

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

TONY KNOWLES, GOVERNOR

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June 5, 2001

Phillips Alaska, Inc.
P. O. Box 100360
Anchorage, Alaska 99510-0360

Attention: Michael A. Richter
Vice President of Exploration and Land

Subject: Termination of the Kuukpik Unit

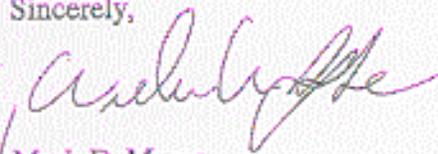
Dear Mr. Richter:

Reference is made to your letter of May 30, 2001 regarding the well commitment in the Kuukpik Unit. This letter acknowledges that the Kuukpik Unit automatically terminated on June 1, 2001, and any lease without a certified well was surrendered and expired effective June 1, 2001.

Our records indicate that the following leases do not have a certified well: ADLs 355029, 355031, 355034, 355035, 355040, 364473, 364474, 364475, and 364476. Since Phillips Alaska, Inc. waived the extension provision of 11 AAC 83.140 and the notice and hearing provisions of 11 AAC 83.374 applicable to these leases, the leases were surrendered and expired effective June 1, 2001.

The following leases have a certified well: ADLs 355036, 355037, 355038, 355039, 364477, and 364478. These leases will continue per the lease provisions, applicable statutes and regulations.

Sincerely,


for Mark D. Myers
Director

cc: James R. Winegarner - PAI
AOGCC

KuukpikUnitTermination.doc