

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

SEAN PARNELL, GOVERNOR

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**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

August 10, 2009

Mr. Pat Foley
Manager - Land & External Affairs
Pioneer Natural Resources Alaska, Inc.
700 G Street, Suite 600
Anchorage, Alaska 99501

Subject: **CORRECTION** and **REVISION** to August 5, 2009 Decision Approving the Formation of the Oooguruk Nuiqsut Participating Area

Dear Mr. Foley,

The State of Alaska, Department of Natural Resources, Division of Oil and Gas issued the Approval of the Oooguruk Nuiqsut Participating Area (ONPA) (Decision) on August 5, 2009, retroactively effective to June 1, 2008. The Decision contained several errors in Section IV.C.9.a- c. The corrected language for Section IV.C.9 a-c is set out below.

9. The Division approves Pioneer's ONPA tract allocation schedule for allocating production and costs among the leases in the ONPA.
 - a. Accounting Unit codes OO02, OO03, OO05, OO06, and OO07 are terminated effective July 31, 2009- Production Month of June 2009. The Accounting Unit code for the ONPA is OONU.
 - b. Pioneer must submit revised operator reports and the lessees must submit revised royalty reports back to the start of production, zeroing out production under royalty accounting unit codes OO02, OO03, OO05, OO06, and OO07 and allocating all production to the ONPA royalty accounting code OONU as set forth in the approved ONPA tract allocation schedule.
 - c. These revised reports will be submitted within 60 days after the approval of the formation of the ONPA. Oooguruk invoices from the quality bank administrator must accompany these revised reports and all future royalty reports (A1).

On August 6, 2009 Pioneer proposed a revision to the language of Section IV. C.11 to include the words "unless the parties agree otherwise". I approve this revised language as set out below.

11. The ONPA boundary will contract to 160 acre spacing around development wells in the Final Redetermination, unless the parties agree otherwise.

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to Tom Irwin, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. This decision takes effect immediately. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Sincerely,


Kevin R. Banks,
Director
Division of Oil and Gas

8/10/9
Date

Cc: Tab Ballantine, DOL