

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

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July 17, 2001

BP Exploration (Alaska) Inc.
900 East Benson Blvd.
P.O. Box 196612
Anchorage, Alaska 99519-6612

Via Fax (564-4637) and Mail

Attention: Gil Beuhler
Central New Developments Manager

Subject: Prudhoe Bay Unit Polaris Participating Area
Second Interim Decision

Dear Mr. Beuhler:

The Interim Decision of the Director of the Division of Oil and Gas Application for the Formation of the Polaris Participating Area (Interim Decision), dated May 11, 2001 required the parties within 30-days of the date of the Interim Decision to submit to the Division the legal descriptions and the interim tract allocations for the Polaris Participating Area (PPA) using the criteria set forth in the decision. Attachment "A", Lease Map of the Polaris Participating Area, and Attachment "B", Tract Participations, of your June 14, 2001 letter regarding the PPA are accepted as compliance with the two above mentioned 30-day submittal requirements of the Interim Decision.

I note that your letter did not contain the Polaris Special Supplemental Provisions to the PBUOA and an interim or final Polaris Facility Sharing Agreement. Absent the agreements in interim or final form, I am unwilling to withdraw and vacate the Interim Decision. If these agreements are not submitted prior to the final decision issuance, the Interim Decision and the final decision will stand.

The Division does not withdraw the May 11, 2001 Interim Decision, but rather issues this Second Interim Decision. It is an accommodation to the parties and reflects the additional information that was provided by the parties on June 14, 2001.

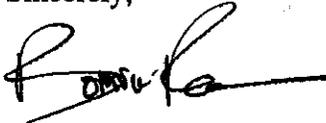
Like the May 11, 2001 Interim Decision, this Second Interim Decision is not intended to be a final decision appealable to the Commissioner of the Department of Natural Resources. If the parties do not reach an agreement that is acceptable to the Division, the Division shall issue a final decision, which may then be appealed. In the meantime, no party shall be deemed to have waived its appeal rights by accepting the benefits or consequences of this Second Interim Decision.

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

Gil Beuhler
July 17, 2001
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After the Division issues a final decision, any party may appeal to the commissioner. Accordingly, ExxonMobil and Mobil Alaska's (ExxonMobil) June 11, 2001 notice of intent to file additional materials under 11 AAC 02.030(b) is unnecessary, as no final decision has been issued. ExxonMobil, as well as any other party, may provide such notice when a final decision issues.

Sincerely,



for Mark D. Myers
Director

cc: Wade Fennel - Chevron
C. Stephen Luna - ExxonMobil

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