



DEPARTMENT OF
NATURAL RESOURCES

AUG 11 2017

COMMISSIONER'S OFFICE
ANCHORAGE

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August 11, 2017

Mr. Andrew T. Mack
Commissioner
State of Alaska, Department of Natural Resources
550 W. 7th Ave., Suite 1400
Anchorage, Alaska 99501

VIA HAND-DELIVERY

Re: Acceptance of modifications set forth in the Decision on Reconsideration of the Denial of the Fifth Expansion of the Colville River Unit

Dear Commissioner Mack,

ConocoPhillips Alaska, Inc. ("CPAI") has received and reviewed your decision on Reconsideration of the Denial of the Fifth Expansion of the Colville River Unit Area dated August 1, 2017 ("Decision"). CPAI accepts the modifications set forth in Section IV of the Decision. This meets the condition you imposed in Finding and Conclusion No. 15 on page 20 of the Decision. A signed copy of the last page of the Decision is attached to this letter.

Consistent with the terms of the Decision, CPAI's acceptance is limited to the modifications set forth in Section IV of the Decision. Although there are aspects of other sections of the Decision with which CPAI disagrees, it is CPAI's view that it is not necessary to resolve or address those disagreements at this time and CPAI reserves its rights accordingly. The important thing is that CPAI agrees to the modifications in the Decision and is prepared to move forward consistent with those modifications.

CPAI appreciates you taking the time to reconsider your prior decision. In CPAI's view this outcome will benefit all stakeholders and represents the best opportunity for this area to be timely developed in a safe and environmentally responsible manner. CPAI looks forward to proceeding toward this goal in collaboration with the State of Alaska, Arctic Slope Regional Corporation, local communities, and other interested stakeholders.

Please contact me with questions.

Best Regards,

John F. Schell, Jr.
Land & Business Development Manager

Enclosure: Executed copy of page 21 of the Decision

cc: Teresa Imm, Arctic Slope Regional Corporation
Wayne Svejnoha, Bureau of Land Management

This Commissioner's Decision on Reconsideration will be the final administrative order and decision of the department as of August 15, 2017, for the purpose of an appeal to the superior court. An appellant affected by this administrative order and decision may appeal to superior court within 30 days of August 15, 2017 in accordance with the Alaska Rules of Court and to the extent permitted by applicable law.

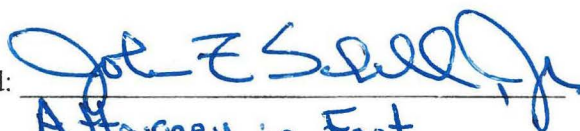
Sincerely,



Andrew T. Mack
Commissioner

cc: Teresa Imm, Arctic Slope Regional Corporation
Wayne Svejnoha, Bureau of Land Management

By its signature below, CPAI hereby accepts the modifications to its Revised Application as set forth in detail in Section IV, above, and acknowledges that such modifications must be incorporated into each future annual CRU POD until (1) CPAI begins sustained production from the 5th Expansion Area; or (2) the 5th Expansion Area is no longer part of CRU, whichever happens sooner.

Signed: 
Its: Attorney in Fact
Date: 11 August 2017