

KUPARUK RIVER UNIT

APPROVAL of the
THIRD EXPANSION OF THE WEST SAK PARTICIPATING AREA

Findings and Decision of the Director
of the Division of Oil and Gas
Under a Delegation of Authority
from the Commissioner of the State of Alaska
Department of Natural Resources

December 7, 2015

TABLE OF CONTENTS

I. INTRODUCTION AND DECISION SUMMARY 3

II. APPLICATION AND LEASE SUMMARY 3

 Table 1. Leases Proposed for WSPA Expansion Area..... 4

III. DISCUSSION OF DECISION CRITERIA 5

 A. Decision Criteria Considered Under 11 AAC 83.303(b)..... 5

 1. Environmental Costs and Benefits of Unitized Exploration and Development 5

 2. Geological and Engineering Characteristics, Prior Exploration, and Development Activities in the Proposed Expanded WSPA 5

 3. Plans of Development for the Expansion Area..... 8

 4. The Economic Costs and Benefits to the State and Other Relevant Factors 8

 B. Decision Criteria Considered Under 11 AAC 83.303(a) 8

 1. Promote Conservation of All Natural Resources..... 8

 2. Prevent Economic and Physical Waste..... 9

 3. Protect All Parties of Interest, Including the State..... 9

IV. FINDINGS AND DECISION 10

 A. The Conservation of All Natural Resources 10

 B. The Prevention of Economic and Physical Waste 11

 C. The Protection of All Parties in Interest, Including the State 11

V. ATTACHMENTS 12

 ATTACHMENT ONE: KRU WSPA, Proposed and Approved Exhibit C for the 3rd Expansion WSPA 13

 ATTACHMENT TWO: KRU WSPA, Proposed and Approved Exhibit D for the 3rd Expansion WSPA..... 17

I. INTRODUCTION AND DECISION SUMMARY

The State of Alaska (State), Department of Natural Resources (DNR), Division of Oil and Gas (Division), approved the Kuparuk River Unit (KRU) effective March 26, 1982. The approval was subsequently made retroactive to December 1, 1981. The Division approved the West Sak Participating Area (WSPA) effective December 1, 1997. This is the third expansion of the WSPA

On May 21, 2015, ConocoPhillips Alaska, Inc. (CPAI), as Kuparuk River Unit (KRU) Operator, submitted an application for the 3rd Expansion of the KRU WSPA (Application). The proposed WSPA expansion area covers approximately 5,805 acres.

A participating area “may include only the land reasonably known to be underlain by hydrocarbons and known or reasonably estimated through use of geological, geophysical, or engineering data to be capable of producing or contributing to the production of hydrocarbons in paying quantities.” 11 AAC 83.351(a). CPAI submitted confidential and public information in the Application. The confidential economic, geological, geophysical, and engineering data support the Application and indicate that the acreage proposed for inclusion in the WSPA is producing or contributing to production of hydrocarbons in paying quantities, or is reasonably estimated to be capable of producing or contributing to production of hydrocarbons in paying quantities.

The Division finds that the expansion of the WSPA promotes conservation of all natural resources, promotes the prevention of economic and physical waste, and provides for the protection of all parties of interest, including the State. AS 38.05.180(p); 11 AAC 83.303. I approve the Application under the terms and conditions of Section IV. The effective date of the 3rd Expansion of the WSPA is retroactive to June 1, 2015.

II. APPLICATION AND LEASE SUMMARY

In 1997, the Division approved the formation of the WSPA upon joint application by ARCO Alaska, Inc. and BP Exploration (Alaska) Inc. Through mergers and acquisitions between 1999 and 2002, ConocoPhillips became the operator of the KRU. The WSPA originally contained 12 leases, but production was allocated only to ADL 25650 (Drillsite 1D). The Division allowed the entire area to be included in the WSPA but required CPAI to revise the tract allocation schedule from time to time as more wells were drilled and brought into operation from the tracts or drilling blocks. As of 2004, the WSPA included 12 leases and production was allocated to six of the leases. On October 7, 2004, CPAI applied to revise the WSPA, contracting some areas and expanding others. The application was approved on December 17, 2004, effective November 1, 2004. On April 9, 2007, CPAI filed an application to expand the WSPA to include four additional leases. The application was approved on July 27, 2007, with an effective date of June 1, 2007.

In its current Application, CPAI requests expansion of the WSPA to include all or portions of eight leases: ADLs 25637, 25636, 25639, 25638, 47449, 28242, 25649, and 28243. The Application includes Exhibit C (Attachment 1), legally describing the proposed expanded

participating area, its leases, tract allocations and ownership interests; and Exhibit D (Attachment 2), a map of the proposed expanded participating area.

The Application contained confidential geologic, geophysical, engineering and economic data in support of the expansion. The Division determined that the information submitted with the Application was not sufficient to consider approval under the criteria of 11 AAC 83.351(c) and 11 AAC 83.371(a). On June 1, 2015, the Division requested additional information and CPAI supplied the requested information on June 30, 2015. The Division found the supplemental information sufficient to consider the Application.

Table 1 below displays the unit tract numbers, lease numbers, legal descriptions, and acreage for the proposed WSPA expansion area. All of the leases have a 12.5% royalty rate to the State. Ownership of all of the leases proposed for the expansion is aligned as follows:

ConocoPhillips Alaska, Inc.	52.224680%
BP Exploration (Alaska) Inc.	37.024720%
Union Oil Company of California	4.950600%
ExxonMobil Alaska Production, Inc.	5.800000 %

Table 1. Leases Proposed for WSPA Expansion Area

Unit Tract	Lease	Legal Description	Expanded WSPA Acres
18	ADL25637	T12N, R10E, Umiat Meridian, Alaska, Sec. 23: SW4	160
19	ADL25636	T12N, R10E, UM, Alaska, Sec. 22, S2; Sec. 21, SE4	480
34	ADL25639	T12N, R10E, UM, Alaska, Sec. 27, All; Sec. 28, E2; Sec. 33, E2, Sec. 34, N2 and SW4	1760
35	ADL25638	T12N, R10E, UM, Alaska, Sec. 26, W2 and SE4; Sec. 35, N2 and E2 of SE4; Sec. 36, W2 and SE4	1360
36	ADL47449	T12N, R11E, UM, Alaska, Sec. 31, SW4	135.7
37	ADL28242	T11N, R11E, UM, Alaska, Sec. 6, W2; Sec. 7, W2	549.3
38	ADL25649	T11N, R10E, UM, Alaska, Sec. 1, All; Sec. 2, E2 of NE4; Sec. 12, N2 of NE4	800
57	ADL28243	T11N, R11E, UM, Alaska, Sec. 18, W2; Sec. 19, W2	560
TOTAL Expansion Acres:			5,805

III. DISCUSSION OF DECISION CRITERIA

The DNR Commissioner (Commissioner) reviews applications related to units, including participating area formations, expansions and contractions, under 11 AAC 83.303 to 11 AAC 83.395. By memorandum dated September 30, 1999, the Commissioner approved a revision of Department Order 003 and delegated this authority to the Division Director. The Division's review of the Application is based on the criteria set out in 11 AAC 83.303 (a) and (b). A discussion of the subsection (b) criteria, as they apply to the Application, is set out directly below, followed by a discussion of the subsection (a) criteria. Analysis and discussion of subsection (b) requirements precedes and supports findings under subsection (a).

A. Decision Criteria Considered Under 11 AAC 83.303(b)

1. Environmental Costs and Benefits of Unitized Exploration and Development

Approval of the WSPA expansion has no direct environmental impact. This decision is an administrative action and does not authorize any on-the-ground activity. Unit operations in general, however, foster joint development which minimizes impacts to the environment. For this unit in particular, CPAI has designed the development of the KRU to minimize the amount of surface impact by using compact drill-sites and existing KRU infrastructure. Expansion of the WSPA will continue to promote efficient development of the State's resources, while minimizing impacts to the region's cultural, biological, and environmental resources.

DNR's overall process provides many opportunities to evaluate the environmental costs and benefits of development. DNR considered environmental issues during the lease sale process and KRU formation. Additionally, CPAI must obtain approval of a plan of operations from the State and permits from various agencies on State leases before drilling a well or wells or initiating development activities to produce reservoirs within the unit area. 11 AAC 83.346. Potential effects on the environment are analyzed when permits to conduct exploration or development in the unit area are reviewed. CPAI has obtained the required permits for the current WSPA wells and is operating under an approved plan of operations and plan of development.

2. Geological and Engineering Characteristics, Prior Exploration, and Development Activities in the Proposed Expanded WSPA

A participating area must be expanded to include acreage reasonably known to be underlain by hydrocarbons and known or reasonably estimated through use of geological, geophysical, or engineering data to be capable of producing or contributing to the production of hydrocarbons in paying quantities. 11 AAC 83.351(c).

Geological and Engineering Characteristics of the West Sak Oil Pool

Located in the eastern KRU, the informally-named West Sak sands are produced within the WSPA and are part of the shallow Upper Cretaceous-age Colville Group that includes reservoirs currently producing North Slope viscous oil in the KRU and the adjacent Milne Point, Prudhoe Bay, and Nikaitchuq units.

The West Sak sands were deposited as part of a large deltaic complex that include the age-equivalent sands of the Schrader Bluff Formation. Deposited in a proximal delta to delta-front setting, the West Sak/Schrader Bluff reservoirs consist of an aerially extensive series of stacked coarsening and cleaning-upward strata with a gross thickness of approximately 300 feet. Individual sand bodies, separated by interbedded non-reservoir siltstones and mudstones, range from a few feet to about 40 feet in thickness.

The sandstones within the West Sak reservoir are comprised of unconsolidated fine to very fine grain litharenites and lithic wackes that are locally calcite cemented. The sandstones typically have porosities of 25 percent, but can be as high as 35 percent where sands are not cemented by calcite. Permeability is highly variable, but generally ranges between 10 and 800 millidarcys.

The West Sak sands are divided into two distinct reservoir sequences: a lower inner-shelf sandstone sequence represented by the A units (oldest) and a younger shallow-marine delta-front zone represented by the B, C, and D (youngest) intervals. The lower West Sak sands, equivalent to the Schrader Bluff OBe through OBb sandstones, are further subdivided from A1 (lowest) through A4. The upper West Sak sands consist of the B (lowest), C, and D units, which are equivalent to the OBa and OA sandstones of the Schrader Bluff Formation.

The Alaska Oil and Gas Conservation Commission (AOGCC) issued modified pool rules applicable to the West Sak oil pool on June 19, 2014 (Conservation Order No. 406C). Because the KRU boundary had changed since the West Sak oil pool was originally defined in 1997, the AOGCC issued its order to modify the vertical and areal limits of the West Sak oil pool. The order defined the pool as the accumulation of hydrocarbons common to and correlating with the interval between the measured depths of 3,552 feet and 4,156 feet in the West Sak No. 1 well. The modified pool definition also encompasses the proposed WSPA expansion area.

The West Sak sands are present in the subsurface as part of a large structural northerly-striking monocline with gentle 1 degree to 2 degrees easterly dip. The reservoir depth is approximately 3,000 feet True Vertical Depth Subsea (TVDSS) in the southwestern portion of the WSPA, dipping to approximately 3,800 feet TVDSS in the northeast. The base of the overlying permafrost is approximately 1,800 feet TVDSS. As a result, the temperature of the West Sak reservoir is relatively cold (60 degrees to 80 degrees Fahrenheit (F)), which decreases the mobility of the oil and hinders production. API oil gravity and viscosity are key measurements used in conjunction with the calculated reservoir rock properties to determine the producibility of the oil from a heavy oil reservoir, with higher API gravity and lower viscosity equating to an increase in mobile oil that is easier to produce. Regionally, the eastward structural dip of the West Sak is responsible for increasing reservoir temperature to the east and an associated decrease in the viscosity of the oil. Reservoir temperatures range from 60 degrees F in the shallower area to the west to 80 degrees F in the deeper eastern area. The API gravity of the oil in the WSPA varies between 10 to 22 degrees, with viscosity varying from about 300 Centipoises (cp) to about 30 cp.

Two post-depositional intersecting fault systems, one system trending north-south and the other east-west, exert the primary structural control on the distribution of hydrocarbons in the WSPA. These faults, with throws averaging 50 feet and ranging up to 200 feet, can offset the reservoir sands and provide barriers to oil migration, segmenting the reservoir into separate hydraulic units

with different oil-water contacts in each of the West Sak intervals. The fluid contacts, resultant hydrocarbon volumes, and oil quality can vary greatly between individual fault blocks. Within the WSPA, the mapped limits of the productive oil accumulation to both the east and west are defined by the oil-water contacts. To the south, the accumulation within the West Sak appear to be more stratigraphically controlled. The stratigraphic sequences become more dominated by siltstone and mudstone, containing minor thin sand beds, resulting in a decreasing net-to-gross ratio and an overall loss of sand quality that limits the southern extent of the productive reservoir.

Prior Exploration and Development Activities in the WSPA Expansion Area

The area included in the 3rd expansion of the WSPA consists of areas around Drillsites (DS) 1C, 1D, and 1H. The area is currently held by the Kuparuk participating area and producing wells. The DS-1C expansion area lies to the north and east of the existing WSPA and includes production from the 1C-150 and 1C-151 wells drilled in 2013 and 2014, respectively. Based on positive results from those wells, in the 1C WSPA expansion CPAI drilled four additional producers in 2015 and plans three additional wells in the 1D WSPA expansion in 2016. The DS-1D expansion area includes the production well 1D-146, which was completed in July 2015.

The decision to expand West Sak development to the north and east builds off of information gathered in previous wells drilled, such as the sidetrack of 1H-05 in 2004 and the exploration wells 1H-North, 1H-South, 1R-East drilled in 2006. The West Sak reservoir in eastern DS-1H area is an extension of that developed in the current WSPA to the south. CPAI and the other Working Interest Owners (WIOs) have approved the project in the 1H area that includes a 9.3 acre expansion of the existing drill site and installation of surface facilities to support four horizontal multilateral production wells and 15 vertical injection wells. Drilling of the wells is expected to begin in second quarter 2016 and come online in first quarter of 2017. Peak production from this project is expected to reach approximately 8,000 barrels of oil per day.

Conclusion

The compartmentalization of the relatively unconsolidated West Sak reservoir into separate fault blocks with widely varying oil/water contacts within the different sands, combined with the varying viscosity of the oil and the stratigraphic variability of some of the sand bodies within the West Sak interval, result in highly variable net pay thicknesses and volumes within the proposed WSPA expansion area. As a consequence, production of these shallow heavy oil accumulations are both mechanically and economically challenged.

CPAI has provided the Division with its reservoir interpretation and development plans. In this instance, the existence of producing wells within the expansion area, in conjunction with the analyses of the geologic and engineering data submitted, including proprietary seismic interpretations, digital grids of interpreted depth structure, reservoir rock properties, fluid properties, resulting Hydrocarbon Pore Volumes (HCPV) for each of the producing sands in the WSPA, geologic cross sections, and technical discussions with the Operator, provided the Division sufficient information to determine the expansion area to be capable of producing hydrocarbons in paying quantities and support the approval of the requested expansion of the WSPA.

3. Plans of Development for the Expansion Area

The Division approved the Kuparuk River Unit Plan of Development (KRU POD) for the period August 1, 2015 through July 31, 2016. The KRU POD addresses each of the four KRU participating areas separately. For the 2015 plan year, CPAI has drilled four wells in the WSPA expansion area. CPAI requested an amendment to Area Injection Order 2B to allow for expanding its viscosity-reducing water alternating gas (VRWAG) EOR program in the West Sak Pool. The AOGCC granted the request in June 2014. Additional wells will be converted to gas injection as well integrity criteria are met.

4. The Economic Costs and Benefits to the State and Other Relevant Factors

The expanded WSPA will provide economic benefits to the State through royalty and tax payments on production. Portions of this expansion area are already producing or contributing to production and will continue to provide direct economic benefit as part of the expanded WSPA.

CPAI uses a multiphase meter system to measure production before it enters the KRU facilities. CPAI uses well tests to allocate production for the WSPA. Each producing well is tested monthly. CPAI received approval under AOGCC commission order 406C, dated June 19, 2014, to calculate the allocation factor using the Satellite Allocation Technique. The factor is capped at 1.02000. Before this modification, the factor was 1.00000.

CPAI submitted tract participation schedules for the individual tracts in the WSPA (Attachment 3) as required by 11 AAC 83.351(c) and 11 AAC 83.371. The proposed tract participation schedules allocate costs and production among the leases in the participating area on a surface acreage basis. CPAI also submitted confidential paying quantities calculations for the three producing wells and the three injection wells, demonstrating that the expansion area is reasonably capable of producing hydrocarbons in paying quantities, as required by 11 AAC 83.351(c).

The Division finds CPAI's tract participation schedules formula equitably allocate production and costs among the leases in the participating area and adequately protects all parties, including the State. CPAI will work with the Division's Royalty Accounting Section to submit royalty and operator reports to properly allocate the production from the WSPA. The account codes approved for production from tract operations on leases which are now committed to the expanded WSPA will be discontinued and CPAI will report all of the production from the WSPA using the WSPA production accounting code.

The allocation of production under the approved Exhibit C for the WSPA also maximizes oil and gas recovery, promotes conservation, prevents waste, and protects all of the parties of interest, including the State.

B. Decision Criteria Considered Under 11 AAC 83.303(a)

1. Promote Conservation of All Natural Resources

The unitization of oil and gas reservoirs and the formation and expansion of participating areas within unit areas to develop hydrocarbon-bearing reservoirs are well-accepted means of

hydrocarbon conservation. The expansion of the WSPA additionally conserves natural resources by increasing hydrocarbon production without increasing the surface acreage required to produce the additional hydrocarbons or the facilities required to accommodate that additional production. This expansion of an existing participating area promotes efficient evaluation and development of the State's resources, yet minimizes impacts to the area's cultural, biological, and environmental resources.

2. Prevent Economic and Physical Waste

Portions of the proposed expansion area already contribute to the production of oil from the KRU. Approval of the Application will prevent economic and physical waste because the approval will allocate production under the Exhibit C tract allocations, equitably allocating revenues and costs amongst the working interest owners (WIOs). Approval of the expansion area will not result in economic waste given the current well spacing, market demand, and anticipated production rates.

Approval of the proposed expansion to the WSPA and associated field development will provide economic benefits to the state. The long-term goal is to maximize the physical and economic recovery of hydrocarbons from each of the productive reservoirs. Maximum hydrocarbon recovery will enhance the state's long-term royalty and tax revenue stream. Any additional administrative burden associated with the proposed expansion of the WSPA is outweighed by the additional royalty and tax benefits derived from production.

Annual approval of the KRU development activities as described in the future plans of development must also provide for the prevention of economic and physical waste. Using the KRU infrastructure and facilities eliminates the need to construct stand-alone facilities. Increasing the volume of oil processed at KRU facilities lowers the cost for all barrels processed at KRU.

3. Protect All Parties of Interest, Including the State

A participating area "must be expanded to include acreage reasonably estimated through use of geological, geophysical, or engineering data to be capable of producing or contributing to the production of hydrocarbons in paying quantities and must be contracted to exclude acreage reasonably proven through the use of geological, geophysical, and engineering data to be incapable of producing hydrocarbons in paying quantities, subject to approval by the commissioner." 11 AAC 83.351(c).

11 AAC 83.371(a) requires that the Division give notice and opportunity to be heard before disapproving an allocation formula, as follows:

The proposed or revised division of interest or formula allocating hydrocarbon production and unit operating costs among the leases in the unit area may not take effect until approved by the commissioner in writing. When requested by the commissioner, the lessees or unit operator shall promptly file with the commissioner all data that relates to the proposed or revised division of interests or allocation formula for all leases in the participating area. Before any disapproval of the proposed or revised division of interest or allocation formula, the commissioner will give the working interest and royalty owners reasonable notice and an opportunity to be heard. After the

hearing, the commissioner will approve the proposed or revised division of interest or allocation formula as submitted unless the commissioner finds in writing that the formula does not equitably allocate production and costs among the leases.

Based upon the Division's review of confidential geophysical, geological and engineering data, CPAI has demonstrated that the acreage proposed for the WSPA expansion is "reasonably estimated" to be capable of producing or contributing to production of hydrocarbons in paying quantities.

All of the leases in the WSPA expansion area are already committed to the Kuparuk Participating Area (KPA) and are contributing to production at KPA. Some of the acreage in the expansion area is already producing from the WSPA, having been drilled as tract or operations. Other portions of the expansion area will be drilled in the future, but have not received final approval for drilling at this time. Should CPAI not drill the future wells, the acreage will not contract from the KRU because it is already held by commitment to an existing PA. However, participating areas are intended for sustained production. After discussion with CPAI, for any acreage within the WSPA expansion area that remains undrilled, not contributing to production, or not subject to a plan to drill under an approved POD by January 1, 2021, CPAI and the Division agree to conduct a technical review to address those areas which may be subject to contraction from the WSPA.

The people of Alaska have an interest in the development of the State's oil and gas resources to maximize the economic and physical recovery of the resources. AS 38.05.180(a). Approval of the expansion under future annually approved plans of development will provide for continued review and approval of CPAI's plans to develop the WSPA in a manner which will maximize economic and physical recovery. Combining interests and operating under the terms of the KRU Agreement and KRU Operating Agreement ensures each individual WIO an equitable allocation of costs and revenues commensurate with the resources of its leases. Allocation of production on a surface acreage basis under the approved Exhibit C protects the correlative rights of the WIOs.

The expansion of the WSPA within the KRU protects the economic interests of the WIO of the reservoir and the royalty owner. The expansion promotes the State's economic interests because hydrocarbon recovery will be maximized and additional production-based revenue will be derived from the expanded participating area's increased production. The modified allocation factor approved by the AOGCC incorporates areas within the current KRU that should be part of the West Sak oil pool that weren't included in the pool description before the order was issued. This modification protects all parties, including the State, by equally distributing the allocation among current areas in the West Sak oil pool.

IV. FINDINGS AND DECISION

A. The Conservation of All Natural Resources

1. Expansion of the WSPA will provide for continued development of the participating area under the KRU Agreement and will maximize the efficient recovery of oil and gas and minimize the adverse impacts on the surface and other resources, including hydrocarbons, gravel, sand, water, wetlands, and valuable habitat.

B. The Prevention of Economic and Physical Waste

1. CPAI submitted geological, geophysical, and engineering data to the Division in support of the Application, as approved. Division technical staff determined that the expanded WSPA area is “reasonably estimated” to be capable of producing or contributing to production in paying quantities.
2. The available geological, geophysical, and engineering data justify including the lands described in Attachment 1 of this decision. The WSPA is stratigraphically limited to the West Sak Formation Sands defined as being from 3,552 feet MD to 4,156 feet MD in the West Sak No. 1 well (API #500292009000).
3. The production of hydrocarbons through the existing production and processing facilities reduces the environmental impact of the additional production. Using existing facilities will avoid unnecessary duplication of development efforts on and beneath the surface.

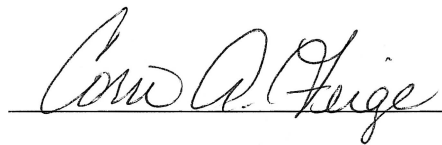
C. The Protection of All Parties in Interest, Including the State

1. The economic, geological, geophysical, and engineering data that CPAI provided reasonably justify the inclusion of the acreage into the revised WSPA under the terms of the applicable regulations governing formation, expansion, and operation of oil and gas units and participating areas (11 AAC 83.301 – 11 AAC 83.395) and the terms and conditions under which these lands were leased from the State.
2. The WSPA expansion provides for the equitable division of costs and an equitable allocation of produced hydrocarbons under a POD designed to maximize physical and economic recovery from the reservoirs within the approved participating areas. The allocations of production and costs for the tracts within the expanded WSPA are approved.
3. The approved WSPA expansion area includes areas which have not yet received final approval for drilling, and are planned to be drilled at a time beyond the period of the current approved POD. The WSPA may contract by January 1, 2021, to exclude acreage within the expansion area not drilled or contributing to production, or acreage not planned to be drilled under an approved POD.
4. Accounting Unit codes KU29, KU35, KU36 and KU40 are terminated effective December 1, 2015.
5. CPAI shall submit revised operator reports and the lessees shall submit revised royalty reports back to June 2015 production. The revised reports must zero out production reported to Accounting Unit Code KU29 from June 1, 2015 and Accounting Unit Code KU35 from August 1, 2015, and report that production to the PA Accounting Unit Code WSPA. Accounting Unit Codes KU36 and KU40 have no production to zero out.
6. CPAI shall submit the revised reports within 60 days after the approval of the revision of the WSPA.

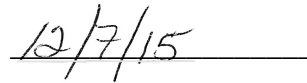
7. The 3rd Expansion of the WSPA is approved as proposed, subject to the provisions of Section IV C. 3. and described in Attachments 1 and 2.

For the reasons discussed in this Findings and Decision, subject to the above terms and conditions, I hereby approve the 3rd Expansion of the WSPA effective June 1, 2015.

A 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) and may be mailed or delivered to Mark Myers, 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. 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.



Corri A. Feige, Director
Division of Oil and Gas



Date

V. ATTACHMENTS

1. KRU WSPA, Proposed and Approved Exhibit C for the 3rd Expansion WSPA
2. KRU WSPA, Proposed and Approved Exhibit D for the 3rd Expansion WSPA

ATTACHMENT ONE: KRU WSPA, Proposed and Approved Exhibit C for the 3rd Expansion WSPA

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Rev. 3/12/2015

WSPA Exhibit C

<u>Tract</u> <u>No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract</u> <u>Participation</u>	<u>Cost</u> <u>Participation</u>
18	T12N-R10E-UM Sec. 23: SW 1/4	25637	0.674735	0.674735
19	T12N-R10E-UM Sec. 22: S 1/2 Sec. 21: SE 1/4	25636	2.024206	2.024206
34	T12N-R10E-UM Sec. 27: All Sec. 28: E 1/2 Sec. 33: E 1/2 Sec. 34: All	25639	8.096825	8.096825
35	T12N-R10E-UM Sec. 26: W 1/2, SE 1/4 Sec. 35: All Sec. 36: W 1/2, SE 1/4	25638	6.747354	6.747354
36	T12N-R11E-UM Sec. 31: SW 1/4	47449	0.573525	0.573525
37	T11N-R11E-UM Sec. 6: W2 Sec. 7: W2	28242	2.315186	2.315186
38	T11N-R10E-UM Sec. 1: All Sec. 2: All Sec. 11: All Sec. 12: All	25649	10.795766	10.795766
19	T11N-R10E-UM Sec. 3: E 1/2, SW 1/4 Sec. 10: All	25648	4.723148	4.723148
5	T11N-R10E-UM Sec. 15: All Sec. 21: E 1/2 of E 1/2 Sec. 22: All	25651	6.072618	6.072618

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WSPA Exhibit C

<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
56	T11N-R10E-UM Sec. 13: All Sec. 14: All Sec. 23: All Sec. 24: All	25650	10.795766	10.795766
57	T11N-R11E-UM Sec. 18: W 1/2 Sec. 19: W 1/2	28243	2.361574	2.361574
60	T11N-R11E-UM Sec. 30: W 1/2 Sec. 31: W 1/2	28248	2.407962	2.407962
61	T11N-R10E-UM Sec. 25: All Sec. 26: All Sec. 35: All Sec. 36: All	25661	10.795766	10.795766
62	T11N-R10E-UM Sec. 27: All Sec. 28: E 1/2 of E 1/2 Sec. 33: E 1/2 of E 1/2 Sec. 34: All	25660	6.747354	6.747354
31	T10N-R10E-UM Sec. 3: All Sec. 4: E 1/2 of E 1/2 Sec. 9: E 1/2 of E 1/2 Sec. 10: All	25663	6.747354	6.747354
12	T10N-R10E-UM Sec. 1: All Sec. 2: All Sec. 11: All Sec. 12: All	25662	10.795766	10.795766
0B	T10N-R11E-UM	390705	0.91511	0.91511

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WSPA Exhibit C

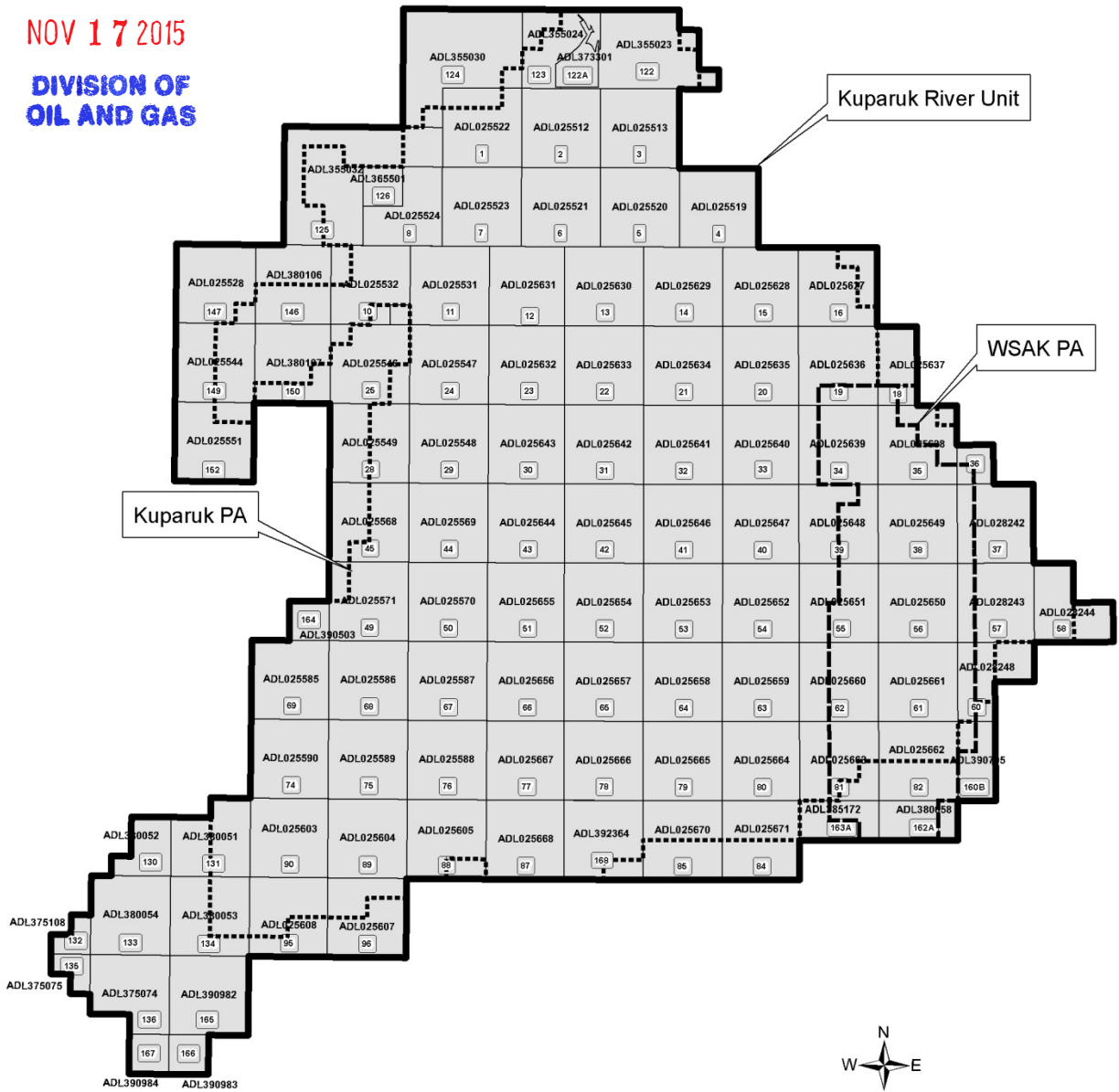
<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
	Sec. 6: NW 1/4, N 1/2 of SW 1/4			
162A	T10N-R10E-UM Sec. 13: W 1/2 Sec. 14: All	380058	4.048412	4.048412
163A	T10N-R10E-UM Sec. 15: N 1/2, SE 1/4	385172	2.361573	2.361573
	Sec. 16: E 1/2 of NE 1/4		100.000000	100.000000

ATTACHMENT TWO: KRU WSPA, Proposed and Approved Exhibit D for the 3rd Expansion WSPA

RECEIVED

NOV 17 2015

DIVISION OF OIL AND GAS



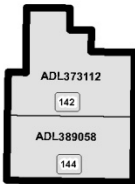
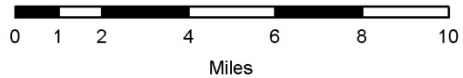
Kuparuk River Unit

WSAK PA

Kuparuk PA



1:250,000



Legend

- Kuparuk River Unit
- Kuparuk PA
- WSAK PA

ConocoPhillips

Kuparuk River Unit
 Exhibit 'D'
 Kuparuk Participating Area
 WSAK Participating Area
 Located within T8-13N, R7-11E
 Umiat Meridian, Alaska

File Name: 11020201D03

Date: 3-9-15