date: 12/14/81
Title: PRES.

ARCO PIPE LINE COMPANY

By: _____ Date: _____
Title: _____

BP PIPELINES INC.

By: _____ Date: _____
Title: _____

EXXON PIPELINE COMPANY

By: _____ Date: _____
Title: _____

MOBIL ALASKA PIPELINE COMPANY

By: _____ Date: _____
Title: _____

PHILLIPS ALASKA PIPELINE CORPORATION

By: _____ Date: _____
Title: _____

SOHIO PIPE LINE COMPANY

By: _____ Date: _____

Title: _____

UNION ALASKA PIPELINE COMPANY

By: _____ Date: _____

Title: _____