



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Natural Resources

Division of Oil & Gas  
Anchorage Office

550 W. 7<sup>th</sup> Avenue Suite 1100  
Anchorage, Alaska 99501-3560  
Main: 907.269.8800  
Fax: 907.269.8939

August 8, 2014

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

John Whitworth  
Manager, WNS Geoscience  
ConocoPhillips Alaska, Inc.  
700 G Street  
Anchorage, Alaska 99501

Re: Mandatory Ten-Year Contraction of the Colville River Unit

Dear Mr. Whitworth:

In accordance with the conditions set out in my April 28, 2010 decision delaying the ten-year contraction of the Colville River Unit (CRU) required under Section 12.2 of the CRU Agreement (CRUA), ConocoPhillips, Alaska, Inc. (CPAI) commenced a well targeting the so-called Delay Area (*see* Attachment 1) by January 1, 2011 and provided progress reports to the Department of Natural Resources (DNR) on seismic operations conducted within the CRU. CPAI submitted seismic data to DNR on approximately June 1, 2011.

Under my 2010 decision, certain leases and portions of leases within the Delay Area contracted from the CRU (*see* Attachment 2) effective February 15, 2014. As provided in Section 12.2.1 of the CRUA, the portion of any lease outside the Alpine participating area (PA) is neither severed nor subject to the CRUA, and will continue so long as production is allocated to the unitized portion of the lease and the lessee satisfies the terms of the lease. The portion of any lease outside the Alpine PA without an allocation to the unitized portion of the lease discontinues.

Under Article 2 of the CRUA, the Division requests that CPAI submit updated Exhibits A and B, reflecting this contraction decision, to the DNR Commissioner, the President of the Arctic Slope Regional Corporation, and the Authorized Officer of the Bureau of Land Management within 30 days.

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 Joe Balash, Commissioner, DNR, 550 W. 7<sup>th</sup> Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1907-269-8918, or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). This decision takes effect immediately. An eligible person must first appeal this decision in accordance with 11AAC 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.

If you have questions regarding this decision, please do not hesitate to contact Kevin Pike at (907) 269-8451 or [kevin.pike@alaska.gov](mailto:kevin.pike@alaska.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'W.C. Barron', with a long horizontal flourish extending to the right.

W.C. Barron

Director

cc: Dora Soria, ConocoPhillips Alaska, Inc.

Teresa Imm, ASRC

Wayne Svejnoha, BLM

**ATTACHMENT 1: DELAY AREA**

Tract No.	ADL No.	Legal Description	Acres	Original Royalty (%)	Royalty Owners	Mineral Ownership (%)
11A	391577	T12N, R5E-U.M Section 15, W1/2, SE1/4, SW1/4NE1/4	520.00	12.5	State	100
		Sec. 16, All	640.00			
		TOTAL	1,160.00			
11	372107	T12N, R5E-U.M Sec. 21, NE1/4, N1/2NW1/4, SE1/4NW1/4, N1/2SE1/4,SE1/4SE1/4	400.00	12.5	State	100
		Sec. 22, All	640.00			
		TOTAL	1,040.00			
12	372106	T12N, R5E-U.M Sec. 13, E1/2, E1/2SW1/4 Sec. 14, SW1/4SW1/4 Sec. 23, All	400.00 40.00 640.00	12.5	State	100
		TOTAL	1,080.00			
13	384214	T12N, R5E-U.M Sec. 24, All	640.00	16.667	State ASRC	50 50
		TOTAL	640.00			
30	25557	T12N, R5E-U.M Sec. 27, NE1/4, N1/2NW1/4, SE1/4NW1/4, N1/2SE1/4, SE1/4SE1/4 Sec. 34, NE1/4NE1/4	400.00 40.00	12.5	State	100
		TOTAL	440.00			
31	391580	T12N, R5E-U.M Sec. 26, All	640.00	12.5	State	100
		TOTAL	640.00			
32	391578	T12N, R5E-U.M Sec. 25, All	640.00	16.667	State ASRC	59.71 40.29
		TOTAL	640.00			
33	391579	T12N, R5E-U.M Sec. 36, All	640.00	16.667	State ASRC	58.42 41.58
		TOTAL	640.00			
34	372108	T12N, R5E-U.M Sec. 35, N1/2, SE1/4, E1/2SW1/4	560.00	12.5	State	100
		TOTAL	560.00			

Tract No.	ADL No.	Legal Description	Acres	Original Royalty (%)	Royalty Owners	Mineral Ownership (%)
46	25560	T11N, R5E-U.M Sec. 2, NE1/4, E1/2SE1/4 TOTAL	240.00 240.00	12.5	State	100
47	391581	T11N, R5E-U.M Sec. 1, All TOTAL	640.00 640.00	12.5	State ASRC	63.69 36.31
48	391582	T11N, R5E-U.M Sec. 12, All TOTAL	640.00 640.00	12.5	State ASRC	82.78 17.22
49	25560	T11N, R5E-U.M Sec. 11, SE1/4, E1/2NE1/4, SE1/4SW1/4 TOTAL	280.00 280.00	12.5	State ASRC	57.68 43.32
63	384210	T11N, R5E-U.M Sec. 15, SE1/4, S1/2NE1/4, S1/2SW1/4, NE1/4SW1/4 TOTAL	360.00 360.00	16.667	State ASRC	50.01 49.99
64	391583	T11N, R5E-U.M Sec. 14, All TOTAL	640.00 640.00	16.667	State ASRC	62.79 37.21
65	391584	T11N, R5E-U.M Sec. 13, All TOTAL	640.00 640.00	16.667	State ASRC	77.48 22.52
66	391585	T11N, R5E-U.M Sec. 24, All TOTAL	640.00 640.00	16.667	State ASRC	66.11 33.89
67	380078	T11N, R5E-U.M Sec. 23, All TOTAL	640.00 640.00	16.667	State ASRC	68.35 31.65
68	380079	T11N, R5E-U.M Sec. 22, All TOTAL	640.00 640.00	16.667	State ASRC	57.26 42.74
69	384211	T11N, R5E-U.M Sec. 21, SE1/4, SE1/4NE1/4, SE1/4SW1/4 TOTAL	240.00 240.00	16.667	State ASRC	50 50
118	391586	T11N, R5E-U.M Sec. 27, Unsurveyed, All TOTAL	640.00 640.00	16.667	State ASRC	67.61 32.39

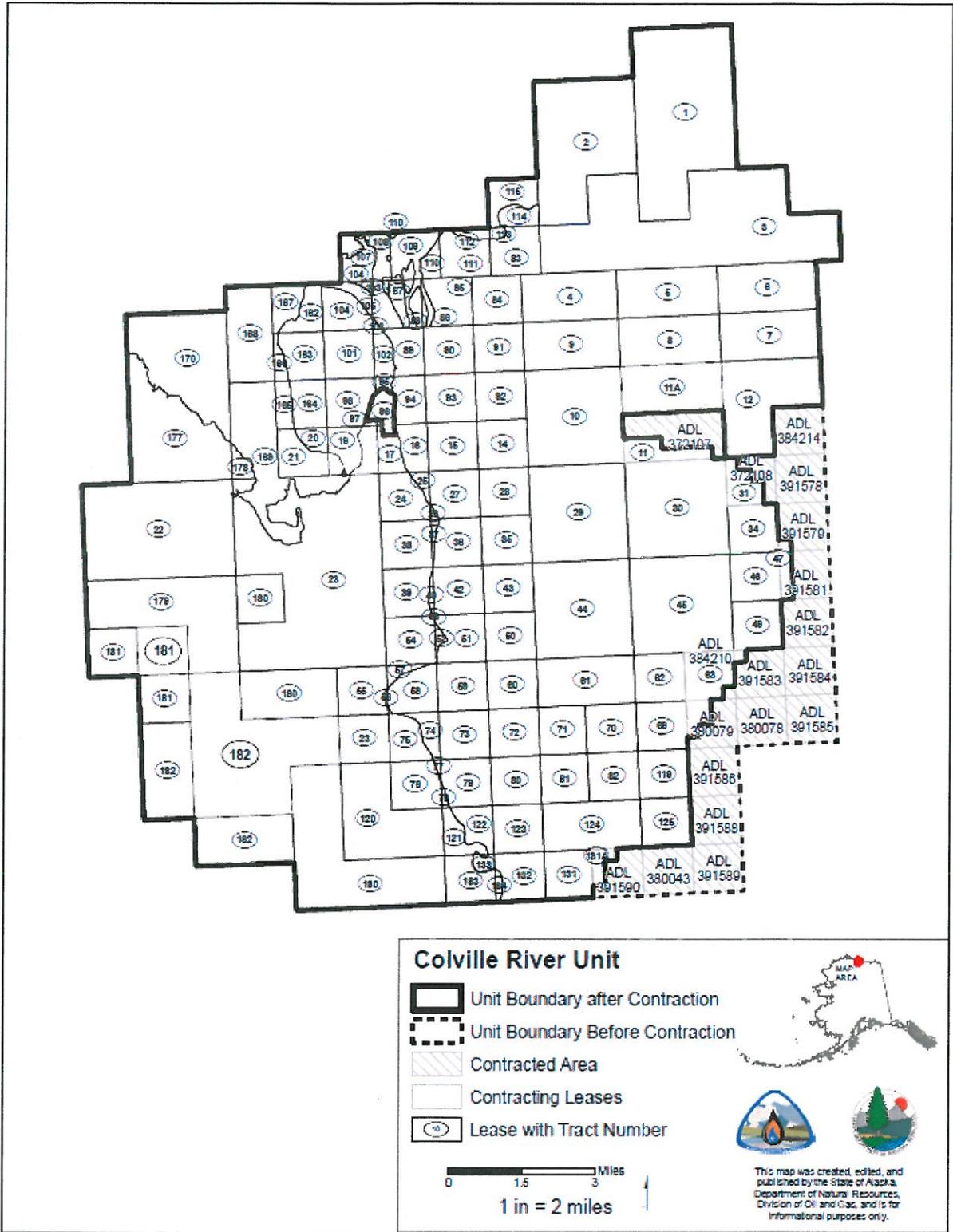
Tract No.	ADL No.	Legal Description	Acres	Original Royalty (%)	Royalty Owners	Mineral Ownership (%)
119	380081	T11N, R5E-U.M		16.667	State	50.03
		Sec. 28, Unsurveyed, All	640.00		ASRC	49.94
		TOTAL	640.00			
124	388903	T11N, R5E-U.M		16.667	State	50
		Sec. 31, Unsurveyed, S1/2SE1/4	80.00		ASRC	50
		Sec. 32, Unsurveyed, S1/2, S1/2NE1/4, NE1/4NE1/4	440.00			
		TOTAL	520.00			
125	391587	T11N, R5E-U.M		16.667	State	50.2
		Sec. 33, Unsurveyed, All	640.00		ASRC	49.8
		TOTAL	640.00			
126	391588	T11N, R5E-U.M		16.667	State	85.66
		Sec. 34, Unsurveyed, All	640.00		ASRC	14.34
		TOTAL	640.00			
129	391589	T10N, R5E-U.M		16.667	State	80.75
		Sec. 3, Unsurveyed, All	640.00		ASRC	19.25
		TOTAL	640.00			
130	380043	T10N, R5E-U.M		16.667	State	50
		Sec. 4, Unsurveyed, All	640.00		ASRC	50
		TOTAL	640.00			
131A	391590	T10N, R5E-U.M		16.667	State	50
		Sec. 5, Unsurveyed, All	640.00		ASRC	50
		TOTAL	640.00			
131	380044	T10N, R5E-U.M		16.667	State	50
		Sec. 6, Unsurveyed, All	609.00		ASRC	50
		TOTAL	609.00			
<i>GRAND TOTAL</i>			<i>18,049.00</i>			

**ATTACHMENT 2: AREA CONTRACTING OUT OF COLVILLE RIVER UNIT**

<b>Tract No.</b>	<b>ADL No.</b>	<b>Legal Description</b>	<b>Acres</b>	<b>Original Royalty (%)</b>	<b>Royalty Owners</b>	<b>Mineral Ownership (%)</b>
11	372107	T12N, R5E-U.M Sec. 21, N1/2, NE1/4SE1/4 Sec. 22, N1/2, N1/2SW1/4, N1/2SE1/4, SE1/4SE1/4 TOTAL	360.00 520.00 880.00	12.5	State	100
13	384214	T12N, R5E-U.M Sec. 24, All TOTAL	640.00 640.00	16.667	State ASRC	50 50
31	372108	T12N, R5E-U.M Sec. 26, NE1/4NW1/4, NE1/4, E1/2SE1/4 TOTAL	280.00 280.00	12.5	State	100
32	391578	T12N, R5E-U.M Sec. 25, All TOTAL	640.00 640.00	16.667	State ASRC	59.71 40.29
33	391579	T12N, R5E-U.M Sec. 36, N1/2, SE1/4, N1/2SW1/4, SE1/4SW1/4 TOTAL	620.00 620.00	16.667	State ASRC	58.42 41.58
47	391581	T11N, R5E-U.M Sec. 1, E1/2, E1/2NW1/4, E1/2SW1/4 TOTAL	480.00 480.00	12.5	State ASRC	63.69 36.31
48	391582	T11N, R5E-U.M Sec. 12, All TOTAL	640.00 640.00	12.5	State ASRC	82.78 17.22
63	384210	T11N, R5E-U.M Sec. 15, SE1/4SE1/4 TOTAL	40.00 40.00	16.667	State ASRC	50.01 49.99
64	391583	T11N, R5E-U.M Sec. 14, E1/2, SW1/4, S1/2NW1/4, NE1/4NW1/4 TOTAL	600.00 600.00	16.667	State ASRC	62.79 37.21
65	391584	T11N, R5E-U.M		16.667	State	77.48

Tract No.	ADL No.	Legal Description	Acres	Original Royalty (%)	Royalty Owners	Mineral Ownership (%)
		Sec. 13, All	640.00		ASRC	22.52
		TOTAL	640.00			
66	391585	T11N, R5E-U.M		16.667	State	66.11
		Sec. 24, All	640.00		ASRC	33.89
		TOTAL	640.00			
67	380078	T11N, R5E-U.M		16.667	State	68.35
		Sec. 23, All	640.00		ASRC	31.65
		TOTAL	640.00			
68	380079	T11N, R5E-U.M		16.667	State	57.26
		Sec. 22, E1/2, E1/2SW1/4, SW1/4SW1/4	440.00		ASRC	42.74
		TOTAL	440.00			
118	391586	T11N, R5E-U.M		16.667	State	67.61
		Sec. 27, Unsurveyed, All	640.00		ASRC	32.39
		TOTAL	640.00			
126	391588	T11N, R5E-U.M		16.667	State	85.66
		Sec. 34, Unsurveyed, All	640.00		ASRC	14.34
		TOTAL	640.00			
129	391589	T10N, R5E-U.M		16.667	State	80.75
		Sec. 3, Unsurveyed, All	640.00		ASRC	19.25
		TOTAL	640.00			
130	380043	T10N, R5E-U.M		16.667	State	50
		Sec. 4, Unsurveyed, All	640.00		ASRC	50
		TOTAL	640.00			
131A	391590	T10N, R5E-U.M		16.667	State	50
		Sec. 5, Unsurveyed, E1/2, SE1/4NW1/4, E1/2SW1/4, SW1/4SW1/4	480.00		ASRC	50
		TOTAL	480.00			
		<i>GRAND TOTAL</i>	<i>10,220.00</i>			

**ATTACHMENT 3: MAP OF AREA CONTRACTING OUT OF COLVILLE RIVER UNIT**



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		A. Signature X <i>R. Stevens</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:		B. Received by (Printed Name) <i>R. STEVENS</i>	C. Date of Delivery <i>8/1/14</i>
<p><b>John L. Whitworth</b>  Supervisor, WNS Base  ConocoPhillips Alaska Inc.  700 G Street  Anchorage, AK 99501</p>		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		7013 1710 0000 7187 2308	
PS Form 3811, July 2013		Domestic Return Receipt	

7013 1710 0000 7187 2315

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
OFFICIAL USE	
Postage \$	<i>CKA</i> <i>10yr</i> <i>Contract</i> Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
To	
Sent	Teresa Imm
Street or P.O. Box	Arctic Slope Regional Corp.
City	3900 C Street, Suite 801
	Anchorage, AK 99503-5963
PS Form 3800, August 2006	Instructions

7013 1710 0000 7187 2308

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
OFFICIAL USE	
Postage \$	<i>CKA</i> <i>10yr</i> <i>Contract</i> Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Tot	
Sent	John L. Whitworth
Street or P.O. Box	Supervisor, WNS Base
City	ConocoPhillips Alaska Inc.
	700 G Street
	Anchorage, AK 99501
PS Form 3800, August 2006	See Reverse for Instructions

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:		B. Received by (Printed Name) <i>[Signature]</i>	C. Date of Delivery <i>8/1/14</i>
<p><b>Teresa Imm</b>  Arctic Slope Regional Corp.  3900 C Street, Suite 801  Anchorage, AK 99503-5963</p>		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		7013 1710 0000 7187 2315	
PS Form 3811, July 2013		Domestic Return Receipt	