

unit file

December 15, 1982

Mr. Larry Smedley  
Division Unitization Manager  
Exxon Company, U.S.A.  
1800 Avenue of the Stars  
Los Angeles, CA 90067

Subject: Amendments to Duck Island Unit Agreement

Dear Larry:

The amendments to Articles 2, 7, 12, 18, 20, 21, and 30 of the Duck Island Unit Agreement as proposed in your letter of November 29, 1982 are approved. The proposed amendment to Article 11 is approved subject to subsequent modifications to Articles 11 and 14 as we discussed on November 17 and 18, 1982. As a condition of approval of the proposed changes to Article 11, Articles 11 and 14 must be revised to read essentially as follows:

Article 11. Add immediately following subsection (c): "Allocation of production referenced in this Article and set out in Exhibit C shall be based on relevant geological, geophysical and engineering data. Allocation of costs for net profit share leases must be approved by the commissioner before taking effect."

Article 14. Amend the last sentence to read: "Royalty due the State of Alaska on production of unitized substances shall be computed and paid on the basis of the allocations set out in Exhibit C, and in accordance with appropriate statutes and regulations."

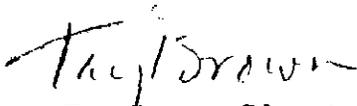
This approval of Article 11 is conditioned on acceptance of the additional amendments to Articles 11 and 14 as outlined above by June 1, 1983. We understand from previous communications with you that the Duck Island working interest owners agree with these amendments in concept and that you anticipate no problem in securing their concurrence and submitting the necessary ratifications before June 1, 1983.

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With the understanding that the amendments outlined above to Articles 11 and 14 will be submitted to the department by June 1, 1983, I find the proposed amendments to the Duck Island Unit Agreement to be in the public interest. I have executed an Approval - Determination approving revisions to Articles 2, 7, 12, 18, 20, 21, and 30, and conditionally approving revisions to Article 11, of the Duck Island Unit Agreement effective December 15, 1982. The Approval - Determination also determines and confirms that the Duck Island Unit is automatically extended beyond its initial five-year term due to a valuable discovery of unitized substances.

Sincerely,

  
Kay Brown, Director  
Division of Minerals and Energy Management

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DELEGATION OF AUTHORITY FOR OIL AND GAS LEASE UNITIZATION ACTIONS

<u>Regulatory Citation</u>	<u>Purpose or Action</u>	<u>Authority Vested In</u>	<u>Authority Delegated To</u>
11 AAC 82.605	Approve/deny assignments of oil and gas leases	Commissioner	Director, Div. Oil & Gas (DOG)
11 AAC 82.610	Segregate leases	Commissioner	Director, DOG
11 AAC 83.158	Approve/deny lease plan of operations	Commissioner	Director, DOG
11 AAC 83.306	Accept application for unit agreement approval	Commissioner	Director, DOG
11 AAC 83.311	Publish public notice of unit agreement application	Commissioner	Director, DOG
11 AAC 83.316	Approve/deny unit agreement	Commissioner	No delegation
11 AAC 83.326	Require or accept nonstandard unit agreement language	Commissioner	No delegation
11 AAC 83.328	Mandate unitization (Involuntary Unitization)	Commissioner	No delegation
11 AAC 83.331	Approve/deny change in unit operator	Commissioner	Director, DOG
11 AAC 83.336	Grant extension of unit term; grant suspension of operations (force majeure); terminate unit	Commissioner	No delegation
11 AAC 83.341	Approve/deny plan of exploration	Commissioner	Director, DOG
11 AAC 83.343	Approve/deny plan of development	Commissioner	Director, DOG
11 AAC 83.346	Approve/deny plan of operations	Commissioner	Director, DOG
11 AAC 83.351	Approve/deny participating area	Commissioner	Director, DOG
11 AAC 83.356	Expand/contract unit area	Commissioner	Director, DOG
11 AAC 83.361	Certify wells as capable of production in paying quantities	Commissioner	Director, DOG
11 AAC 83.371	Approve/deny allocation of cost and production formulas	Commissioner	Director, DOG
11 AAC 83.373	Sever leases	Commissioner	Director, DOG
11 AAC 83.374	Declare unit in default	Commissioner	No delegation
11 AAC 83.383	Notation of approval on joinder	Commissioner	Director, DOG
11 AAC 83.385	Modification of unit agreement	Commissioner	Director, DOG
11 AAC 83.393	Approval of federal or private party unit agreements	Commissioner	No delegation

I hereby delegate the authority vested in me through AS 38.05.180 to the Director of the Division of Oil and Gas as noted above. This delegation of authority is effective until revoked by me.

*Esther C. Wunnicke*  
 Esther C. Wunnicke, Commissioner  
 Alaska Department of Natural Resources

*Feb 22, 1984*  
 Date

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