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AUG 25 2017

August 24, 2017 DIVISION OF OIL AND GAS

Mr. John Schell, Jr, Land Manager
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, Alaska 99510-0360

Re: Approval of the Fifth Expansion of the Colville River Unit Area

Dear Mr. Schell:

Arctic Slope Regional Corporation (“ASRC”) is in receipt of the 5th Expansion Application for the Colville River Unit (“CRU”) submitted on June 28, 2016 by ConocoPhillips Alaska Inc., (“CPAI”), as Operator and on behalf of the other working interest owners (“WIOs”). The Commissioner of the Alaska Department of Natural Resources (“Commissioner”) issued a Reconsideration of the Denial of the Fifth Expansion of the Unit Area with Modifications Under Which the Approval Will be Granted (“Decision”) on August 1, 2017. On August 11, 2017 CPAI accepted the Decision from the Commissioner, thereby allowing for the Fifth Expansion of the CRU.

The Fifth Expansion adds twenty-one (21) Joint State of Alaska/ASRC Oil and Gas leases totaling approximately 9,131.22 acres to the CRU as depicted in the red outline on the map labeled Exhibit B which was submitted to ASRC and the Commissioner on November 7, 2016 by CPAI (see attached map).

Pursuant to Section 12.1 of the Colville River Unit Agreement (“CRUA”), the undersigned, as President of Arctic Slope Regional Corporation (“ASRC”), hereby approves the Expansion Area described as and provided for in the Expansion Application of July 28, 2016 to be added to the CRU subject to the conditions to be met by CPAI listed in Section IV of the Decision and repeated, in part, below for clarity.

1. By May 31, 2018, CPAI will drill a well in the 5th Expansion Area to the Nanushuk Formation, log the Nanushuk Formation, and if appropriate test the well (2018 Well Commitment).
2. If CPAI fails to timely complete the 2018 Well Commitment for any reason, CPAI will voluntarily contract the 5th Expansion Area from CRU and surrender the 5th Expansion Area leases. CPAI will submit this voluntary contraction and lease surrender paperwork on or before August 15, 2018.

3. If CPAI timely completes the 2018 Well Commitment but CPAI determines for any reason that it will not drill an additional well into the 5th Expansion Area by May 31, 2020, then CPAI will voluntarily contract the 5th Expansion Area from CRU and surrender the 5th Expansion Area leases. CPAI will make this determination and submit this voluntary contraction and lease surrender paperwork on or before August 15, 2018.
4. If CPAI fails to timely complete the 2020 Well Commitment for any reason, CPAI will voluntarily contract the 5th Expansion Area from CRU and surrender the 5th Expansion Area leases. CPAI will submit this voluntary contraction and lease surrender paperwork on or before August 14, 2020.
5. If CPAI timely completes the 2020 Well Commitment, but determines for any reason that it will not commit to a development plan for the 5th Expansion Area in its May 16, 2020 through May 15, 2021 POD period (2021 POD), then CPAI will voluntarily contract the 5th Expansion Area from CRU and surrender the 5th Expansion Area leases. CPAI will make this determination and submit this voluntary contraction and lease surrender paperwork on or before August 14, 2020, and
6. If CPAI timely completes the 2020 Well Commitment and determines that it intends to continue operations towards bringing the 5th Expansion Area into sustained production, then on or before August 14, 2020, CPAI will submit a POD or POD amendment that describes a development plan and commits to conducting operations during the 2021 POD period that will progress the 5th Expansion Area toward sustained production.

ASRC requests to be notified by CPAI when any bonus payments related to the aforementioned conditions are met. If you have any questions or concerns please contact Teresa Imm at (907) 339-6014 or timmm@asrc.com.

Very truly yours,



Rex Allen Rock, Sr.
President and CEO
Arctic Slope Regional Corporation

Attachment

cc: Commissioner Mack, Alaska Department of Natural Resources
Mr. Kevin Pike, Alaska Department of Natural Resources

1:150,000

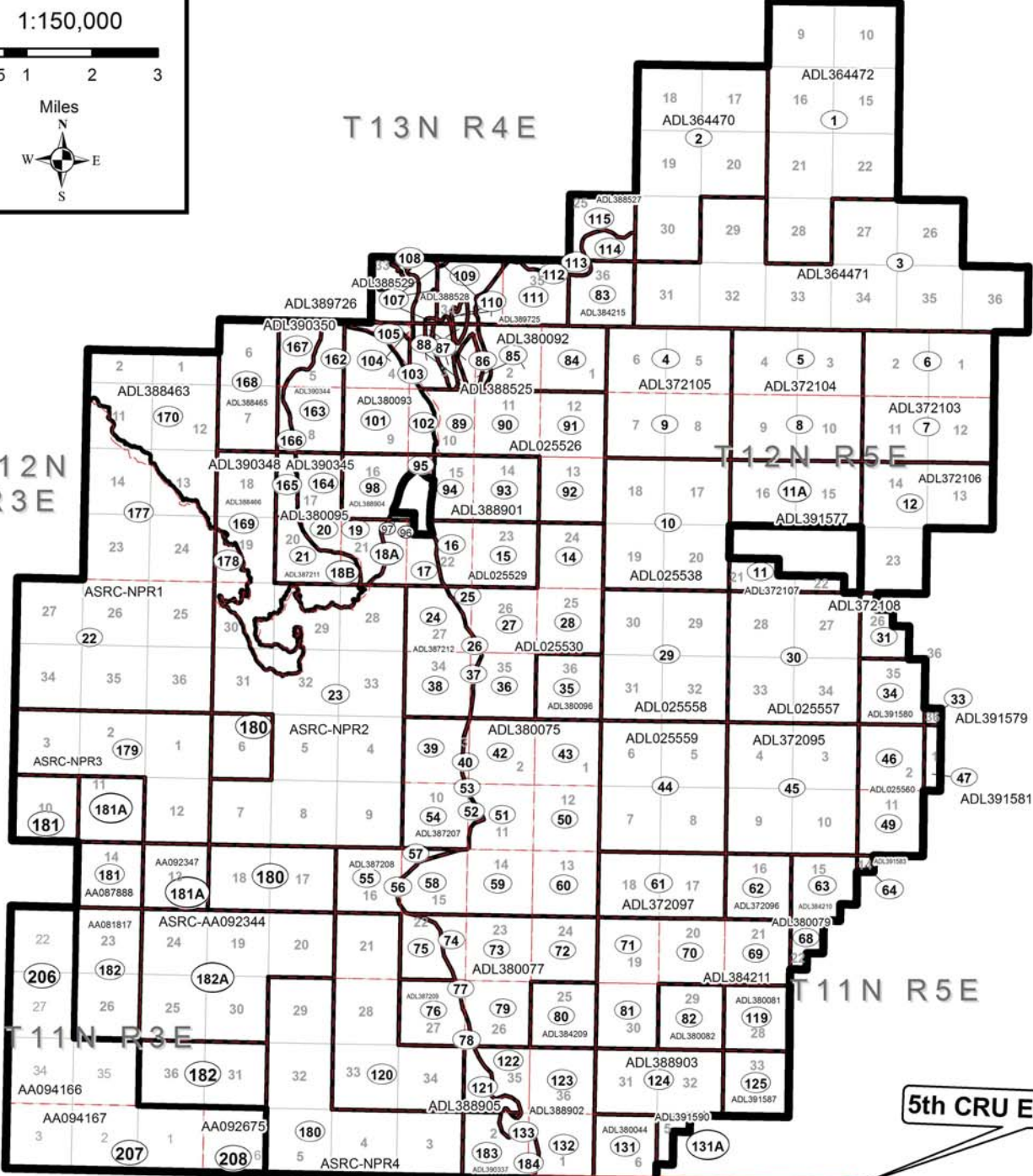


T13N R5E

T13N R4E

T12N R3E

T12N R5E



5th CRU Expansion Area

T11N R5E

T11N R3E

T10N R4E

T10N R5

Unit Boundary

5th CRU Expansion Area

CRU Unit Tracts

Lease Boundary

ConocoPhillips

Exhibit B
Fifth Expansion of the
Colville River Unit
Colville Delta, Alaska
 November 07, 2016