

February 20, 1985

Conoco Inc.
2525 "C" Street, Suite 100
Anchorage, AK 99503

Attn: Mr. John R. Kemp
Manager of Alaskan Operations

Subject: Milne Point Unit
~~Fourth~~ Revision of the Participating Area, Kuparuk Reservoir
Third

Dear Mr. Kemp:

The Division of Oil and Gas has reviewed Conoco's proposed Fourth Revision of the Participating Area for the Kuparuk Reservoir within the Milne Point Unit, submitted to this office on October 17, 1984. The lands proposed to be added to the Participating Area appear to be justified on the basis of information provided by recently completed development wells within the Milne Point Unit Area. Accordingly, I hereby approve the proposed Fourth Revision to the Milne Point Unit Participating Area, Kuparuk Reservoir.

Pursuant to 11 AAC 83.351(c), a revised division of interest or formula allocating production and costs must be submitted for approval at the time of application for expansion of the participating area. Since you have stated in your application that the reservoir is to be allocated on a volumetric basis, I hereby approve an allocation of production and costs based on the volumetric proportion of recoverable reserves estimated to underlie each lease. This approved allocation of production and costs is attached to this approval letter as Exhibit I.

Third As you requested in your application and as provided under 11 AAC 83.351, the ~~Fourth~~ Revision of the Milne Point Unit Kuparuk Reservoir Participating Area shall be retroactively effective as of 12:01 a.m. September 1, 1984.

Sincerely,


Kay Brown
Director

2119A

EXHIBIT I

DIVISION OF INTEREST FOR LANDS WITHIN THE
MILNE POINT UNIT PARTICIPATING AREA, KUPARUK RESERVOIR
FOURTH REVISION
EFFECTIVE SEPTEMBER 1, 1984

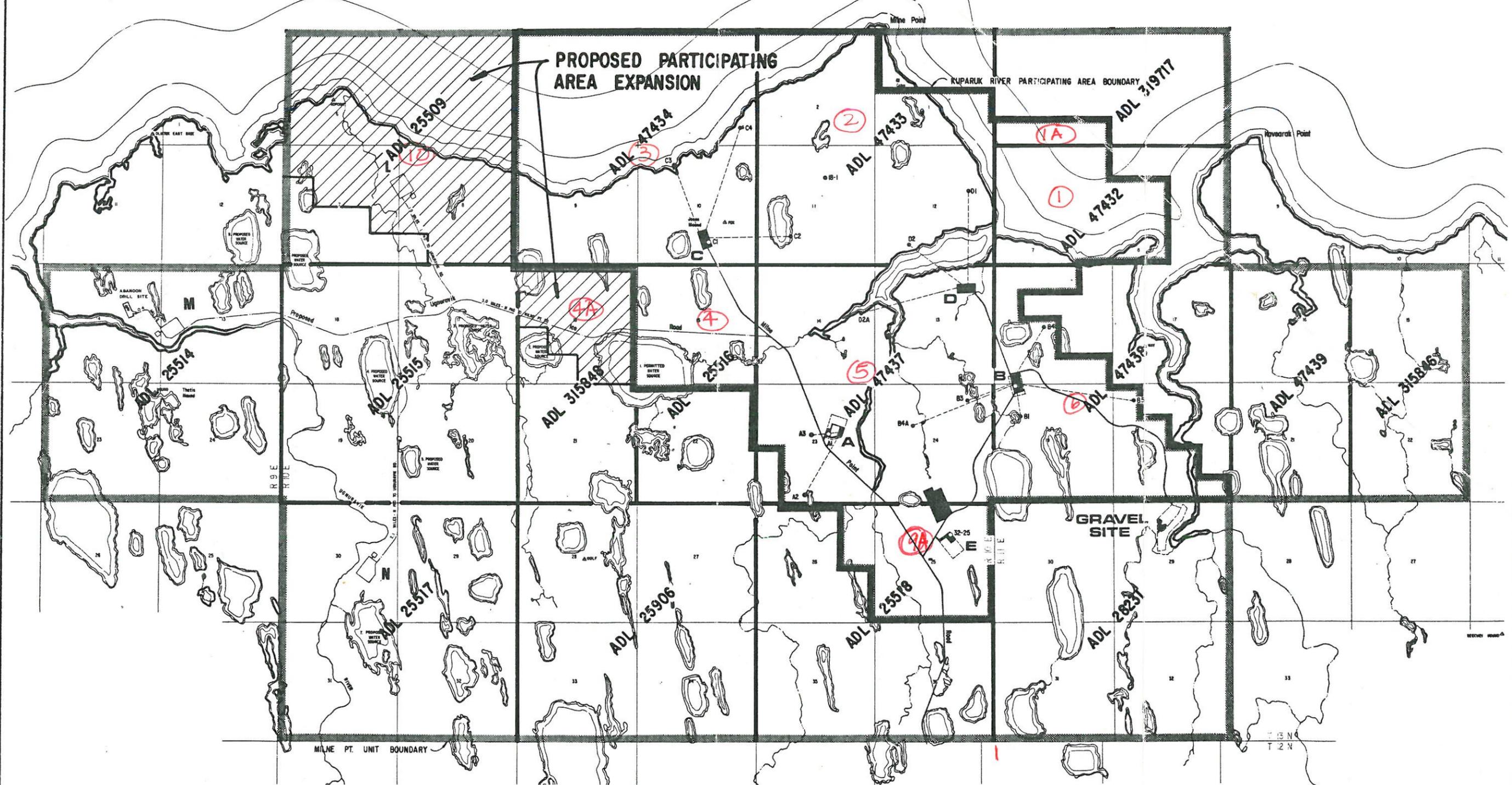
<u>Tract</u>	<u>ADL #</u>	<u>Royalty Rate</u>	<u>Participation (%)</u>
1	47432	20.0	0.005
2	47433	20.0	9.635
3	47434	20.0	22.665
4	25516	12.5	2.968
4A	315848	12.5	3.220
5	47437	20.0	28.442
6	47438	20.0	17.290
9	25518	12.5	3.460
10	25509	12.5	<u>12.315</u>
			100.000%

3rd Revision of PA
 approved 2/19/85.

eff. 9-1-84

see letter
 dated 2-20-85

M I L N E P O I N T L A G O O N



ATTACHMENT I

<table border="1"> <tr> <td>DESIGN</td> <td>DESIGNED</td> </tr> <tr> <td>STAKING</td> <td>CHECKED</td> </tr> <tr> <td>AS-BUILT</td> <td>DATE 3/27/84</td> </tr> <tr> <td>SCALE</td> <td>DATE</td> </tr> <tr> <td>1" = 4450'</td> <td>JOB NO. 84002</td> </tr> </table>		DESIGN	DESIGNED	STAKING	CHECKED	AS-BUILT	DATE 3/27/84	SCALE	DATE	1" = 4450'	JOB NO. 84002		MILNE POINT UNIT LAND PLAT	SHEET 1 / OF 1 FILE NO. Eleven - One
DESIGN	DESIGNED													
STAKING	CHECKED													
AS-BUILT	DATE 3/27/84													
SCALE	DATE													
1" = 4450'	JOB NO. 84002													
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