

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

SEAN PARNELL, GOVERNOR

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**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

September 30, 2011

John L. Whitworth
Supervisor, WNS Growth
ConocoPhillips
700 G Street
Anchorage, AK

Re: Colville River Unit, Second Revision of the Fiord Nechelik Participating Area
Fifth Year Reserves Estimate Revision

Dear Mr. Whitworth:

On September 13, 2011, ConocoPhillips Alaska, Inc. (ConocoPhillips), as Unit Operator on behalf of the Colville River Unit (CRU) Working Interest Owners, submitted an application under Articles 9 and 10 of the Colville River Unit Agreement (CRUA) and 11 AAC 83.351 to the Commissioner of the State of Alaska, Department of Natural Resources, Division of Oil and Gas, (Division) and the President of the Arctic Slope Regional Corporation (ASRC) for the Second Revision of the Colville River Unit (CRU) Fiord Nechelik Participating Area (FNPA) (Application). The revised FNPA excludes certain lands included in the current boundary of the FNPA, and includes certain lands not included in the current boundary of the FNPA, as described in Attachments A and B, (Attachment 1). The Application includes a revised division of interest as described in Exhibit C, (Attachment 2), and Revised Exhibit D, Map of the FNPA, (Attachment 3), Exhibit E, Revised Allocation of FNPA Expense, and Exhibit F, Revised

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

Allocation of Unit Expense as required under Subsection 10.1.3(a) of the CRUA. The revised division of interest submitted under 10.1.3(a) is approved and is effective as of the first day of the first month following the expiration of five years after commencement of sustained unit production from the FNPA, Subsection 10.1.3(a)(i), as extended on August 16, 2011, October 1, 2011.

Sincerely,



W.C. Barron
Director
Division of Oil and Gas

Cc: Jeff Landry, DOL
Dora Soria, ConocoPhillips
ASRC, Teresa Imm
BLM, Wayne Svejnoha

Attachments

1. Attachments A and B Second Revision of the FNPA
2. Exhibit C to the CRU Agreement FNPA Tract Participations
3. Exhibit D to the CRU Agreement Revised Map of FNPA

Attachment 1: Attachments A and B Second Revision of the FNPA

Attachment A

Second Revision of the Fiord Nechelek Participating Area

Tract No.	Type Acreage	ADL No./ Tobin No.	Legal Description
1	Contraction	364472 931986	T13N-R5E, U.M. Sec. 22: NW¼SW¼
3	Contraction	364471 931976	T13N-R5E, U.M. Sec. 27: SW¼NE¼ Sec. 34: W½SE¼, SW¼NE¼
114	Contraction	389725 932682	T13N-R4E, U.M. Sec. 25: Unsurveyed, NW¼NE¼, excluding tide and submerged lands seaward of the line of mean high water as shown on the official tract map for Oil and Gas Lease Sale 43
115	Contraction	388527 932623	T13N-R4E, U.M. Sec. 25: Unsurveyed, NW¼NE¼, tide and submerged lands seaward of the line of mean high water as shown on the official tract map for Oil and Gas Lease Sale 75A dated June 17, 1993
1	Expansion	364472 931986	T13N-R5E, U.M. Sec. 21: N½NW¼, NW¼NE¼
2	Expansion	364470 931974	T13N-R5E, U.M. Sec. 20: S½NW¼
8	Expansion	372104 932000	T12N-R5E, U.M. Sec. 9: S½S½ Sec. 10: N½SE¼, S½NE¼, SW¼
9	Expansion	372105 932002	T12N-R5E, U.M. Sec. 7: S½S½ Sec. 8: S½S½
10	Expansion	25538 932100	T12N-R5E, U.M. Sec. 17: N½, SW¼, W½SE¼, NE¼SE¼ Sec. 18: All Sec. 19: N½N½
11A	Expansion	391577 341402	T12N-R5E, U.M. Sec. 15: NW¼NW¼ Sec. 16: NW¼, NW¼SW¼, N½NE¼, SW¼NE¼
14	Expansion	25530 932098	T12N-R4E, U.M. Sec. 24: N½N½, S½NE¼, SE¼NW¼

Attachment A

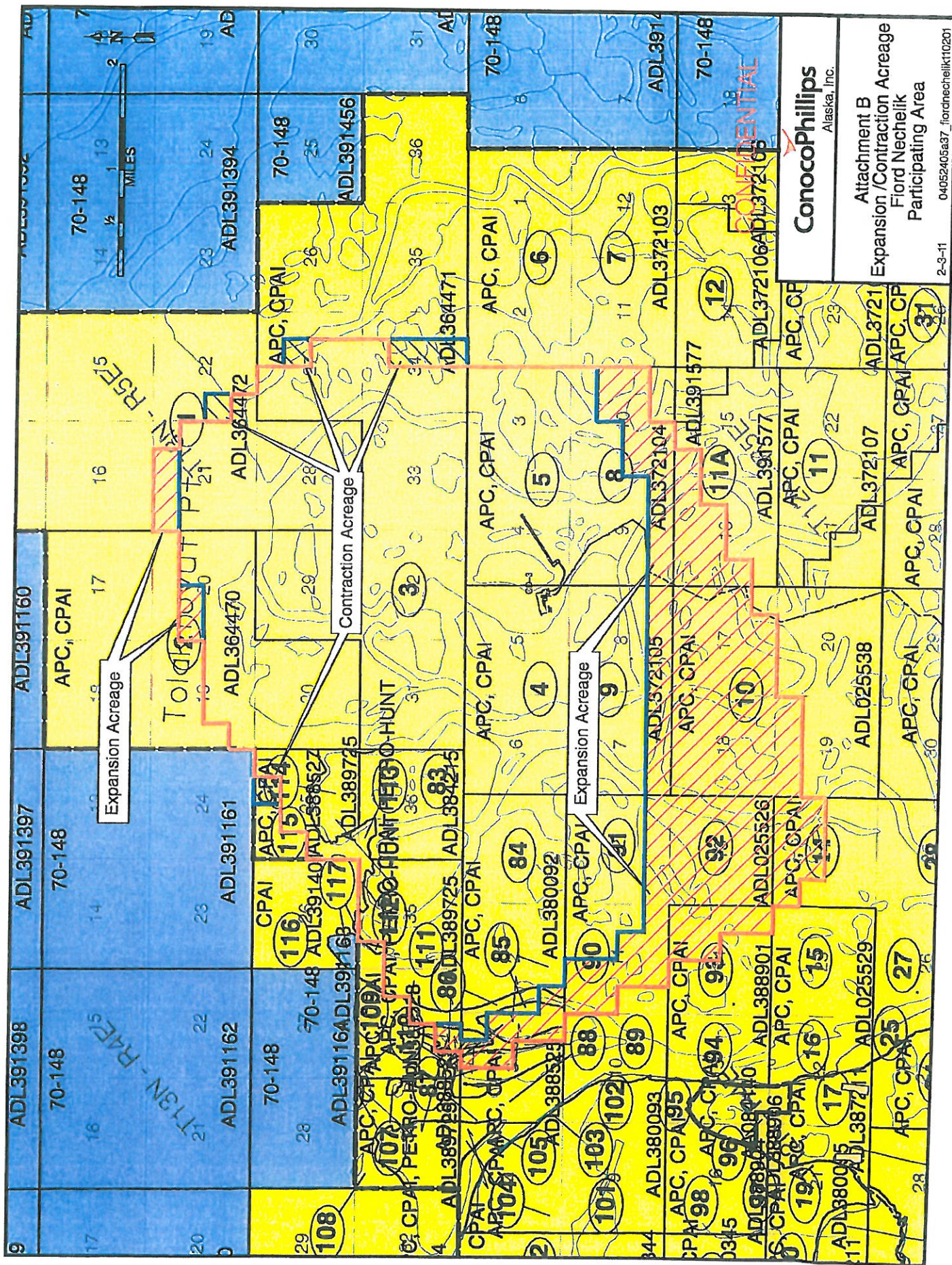
Second Revision of the Fiord Nechelik Participating Area

Tract No.	Type Acreage	ADL No./ Tobin No.	Legal Description
85	Expansion	380092 932052	T12N-R4E, U.M. Sec. 2: Unsurveyed, SW¼SW¼, excluding tide and submerged lands seaward of the mean high water as shown on the tract map for Oil and Gas Lease Sale 43
86	Expansion	388525 932306	T12N-R4E, U.M. Sec. 2: Unsurveyed, SW¼SW¼, within the bed of the unnamed channel for the Colville River as shown on the official tract map for state Oil and Gas Lease Sale 75 dated August 26, 1992
87	Expansion	380092 932052	T12N-R4E, U.M. Sec. 3: Unsurveyed, W½NE¼, SE¼NE¼, E½SE¼, excluding tide and submerged lands seaward of the line of mean high water as shown on the official tract map for Oil and Gas Lease Sale 43
88	Expansion	388525 932306	T12N-R4E, U.M. Sec. 3: Unsurveyed, W½NE¼, SE¼NE¼, E½SE¼, within the beds of the Nechelik Channel and the bed of the unnamed channel of the Colville River as shown on the official tract map for Oil and Gas Lease Sale 75 dated August 26, 1992
90	Expansion	25526 932094	T12N-R4E, U.M. Sec. 11: Unsurveyed, NW¼, E½SW¼, S½SE¼, NE¼SE¼
91	Expansion	25526 932094	T12N-R4E, U.M. Sec. 12: Unsurveyed, S½S½
92	Expansion	25526 932094	T12N-R4E, U.M. Sec. 13: Unsurveyed, All
93	Expansion	388901 932349	T12N-R4E, U.M. Sec. 14: Unsurveyed, NE¼, E½SE¼
109	Expansion	388528 932308	T13N-R5E, U.M. Sec. 34: Unsurveyed, SE¼SW¼, tide and submerged lands seaward of the line of mean high water and the channel closing line, and all the uplands within the bed of the unnamed channel of the Colville River, both as shown on the official tract map for Oil and Gas Lease Sale 75A dated June 17, 1993

Attachment A

Second Revision of the Fiord Nechelik Participating Area

Tract No.	Type Acreage	ADL No./ Tobin No.	Legal Description
110	Expansion	389725 932682	T13N-R4E, U.M. Sec. 34: Unsurveyed, SE¼SW¼, excluding tide and submerged lands seaward of the line of mean high water as shown on the official tract map for Oil and Gas Lease Sale 43



ConocoPhillips

Alaska, Inc.

Attachment B Expansion /Contraction Acreage Fiord Nechelik Participating Area

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Attachment 2: Exhibit C to the CRU Agreement FNPA Tract Participations

Exhibit C

Fiord Nechelek Participating Area Tract Participations

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DIVISION OF
OIL AND GAS

Tr. No.	ADL No./ Tobin No.	Legal Description	Acres	Depth Restrictions	Original Royalty (%)	NPSL (%)	Tract Owners	Working Interest (%)	Tract
1	364472 931986	T13N,R5E-U.M. S1/2, S1/2N1/2, N1/2NW1/4, NW1/4NE1/4 of Sec. 21 SW1/4SW1/4 of Sec. 22 All of Sec. 28 TOTAL	600.00 40.00 <u>640.00</u> 1280.00	Above 6,980' Below 6,980'	12.5	30	CPAI APC	78.000000 22.000000 <u>100.000000</u>	
2	364470 931974	T13N,R5E-U.M. SE1/4, S1/2SW1/4, NE1/4SW1/4 of Sec. 19 S1/2, S1/2N1/2 of Sec. 20 All of Sec. 30 TOTAL	278.54 440.00 <u>636.00</u> 1354.54	None	12.5	30	CPAI APC	78.000000 22.000000 <u>100.000000</u>	0.05700628
3	364471 931976	T13N,R5E-U.M. W1/2, W1/2SE1/4 of Sec. 27 All of Sec. 29 All of Sec. 31 All of Sec. 32 All of Sec. 33 W1/2, NW1/4NE1/4 of Sec. 34 TOTAL	400.00 640.00 639.00 640.00 640.00 360.00 3319.00	None	12.5	30	CPAI APC	78.000000 22.000000 <u>100.000000</u>	0.28209136
4	372105 932002	T12N,R5E-U.M. All of Sec. 5 All of Sec. 6 TOTAL	640.00 <u>577.00</u> 1217.00	Above 10,350'	12.5		CPAI APC	78.000000 22.000000 <u>100.000000</u>	0.13370961
5	372104 932000	T12N,R5E-U.M. All of Sec. 3 All of Sec. 4 TOTAL	640.00 <u>640.00</u> 1280.00	Above 10,350'	12.5		CPAI APC	78.000000 22.000000 <u>100.000000</u>	0.02274735

Exhibit C

Fiord Nechelek Participating Area Tract Participations

Tr. No.	ADL No./ Tobin No.	Legal Description	Acres	Depth Restrictions	Original Royalty (%)	NPSL (%)	Tract Owners	Working Interest (%)	Tract Allocation
8	372104 932000	T12N,R5E-U.M.		Above 10,350'	12.5		CPAI	78.000000	0.00630951
		All of Sec. 9	640.00					22.000000	
		N1/2, N1/2S1/2, S1/2SW1/4 of Sec. 10	<u>560.00</u>					100.000000	
		TOTAL	1200.00						
9	372105 932002	T12N, R5E-U.M.		Above 10,350'	12.5		CPAI	78.000000	0.07378347
		All of Sec. 7	580.00					22.000000	
		All of Sec. 8	<u>640.00</u>					100.000000	
		TOTAL	1220.00						
10	25538 932100	T12N,R5E-U.M.		None	12.5		CPAI	78.000000	0.00586126
		N1/2, N1/2S1/2, S1/2SW1/4, SW1/4 SE1/4 of Sec. 17	600.00					22.000000	
		All of Sec. 18	583.00					100.000000	
		N1/2N1/2 of Sec. 19	<u>146.25</u>						
		TOTAL	1329.25						
11A	391577 341402	T12N,R5E-U.M.		Above 8,500'	12.5		CPAI	78.000000	0.00010928
		NW1/4NW1/4 of Sec. 15	40.00					22.000000	
		N1/2N1/2, S1/2 NW1/4, SW1/4NE1/4, NW1/4SW1/4 of Sec. 16	<u>320.00</u>					100.000000	
		TOTAL	360.00						
14	25530 932098	T12N,R4E-U.M.		None	12.5		CPAI	78.000000	0.00000000
		N1/2N1/2, S1/2NE1/4, SE1/4NW1/4 of Sec. 24	<u>280.00</u>					22.000000	
		TOTAL	280.00					100.000000	
83	384215 932084	T13N,R4E-U.M.		None	16.667		CPAI	77.620000	0.07421370
		All of Sec. 36	<u>597.00</u>					22.000000	
		TOTAL	597.00					0.380000	
							Petro-Hunt	100.000000	
84	380092 932052	T12N-R4E, U.M.		None	16.667		CPAI	78.000000	0.10698057
		All of Sec. I	<u>640.00</u>					22.000000	
		TOTAL	640.00					100.000000	

Exhibit C

Fiord Nechelik Participating Area Tract Participations

Tr. No.	ADL No./ Tobin No.	Legal Description	Acres	Depth Restrictions	Original Royalty (%)	NPSL (%)	Tract Owners	Working Interest (%)	Tract Allocation
85	380092 932052	T12N-R4E, U.M. All of Sec. 2, All excluding tide and submerged lands seaward of the line of mean high water as shown on the official tract map for Oil and Gas Lease Sale 43	<u>583.00</u> 583.00	None	16.667		CPAI APC	78.000000 <u>22.000000</u> 100.000000	0.06982816
		TOTAL							
86	388525 932306	T12N-R4E, U.M. All of Sec. 2, Unsurveyed, All within the bed of the unnamed channel for the Colville River as shown on the official tract map for state Oil and Gas Sale 75 dated August 26, 1992	<u>57.00</u> 57.00	None	16.66667		CPAI APC	78.000000 <u>22.000000</u> 100.000000	0.00282888
		TOTAL							
87	380092 932052	T12N-R4E, U.M. E1/2E1/2, W1/2NE1/4 of Sec. 3, Unsurveyed, excluding tide and submerged lands seaward of the line of mean high water as shown on the official tract map for Oil and Gas Lease Sale 43	<u>177.90</u> 177.90	None	16.667		CPAI APC	78.000000 <u>22.000000</u> 100.000000	0.00000000
		TOTAL							
88	388525 932306	T12N-R4E, U.M. E1/2E1/2, W1/2NE1/4 of Sec. 3, Unsurveyed, All within the beds of the Nechelik Channel and the bed of the unnamed channel of the Colville River as shown on the official tract map for state Oil and Gas Lease Sale 75 dated August 26, 1992	<u>62.10</u> 62.10	None	16.66667		CPAI APC	78.000000 <u>22.000000</u> 100.000000	0.00000000
		TOTAL							
90	25526 932094	T12N-R4E, U.M. E1/2, NW1/4, E1/2SW1/4 of Sec. 11	<u>560.00</u> 560.00	None	12.5		CPAI APC	78.000000 <u>22.000000</u> 100.000000	0.02422112
		TOTAL							

Exhibit C

Fiord Nechelek Participating Area Tract Participations

Tr. No.	ADL No./ Tobin No.	Legal Description	Acres	Depth Restrictions	Original Royalty (%)	NPSL (%)	Tract Owners	Working Interest (%)	Tract Allocation
91	25526 932094	T12N-R4E, U.M. All of Sec. 12, Unsurveyed	<u>640.00</u> 640.00	None	12.5		CPAI APC	78.000000 22.000000 <u>100.000000</u>	0.05722217
92	25526 932094	T12N-R4E, U.M. All of Sec. 13, Unsurveyed	<u>640.00</u> 640.00	None	12.5			78.000000 22.000000 <u>100.000000</u>	0.00864667
93	388901 932349	T12N-R4E, U.M. E1/2E1/2, W1/2NE1/4 of Sec. 93, Unsurveyed	<u>240.00</u> 240.00	None	12.5			78.000000 22.000000 <u>100.000000</u>	0.00000000
109	388528 932308	T13N-R4E, U.M. SE1/4NE1/4, W1/2SE1/4, SE1/4SW1/4 of Sec. 34, Unsurveyed, All tide and submerged lands seaward of the line of mean high water and the channel closing line, and all uplands within the bed of the unnamed channel of the Colville River, both as shown on the official tract map for Oil and Gas Lease Sale 75A dated June 17, 1993	<u>84.76</u> 84.76	None	16.66667		CPAI APC	78.000000 22.000000 <u>100.000000</u>	0.00000000
110	389725 932682	T13N-R4E, U.M. SE1/4, SE1/4NE1/4, SE1/4SW1/4 of Sec. 34, Unsurveyed, All excluding tide and submerged lands seaward of the line of mean high water as shown on the official tract map for Oil and Gas Lease Sale 43	<u>155.24</u> 155.24	None	16.667		CPAI APC Petro-Hunt	77.620000 22.000000 0.380000 <u>100.000000</u>	0.00000000
		TOTAL							

Exhibit C

Fiord Nechelek Participating Area Tract Participations

Tr. No.	ADL No./ Tobin No.	Legal Description	Acres	Depth Restrictions	Original Royalty (%)	NPSL (%)	Tract Owners	Working Interest (%)	Tract Allocation
111	389725 932682	T13N,R4E-U.M. S1/2, S1/2N1/2, N1/2NE1/4, NE1/4NW1/4, of Sec. 35, Unsurveyed, excluding tide and submerged lands seaward of the line of mean high water as shown on the official tract map for Oil and Gas Lease TOTAL	525.00 525.00	None	16.667		CPAI APC Petro-Hunt	77.620000 22.000000 0.380000 100.000000	0.00911433
112	388527 932623	T13N,R4E-U.M. S1/2, S1/2N1/2, N1/2NE1/4, NE1/4NW1/4, of Sec. 35, Unsurveyed tide and submergedlands seaward of the line of mean highwater and the channel closing line as shown on the official tract map for Oil and Gas Lease Sale 75A dated June 17, 1993 TOTAL	75.00 75.00	None	16.66667		CPAI APC	78.000000 22.000000 100.000000	0.00000000
113	388527 932623	T13N,R4E-U.M. All of Sec. 36, Unsurveyed, All tide and submerged lands seaward of the line of mean high water and the channel closing line as shown on the official tract map for Oil and Gas Lease Sale 75A dated June 17, 1993 TOTAL	43.00 43.00	None	16.66667		CPAI APC	78.000000 22.000000 100.000000	0.00041511
114	389725 932682	T13N,R4E-U.M. All of Sec. 25, Unsurveyed, All excluding tide and submerged lands seaward of the line of mean high water as shown on the official tract map for Oil and Gas Lease Sale 43 TOTAL	196.00 196.00	None	16.667		CPAI APC Petro-Hunt	77.620000 22.000000 0.380000 100.000000	0.00201239

Exhibit C

Fiord Nechelek Participating Area Tract Participations

Tr. No.	ADL No./ Tobin No.	Legal Description	Acres	Depth Restrictions	Original Royalty (%)	NPSL (%)	Tract Owners	Working Interest (%)	Tract Allocation
115	388527	T13N,R4E-U.M.		None	16.66667		CPAI	78.000000	0.00018568
	932623	NE1/4, SW1/4, SE1/4NW1/4, N1/2SE1/4 of Sec. 25, Unsurveyed, All tide and submerged lands seaward of the line of mean high water and the channel closing line as shown on the official tract map for Oil and Gas Lease Sale 75A dated June 17, 1993	315.47				APC	22.000000	
		TOTAL	315.47					100.000000	
TOTAL PA ACRES			18431.26						

KEY:

CPAI: ConocoPhillips Alaska, Inc.
 APC: Anadarko Petroleum Corporation
 Petro-Hunt: Petro-Hunt, LLC

Attachment 3: Exhibit D to the CRU Agreement Revised Map of FNPA

