

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

11TH FLOOR, STATE OFFICE BLDG.
POUCH M - JUNEAU 99811

8.30.81

Mr. Gunnar S. Pedersen, President
Geopol, Inc.
Kjopmannsgt. 1
P. O. Box 436, 7001 Trondheim
Norway

Reference: Inclusion of Lease ADL 318619 (Tract C-31-019)
in the Duck Island Unit, Alaska

Dear Mr. Pedersen:

I have approved the commitment of Lease ADL 318619 (Tract C-31-019) to the Duck Island Unit Agreement under the terms and conditions initially specified in Director Glenn Harrison's letter to you dated December 18, 1980. To reiterate, this letter specified that you would be required to commit to the drilling of a well to test the Lisburne formation within 2 years of commitment of your lease to the unit. Geopol alone would not necessarily have to drill the well, nor would it necessarily have to be on a Geopol lease, but a Lisburne test within the southern part of the unit area would have to be commenced within the 2 years. The location of the Lisburne test well will have to be approved by the Director of the Division of Minerals and Energy Management.

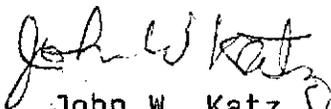
Of all leases included in the proposed Duck Island Unit Expansion in 1979, only Geopol's lease ADL 47516 was committed to the unit. A requirement of this commitment was that Geopol commence drilling a well on this lease on or before October 14, 1981. Due to the restriction of drilling activities to the

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winter season only, the failure of any other leases to commit to the expansion in 1979, the re-leasing of the expired acreage adjacent to lease ADL 47516 in September of 1980, the time and effort required to organize and finalize a drilling block or unit expansion, the economics of drilling on the north slope and the commitment of lease ADL 318619 to the Duck Island Unit, I hereby extend the drilling commitment for lease ADL 47516 from October 14, 1981 to December 31, 1982. This well could be the same well as is required for lease ADL 318619 if you so desire.

The attached certification applies only to Lease ADL 318619. A copy of this certification has been forwarded to Exxon, the operator of the Duck Island Unit.

Sincerely,



John W. Katz
Commissioner

Attachment

cc: Geopol, Inc.
c/o Mr. Brian J. Brundin
Hughes, Thorsness, Gantz,
Powell and Brundin
509 West 3rd Avenue
Anchorage, AK 99501

Exxon Company, U.S.A.
Pouch 6601
Anchorage, Alaska 99502
Attn: Robert Riddle

Glenn Harrison, Director
Division of Minerals and Energy Management

AGO 1363514