

Findings and Decision of the Director
of the Division of Oil and Gas

APPROVING THE 10TH EXPANSION OF
THE KUPARUK PARTICIPATING AREA
WITHIN THE KUPARUK RIVER UNIT

Under a Delegation of Authority
from the Commissioner of the State Of Alaska
Department of Natural Resources

August 15, 2005

I. INTRODUCTION, BACKGROUND, AND DECISION SUMMARY

ConocoPhillips Alaska, Inc. (CPAI), as Kuparuk River Unit Operator, and on behalf of the Working Interest Owners (WIOs) in the Kuparuk River Unit (KRU), applied to expand the Kuparuk Participating Area (KPA) within the current boundary of the KRU. CPAI's application, if approved, would result in the tenth expansion of the KPA, and would add approximately 480 acres around the KRU 1D-30 L1 lateral, the 1D-32 L1 lateral and the proposed 1D-34 L1 lateral wells. CPAI submitted geologic and well data that justifies the expansion of the KPA. The data indicate that the proposed expansion acreage is capable of producing or contributing to the production of hydrocarbons in paying quantities.

The State of Alaska Department of Natural Resources, Division of Oil and Gas (Division) approves CPAI's application to expand the KPA. The KPA expansion includes the area proposed by CPAI because that area has been shown to be "reasonably known to be underlain by hydrocarbons and known or reasonably estimated...to be capable of producing or contributing to production of hydrocarbons in paying quantities." 11 AAC 83.351(a). The division also approves the revised tract allocation schedule, Exhibit C to the KRU Agreement, for the expanded KPA. The tract allocation schedule "equitably allocates production and costs among the leases" in the KPA. The effective date of the tenth revision to the KPA and the revised Exhibit C is September 1, 2005.

II. APPLICATION FOR THE TENTH REVISION OF THE KUPARUK PARTICIPATING AREA

CPAI submitted the tenth KPA expansion application, dated July 28, 2005, under 11 AAC 83.351 and Section 6.2 of the KRU Agreement. CPAI applied to add a portion of one state oil and gas lease, ADL 28248 (tract 60), totaling approximately 480 acres, to the KPA. The WIOs in ADL 28248 are CPAI, BPXA, Unocal, and ExxonMobil.

The proposed KPA expansion acreage encompasses the Kuparuk Reservoir within the Kuparuk Formation, which is capable of producing or contributing to production of hydrocarbons in paying quantities. The legal description of the portion of the lease proposed for the tenth KPA expansion, the revised tract participation schedule for the leases in the KPA, and a map depicting the proposed tenth KPA expansion area are Attachment A, Exhibit C, and Attachment B, respectively, to the application.

There is geologic and engineering evidence to support the expansion of the KPA to develop the Kuparuk Reservoir within the KRU under a unified plan of development. The expansion acreage is within the KRU, but currently outside the KPA.

CPAI and the Division agree that the effective date for the proposed tenth KPA expansion and the revised tract participation schedule for the KPA, Exhibit C to the KRU Agreement, will be September 1, 2005.

III. DISCUSSION OF THE PARTICIPATING AREA DECISION CRITERIA

The commissioner may approve expansion of a participating area (PA) if it is determined that

expansion is “necessary or advisable to protect the public interest.” AS 38.05.180(p), 11 AAC 83.303(c) and 11 AAC 83.351(c). Approval of CPAI’s application must be based on the criteria in 11 AAC 83.303(a) and (b).

Under 11 AAC 83.303(a), a PA expansion will be approved if the commissioner finds that the expansion is necessary or advisable to protect the public interest. To make such a finding, the commissioner must determine that the proposed PA expansion will: (1) conserve natural resources; (2) prevent economic and physical waste; and (3) protect all parties of interest, including the state.

In evaluating these criteria, the commissioner must consider: (1) the environmental costs and benefits; (2) the geological and engineering characteristics of the potential hydrocarbon accumulation or reservoir proposed for inclusion in the PA; (3) prior exploration activities in the proposed expansion area; (4) the applicant’s plans for exploration or development of the proposed expansion area; (5) the economic costs and benefits to the state; and (6) any other relevant factors (including mitigation measures) the commissioner determines necessary or advisable to protect the public interest. 11 AAC 83.303(b).

A PA may include only land reasonably known to be underlain by hydrocarbons and known or reasonably estimated through use of geological, geophysical, or engineering data to be capable of producing or contributing to the production of hydrocarbons in paying quantities. 11 AAC 83.351(a) “Paying Quantities” means:

Quantities sufficient to yield a return in excess of operating, costs, even if drilling and equipment costs may never be repaid and the undertaking as a whole may ultimately result in a loss; quantities are sufficient to yield a return in excess of operating costs unless those quantities, not considering the costs of transportation and marketing, will produce sufficient revenue to induce a prudent operator to produce those quantities. 11 AAC 83.395(4)

A. 11 AAC 83.303(a) criteria discussion

1) Conservation of Natural Resources

The formation of oil and gas units, as well as the creation and expansion of PAs within units, generally conserves hydrocarbons; coordinated development of leases held by diverse parties maximizes total hydrocarbon recovery and minimizes waste. Expansion of the existing KPA to include the new acreage will provide for more efficient, integrated development of the Kuparuk reservoir within the KRU. A comprehensive operating agreement and plan of development governing the expanded area will help avoid duplicative development efforts on and beneath the surface.

Producing hydrocarbon liquids from the expansion area through the existing KRU production and processing facilities reduces the incremental environmental impact of the additional production. The hydrocarbon resources of the expansion area can be accessed from a preexisting drill pad, and processed through preexisting facilities and infrastructure. Expanding the KPA will maximize oil and gas recovery, while minimizing negative impacts on all other natural resources.

2) Prevention of Economic and Physical Waste

Generally, the formation and expansion of a PA facilitates the equitable division of costs and allocation of the hydrocarbon shares, and provides for a diligent development plan, which maximizes hydrocarbon recovery from a reservoir. Further, the creation and subsequent expansion of a PA which enables both facility sharing opportunities and adoption of a unified reservoir management strategy may allow economically marginal hydrocarbon accumulations to be developed that otherwise might not be.

Using the existing KPA infrastructure and facilities eliminates the need to construct stand-alone facilities to process the additional volume of recoverable hydrocarbons from the expansion area. The division encourages the shared use of major processing facilities to minimize any additional surface impacts and costs. The division allows commingled production through the existing KRU facilities and approved a well test-based production allocation methodology for current and future reservoirs sharing those facilities. The methodology is subject to periodic review and reconsideration to assure that the state's royalty, tax and other interests are protected.

Further, facility consolidation saves capital and promotes better reservoir management through pressure maintenance and enhanced recovery procedures. In combination, these factors allow the Kuparuk Reservoir to be developed and produced in the interest of all parties, including the State. Expanding the KPA to include the leases that contain productive Kuparuk Formation reservoirs allows these expansion areas to access existing drill pads and unit facilities and prevents economic and physical waste.

3) Protection of All Parties

Because hydrocarbon recovery will be maximized and additional production-based revenue will be earned from the additional KPA production, the state's economic interest is promoted. Diligent exploration and development under a single approved unit plan without the complications of competing leasehold interests promote the state's interest. The expansion of the KPA promotes efficient evaluation and development of the state's resources, yet minimizes impacts to the area's cultural, biological, and environmental resources. Operating under the KRU agreement provides for accurate reporting and record keeping, royalty settlement, in-kind taking, and emergency storage of oil. These all protect the state's interest.

The proposed expansion of the KPA protects the economic interests of all working interest owners and the royalty owner. Combining interests and operating under the terms of a unit agreement and unit operation agreement assures each individual working interest owner an equitable allocation of costs and revenues commensurate with the resources of its lease(s).

B. 11 AAC 83.303(b) criteria discussion

1) The Environmental Costs and Benefits

As discussed above in section III (A), the sharing of the existing facilities eliminates duplication and minimizes the surface area affected by additional development. The well in the proposed expansion area has been developed from an existing drill pad and KRU infrastructure. All future development of the expansion area will take place from the existing drill pad and infrastructure. No

significant additional impacts to near shore and onshore habitat or biological resources are anticipated because of the additional Kuparuk production from an expanded KPA.

2) The Geological and Engineering Characteristics, and Previous Exploration of the Proposed Expansion area

KRU 1D-30 L1 and 1D-32 L1 were drilled within the proposed 480-acre expansion area. CPAI provided confidential and non-confidential technical data in support of the proposed expansion. More than 850 production and injection wells have been drilled in this field. The field has no natural gas cap, and solution gas drive is the primary recovery mechanism. Water and gas injection programs have been implemented to enhance recovery.

The proposed KPA expansion will incorporate these wells' horizontal lateral sections into the KPA. The geologic and engineering data submitted with the application along with the incremental contribution to production reasonably demonstrates that the proposed KPA expansion area is capable of producing or contributing to the production of hydrocarbons in paying quantities.

3) The Applicant's Plan for Exploration or Development of the Expanded Participating Area

The proposed expansion area is 480 acres. The 1D-30 1 and the 1D-32 L1 are currently producing 1,087 and 513 barrels of oil per day, respectively. The plan of development includes the drilling of a third lateral, 1D-34 L1, during September 2005 and the future conversion of 1D-32 L1 from a producer to an injector.

4) The Economic Costs and Benefits to the State

Approval of the proposed KPA expansion will provide economic benefits to the state by including the area in the Kuparuk plan of development, which proposes to maximize the physical and economic recovery of hydrocarbons from the Kuparuk reservoir. Maximum hydrocarbon recovery will enhance the state's long-term royalty and tax revenues.

Any additional administrative burdens associated with the proposed revised KPA are far outweighed by the additional royalty and tax benefits derived from the expansion area production.

5) Other Relevant Factors

Pursuant to 11 AAC 83.351 and 11 AAC 83.371, CPAI submitted with the application an allocation of production and cost for the leases in the proposed KPA expansion area (Attachment C to the Findings and Decision and revised Exhibit C to the KRU Agreement). The proposed tract allocation schedule distributes working interest equity amount the leases according to recoverable reserves. The basis of the tract allocation schedule – recoverable reserves – is consistent with previous expansions of the KPA. The division finds CPAI's revised tract allocation schedule acceptable for allocating production and costs among the leases in the expanded KPA.

CPAI and the division agree that the effective date of the tenth KPA expansion and the revised

Exhibit C to the KRU Agreement will be September 1, 2005.

IV. FINDINGS AND DECISION

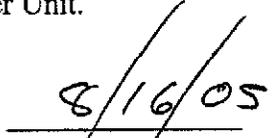
Based on the facts discussed in this document and the administrative record, I make findings and impose conditions as follows:

- 1) The proposed expansion acreage is underlain by hydrocarbons and known and reasonably estimated to be capable of production or contributing to production in sufficient quantities to justify the expansion of the KPA within the KRU.
- 2) The geological and engineering data justify the inclusion of the proposed acreage within the KPA. Under the terms of the applicable regulations governing formation and operation of oil and gas units (11 AAC 83.301 – 11 AAC 83.395) and the terms and conditions under which these lands were leased from the state.
- 3) The KPA expansion provides for the equitable division of costs and an equitable allocation of produces hydrocarbons, and under a development plan designed to maximize physical and economic recovery from the reservoirs within the expanded and approved participating areas. The allocations of production and costs for the tracts within the KPA (revised Exhibit C), Attachment C to this Findings and Decision, are approved.
- 4) The production of KPA Hydrocarbon liquids through the existing production and processing facilities within the KRU reduces the environmental impact of the additional production. Using existing facilities will avoid unnecessary duplication of development efforts on and beneath the surface.
- 5) The KRU Owners plan diligent exploration and delineation of the reservoirs underlying the KRU under approved plan of development and operation.
- 6) Approval of the expansion of the KPA, and the revised Exhibit C to the KRU agreement (Attachment C to this Findings and Decision), are effective September 1, 2005.

For these reasons and subject to the conditions and limitations noted, I hereby approve the Tenth Revision of the Kuparuk Participating Area within the Kuparuk River Unit.

for

Mark D Myers
Division of Oil and Gas


Date 8/16/05

Attachments:

- 1) Tenth KPA Revision Tracts
- 2) KRU proposed 10th KPA expansion map
- 3) Revised Exhibit C to the KRU Agreement (KPA Tract Allocation Schedule)

Figure A-1: KPA Expansion Area

Tract	ADL	Township Range	Section
60	028248	T11N, R11E, UM	S30: E 1/2
			S31: NE 1/4

Note:

- 1) Working Interests are: CPAI 55.402367%, BPXA 39.282233%, Unocal 04.95060%, ExxonMobile 00.364800%
- 2) Royalty is 12.5%
- 3) No NPS or other burdens.

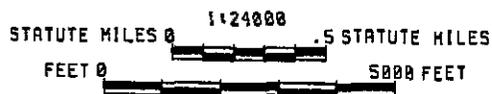
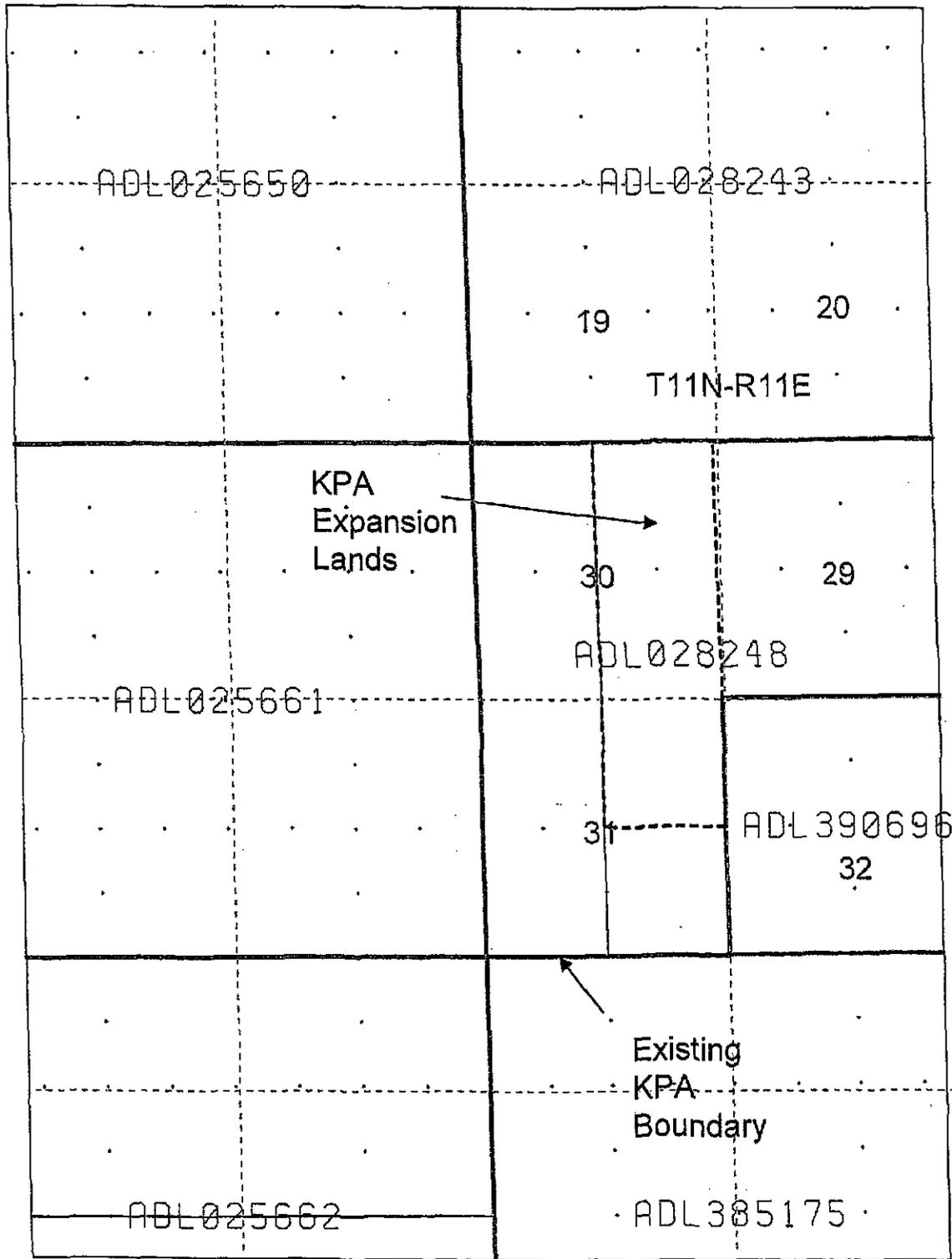


Figure A-2. Base Map.

Exhibit C

<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
1	T13N-R8E-UM Sec. 13: NE 1/4, S 1/2 Sec. 14: S 1/2 Sec. 23: All Sec. 24: All	25522	0.495463	0.495463
2	T13N-R9E-UM Sec. 17: All Sec. 18: All Sec. 19: All Sec. 20: All	25512	1.553895	1.553895
3	T13N-R9E-UM Sec. 15: All Sec. 16: All Sec. 21: All Sec. 22: All	25513	1.606688	1.606688
4	T13N-R9E-UM Sec. 25: All Sec. 26: All Sec. 35: All Sec. 36: All	25519	1.256615	1.256615
5	T13N-R9E-UM Sec. 27: All Sec. 28: All Sec. 33: All Sec. 34: All	25520	1.540318	1.540318
6	T13N-R9E-UM Sec. 29: All Sec. 30: All Sec. 31: All Sec. 32: All	25521	1.408060	1.408060
7	T13N-R8E-UM Sec. 25: All Sec. 26: All Sec. 35: All Sec. 36: All	25523	1.352033	1.352033
8	T13N-R8E-UM Sec. 27: All Sec. 33: All Sec. 34: All	25524	0.638957	0.638957
10	T12N-R8E-UM Sec. 3: All Sec. 4: E 1/2 Sec. 9: All	25532	0.317871	0.317871

Exhibit C

<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
	Sec. 10: N 1/2, SW 1/4			
10A	T12N-R8E-UM Sec. 10: SE 1/4	25532	0.008443	0.008443
11	T12N-R8E-UM Sec. 1: All Sec. 2: All Sec. 11: All Sec. 12: All	25531	1.102731	1.102731
12	T12N-R9E-UM Sec. 5: All Sec. 6: All Sec. 7: All Sec. 8: All	25631	1.266345	1.266345
13	T12N-R9E-UM Sec. 3: All Sec. 4: All Sec. 9: All Sec. 10: All	25630	1.738406	1.738406
14	T12N-R9E-UM Sec. 1: All Sec. 2: All Sec. 11: All Sec. 12: All	25629	1.571552	1.571552
15	T12N-R10E-UM Sec. 5: All Sec. 6: All Sec. 7: All Sec. 8: All	25628	0.853145	0.853145
16	T12N-R10E-UM Sec. 3: SW 1/4 Sec. 4: All Sec. 9: All Sec. 10: NW 1/4, S 1/2	25627	0.124805	0.124805
18	T12N-R10E-UM Sec. 23: S 1/2	25637	0.000009	0.000009
19	T12N-R10E-UM Sec. 15: All Sec. 16: All Sec. 21: All Sec. 22: All	25636	0.384115	0.384115
20	T12N-R10E-UM Sec. 17: All Sec. 18: All	25635	1.777099	1.777099

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<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
	Sec. 19: All Sec. 20: All			
21	T12N-R9E-UM Sec. 13: All Sec. 14: All Sec. 23: All Sec. 24: All	25634	1.809044	1.809044
22	T12N-R9E-UM Sec. 15: All Sec. 16: All Sec. 21: All Sec. 22: All	25633	2.019454	2.019454
23	T12N-R9E-UM Sec. 17: All Sec. 18: All Sec. 19: All Sec. 20: All	25632	2.908733	2.908733
24	T12N-R8E-UM Sec. 13: All Sec. 14: All Sec. 23: All Sec. 24: All	25547	0.901259	0.901259
25	T12N-R8E-UM Sec. 15: All Sec. 16: All Sec. 21: All Sec. 22: All	25546	0.133831	0.133831
28	T12N-R8E-UM Sec. 27: All Sec. 34: All	25549	0.017223	0.017223
29	T12N-R8E-UM Sec. 25: All Sec. 26: All Sec. 35: All Sec. 36: All	25548	0.538188	0.538188
30	T12N-R9E-UM Sec. 29: All Sec. 30: All Sec. 31: All Sec. 32: All	25643	3.198081	3.198081
31	T12N-R9E-UM Sec. 27: All Sec. 28: all Sec. 33: All	25642	3.767465	3.767465

Exhibit C

<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
	Sec. 34: All			
32	T12N-R9E-UM Sec. 25: All Sec. 26: All Sec. 35: All Sec. 36: All	25641	3.294722	3.294722
33	T12N-R10E-UM Sec. 29: All Sec. 30: All Sec. 31: All Sec. 32: All	25640	3.116224	3.116224
34	T12N-R10E-UM Sec. 27: All Sec. 28: All Sec. 33: All Sec. 34: All	25639	0.941646	0.941646
35	T12N-R10E-UM Sec. 25: NW 1/4, S 1/2 Sec. 26: All Sec. 35: All Sec. 36: All	25638	0.240567	0.240567
36	T12N-R11E-UM Sec. 31: All	47449	0.003668	0.003668
37	T11N-R11E-UM Sec. 5: All Sec. 6: All Sec. 7: All Sec. 8: All	28242	0.122661	0.122661
38	T11N-R10E-UM Sec. 1: All Sec. 2: All Sec. 11: All Sec. 12: All	25649	0.921980	0.921980
39	T11N-R10E-UM Sec. 3: All Sec. 4: All Sec. 9: All Sec. 10: All	25648	1.257274	1.257274
40	T11N-R10E-UM Sec. 5: All Sec. 6: All Sec. 7: All Sec. 8: All	25647	2.022733	2.022733

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<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
41	T11N-R9E-UM Sec. 1: All Sec. 2: All Sec. 11: All Sec. 12: All	25646	4.044777	4.044777
42	T11N-R9E-UM Sec. 3: All Sec. 4: All Sec. 9: All Sec. 10: All	25645	4.594163	4.594163
43	T11N-R9E-UM Sec. 5: All Sec. 6: All Sec. 7: All Sec. 8: All	25644	3.028386	3.028386
44	T11N-R8E-UM Sec. 1: All Sec. 2: All Sec. 11: All Sec. 12: All	25569	1.033199	1.033199
45	T11N-R8E-UM Sec. 3: All Sec. 9: SE 1/4 Sec. 10: All	25568	0.543946	0.543946
49	T11N-R8E-UM Sec. 15: All Sec. 16: E 1/2 Sec. 21: All Sec. 22: All	25571	0.868762	0.868762
50	T11N-R8E-UM Sec. 13: All Sec. 14: All Sec. 23: All Sec. 24: All	25570	1.851970	1.851970
51	T11N-R9E-UM Sec. 17: All Sec. 18: All Sec. 19: All Sec. 20: All	25655	3.084423	3.084423
52	T11N-R9E-UM Sec. 15: All Sec. 16: All Sec. 21: All Sec. 22: All	25654	2.359540	2.359540

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<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
53	T11N-R9E-UM Sec. 13: All Sec. 14: All Sec. 23: All Sec. 24: All	25653	2.977410	2.977410
54	T11N-R10E-UM Sec. 17: All Sec. 18: All Sec. 19: All Sec. 20: All	25652	3.002121	3.002121
55	T11N-R10E-UM Sec. 15: All Sec. 16: All Sec. 21: All Sec. 22: All	25651	1.969256	1.969256
56	T11N-R10E-UM Sec. 13: All Sec. 14: All Sec. 23: All Sec. 24: All	25650	1.146064	1.146064
57	T11N-R11E-UM Sec. 17: All Sec. 18: All Sec. 19: All Sec. 20: All	28243	0.456815	0.456815
58	T11N-R11E-UM Sec. 16: All Sec. 21: All	28244	0.031629	0.031629
60	T11N-R11E-UM Sec. 30: W 1/2 all Sec. 31: W 1/2 1/4 <i>1/2</i>	28248	0.173626	0.173626
61	T11N-R10E-UM Sec. 25: All Sec. 26: All Sec. 35: All Sec. 36: All	25661	0.767229	0.767229
62	T11N-R10E-UM Sec. 27: All Sec. 28: All Sec. 33: All Sec. 34: All	25660	1.359438	1.359438
63	T11N-R10E-UM Sec. 29: All Sec. 30: All	25659	2.157803	2.157803

Exhibit C

<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
	Sec. 31: All Sec. 32: All			
64	T11N-R9E-UM Sec. 25: All Sec. 26: All Sec. 35: All Sec. 36: All	25658	1.808554	1.808554
65	T11N-R9E-UM Sec. 27: All Sec. 28: All Sec. 33: All Sec. 34: All	25657	2.080570	2.080570
66	T11N-R9E-UM Sec. 29: All Sec. 30: All Sec. 31: All Sec. 32: All	25656	1.863051	1.863051
67	T11N-R8E-UM Sec. 25: All Sec. 26: All Sec. 35: All Sec. 36: All	25587	1.124390	1.124390
68	T11N-R8E-UM Sec. 27: All Sec. 28: All Sec. 33: All Sec. 34: All	25586	0.954797	0.954797
69	T11N-R8E-UM Sec. 29: SE 1/4 Sec. 32: NE 1/4, S 1/2	25585	0.101351	0.101351
74	T10N-R8E-UM Sec. 5: All Sec. 6: SE 1/4 Sec. 7: E 1/2 Sec. 8: All	25590	0.237960	0.237960
75	T10N-R8E-UM Sec. 3: All Sec. 4: All Sec. 9: All Sec. 10: All	25589	0.718528	0.718528
76	T10N-R8E-UM Sec. 1: All Sec. 2: All Sec. 11: All	25588	0.864040	0.864040

Exhibit C

<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
	Sec. 12: All			
77	T10N-R9E-UM Sec. 5: All Sec. 6: All Sec. 7: All Sec. 8: All	25667	1.160699	1.160699
78	T10N-R9E-UM Sec. 3: All Sec. 4: All Sec. 9: All Sec. 10: N 1/2	25666	0.687908	0.687908
79	T10N-R9E-UM Sec. 1: All Sec. 2: All Sec. 11: All Sec. 12: All	25665	0.903232	0.903232
80	T10N-R10E-UM Sec. 5: All Sec. 6: All Sec. 7: All Sec. 8: All	25664	1.609449	1.609449
81	T10N-R10E-UM Sec. 3: All Sec. 4: All Sec. 9: All Sec. 10: NW 1/4	25663	0.984035	0.984035
82	T10N-R10E-UM Sec. 1: All Sec. 2: All	25662	0.034133	0.034133
84	T10N-R10E-UM Sec. 17: All Sec. 18: All	25671	0.142512	0.142512
85	T10N-R9E-UM Sec. 13: All Sec. 14: All	25670	0.103665	0.103665
87	T10N-R9E-UM Sec. 18: N 1/2, SW 1/4	25668	0.193850	0.193850
88	T10N-R8E-UM Sec. 13: All Sec. 14: All Sec. 23: All Sec. 24: NW 1/4	25605	0.264691	0.264691

Exhibit C

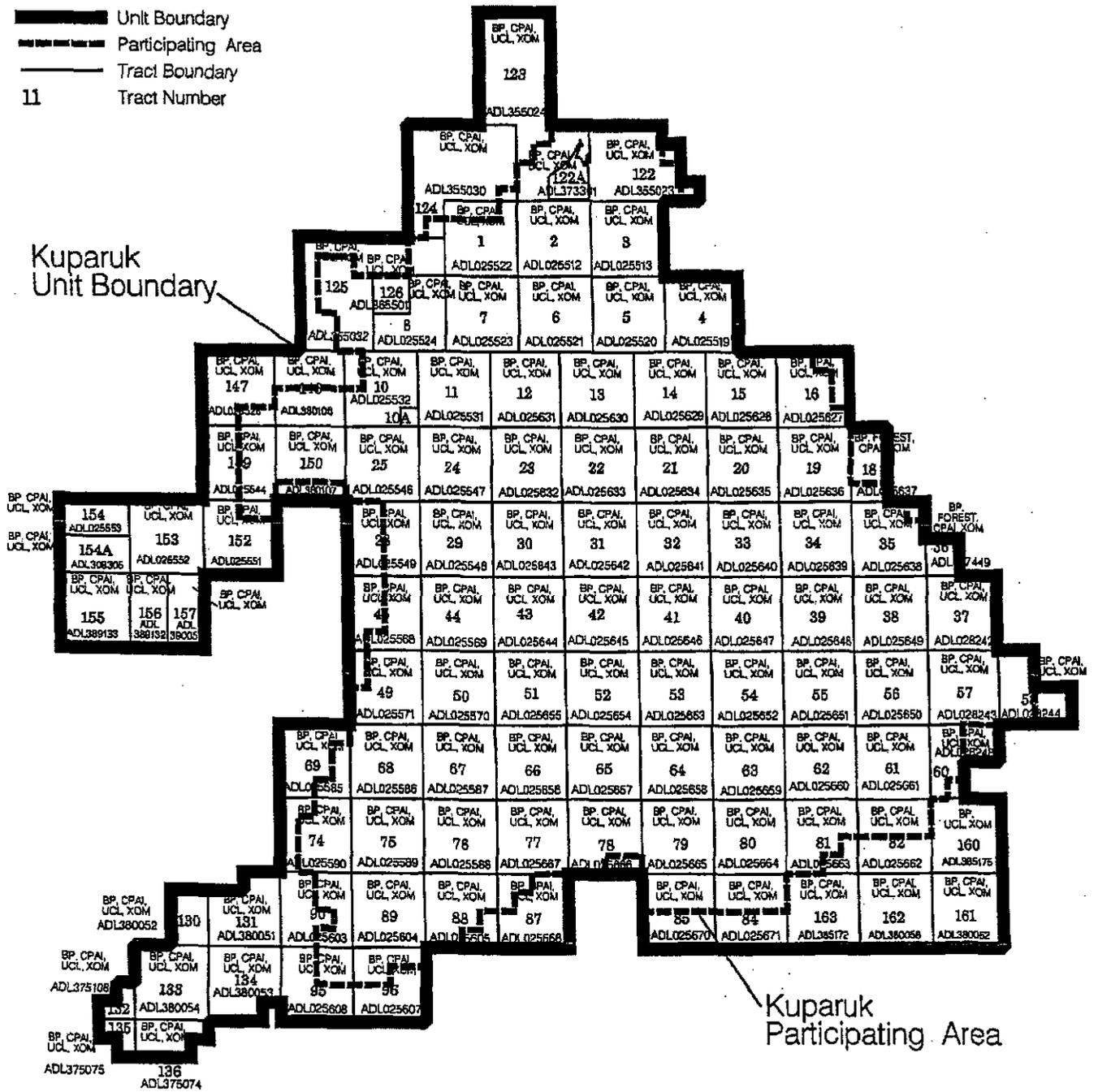
<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
89	T10N-R8E-UM Sec. 15: All Sec. 16: All Sec. 21: All Sec. 22: All	25604	0.256003	0.256003
90	T10N-R8E-UM Sec. 17: All Sec. 20: NE 1/4, S 1/2	25603	0.047059	0.047059
95	T10N-R8E-UM Sec. 29: All	25608	0.140846	0.140846
96	T10N-R8E-UM Sec. 27: N 1/2 Sec. 28: All	25607	0.171557	0.171557
122	T13N-R9E-UM Sec. 3: All Sec. 4: All Sec. 8: All, excluding T&S lands and USS 4275 Sec. 9: All Sec. 10: All Sec. 11: W 1/2	355023	0.434522	0.434522
122A	T13N-R9E-UM USS 4275 Include Tract C, ATS 1259 Exclude Tract B, ATS 1259 Exclude Tract A, ATS 1289	373301	0.300967	0.300967
123	T13N-R9E-UM Sec. 5: All, excluding USS 4275 Sec. 6: SE 1/4 Sec. 7: All, excluding USS 4275 Sec. 8: T&S lands	355024	0.059782	0.059782
124	T13N-R8E-UM Sec. 12: SE 1/4 Sec. 15: SE 1/4	355030	0.001045	0.001045
125	T13N-R8E-UM Sec. 19: SE 1/4 Sec. 20: SW 1/4 Sec. 22: All Sec. 29: All Sec. 30: E 1/2 Sec. 32: All	355032	0.251190	0.251190
126	T13N-R8E-UM Sec. 28: All	365501	0.033776	0.033776

Exhibit C

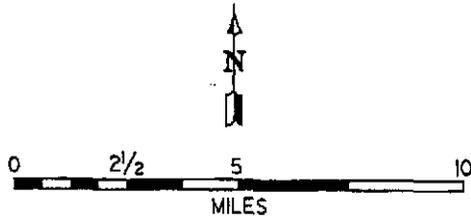
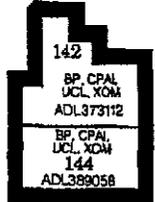
<u>Tract No.</u>	<u>Legal Description</u>	<u>ADL No.</u>	<u>Tract Participation</u>	<u>Cost Participation</u>
146	T12N-R8E-UM Sec. 7: All Sec. 8: All	380106	0.163417	0.163417
147	T12N-R7E-UM Sec. 12: S 1/2	25528	0.030047	0.030047
149	T12N-R7E-UM Sec. 13: All Sec. 24: All	25544	0.246592	0.246592
150	T12N-R8E-UM Sec. 17: All Sec. 18: All Sec. 19: N 1/2 Sec. 20: N 1/2	380107	0.328325	0.328325
152	T12N-R7E-UM Sec. 25: N 1/2	25551	0.035597	0.035597
Total			100.000000	100.000000

-  Unit Boundary
-  Participating Area
-  Tract Boundary
- 11 Tract Number

Kuparuk Unit Boundary



Kuparuk Participating Area



ConocoPhillips
Alaska, Inc.

Kuparuk River Unit
Exhibit 'D'
Kuparuk Participating Area

Located within T8-13N, R7-11E
Umiat Meridian, Alaska