



**AMENDMENT OF THE RIGHT-OF-WAY LEASE
FOR THE
KUPARUK PIPELINE
ADL 402294**

This is an Amendment to Section 1.c. of the RIGHT-OF-WAY LEASE FOR THE KUPARUK PIPELINE, ADL 402294, dated August 26, 1980, as amended, which was originally recorded in the Barrow Recording District in Book 115 Pages 25 through 81 on May 10, 2000, hereinafter referred to as AMENDMENT. This AMENDMENT is made and entered into and becomes effective this 23rd day of January, 2004 by and between the STATE OF ALASKA located at 411 West 4th Avenue, Suite 2C, Anchorage, Alaska 99501 acting through the Commissioner of Natural Resources hereinafter referred to as COMMISSIONER; and Kuparuk Transportation Company whose mailing address is P.O. Box 100360 Anchorage, Alaska 99510-0360, hereinafter referred to as LESSEE.

WHEREAS, the LESSEE has applied to amend the existing Right-of-Way Lease ADL 402294 to include additional State of Alaska land for a temporary construction zone to accommodate the construction of a pig launcher shelter located on state lands adjacent to Kuparuk Pipeline Right of Way Lease ADL 402294 and Alaska State Land Survey (ASLS) No. 87-15. The pig launcher unit is located on the Central Processing Facility No. 1 Pad of the Kuparuk River Unit. The pig launcher shelter will provide workers protection from the environment while performing pigging activities during winter months, allow for increased pigging activities throughout the year.

NOW THEREFORE, the COMMISSIONER and LESSEE agree to amend the RIGHT-OF-WAY FOR THE KUPARUK PIPELINE, ADL 402294 to include the lands within the Barrow Recording District described as:

Township 11 North, Range 10 East, Umiat Meridian, Alaska

Section 9, those lands adjacent to the Kuparuk Pipeline Right of Way Lease ADL 402294 and Tract A and Tract D of ASLS No. 87-15 comprising an area approximately 50 feet by 80 feet as depicted on the drawing submitted as Attachment E to the October 13, 2003 Pig Launcher Shelter Construction Authorization Application labeled:

“CPF-1 MODULE AUO1 KPL PIG LAUNCHER SHELTER PERMIT EXHIBIT DRAWING NO: NSK 6.03.3 – D23 PART 3 OF 3, Drawing No: NSK 6.03.3-D23, Rev. 1, 5/13/03”

Containing approximately 4,160 square feet (0.095 acres).

Kuparuk Amendment
Pig Launcher Shelter

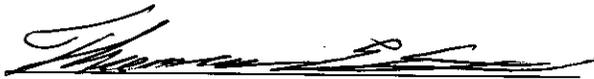
The lands described above are incorporated into and made a part of the RIGHT-OF-WAY LEASE FOR THE KUPARUK PIPELINE dated August 26, 1980, ADL 402294.

The lands needed to accommodate the pig launcher shelter after construction will be less than those described above. After construction, Kuparuk Transportation Company will submit a replat for the Commissioner's approval. The replat will tie the structure to the monumentation within ASLS No. 87-15. Upon Kuparuk Transportation Company's acceptance of the Commissioner's approval of the replat of ASLS No. 87-15, the RIGHT-OF-WAY LEASE FOR THE KUPARUK PIPELINE dated August 26, 1980, ADL 402294 will be amended to reflect the final, amended legal description.

IN WITNESS WHEREOF, the COMMISSIONER AND LESSEE have affixed their signature to duplicate originals of this AMENDMENT as of the date first above written.

STATE OF ALASKA

LESSEE



Thomas E. Irwin
Commissioner
Department of Natural Resources



By: T. MARK DRUMM
Title: Vice President
Kuparuk Transportation Company

STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 6th day of January, 2004, before me, personally appeared T. Mark Drumm, who stated that he executed the foregoing document as an authorized representative of the Kuparuk Transportation Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.




Notary Public in and for the State of Alaska
My Commission expires April 9, 2007

Kuparuk Amendment
Pig Launcher Shelter



STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 23rd day of January, 2004, before me, personally appeared Thomas E. Irwin, the Commissioner of the Department of Natural Resources of the State of Alaska, who executed the foregoing Amendment and acknowledged voluntarily signing the same.



Kathleen C Johnson
Notary Public in and for the State of Alaska
My Commission expires 10-31-2006

Please record this document and return it to:

Ms. Sherry Timmerman
Regulatory Compliance Coordinator
Phillips Alaska Pipelines
P. O. Box 100360, ATO-902
Anchorage, Alaska, 99510-0360

Kuparuk Amendment,
Pig Launcher Shelter

Page 3 of 3



3 of 3

2004-000095-0