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May 22, 2012

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DIVISION OF
OIL AND GAS

Mr. Daniel S. Sullivan, Commissioner
Alaska Department of Natural Resources
550 West Seventh Avenue, Suite 800
Anchorage, Alaska 99501-3560

Mr. Greg Jones, Executive Director
Trust Land Office
Alaska Mental Health Trust Authority
2600 Cordova Street, Suite 100
Anchorage, AK 99503

RE: Application for approval to establish the Angel Unit in Cook Inlet, Alaska

Gentlemen:

Linc Energy (Alaska), Inc. ("Linc"), pursuant to the authority of AS 38.05.180(p), and in accordance with the provisions of the Department of Natural Resources ("DNR") regulations 11 AAC 83.301 – 11 AAC 83.395, Trust Land Office ("TLO") procedures and policies and the terms of the leases held by Linc, acting in its capacity as the proposed Unit Operator, hereby submits for approval the attached Application to Establish the Angel Unit, hereinafter referred to as the "Application", including the Angel Unit Agreement. Linc certifies that, as required by 11 AAC 83.33, it is qualified to act as Unit Operator by virtue of the facts that 1) it is a corporation qualified to do business in Alaska, 2) it is currently a holder of State of Alaska and Alaska Mental Health Trust Authority oil and gas leases, including the leases proposed to be unitized, and 3) it is qualified to fulfill the duties and obligations prescribed in the Angel Unit Agreement. Linc respectfully requests that the Effective Date of the Commissioner's and Executive Director's approval of the proposed Angel Unit Agreement be no later than June 1, 2012.

As General Manager of Linc Energy (Alaska), Inc., I certify that I am authorized to make this Application on behalf of the company. Evidence of my authority to act on behalf of the company on this matter, as required by 11 AAC 83.379, is provided by corporate resolutions which convey Power of Attorney and authorization for me to sign instruments relative to State of Alaska and Alaska Mental Health Trust Authority oil and gas leases.

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Linc's application meets the criteria defined in statute for creating an oil and gas unit. Compelling geological and geophysical data acquired through the drilling of the LEA #1 exploration well and data received from GeoPetro Alaska LLC at the time Linc acquired the leases, give evidence to the potential hydrocarbon accumulation in the Unit area. Further, Linc's commitment to exploring and developing its leasehold resources is well established, and is further evidenced by Linc's commitment to invest in new 3D and 2D seismic data and a commitment to drill test targets developed from that work. Results of this exploration work and any resulting natural gas production are benefits that would be realized by both the State of Alaska and the Alaska Mental Health Trust Authority as Lessors. Given that Linc is the sole working interest owner in the leases and no other entity is presently exploring for natural gas in this portion of the Cook Inlet Basin, it is clear that the fastest path to exploration success and new resource development is through the proposed Angel Unit, all with no risk to the State of Alaska or the Alaska Mental Health Trust Authority. Further, we respectfully submit that, given the circumstances of Linc's past exploration efforts, refusal to unitize this acreage and allowing the termination of these leases will be tantamount to condemnation by the Lessors of all the acreage in this area for any future lease sale.

Given the several meetings and technical presentations Linc has had with the DNR and TLO staff to date, and the several discussions regarding the content of the Application, Linc respectfully requests your expedited determination that this Application is deemed complete and that you immediately proceed with the public notice and Angel Unit approval as prescribed under 11 AAC 83.311 and 11 AAC 83.316. If you have any questions or require additional information, please contact the undersigned or Jim Arlington, Sr. Landman, at (907) 868-8660.

Sincerely,

LINC ENERGY (ALASKA), INC.

Corri Feige

Corri Feige
General Manager

Attachment: Application to Establish the Angel Unit (with attachments)

cc: Alaska Oil & Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, AK 99501