



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Natural Resources

Division of Oil & Gas
Anchorage Office

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August 31, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Thomas Habermann
Controller
Brooks Range Petroleum Corporation
510 L Street, Suite 601
Anchorage, AK 99501

Re: Beechey Point Unit Voluntary Contraction Approved

Dear Mr. Habermann:

The Alaska Department of Natural Resources, Division of Oil and Gas (Division) approved the Beechey Point Unit (BPU) on August 31, 2009. The original BPU, containing 52,875.57 acres, is comprised of 30 state leases, see enclosed Exhibit A, revised October 1, 2010. On August 30, 2012, Brooks Range Petroleum Corporation (BRPC), as operator of the Beechey Point Unit (BPU), applied to voluntarily contract the Beechey Point Unit (BPU) (Application). BRPC notified the Division that the Working Interest Owners affirmatively voted to voluntarily contract the BPU to seven leases containing 10,757 acres.

With its Application, BRPC submitted revised Exhibits A and B to the BPU Agreement for the contracted unit area, enclosed, and requested the Division approve the proposed contraction as described, effective August 29, 2012. BRPC further agreed to waive the extension provisions of 11 AAC 83.140 and Article 15.2 of the BPU Agreement.

Under Article 13.4 of the BPU Agreement, the working interest owners who are parties to the agreement may voluntarily contract the unit with an affirmative vote of the working interest owners and approval from the Commissioner. The Commissioner has delegated the authority to approve a voluntary contraction to the Director of the Division.

I approve the voluntary contraction of the BPU effective August 29, 2012, in accordance with Article 13.4 of the BPU Agreement. The contracted BPU is comprised of the following state leases in their entirety: ADL 47468, ADL 389947, ADL 390425, ADL 390426, ADL 390427, 390429, and ADL 391779; and contains 10,757.00 acres. Exhibits A and B, as submitted, are accepted.

"To responsibly develop Alaska's resources by making them available for maximum use and benefit consistent with the public interest."

BPRC is instructed to submit a revised BPU plan of exploration by September 30, 2012 and to make arrangements for a technical presentation to Division staff. Please contact Wendy Woolf at (907) 269-8779 or via email at wendy.woolf@alaska.gov to schedule the technical meeting.

This unit contraction approval does not relieve BRPC from its obligations under the individual leases, including to remove all machinery, equipment, tools and materials, and to deliver up the leased area in good condition.

An eligible 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 Daniel S. Sullivan, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918; or sent by electronic mail to dnr.appeals@alaska.gov. This decision takes effect immediately. An eligible person must first appeal this decision in accordance with 11 AAC 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.

Sincerely,



W. C. Barron
Director

Enclosures:

Revised BPU Exhibit A
Revised BPU Exhibit B

Cc: Jordan R. Smith, Ramshorn Investments, Inc.
C. Edgar Dunne, AVGC, LLC
Bart Armfield, Brooks Range Development Corporation
Exxon Mobil Oil Corporation, Property Management
David Brown, ConocoPhillips Company
Chevron USA, Inc., Alaska Land Manager

Exhibit A (as of 08/29/2012)

Attached to and made a part of the

Beechey Point Unit Agreement

Tract #	ADL #	Legal Description	Total Acres	Effective Date	State of Alaska Royalty Interest	Overriding Royalty Interest	Working Interest
19	390429	T. 12 N., R. 12 E., Umiat Meridian, Alaska. Section 1, Unsurveyed, All tide and submerged lands, 30.19 acres;	2,560.00	5/1/2004	16.666670%		AVCG 30%
		T. 12 N., R. 12 E., Tract B, Umiat Meridian, Alaska. Section 1, Unsurveyed, All, including the beds of all meanderable waterbodies, 609.81 acres;				AVCG 2.666666%	Ramshorn 53.84615%
		Section 2, Unsurveyed, All, including the beds of all meanderable waterbodies, 640 acres;					BRDC 16.15385%
		Section 11, Unsurveyed, All, including the beds of all meanderable waterbodies, 640 acres;					
		Section 12, Unsurveyed, All, including the beds of all meanderable waterbodies, 640 acres;					
20	47468	T. 12 N., R. 13 E., Umiat Meridian, Alaska. Section 5: All, 640.00 Acres; Section 6: All, 640.00 Acres; Section 7: All, 640.00 Acres; Section 8: All, 640.00 Acres;	2,437.00	10/1/1969	12.500000%		Exxon 50% Chevron 50%* *CPAI owns 12.5% Contractual W.I.
21	390425	T. 12 N., R. 13 E., Umiat Meridian, Alaska. Section 4, Unsurveyed, All tide and submerged lands, 596.01 acres; Section 9, Unsurveyed, All tide and submerged lands, 388.35 acres; Section 10, Unsurveyed, All tide and submerged lands, 607.99 acres;	1,920.00	5/1/2004	16.666670%	Pioneer 0.33% AVCG 1.05%	AVCG 30% Ramshorn 53.84615% BRDC 16.15385%
		T. 12 N., R. 13 E., Tract A, Umiat Meridian, Alaska. Section 4, Unsurveyed, All, 43.99 acres; Section 9, Unsurveyed, All, 251.65 acres;					
23	390427	T. 12 N., R. 13 E., Tract A, Umiat Meridian, Alaska. Section 15, Unsurveyed, All, including the beds of all meanderable waterbodies, 470.81 acres; meanderable waterbodies, 640 acres; Section 16, Unsurveyed, All, including the beds of all meanderable waterbodies, 382.96 acres;	1,280.00	5/1/2004	16.666670%	Pioneer 0.33% AVCG 1.05%	AVCG 30% Ramshorn 53.84615% BRDC 16.15385%
		T. 12 N., R. 13 E., Umiat Meridian, Alaska. Section 15, Unsurveyed, All tide and submerged lands, 169.19 acres; Section 16, Unsurveyed, All tide and submerged lands, 257.04 acres;					
24	390426	T. 12 N., R. 13 E., Tract A, Umiat Meridian, Alaska. Section 13, Unsurveyed, All, including the beds of all meanderable waterbodies, 640 acs; Section 14, Unsurveyed, All, including the beds of all meanderable waterbodies, 640 acs;	1,280.00	5/1/2004	16.666670%	Pioneer 0.33% AVCG 1.05%	AVCG 47.5% Ramshorn 52.5%
25	389947	T. 12 N., R. 13 E., Umiat Meridian, Alaska. Section 25, Unsurveyed, All, including the beds of all meanderable waterbodies, 640 acs;	640.00	9/1/2002	16.666670%	Wagner 2.00% AVCG 0.931%	AVCG 47.5% Ramshorn 52.5%
30	391779	(formerly ADL 390425) T. 12 N., R. 13 E., Umiat Meridian, Alaska. Section 3, Protracted, All, 640.00 acres;	640.00	5/1/2004	16.666670%	Pioneer 0.33% AVCG 1.05%	AVCG 47.5% Ramshorn 52.5%
Total Acreage:			10,757.00				

Exhibit A

Tract #	ADL #	Legal Description	Total Acres	Effective Date	State of Alaska Royalty Interest	Overriding Royalty Interest	Working Interest
Pingo =		Pingo Oil and Gas, LP					
Bachner=		J. Andrew Bachner, Keith C. Forsgren, David G. Feddersen					
Wagner=		Deborah Lee, Trish Kelly, Kristin Wagner, Richard Wagner, Paul Gavora, Dan Gilbertson					
Pioneer=		Pioneer Natural Resources Alaska, Inc.					
AVCG=		AVCG, LLC					
Ramshorn=		Ramshorn Investments, Inc.					
Exxon=		ExxonMobil Oil Corporation					
Chevron=		Chevron U.S.A. Inc.					
CPAI=		ConocoPhillips Company (*CPAI owns 12.5% Contractual WI)					
BRPC=		Brooks Range Petroleum Corporation					

