



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF OIL & GAS

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April 7, 2017

CERTIFIED MAIL
RETURN SERVICE REQUESTED

Darrell F. Becker
Operations Superintendent
ExxonMobil Alaska Production Inc.
P.O. Box 196601
Anchorage, AK 99519-6601

Re: Extension of Point Thomson Unit IPS POD

Dear Mr. Becker:

Thank you for your March 31, 2017 letter regarding Point Thomson Plans of Development (PODs).

As you pointed out in your letter, Paragraphs 4.1.1 through 4.1.4 of the Settlement Agreement provide the POD for the IPS through May 1, 2017. Paragraph 4.6.2 specifies an Expansion Planning POD to be submitted by July 1 (90 days after the first anniversary of IPS start-up) and approved August 30 (60 days later) with an effective date of the April 2, 2017 (anniversary of IPS start-up). Your letter asks the Division to confirm that the IPS POD remains effective until the Division approves the Expansion Planning POD. But the Settlement Agreement contradicts this position, stating in Paragraph 4.1.5 that the IPS POD is effective only until May 1, 2017. Thus from May 2, 2017 until late August, the unit would be without an operative POD. The unit agreement and regulations require a POD at all times.

With the IPS POD supplied by the settlement agreement expiring, future PODs for the unit, aside from the specific PODs addressed in Paragraph 4.6, are governed by the unit agreement and unit regulations. The Division can extend a POD under its regulatory authority. To align the POD dates and maintain a POD for the IPS until a new POD can be approved, the Division hereby extends the IPS POD until September 29, 2017. In accordance with 11 AAC 83.343(c), Exxon will need to submit an IPS POD 90 days earlier, on July 1, 2017. Exxon may choose to submit a single POD for the unit or separate PODs for IPS and Expansion Planning.

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 Andrew T. Mack, 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.

Sincerely,



Chantal Walsh
Director