

KUPARUK RIVER UNIT

APPROVAL OF APPLICATION FOR FORMATION OF THE KUPARUK
RIVER UNIT NORTHEAST WEST SAK PARTICIPATING AREA

Findings and Decision

MAY 29, 2009

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I. INTRODUCTION, BACKGROUND, AND DECISION SUMMARY

The State of Alaska (State), Department of Natural Resources (DNR), Division of Oil and Gas (Division) approved the Kuparuk River Unit (KRU) on March 26, 1982 with an effective date of December 1, 1981. The Division approved the formation of the KRU West Sak Participating Area (WSPA) effective December 16, 1997. The WSPA was expanded on December 15, 2004 and July 1, 2007. On December 16, 2008, ConocoPhillips Alaska, Inc. (CPAI), the designated KRU Operator, submitted an Application for formation of the Kuparuk River Unit Northeast West Sak Participating Area. The proposed KRU Northeast West Sak Participating Area (NEWS PA) includes acreage overlying the West Sak and Ugnu formations within the [boundary of the] KRU, six miles northwest of the existing WSPA. Lack of communication between the NEWS PA and the WSPA warrants a separate participating area. The NEWS PA encompasses portions of three State oil and gas leases comprising approximately 2,688 acres.

CPAI submitted confidential and public portions of the Application. CPAI has completed three wells in the proposed NEWS PA as unit tract operations. The confidential geological, geophysical, and engineering data support formation of the NEWS PA and indicate that the West Sak Reservoir within the NEWS PA is capable of producing or contributing to production of hydrocarbons in paying quantities.

The Division finds that formation of the NEWS PA within the KRU promotes conservation of all natural resources, promotes the prevention of economic and physical waste and provides for the protection of all parties of interest, including the State. DNR approves the Application in accordance with the criteria under 11 AAC 83.303. The effective date of the NEWS PA is December 1, 2008.

II. APPLICATION AND LEASE HISTORY

CPAI submitted the Application under 11 AAC 83.351 (c), 11 AAC 83.371 (a) in accordance with Article 6.3, of the KRU Agreement. The three State leases proposed for the NEWS PA are ADLs 25519, 25628, and 25629.

As required, CPAI submitted Exhibits C and D to the KRU Agreement, and Ballot 357 ratifying West Sak Special, Supplemental Provisions, in accordance with Article 18 of the KRU Operating Agreement (Attachments 1-3). Exhibit C displays the Unit Tract numbers, legal descriptions, lease numbers, working interest ownership, royalty interest ownership, overriding royalty interest ownership, and unit tract participation for the NEWS PA. Exhibit D is a map of the PA. By ballot 357, the KRU working interest owners (WIOs) approved formation of the NEWS PA.

The Division issued ADLs 25519, 25629, and 25628 effective February 1, on Competitive Oil and Gas Lease Form No. DL-1 October 1963 with ten-year primary terms and 12.5 percent fixed royalty rate. The leases were committed in entirety to the KRU and the Kuparuk River Participating Area (KPA) effective December 1, 1981.

Aligned working interest ownership of all depths of each lease is as follows:

ConocoPhillips Alaska, Inc. (CPAI)	55.402367%
BP Exploration (Alaska) Inc. (BPXA)	39.282233%
Union Oil Company of California (Union)	04.950600%
ExxonMobil Alaska Production Inc (EMAP)	0.3648000%

III. DISCUSSION OF DECISION CRITERIA

AS 38.05.180(p) gives DNR the authority to approve an oil and gas unit. The Commissioner of DNR (Commissioner) reviews participating area formation applications under 11 AAC 83.301 – 11 AAC 83.395. By memorandum dated September 30, 1999, the Commissioner delegated this authority to the Division Director.

A PA “may include only the 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.” Review of the Application is based on the criteria in 11 AAC 83.303 (a) and (b). Discussion of these criteria is set forth below.

A. The 11 AAC 83.303(b) Criteria

1. The Environmental Costs and Benefits of Unitized Exploration or Development

The approval of the NEWS PA itself has no environmental impact because the Commissioner’s approval of this participating area is an administrative action, which, by itself, does not convey any authority to conduct any operations on the surface within the unit area. Potential effects on the environment are analyzed during review of proposed plans of operations and when permits to conduct development activity in the unit and participating area are reviewed.

A proposed Plan of Operations must describe the operating procedures designed to prevent or minimize adverse effects on natural resources. Plans of operation are subject to extensive technical review by a number of local, State, and federal agencies. They are also subject to consistency review with the Alaska Coastal Management Program and local coastal district plans, if the affected lands are within the coastal zone.

CPAI obtained approval of a Plan of Operations from the State and permits from various agencies before drilling the NEWS PA wells and initiating development activities. DNR considered environmental issues in the lease sale process and the initial unitization process for the KRU. The Plan of Operations and the lease itself include plans for rehabilitation of the unit and participating area.

CPAI has designed the development of the Northeast West Sak Reservoir within the KRU to minimize the amount of surface impact from the facilities necessary to develop through utilization of a compact drillsite, (drillsite 3K), and existing KRU infrastructure. Ballot 357 provides for approval of Ballot 255, Kuparuk Facility Sharing Ballot.

The formation of the NEWS PA will promote efficient development of the State's resources, while minimizing impacts to the region's cultural, biological, and environmental resources. Such impacts would be significantly greater if the Northeast West Sak Reservoir was developed on a lease-by-lease basis, rather than on an integrated, unitized basis.

2. Geologic and Engineering Characteristics and Prior Exploration and Development Activities of the Proposed Kuparuk River Unit Northeast West Sak Participating Area

A. Geologic Setting

The NEWS PA, located in the northeastern portion of the KRU, in the area around Drillsite (DS) 3K, will target development of the West Sak sands, an informally named member of the Upper Cretaceous Colville Group that also includes the stratigraphically equivalent Schrader Bluff sands. The West Sak / Schrader Bluff sands, also referred to as 'shallow' or 'heavy oil sands, occur throughout the area of the Kuparuk, Milne Point, Prudhoe Bay and Nikaitchuq Units and are currently in production or undergoing development.

The West Sak/Schrader Bluff sands are part of a large Upper Cretaceous deltaic complex. The sands were deposited in a proximal- to delta-front setting and consist of an areally extensive series of stacked coarsening- and cleaning-upward strata with a gross thickness of approximately 400 feet. Individual sand bodies, separated by interbedded non-reservoir siltstones and mudstones, range from a few feet to about 40 feet in thickness.

The Alaska Oil and Gas Conservation Commission (AOGCC) Conservation Order 406 defines the pool rules for the West Sak. The aerial extent of the proposed NEWS PA lies within the West Sak Oil pool boundary. Rule No. 2 of the Pool Rules defines the stratigraphic limit of the pool as equivalent to the interval between 3,742 feet and 4,156 feet measured depth (md) in the ARCO West Sak No 1 well drilled in 1971.

The West Sak sands are divided into two distinct reservoir sequences: a lower inner-shelf sandstone sequence represented by the A units (oldest) and a younger shallow-marine delta-front zone represented by the B, C, and D (youngest) intervals. The lower West Sak sands, equivalent to the Schrader Bluff OBe through OBb sandstones, are subdivided from A1 (lowest) through A4. The upper West Sak sands consist of the B (lowest), C, and D units and are equivalent to the OBa and OA sandstones of the Schrader Bluff formation.

The West Sak sands in the KRU are present as a large structural monocline with gentle 1° to 2° northeasterly dip. The reservoir depth is only 2,700' true vertical depth subsea (tvdss) in the southwestern KRU, and approximately 3,800' tvdss in the northeast. Two major intersecting fault systems, one system trending north and the other east, exert the primary

structural control of the area. These faults, along with rapid facies changes, unconformities, a heavy oil/tar mat, and permafrost all provide barriers to oil migration, resulting in a segmented reservoir separated by isolated fault blocks with widely varying oil/water contacts and oil quality. The NEWS PA, located approximately six miles to the northwest of the existing West Sak PA, is limited to a single fault block with demonstrated continuity in reservoir and fluid properties that are capable of being developed independently.

B. Geological and Engineering Characteristics

Reservoir sandstones within the West Sak are typically comprised of unconsolidated fine-to-very fine grain litharenites and lithic wackes that are locally calcite cemented. Preserved primary macro-porosity can be as high as 35 percent and, where not cemented by calcite, the sandstones typically have porosities of 25 percent or greater. Permeability is highly variable, but generally ranges between 10 – 800 millidarcies. In the vicinity of the NEWS PA, the lower West Sak A units are dominated by siltstone and mudstone and contain minor, thin sand beds resulting in a decreasing net to gross ratio and a loss of calculated sand quality that limits the amount of reservoir present. Development will likely be limited to the upper West Sak D and B sands that contain good reservoir characteristics.

API gravity and viscosity of the oil are key measurements used with the calculated reservoir rock properties to determine the producibility of the oil from this heavy oil reservoir. Regionally, the eastward structural dip of the West Sak is responsible for increasing reservoir temperature to the east that causes an associated decrease in the viscosity of the oil. Reservoir temperatures range from 60° F in the shallower area to the west to 80° F in the deeper eastern area. The API gravity of the oil varies between 10° to 22°. Viscosity varies from about 30 centipoises (cp) to over 300 cp.

Since February 2008 ConocoPhillips has drilled one horizontal multi-lateral producer well (3K-102), and two supporting multi-lateral injection wells (3K-103 and 3K-108) targeting the West Sak sands within the area of the proposed NEWS PA. Tract operations were previously approved by the Division for operation of these wells. Production from 3K-102 during February, 2009 averaged over 1,200 barrels of oil per day (BOPD).

C. Conclusion

CPAI submitted confidential economic, geophysical, geological, and engineering data demonstrating the acreage underlying the NEWS PA is capable of producing or contributing to production of hydrocarbons in paying quantities. Review of the data submitted by CP in support of the NEWS application and evaluation of the subsurface geology supports the formation of the NEWS PA within the KRU.

3. Plans of Exploration and Development for the Proposed Kuparuk River Unit Northeast West Sak Participating Area

The State will benefit from the Operator's Plan of Development (POD), which proposes to maximize the physical recovery of hydrocarbons from the West Sak reservoir, and in turn, enhance the State's long-term royalty and tax revenues.

The approved Kuparuk River Unit Plan of Development (2008 KRU POD) for the period August 1, 2008 through July 31, 2009 addresses each of the five existing KRU participating areas separately and specifically outlines the wells planned at each of the drillsites, including the Phase One 3K NEWS wells. CPAI has drilled and completed the 3K-102, a producer, and two injectors, the 3K-103, and 3K-108 and plans to complete additional wells in 2010.

Two confidential attachments to the Application, Attachment 1, Statement Supporting the Formation of the NEWS PA, and Exhibit D to the Application, Plan of Development and Operations for the West Sak 3K Phase 1 Development, provide geological, geophysical, and engineering and well data supporting the NEWS PA. CPAI met with the Division on April 20, 2009 to discuss and review questions related to the application and reviewed the current status of 3K Phase One development.

4. The Economic Costs and Benefits to the State and Other Relevant Factors

CPAI submitted tract participation schedules for the individual tracts/leases in the WSPA (Attachments 2 & 3) as required by 11 AAC 83.371. The proposed allocation distributes expenses and production among the tracts/leases in each PA on a surface acreage basis. The PA is defined by the surface acreage covering the anticipated productive area. CPAI submitted confidential paying quantities calculations for the producing wells and the injection wells, demonstrating that the expansion area is reasonably capable of producing hydrocarbons in paying quantities, as required by 11 AAC 83.351 (c).

Approval of the NEWS PA and associated field development will economically benefit the State by maximizing the recovery of hydrocarbons from productive reservoirs thereby enhancing the State's long-term royalty and tax revenue stream. Any additional administrative burdens associated with the NEWS PA are far outweighed by the royalty and tax benefits derived from production.

The Division approves the proposed tract allocation and determination schedule for allocating production and costs among the leases within the NEWS PA. The account codes approved for production from tract operations on the leases will be discontinued and CPAI will report all of the production from the NEWS PA using the KUNE production accounting code. Accounting Code KU22 is terminated effective March 1, 2008. CPAI must submit revised operator reports and the lessees must submit revised royalty reports back to the start of production, zeroing out production under accounting code KU22 and allocating all production as set forth in the approved NEWS PA tract allocation schedule. These revised reports will be submitted within 60 days after the approval of the formation of the NEWS PA.

B. Decision Criteria Considered Under 11 AAC 83.303(a)

1. Promote the Conservation of All Natural Resources

The formation of PAs within oil and gas units generally conserves hydrocarbons. Coordinated development of leases held by diverse parties maximizes hydrocarbon recovery and minimizes waste. Formation of the NEWS PA provides for efficient, integrated development of the Northeast West Sak Reservoir within the KRU. A comprehensive operating agreement and plan of development governing the area avoids duplicative development efforts.

Processing NEWS PA production through the existing KRU facilities will reduce the incremental environmental impact of the additional production and helps maximize hydrocarbon recovery, while minimizing negative impacts on all other natural resources.

2. The Prevention of Economic and Physical Waste

Formation of a PA facilitates the equitable division of costs and allocation of production amongst the WIOs, and provides for a coordinated development plan which helps to maximize hydrocarbon recovery from a reservoir. The formation 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. Formation of the NEWS PA promotes complete development of a reservoir with variable productivity and profitability across adjoining leases.

Diligent development under an equitable PA allocation schedule is in the State's best interest, advances production and sales of hydrocarbon resources, and minimizes impacts to the region's cultural and environmental resources. Shared facilities and infrastructure prevent economic and physical waste.

3. The Protection of All Parties of Interest, Including the State

Because hydrocarbon recovery will be maximized, the State's economic interest is promoted. Diligent exploration and development under a single approved unit plan without the complications of competing leasehold interests promotes the State's interest. The formation of the NEWS PA advances the efficient evaluation and development of the State's resources, while minimizing impacts to the area's cultural, biological, and environmental resources. The State's interest is protected.

The formation of the NEWS PA protects the economic interests of all parties. Combining interests and operating under the terms of the KRU Agreement and KRU Operating Agreement assures each individual WIO an equitable allocation of costs and revenues commensurate with the resources of its leases. Operating under the KRU Agreement provides for accurate reporting and record keeping, State approval of plans of exploration and development and operating procedures, royalty settlement, in-kind taking, and emergency storage of oil and gas, all of which will further the State's interest.

The KRU WIOs have agreed to form the NEWS PA and share existing KRU processing capacity and infrastructure. Using the KRU infrastructure and facilities eliminates the need to construct duplicative stand-alone processing facilities for production from the

Northeast West Sak Reservoir. Optimizing production while preventing economic and physical waste protects all parties.

IV. FINDINGS AND DECISION

A. The Conservation of All Natural Resources

1. The approval of the NEWS PA will conserve all natural resources, including hydrocarbons, gravel, sand, water, wetlands, and valuable habitat.
2. The development and operation of these leases under a unit agreement and approved participating area will reduce the amount of land and fish and wildlife habitat that would otherwise be disrupted by individual lease development. This reduction in environmental impacts and preservation of subsistence access is in the public interest.
3. Due to the potential for environmental impacts associated with reservoir development, all unit development must proceed according to an approved plan of development. Additionally, before undertaking any specific operations, the Unit Operator must submit a unit Plan of Operations to the Division and other appropriate State and local agencies for review and approval. No drilling or development operations may commence until all agencies have granted the required permits. DNR may condition its approval of a unit Plan of Operations and other permits on performance of mitigation measures. Compliance with mitigation measures will minimize, reduce or completely avoid adverse environmental impacts.

B. The Prevention of Economic and Physical Waste

1. CPAI submitted geological, geophysical and engineering data to the Division in support of the Application. Division staff determined that the land within the proposed NEWS PA is 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 production of hydrocarbons in paying quantities.

C. The Protection of All Parties in Interest, Including the State

1. The NEWS PA adequately and equitably protects the public interest, and is in the State's best interest.
2. The NEWS PA meets the requirements of 11 AAC 83.351.
3. The formation of the NEWS PA will not diminish access to public and navigable waters beyond those limitations (if any) imposed by law or already contained in the oil and gas leases covered by the KRU Agreement.

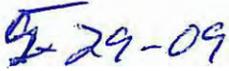
4. The NEWS PA approval is effective retroactive to March 1, 2008.
5. The Division approves the proposed NEWS PA tract allocation schedule for allocating production and costs among the leases in the NEWS PA.
 - a. Accounting Code KU22 is terminated effective March 1, 2008.
 - b. CPAI must submit revised operator reports and the lessees must submit revised royalty reports back to the start of production, zeroing out production under royalty accounting unit code KU22 and allocating all production as set forth in the approved NEWS PA tract allocation schedule. These revised reports will be submitted within 60 days after the approval of the formation of the NEWS PA. CPAI will report all of the production from the NEWS PA using the KUNE production accounting code.
6. The NEWS PA will include the West Sak intervals as defined between 3,742 feet and 4,156 feet measured depth in the ARCO West Sak No 1 well. The areal extent of the NEWS PA lies within the West Sak Oil pool as defined in AOGCC CO 406.

For the reasons discussed in this Findings and Decision, I hereby approve the NEWS PA subject to the conditions set out in this decision. The NEWS PA is effective retroactive to March 1, 2008.

This decision takes effect immediately. 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. 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.



Kevin R. Banks,
Director
Division of Oil and Gas



Date

V. ATTACHMENTS

1. Exhibit C, Northeast West Sak Participating Area Tracts/leases
2. Exhibit D, Map of the Northeast West Sak Participating Area within the Kuparuk River Unit Boundary
3. KRU Ballot No. 357 approving Northeast West Sak Participating Area and Ratifying West Sak Special, Supplemental Provisions

ATTACHMENT ONE
Exhibit C, Northeast West Sak Participating Area Tracts/leases

Exhibit NEWS - C

Tract Participations Within NEWS PA

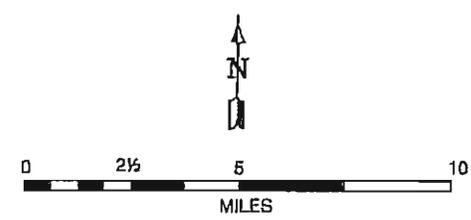
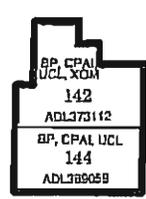
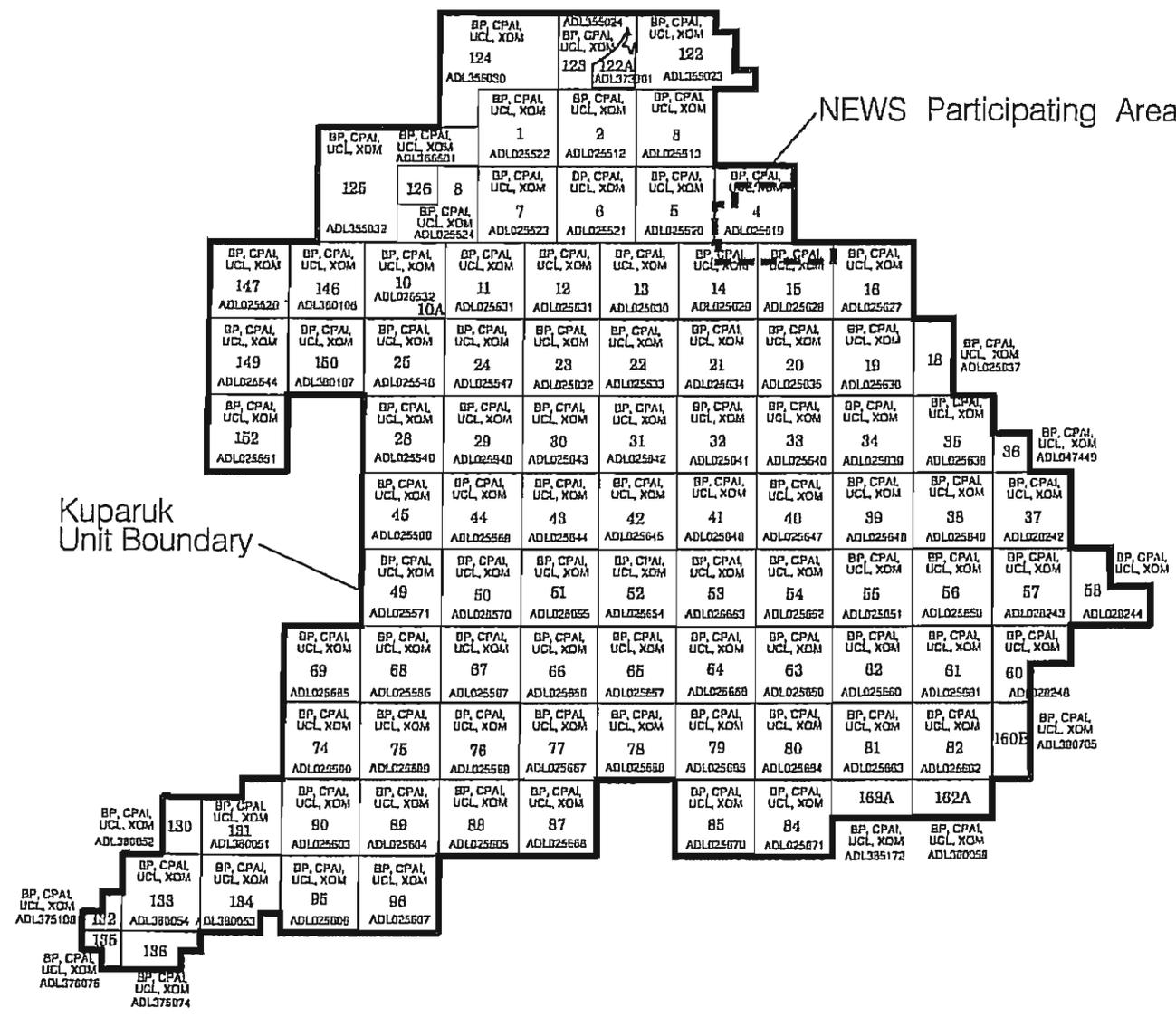
KRU Tract No.	ADL No.	Legal Description	Tract acres within PA	Tract Allocation ¹
4	ADL 25519	T13N, R09E, Sec. 25, S2, 320 ac.; Sec. 26 SE4, 160 ac.; Sec. 36, All, 640 ac.; Sec. 36, All, 640 ac.	1,760.00 ac.	65.464013%
14	ADL 25629	T12N, R09E, UM, Sec. 1, N2, 320 ac.	320.00 ac.	11.902548%
15	ADL 25628	T12N, R10E, UM, Sec. 5, N2, 320 ac.; Sec. 6, N2, 288.50 ac.	608.50 ac.	22.633439%
Totals			2,688.50 ac.	100%

¹ Tract allocations are made on surface acreage basis.

ATTACHMENT TWO

Exhibit D, Map of the Northeast West Sak Participating Area within the Kuparuk River Unit Boundary

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



ConocoPhillips
Alaska, Inc.

Kuparuk River Unit
Exhibit 'D'
NEWS Participating Area

Located within Umiat Meridian,
Alaska

6-30-08 08063001A00

ATTACHMENT THREE

KRU Ballot No. 357 approving Northeast West Sak Participating Area and Ratifying West Sak Special, Supplemental Provisions

V. ATTACHMENTS

1. Exhibit C, Northeast West Sak Participating Area Tracts/leases
2. Exhibit D, Map of the Northeast West Sak Participating Area within the Kuparuk River Unit Boundary
3. KRU Ballot No. 357 approving Northeast West Sak Participating Area and Ratifying West Sak Special, Supplemental Provisions

**BALLOT APPROVING FORMATION OF THE NEWS PARTICIPATING AREA AND
RATIFYING WEST SAK SPECIAL, SUPPLEMENTAL PROVISIONS**

RECITALS

A. In accordance with Article 18 of the Kuparuk River Unit Operating Agreement, the West Sak Owners have adopted "West Sak Special, Supplemental Provisions to Unit Operating Agreement" effective March 1, 1997 ("West Sak Provisions").

B. Section 32.01 of the West Sak Provisions provides that the West Sak Provisions shall govern all West Sak Operations within the Greater West Sak Area both prior to and after formation of a West Sak Participating Area ("WSPA"). Upon formation of a WSPA, the West Sak Provisions shall govern all West Sak Reservoir Operations both inside and outside of an approved WSPA contained within the Greater West Sak Area.

C. In order to promote conservation, prevent waste and protect all parties of interest, the Working Interest Owners of the Tracts set forth on the attached Exhibit NEWS - C (hereinafter "NEWS Owners"), desire to form a WSPA, pursuant to Section 32.03 of the West Sak Provisions, to be known as the NEWS Participating Area.

D. The NEWS Owners desire to ratify the West Sak Provisions with respect to the NEWS Participating Area.

AGREEMENT

1. The NEWS Owners approve formation of a NEWS Participating Area, which shall include the Tracts and Tract Participation decimals set forth in the attached Exhibit NEWS - C. The geographic boundary of the NEWS Participating Area is depicted on the attached Exhibit NEWS - A. Participations and voting interests of the NEWS Owners in the NEWS Participating Area are set forth in the attached Exhibit NEWS - E.

2. ConocoPhillips Alaska, Inc., as Operator of the Kuparuk River Unit and the Greater West Sak Area, shall file with the Commissioner of the Department of Natural Resources, on behalf of the NEWS Owners, an application for the formation of a NEWS Participating Area to include the Tracts specified in Exhibit NEWS - C, with a Plan of Development as described in the attached Exhibit NEWS - D. In accordance with Section 18.06 of the Kuparuk River Unit Operating Agreement, formation of the NEWS Participating Area hereunder is approved upon execution of this Ballot by 95% of Area Participation proposed for the NEWS Participating Area.

3. The NEWS Owners ratify the West Sak Provisions as the Special Supplemental Provisions for the NEWS Participating Area.

4. In accordance with Section 37.05.01(b) of the West Sak Provisions, the NEWS Owners approve of additional Development Drilling Block 3K, as described in the attached Exhibit NEWS - F and Exhibit NEWS - F2.

5. Exhibit NEWS - A, Exhibit NEWS - C, Exhibit NEWS - D, Exhibit NEWS - E, Exhibit NEWS - F, and Exhibit NEWS - F2 are incorporated into the West Sak Provisions. The NEWS exhibits supplement the existing exhibits to the West Sak Provisions, but do not supersede or amend them.

6. The NEWS Owners approve Ballot 255, Kuparuk Facility Sharing Ballot, with respect to the NEWS Participating Area, and confirm that the applicable Quality Adjustment Factor under Section 8.4.2 of Ballot 255 is 0.95.

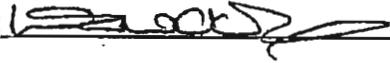
7. The NEWS Owners acknowledge that references in the West Sak Provisions to Exhibit I are to Exhibit I as amended through KRU Ballot 313, and as such Exhibit I may be amended in the future.

8. Unless otherwise specified, all capitalized words herein shall have the same meaning as given them in the West Sak Provisions or the Kuparuk River Unit Operating Agreement.

9. This Ballot may be executed in one or more counterparts having the same effect as if all the parties had executed the same.

IN WITNESS WHEREOF, the parties have approved this Ballot as of the date executed below.

CONOCOPHILLIPS ALASKA, INC.

By: 

Date: 12/11/08

^{JR}
Print: W.R. KING

Its: NS DEVELOPMENT MGR.

BP EXPLORATION (ALASKA) INC.

By: 

Date: 12/9/08

^{see case}
Print: Don Durban

Its: Attorney-in-Fact

EXXONMOBIL ALASKA PRODUCTION INC.

By: 

Date: 12/12/08

Print: Greg G. Peters

Its: Operations Technical Manager

UNION OIL COMPANY OF CALIFORNIA

By: _____

Date: _____

Print: _____

Its: _____

EXXONMOBIL ALASKA PRODUCTION INC.

By: _____

Date: _____

Print: _____

Its: _____

UNION OIL COMPANY OF CALIFORNIA

By: *Kevin A. Tabier*

Date: *12/11/08*

Print: Kevin A. Tabier
Attorney-in-Fact

Its: _____

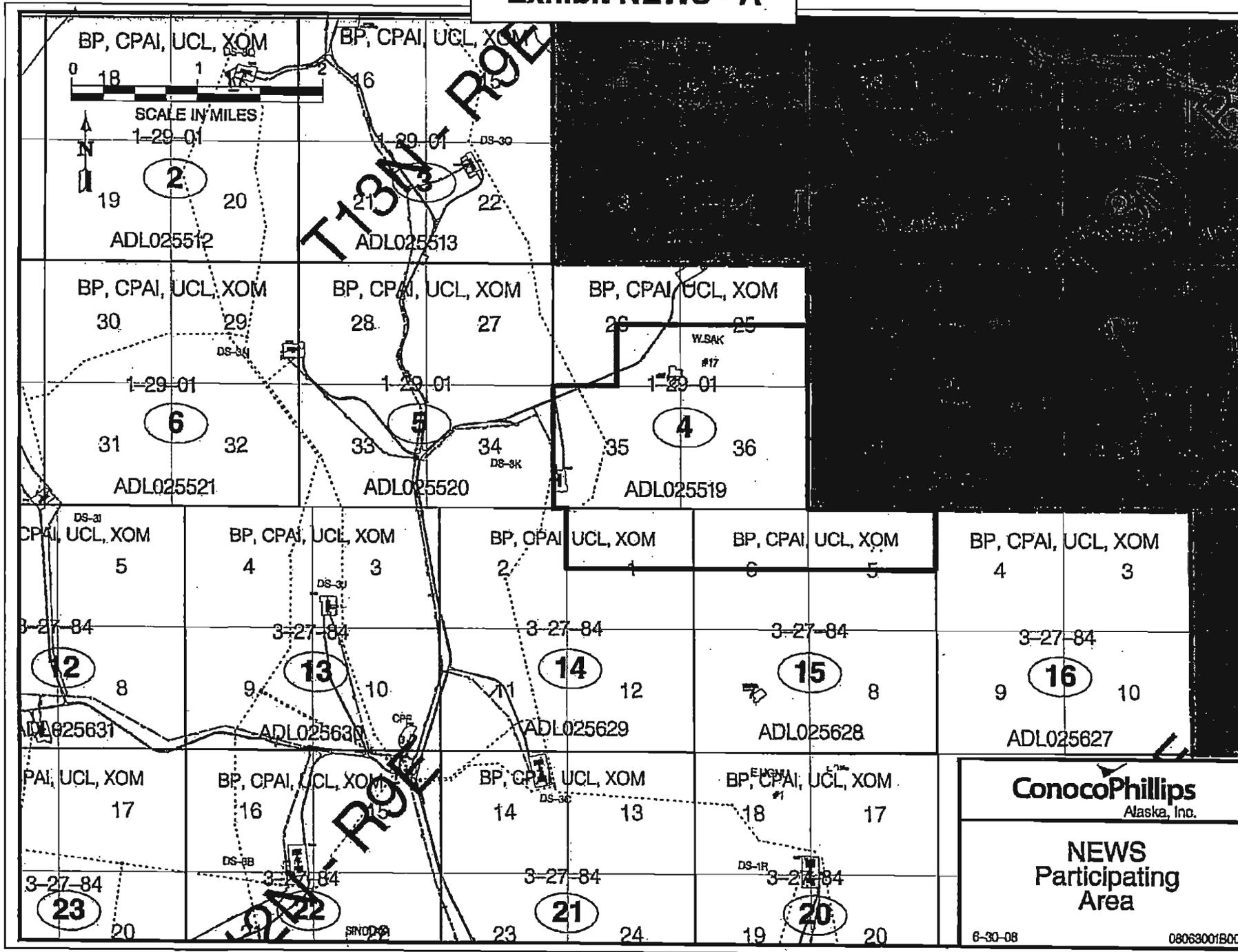
Glenn Fredrick

12/11/08

Glenn Fredrick

WIO Representative

Exhibit NEWS - A



ConocoPhillips
Alaska, Inc.

NEWS
Participating
Area

Exhibit NEWS - C

Tract Participations Within NEWS PA

KRU Tract No.	ADL No.	Legal Description	Tract acres within PA	Tract Allocation¹
4	ADL 25519	T13N, R09E, Sec. 25, S2, 320 ac.; Sec. 26 SE4, 160 ac.; Sec. 35, All, 640 ac.; Sec. 36, All, 640 ac.	1,760.00 ac.	65.464013%
14	ADL 25629	T12N, R09E, UM, Sec. 1, N2, 320 ac.	320.00 ac.	11.902548%
15	ADL 25628	T12N, R10E, UM, Sec. 5, N2, 320 ac.; Sec. 6, N2, 288.50 ac.	608.50 ac.	22.633439%
Totals			2,688.50 ac.	100%

¹ Tract allocations are made on surface acreage basis.

Exhibit NEWS - E
NEWS PA Participations and NEWS PA Voting Interests
of the NEWS Owners

NEWS PA Participations:

ConocoPhillips Alaska, Inc.	55.402367%
BP Exploration (Alaska) Inc.	39.282233%
Union Oil Company of California	4.950600%
ExxonMobil Production Alaska Inc.	0.364800%

NEWS PA Voting Interests:

ConocoPhillips Alaska, Inc.	55.402367%
BP Exploration (Alaska) Inc.	39.282233%
Union Oil Company of California	4.950600%
ExxonMobil Production Alaska Inc.	0.364800%

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Exhibit NEWS - F
NEWS Development Drilling Block

Block Designation

Number of Wells

3K

4

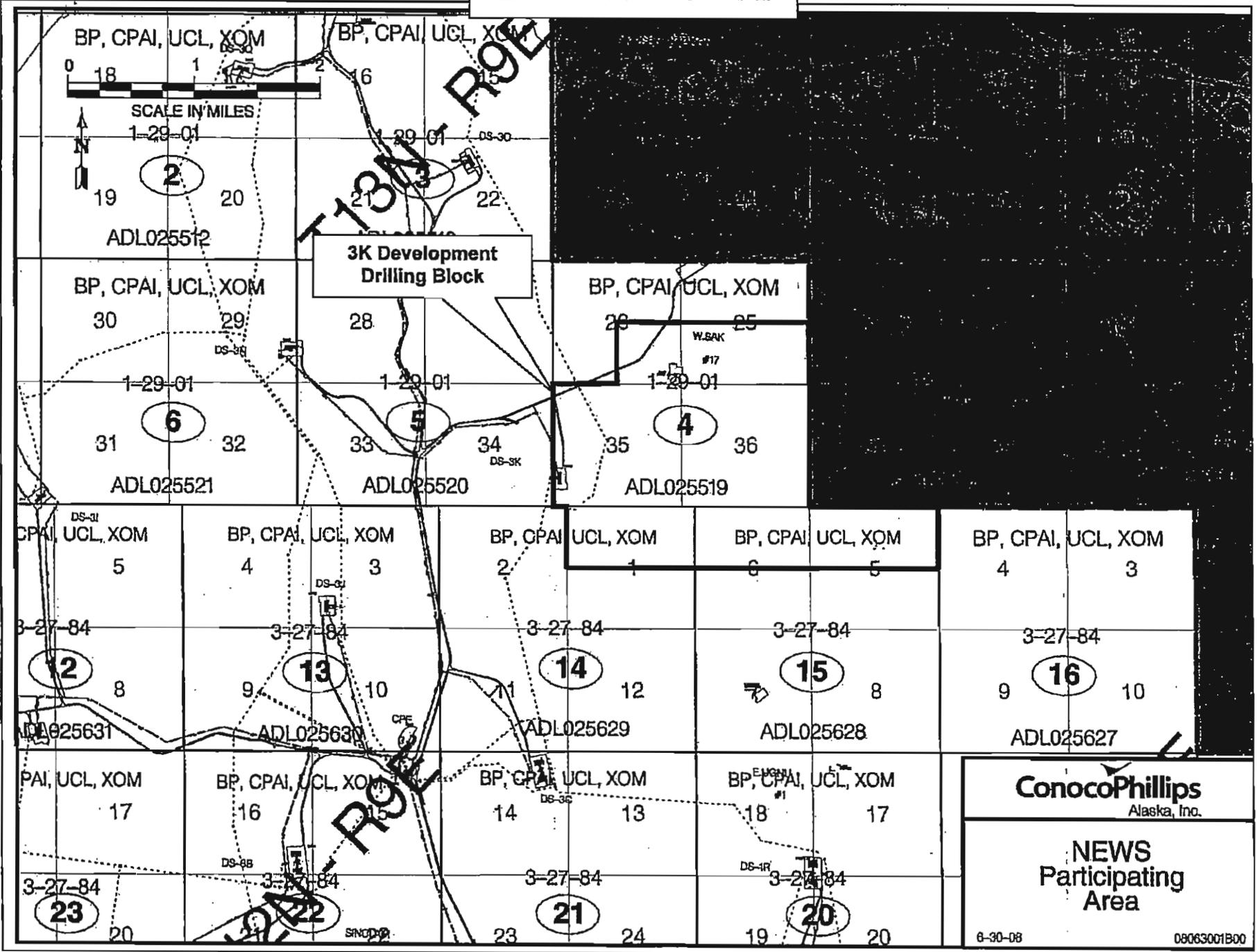
Lease Number(s)

**ADL 25519, T13N, R09E, Sec. 35, Sec. 36, South ½ of Sec. 25, and
Southeast ¼ of Sec.26**

ADL 25629, T12N, R09E, UM, North ½ of Sec. 1

ADL 25628, T12N, R10E, UM, North ½ of Sec. 5 and North ½ of Sec. 6

Exhibit NEWS – F2



ConocoPhillips
Alaska, Inc.

NEWS
Participating
Area