



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
ALASKA STATE OFFICE  
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## CERTIFICATION-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved April 5, 1976, 90 Stat. 303, as amended, 94 Stat. 2964, and delegated under the authority of 43 CFR 3130, I do hereby:

A. Approve the attached agreement for the exploration, development and operation of the Bear Tooth Unit Area, North Slope Borough, State of Alaska. In accordance with 43 CFR 3137.131, this approval shall be revoked and all further benefits forfeited if the initial development obligations under 43 CFR 3137.70 are not met.

B. Certify and determine that the unit plan of exploration, development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: August 25, 2009

Agreement No: AA-091675

Greg J. Noble  
Acting Chief  
Branch of Energy and Minerals  
Division of Resources

**UNIT AGREEMENT  
FOR THE EXPLORATION, DEVELOPMENT AND OPERATION  
OF THE BEAR TOOTH UNIT AREA**

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**UNIT AGREEMENT  
FOR THE EXPLORATION, DEVELOPMENT AND OPERATION  
OF THE BEAR TOOTH UNIT AREA**

**NORTH SLOPE BOROUGH  
STATE OF ALASKA**

**BLM NO. AA- 091675**

This agreement ("Agreement"), entered into as of the 21<sup>st</sup> day of August, 2009, by and between ConocoPhillips Alaska, Inc. ("CPAI) and Anadarko Petroleum Corp. ("APC"); and any parties subscribing, ratifying, or consenting hereto, after the Effective Date and each herein referred to as a "party" and collectively as the "parties hereto,"

**WITNESSETH:**

**WHEREAS**, the parties hereto are the owners of working interest, royalty, or other oil and gas interests in the Unit Area subject to this Agreement; and

**WHEREAS**, the Naval Petroleum Reserves Production Act of 1976, as amended (42 U.S.C. §§ 6501-6508), and 43 C.F.R. Part 3130 authorize Federal National Petroleum Reserve-Alaska ("NPR-A") lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating under a unit plan of development or operation for any oil and gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

**WHEREAS**, the parties hereto hold sufficient interests in the Bear Tooth Unit ("Unit") Area covering the land hereinafter described to give reasonably effective control of operations therein; and

**WHEREAS**, The United States Department of Interior, Bureau of Land Management ("BLM") has issued federal oil and gas leases to all lands within the Bear Tooth Unit Area;

**WHEREAS**, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this Agreement under the terms, conditions, and limitations herein set forth;

**NOW, THEREFORE**, in consideration of the premises and the promises herein contained, the parties hereto commit to this Agreement their respective interests in the below-defined Unit Area, and agree severally among themselves as follows:

**1. ENABLING ACT AND REGULATIONS.** The Naval Petroleum Reserves Production Act of 1976, as amended (42 U.S.C. §§ 6501-6508), 43 C.F.R. Part 3130, and all other valid pertinent regulations including unit and unit operating plan regulations, heretofore

issued thereunder or valid, pertinent, and reasonable regulations hereafter issued thereunder are accepted and made a part of this Agreement as to Federal NPR-A lands, provided such regulations are not inconsistent with the terms of this Agreement; and as to non-Federal lands, the oil and gas operating regulations in effect as of the Effective Date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State of Alaska, are hereby accepted and made a part of this Agreement.

**2. EXHIBITS.** The following Exhibits are attached hereto and made a part hereof or incorporated herein by reference:

**Exhibit A** shows, in addition to the boundary of the entire Unit Area, the boundary of Unit Area A and Unit Area B, the boundaries and identity of tracts ("Unit Tracts") and leases in said area to the extent known to the Unit Operator.

**Exhibit B** attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage, percentage, and kind of ownership of oil and gas interests in all lands in the Unit Area.

**Exhibit C** is a map that identifies the anticipated participating area ("PA") boundaries and well site(s) for planning purposes and to aid in the mitigation of reasonably foreseeable and significantly adverse effects on NPR-A surface resources. The Parties agree and understand that Exhibit C in effect on the Effective Date, as defined in Section 31 herein, represents the Unit Operator's anticipated PA and no determination is made thereby that it is a representation of approved PA(s). Upon approval of a PA, a revised Exhibit C shall be submitted to the AO.

**Exhibit D** describes the geologic, geophysical and engineering factors supporting formation of the Unit Area. The BLM will hold such exhibit confidential pursuant to 5 U.S.C. § 552(b)(9) and other applicable governing law and regulations.

**3. UNIT AREA.**

a. There are two subdivisions comprising the unit area, Unit Area A and Unit Area B (collectively "Unit Area"). The area specified on the map attached hereto marked Exhibit A is hereby designated and recognized as constituting the Unit Area, containing 105,655 acres, more or less. Exhibits A and B shall be revised by the Unit Operator whenever changes in the Unit Area or in the ownership interests in the individual Unit Tracts render such revision necessary, or when requested by the Authorized Officer, hereinafter referred to as AO, and not less than four (4) copies of the revised Exhibits shall be filed with the United States Department of the Interior, Bureau of Land Management ("BLM") Alaska State Office.

b. The above-described Unit Area shall, when practicable, be expanded to include therein any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be necessary or advisable to conform to the purposes of this Agreement. Subject to the approval of the AO any such expansion or contraction may be accomplished by the Unit Operator negotiating an agreement or agreements with the owners of

such lands fixing the Unit Tract participation of each Unit Tract and providing for the commitment of the interest of such owners to this Agreement and to the Unit Operating Agreement, except as provided for in Section 9 below. Such expansion or contraction shall be effected in the following manner:

(i) Unit Operator, on its own motion (after preliminary concurrence by the AO), or on demand of the AO, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the Unit Area, the reasons thereof, any additional plans for Initial Development and/or Continuing Development Obligations ("CDO"), and the proposed effective date of the expansion or contraction, preferably the first day of the month subsequent to the date of notice.

(ii) Said notice shall be delivered to the proper BLM office, and copies thereof mailed to the last known address of each Working Interest Owner, lessee and lessor, including the State of Alaska, as applicable, whose interests are affected, advising that 30 days from receipt of said notice will be allowed for submission in writing to the Unit Operator of any objections.

(iii) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the AO evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with Unit Operator, together with an application in triplicate, for approval of such expansion or contraction with appropriate joinders.

(iv) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the AO, become effective as of the date prescribed in the notice thereof or such other appropriate date.

c. All legal subdivisions of lands, no parts of which are in or entitled to be in a PA on or before the tenth anniversary of the effective date of the first initial PA ("Initial PA") established under this Agreement, shall be eliminated automatically from this Agreement, effective as of said tenth anniversary, and such lands shall no longer be a part of the Unit Area and shall no longer be subject to this Agreement, unless:

(i) diligent drilling operations are in progress on Unitized Lands not entitled to participation on said tenth anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than one year elapsing between the completion of one such well and the commencement of the next such well, or

(ii) the Unit Operator has been granted an extension of time for performing a CDO and received approval by the AO to revise the subject tenth anniversary date to include any additional time granted to meet the CDO, in which event all such unitized lands, no parts of which are entitled to be in a PA on or before the revised anniversary date, shall be eliminated automatically from this agreement, effective as of said revised anniversary date, and such lands shall no longer be a part of the Unit Area and shall no longer be subject to this Agreement. Any subsequent revision of the

subject tenth anniversary shall automatically revise the 15-year anniversary of Subsection 3(d) below.

The term "legal subdivision of land" refers to 40 acres by Government Survey or its nearest lot or tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be considered in multiples of 40 acres or the nearest aliquot equivalent thereof.

d. All legal subdivisions of lands not entitled to be in a PA within 15 years after the effective date of the Initial PA application approved under this Agreement shall be automatically eliminated from this Agreement as of said fifteenth anniversary. The Unit Operator shall, within 90 days after the effective date of any elimination hereunder, describe the Unit Area so eliminated to the satisfaction of the AO and promptly notify all parties hereto in interest. All Unitized Lands proved productive of Unitized Substances in paying quantities by diligent drilling operations after the aforesaid ten-year period shall become entitled to be in a PA in the same manner as during said ten-year period. However, when such diligent drilling operations cease, all non-PA lands not then entitled to be in a PA shall be automatically eliminated effective as of the 91<sup>st</sup> day thereafter.

e. Any expansion of the Unit Area pursuant to this Section 3 which embraces lands previously eliminated pursuant to this Subsection 3(c) or 3(d) shall not be considered automatic commitment or recommitment to this Agreement of such lands. If conditions warrant, extension of the 15-year period specified in Subsection 3(d), by a single extension not to exceed two (2) years may be accomplished by consent of the owners of 90 percent (90%) of the working interest in the current non-participating Unitized Land and the owners of 100 percent (100%) of the basic royalty interests in non-participating Unitized Lands with approval of the AO, provided such extension application is submitted not later than 60 days prior to the expiration of said 15-year period.

**4. UNITIZED LAND AND UNITIZED SUBSTANCES.** All land now or hereafter committed to this Agreement, including all lands necessary for Unit Area operations, shall constitute land referred to herein as "Unitized Land" or "Unit Area" or "land subject to this Agreement." All oil and gas in any and all formations of the Unitized Land are unitized under the terms of this Agreement and herein are called "Unitized Substances."

**5. UNIT OPERATOR.** ConocoPhillips Alaska, Inc. is hereby designated as "Unit Operator" and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of Unitized Substances as herein provided. The Unit Operator shall have the exclusive right to conduct Unit Area operations. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of an interest in Unitized Substances, and the term "Working Interest Owners" when used herein shall include or refer to Unit Operator as the owner of a working interest to the extent such an interest is owned by it.

## 6. RESIGNATION OR REMOVAL OF UNIT OPERATOR.

a. Resignation. Unit Operator shall have the right to resign at any time prior to the establishment of a PA or PAs hereunder, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of three months after written notice of intention to resign has been served by Unit Operator on all Working Interest Owners, and the AO and until all wells then drilled hereunder, if any, are placed in a satisfactory condition for production or other related activity(ies) or for suspension or abandonment, whichever is appropriate or required by the AO, unless a new Unit Operator shall have been selected and approved as provided in the Unit Operating Agreement and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time after a PA established hereunder is in existence, but in all such instances of resignation or removal, until a successor Unit Operator is selected and approved as hereinafter provided, the Working Interest Owners shall be jointly responsible for performance of the duties of Unit Operator, and shall not later than 30 days before such resignation or removal becomes effective appoint a party as a common agent to represent them in any action to be taken hereunder.

The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

b. Removal. The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the Working Interest Owners as provided for in the Unit Operating Agreement, as defined hereinbelow, for the selection of a new Unit Operator. Such removal shall be effective upon approval of the AO, which approval will not be unreasonably withheld.

c. Transition. The resignation or removal of Unit Operator under this Agreement shall not terminate its right, title, or interest as a Working Interest Owner or other interest in Unitized Substances, to the extent such exists, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, materials, and appurtenances owned by the Working Interest Owners for Unit purposes or used in conducting the Unit Area operations to the new duly qualified successor Unit Operator or to the common agent, if no such new Unit Operator is selected to be used for the purpose of conducting Unit Area operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment, or appurtenances needed for the preservation of any wells.

7. **SUCCESSOR UNIT OPERATOR.** Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by the Working Interest Owners, the Working Interest Owners according to their respective interests in all Unitized Land shall, pursuant to the approval of the parties requirements of the Unit Operating Agreement, select a successor Unit Operator. Such selection shall not become effective until:



a. a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and

b. the selection shall have been approved by the AO.

If no successor Unit Operator is timely selected and qualified as herein provided, the AO may elect to declare this Agreement terminated.

**8. UNIT OPERATING AGREEMENT.** If the Unit Operator is not the sole Working Interest Owner, costs and expenses incurred by Unit Operator in conducting Unit Area operations hereunder shall be paid and apportioned among and borne by the Working Interest Owners, all in accordance with the agreement or agreements entered into by and among the Working Interest Owners, whether one or more, separately or collectively. Any agreement or agreements entered into among the Working Interest Owners, including the Unit Operator if the Unit Operator is a Working Interest Owner, as provided in this Section 8, whether one or more are herein referred to as the "Unit Operating Agreement." Such Unit Operating Agreement shall also provide, among other provisions, the manner in which the Working Interest Owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations between the Unit Operator and the Working Interest Owners as may be agreed upon by the Unit Operator and the Working Interest Owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Agreement or to relieve the Unit Operator of any right or obligation established under this Agreement, and in case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Agreement shall govern. Two copies of any Unit Operating Agreement executed pursuant to this Section 8 shall be filed in the proper BLM office prior to approval of this Agreement. Two copies of any amendment, modification or replacement to any unit operating agreement shall be submitted for informational purposes only to the proper BLM office within 30 days after approval by the parties thereto.

Other agreements may also be entered into between the Unit Operator, and/or Working Interest Owners and/or non-Federal royalty interest owners that provide for allocation of benefits and responsibilities so long as they are not inconsistent with this Agreement.

**9. INITIAL DEVELOPMENT OBLIGATIONS.**

The Unit Area as shown in Exhibit A is divided into two unit areas and has distinct Initial Development Obligations for Unit Area A and Unit Area B.

a. Unit Area A. By June 1, 2012, the Unit Operator shall drill and test, if necessary to meet the Productivity Criteria, an Initial Development Obligation well ("Well 1") located in the section of Unit Operator's choice in the Unit Area A and approved by the AO. Well 1 shall be drilled to sufficient depth to evaluate the lower Cretaceous sandstones that correlate to the sandstone interval encountered at the Husky West Fish Creek well between 5,514 feet and 7,065 feet (md) ("Primary Target").

If Well 1 does not meet the Productivity Criteria, as defined by Section 11 of this Agreement, the Unit Operator shall continue drilling, testing or sidetracking to the Primary

Target one or more well(s) at a time, allowing not more than two years between the completion of the operations for one well and the commencement of drilling, testing or sidetracking operations for the next well, until a well meeting the Productivity Criteria is completed to the satisfaction of the AO or it is established to AO's satisfaction that further drilling to meet the Productivity Criteria is unwarranted or impracticable.

To meet the Initial Development Obligation period for Unit Area A, the Unit Operator shall not be required to drill to a depth in excess of the Primary Target. Subsequent plugging and abandoning of the Initial Obligation Well 1 or subsequent Initial Development Obligation wells shall not affect fulfillment of the Initial Development Obligation.

b. Unit Area B

By June 1, 2012, the Unit Operator shall test the Scout 1 Well (API 50103204790000), a well previously drilled to the upper Jurassic sandstones (A facies) that correlates to the sandstone interval encountered between 7,656 feet and 7,800 feet (md) at the Scout 1 Well ("Secondary Target") but not tested and located in Section 20, Township 11 North, Range 1 East, Umiat Meridian, in lieu of drilling an Initial Development Obligation well for Unit Area B. The Scout 1 Well, in order to fulfill the Unit Area B Initial Development Obligation, must demonstrate that the well is capable of producing at sustained, stabilized rates greater than 470 MSCFPD in an extended (minimum 72 hours flow) production test ("Test Criteria").

If the Scout well does not meet the Test Criteria, the parties hereto agree that all leased lands comprising Unit Area B and not also included in Unit Area A will be surrendered no later than March 1, 2013. All of the leased lands to be surrendered in whole or in part by the parties will be in accordance with 43 CFR 3136.1, and the Unit Area will contract to the Unit Area A boundary pursuant to Subsection 3(b) of this Agreement. Subsequent plugging and abandoning of the Scout 1 Well shall also not affect fulfillment of the Initial Development Obligations.

c. Evaluation Period during the Initial Development Obligation Period

In addition, completion of the Initial Development Obligations involving drilling, sidetracking and testing shall include a period not to exceed nine (9) months from cessation of winter field activities to conduct laboratory analysis and in-depth evaluations ("Evaluation Period"). Within 60 days after meeting the Initial Development Obligations (including the Evaluation Period), the Unit Operator must certify to BLM that the Initial Development Obligations have been met.

d. Both Unit Area A and Unit Area B

Upon request of the Unit Operator, the AO may modify any of the drilling or testing requirements of this Section 9 by granting reasonable extensions of time when, in his or her opinion, such action is warranted. If the Unit terminates before the Unit Operator has met the Initial Development Obligation or the Initial Development Obligations are not met, the AO may declare this Agreement revoked and any benefits, including extensions and suspensions, granted the Unitized Lands or any NPR-A lease as a result of having been committed to the Unit are forfeited.

## 10. CONTINUING DEVELOPMENT OBLIGATIONS.

a. Within 90 days following the completion of the Evaluation Period described in Subsection 9(c) of this Agreement, and if the Initial Development Obligation has been met, the Unit Operator must submit to the AO for approval the First Continuing Development Obligation ("CDO") plan which further delineates the anticipated participating areas and commits the Unit Operator to a program of exploration and development within the Unit Area for the period specified therein. All CDO plans submitted shall provide for the timely exploration and development of the Unitized Land through diligent drilling, testing or completion of additional wells to the Primary Target(s) or other Unit formations. Copies of such CDO plans shall be furnished to all Working Interest Owners pursuant to the applicable Unit Operating Agreement provisions.

b. Each CDO plan submitted will be as complete and adequate as the AO may determine to be necessary for timely development and will:

- (i) Specify the number, target formation(s), and locations of any wells to be drilled and the proposed order and time for such drilling; and
- (ii) Provide a summary of operations and production for the previous year.

Annual CDO plans shall be filed with the AO for approval not later than March 1 of each year and amended when necessary to meet changed conditions, including geophysical, geological and/or engineering considerations that would render such CDO plan, if not altered or modified, imprudent, economically wasteful, or not in the public interest or the interests of all the parties hereto to this Agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved CDO plan. The AO may grant a reasonable extension of the 90-day period herein prescribed for submission of the CDO plan where such action is justified because of unusual conditions or circumstances.

c. After completion of a well capable of meeting the Productivity Criteria, no further wells, except such as may be necessary to afford protection against operations not under this Agreement and such as may be specifically approved by the AO shall be drilled except in accordance with an approved CDO plan.

d. No later than 90 days after the AO's approval of the CDO plan, the Unit Operator must certify to BLM that operations meeting the CDO have begun. The AO may require the Unit Operator to supply documentation to support certification and submit yearly reports that demonstrate continuing development within the Unit Area.

e. If situations beyond the Unit Operator's control prevent the Operator from meeting the CDO plan obligations(s), the Unit Operator may submit for approval by the AO a request to modify the CDO and/or for an extension of time to meet the CDO plan obligation(s). The Unit Operator must submit a request for a modification and/or extension before the date the CDO plan obligation in question is due to be met.

f. If the Unit Operator does not meet a CDO before establishing a PA, this Agreement terminates automatically. Termination is effective the day after a CDO is not met. If

the Unit Operator does not meet a CDO after establishing a PA, and the AO has not granted an extension of time to meet the CDO, the Unit Area contracts and all Unitized Lands within the Unit that are not included within a PA are contracted from the Unit Area.

#### **11. PARTICIPATING AREAS AND PRODUCTIVITY CRITERIA.**

a. No PA may be established or revised unless the Unit Operator submits an application to the AO and obtains the written approval of the AO of the proposed PA. Each PA application shall contain the following information:

(i) Attachment A, a map showing the boundaries of the PA area and,

(ii) Attachment B, a schedule governing allocation of production for the PA which shall outline the name of the PA, Unit tract number(s) committed to the PA ("PA Tracts"), legal description of the land based on subdivisions of the last approved public-land survey or aliquot parts thereof, total acreage for each PA Tract committed, percentage of Unitized Substances produced from the PA and allocated to each PA Tract, lease number, mineral interest ownership and percentage of such ownership on all federal and non-federal lands of each PA Tract and,

(iii) Attachment C, all geologic and engineering data supporting the proposed PA. The BLM shall hold such data confidential pursuant to 5 U.S.C. § 552(b)(9) and other applicable governing law and regulations..

b. All Unitized Lands encompassed by a PA must be proven productive of Unitized Substances by a well(s) meeting the Productivity Criteria and shall be established using well information and applicable geological, geophysical, or reservoir engineering data ("GGRE Data"). These lands shall constitute a PA upon approval of the AO effective as of the date of completion of such well(s) or the effective date of this Unit Agreement, whichever is later. A different PA shall be established for each separate reservoir or deposit of Unitized Substances or for any group thereof that is produced as a single reservoir or zone. When production from two or more PAs is subsequently found to be from a common reservoir or deposit, the PAs shall be combined into one, effective as of such appropriate date as may be approved or prescribed by the AO. The PA or PAs shall be revised from time to time, subject to approval of the AO to include additional lands then regarded as proven to be productive of Unitized Substances based on a well meeting the Productivity Criteria and using GGRE Data, or to include gas cycling, enhanced oil recovery program wells and pressure maintenance wells necessary for Unit Area operations, or to exclude lands then regarded as proved not to be productive, and the schedule of allocation percentages shall be revised accordingly. The Unit Operator must comply with Section 3 of this Agreement for PA revisions that include new lands committed to the Unit Area.

c. The effective date of any revision shall be the earlier of the first day of the month in which (i) a new well meets the Productivity Criteria; or (ii) the Unit Operator should have known a revised allocation schedule was needed; provided, however, that a more appropriate effective date may be approved if justified by Unit Operator or required by the AO. No land shall be excluded from a PA on account of depletion of its Unitized Substances, except

that any PA established under the provisions of this Unit Agreement shall terminate automatically whenever all completions in the formation on which the PA is based are abandoned.

d. At anytime a surface acreage methodology is determined to not equitably allocate production for the PA, allocation shall then be based on "Reservoir Properties" as outlined in Section 12 of this Agreement, and the allocation schedule format under Attachment B shall be revised upon approval of the AO.

e. In the absence of agreement at any time between the Unit Operator and the AO as to the proper definition or redefinition of a PA, or until a PA has, or PAs have, been established, the portion of all payments affected thereby shall, except royalty due the United States, be impounded in a manner mutually acceptable to the committed Working Interest Owners. Royalties due the United States shall be determined by the AO and the amount thereof shall be deposited, as directed by the AO until a PA is finally approved and then adjusted in accordance with a determination of the sum due as Federal royalty on the basis of such approved PA. Whenever it is determined, subject to the approval of the AO, that a well drilled under this Agreement does not meet the Productivity Criteria, production from such well shall, for the purposes of settlement among all parties other than Working Interest Owners, be allocated to the land on which the well is located, unless such land is already within the PA established for the reservoir or deposit from which such production is obtained. Settlement for Working Interest Owner benefits from such a nonpaying Unit Area well shall be made as provided in the Unit Operating Agreement.

f. Productivity Criteria

The Productivity Criteria for the producible intervals of the Primary Target and the Secondary Target are the same. The well must contain within the Primary Target section or the Secondary Target section (depending upon which interval is being evaluated), an interval of at least 10 feet of net sand thickness (true vertical depth) that meet the following criteria:

- (i) a valid production test demonstrating the well is capable of producing at initial production rates greater than 115 stock tank barrels of oil per day (STBOPD) or 470 thousand cubic feet per day (MSCFD) or sustained rates greater than 55 STODBD or 400 thousand cubic feet per day (MSCFD), or
- (ii) porosities greater than or equal to 10% **and** water saturations less than 60% based on logs or core, or;
- (iii) if a porosity log is not available, a deep resistivity log showing at least 8 ohm-m resistivity across the net sand interval for the producible oil or gas interval; or
- (iv) for a horizontal wellbore, at least 2,000 feet of net sand section with a deep resistivity reading of at least eight ohm-m and water saturations less than 60 percent based on logs. If a 10-foot TVD section is not penetrated in the wellbore section, the best technical estimated net sand thickness must be greater than 10 feet TVD.

Subsequent plugging and abandoning of a well shall not affect fulfillment of the Productivity Criteria. Oil and gas subsequently discovered in any intervals other than the Secondary Target or the Primary Target interval will require a modification to the Unit Agreement to include the Productivity Criteria for said intervals.

## **12. ALLOCATION OF PRODUCTION.**

a. All Unitized Substances produced from a PA established under this Agreement, except any part thereof (i) used in conformity with good operating practices within the Unitized Land for drilling, operating, and other production or development purposes, or (ii) used for re-pressuring or recycling within the Unit Area in accordance with a CDO plan that has been approved by the AO or (iii) unavoidably lost, shall be deemed to be allocated for settlement of the royalty or overriding royalty as described in Attachment B pursuant to Subsection 11(a)(ii) above, as subsequently amended pursuant to Section 11 above.

b. It is the intent of this Section 12 that the allocation of Unitized Substances produced from a PA that includes only Federal lands shall be deemed to be produced equally on a surface acreage basis from the several tracts of Unitized Land of the PA established for such production for so long as the parties hereto as of the Effective Date ("Original Parties") owning the initial working and royalty interests for each Unit Tract remain the same and the Unit is not expanded to include new lands owned by parties other than the Original Parties.

c. Allocation may be re-determined upon (i) written notice (no more than once every three years) by a Working Interest Owner holding at least a fifty-one percent interest in lands within a PA or (ii) any expansion or contraction of the PA. In re-determining allocation, the Working Interest Owners and BLM, as applicable, shall meet and review GGRE Data, and attempt to develop a new allocation of production. Any reallocation shall be to the date of first production from the re-determined PA. Any imbalance or over- and underproduction shall be made up from future production from the re-determined PA, based on volume of production from the PA, and not the value of production.

## **13. ROYALTY AND RENTAL SETTLEMENT.**

a. The United States, and any State and any royalty owner who is entitled by contract or statute to take in kind a share of the Unitized Substances shall hereafter be entitled to the right to take in kind its share of the unitized substances, and Unit Operator, or the non-Unit Operator in the case of the operation of a well by a non-Unit Operator as herein provided for in special cases, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by an Unit Operator or non-Unit Operator, as applicable, responsible therefore under existing contracts, laws and regulations, or by the Unit Operator on or before the last day of each month for Unitized Substances produced during the preceding calendar month; provided, however, that nothing in this Section 13 shall operate to relieve the responsible lessees from their respective lease obligations for the payment of any royalties due under their leases.

b. If gas obtained from lands not subject to this Agreement is introduced into any PA hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery,

in conformity with a CDO plan and gas management agreement approved by the AO, a like amount of gas, after settlement as herein provided for any gas transferred from any other lands not subject to this Agreement and with appropriate deduction for loss from any cause, may be withdrawn from the formation into which the gas is introduced, royalty free as to dry gas, but not as to any products which may be extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved CDO plan and gas management agreement or as may otherwise be consented to by the AO as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this Agreement.

c. Royalty due the United States shall be computed as provided in 30 C.F.R. Group 200 and paid in value or delivered in kind as to all Unitized Substances on the basis of the amounts thereof allocated to unitized Federal land as applicable, within the Unit Area as provided in Section 13 at the rates specified in the respective Federal leases or at such other rate or rates as may be authorized by law or regulation and approved by the AO, as the case may be; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations (43 C.F.R. §-3160) as though each PA were a single consolidated lease.

d. The Unit Operator will submit a gas management agreement for the approval of the AO at least six (6) months prior to production of Unitized Substances or injection of Non-Unitized Substances. This gas management agreement will describe how Unitized Substances will be produced, handled, transported, treated, and measured, and the method of determining the volume of oil and gas subject to royalty.

e. Rental or minimum royalties due on leases committed hereto shall be paid by the appropriate parties hereto under existing contracts, laws, and regulations, provided that nothing herein contained shall operate to relieve the lessees from their respective obligations for the payment of any rental or minimum royalty due under their leases. Rental or minimum royalty for Federal lands subject to this Agreement shall be paid at the rate specified in the respective Federal leases, respectively, unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative, as the case may be.

**14. DEVELOPMENT OR OPERATION OF NONPARTICIPATING LAND OR FORMATIONS.** Any Working Interest Owner may, with the approval of the AO at their sole risk, costs, and expense, drill a well on the Unitized Land to test any formation provided the well is outside any PA established for that formation or the well is drilled to test a formation at a depth different than the formation for which a PA has been established, unless within 90 days of receipt of written notice from said party of its intention to drill the well, the Unit Operator elects in writing and commences to drill the well in a like manner as other wells are drilled by the Unit Operator under this Agreement.

If any well drilled under this Section 14 by a party hereto other than the Unit Operator meets the Productivity Criteria, the land upon which it is situated may properly be included in a PA. Such PA shall be established or enlarged as provided in this Agreement and the well shall

thereafter be operated by the Unit Operator in accordance with the terms of this Agreement and the Unit Operating Agreement.

**15. DRAINAGE.** The Unit Operator shall take such measures as the AO deems appropriate and adequate to prevent actual drainage of compensable Unitized Substances from Unitized Land by wells on land not subject to this Agreement, which may include the drilling of protective wells or the payment of a fair and reasonable compensatory royalty, as determined by the AO.

**16. LEASES AND CONTRACTS CONFORMED AND EXTENDED.** The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development or operation for oil or gas on land subject to this Agreement are hereby expressly modified and amended solely to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto consent that the AO does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal NPR-A leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this Agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

a. The development and operation of land subject to this Agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned Unit Tract subject to this Agreement, regardless of whether there is any development of any particular Unit Tract of this Unit Area.

b. Drilling and producing operations performed hereunder upon any Unit Tract will be accepted and deemed to be performed upon and for the benefit of each and every Unit Tract, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

c. Suspension of drilling or producing operations on all Unitized Lands pursuant to the direction or consent of the AO shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of Unitized Land. A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands.

d. Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for oil or gas of lands other than Federal lands committed to this Agreement which, by its terms might expire prior to the termination of this Agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this Agreement.

e. Production from a well that meets the Productivity Criteria under this Agreement extends the term of all leases committed to the Unit Agreement, except as provided for in Section 9 regarding the Scout 1 Well test criteria and Unit Area B.

f. The conduct of operations meeting the obligations under the CDO plan approved by the AO extends the term of all leases committed to the Unit Agreement.



g. Any lease committed to this Agreement, which covers lands within and lands outside the Unit Area, shall be segregated, as of the Effective Date of unitization, into separate leases containing the original lease terms and provisions; one lease covering the lease lands committed to this Agreement, the other covering the lease lands not committed to this Agreement. The segregated lease covering the non-unitized portion of the lands shall continue in force and effect for the primary term of the lease and so long thereafter as may be granted under a lease extension or lease renewal. The segregation shall be conditioned to state that, if the segregated lease is not otherwise extended under its own terms at the end of the primary term, no operations shall be approved on the non-unitized segregated lease after the expiration date of the original lease's primary term until the Initial Development Obligation requirement of the Unit has been satisfied. If the Initial Development Obligations for the Unit are not satisfied, such segregation shall be declared invalid by the AO.

**17. CONVENANTS RUN WITH LAND.** The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working interest, royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original or certified copy of the instrument of transfer.

**18. RATE OF DEVELOPMENT AND PRODUCTION.** The AO may alter or modify the quantity, rate, and location of development and production under this Agreement when such quantity and rate are not fixed pursuant to Federal or state law, or do not conform to any statewide voluntary conservation or allocation program that is established, recognized, and generally adhered to by the majority of operators in such state.

The above authority is hereby limited to alteration or modifications that are in the public interest or in the interest of conservation. The interest to be served and the purpose thereof must be stated in the order of alteration or modification.

**19. APPEARANCES AND OPPORTUNITY TO CONTEST.** The Unit Operator shall have the right to contest and seek relief from adverse final declarations, approvals, instructions, orders and other decisions issued by the AO pursuant to this Agreement and 43 C.F.R. Part 3130, subpart 3137. Any other interested party hereto shall also have the right at its own expense to be heard in any such proceeding. The Unit Operator shall, after giving notice in writing to other Working Interest Owners, have the right to appear for and on behalf of the Working Interest Owners before BLM and the Department of the Interior. Such right to contest includes the ability to:

a. file for a BLM State Director Review of such decisions, pursuant to 43 C.F.R. §§ 3137.150(a) and 3165.3(b); and/or

b. appeal the decisions to the Interior Board of Land Appeals (IBLA), pursuant to 43 C.F.R. § 3137.150(b) and 43 C.F.R. Part 4.

The appellant has the burden of showing that the contested decision is in error. Failure to seek State Director or IBLA review within the time allowed may result in the dismissal of the appeal.

**20. NOTICES.** All notices, demands, or statements are required to be given or rendered to the parties hereto listed below and will be in writing and will be personally delivered to the party or parties hereto, or sent by a nationally recognized overnight delivery service or by telecopy or similar facsimile transmission, electronic mail with receipt notification, or sent by postpaid registered or certified mail. Any party hereto may make a change as to the receiving party by providing notice as provided in this Section 20 to the other parties hereto.

United States Department of the Interior  
Bureau of Land Management Alaska State Office  
Attention: Branch Chief, Energy and Minerals  
222 West 7<sup>th</sup> Avenue, #13  
Anchorage, Alaska 99513-7504

ConocoPhillips Alaska, Inc.  
Attention: Land Manager  
P.O. Box 100360  
Anchorage, Alaska 99510-0360  
Telephone: (907) 265-4933  
Facsimile: (907) 263-4966

Anadarko Petroleum Corporation  
Attention: Land Manager – Alaska  
1201 Lake Robbins Drive  
The Woodlands, Texas 77380  
Telephone: (832) 636-3087  
Facsimile: (832) 636-5158

**21. NO WAIVER OF CERTAIN RIGHTS.** Nothing contained in this Agreement will be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State where the Unitized Land is located, or of the United States, or regulations issued thereunder in any way affecting such party hereto, or as a waiver by any such party hereto of any right beyond its authority to waive.

**22. UNAVOIDABLE DELAY.** If reasons beyond the Unit Operator's control prevent meeting the Initial Development Obligation or a CDO by the time specified in this Agreement, the Unit Operator may request the AO to approve an extension of time for meeting those obligations. The Unit Operator must submit the request for an extension of time before the date the obligation is due. The request must demonstrate that for reasons beyond its control and despite reasonable diligence the Unit Operator was prevented from meeting the obligations. Reasons beyond Unit Operator's control include, but are not limited to, in whole or in part, strikes; physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; weather related events affecting an entire geographic region; Federal, state,

municipal, corporation law or agencies; third party approvals; unavoidable accidents; uncontrollable delays in transportation; inability to obtain necessary materials or equipment in the open market; or other matters beyond the reasonable control of the Unit Operator, whether similar to matters herein enumerated or not.

The AO will grant an extension of time to meet the Initial Development Obligation or CDO if the AO determines that: 1) the extension encourages the greatest ultimate recovery of oil or gas or it is in the interest of conservation and 2) the reasons beyond the Unit Operator's control prevent the Unit Operator from performing the Initial Development Obligation or a CDO. The extension of time for performing the Initial Development Obligation or a CDO will continue for so long as the conditions giving rise to the extension continue to exist.

**23. NONDISCRIMINATION.** In connection with the performance of work under this Agreement, the Unit Operator agrees to comply with all the provisions of section 202(1) to (7), inclusive, of Executive Order 11246 (30 FR 12319), as amended, which are hereby incorporated by reference in this Agreement. .

**24. LOSS OF TITLE.** In the event title to any Unit Tract shall fail and the true owner cannot be induced to join in this Agreement, such Unit Tract shall be automatically regarded as not committed hereto, and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any royalty, working interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal lands or leases, no payments of funds due the United States shall be withheld, but such funds shall be deposited as directed by the AO, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement. Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

**25. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties hereto, or may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties hereto who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties hereto had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above-described Unit Area.

**26. MODIFICATION OF UNIT AGREEMENT.** The terms, provisions, and conditions contained herein may be modified with the consent of two (2) or more of the Working Interest Owners owning fifty-one percent (51%) of the working interest and, if non-Federal lands are included in the Unit, one (1) or more of the royalty interest owners having 51 percent (51%) of the basic royalty interests (exclusive of the basic royalty interests of the United States and overriding interests) committed hereto, and the approval of the AO. "Basic royalty interest" shall mean the landowner's royalty interest described in the royalty provision of each lease within the Unit Area.

**27. NON-JOINDER AND SUBSEQUENT JOINDER.** If the Working Interest Owner of any Working Interest in a Unit Tract fails or refuses to subscribe or consent to this Agreement, the Working Interest Owner(s) in that Unit Tract may withdraw the Unit Tract from this Agreement by written notice delivered to the proper BLM office and the Unit Operator prior to the approval of this Agreement by the AO.

Any oil or gas interests in lands within the Unit Area not committed hereto prior to final approval may thereafter be committed hereto, by the owner or owners thereof subscribing or consenting to this Agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the Unit Operating Agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this Section 27, by a Working Interest Owner is subject to such requirements or approval(s), if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement. After final approval hereof, joinder by a nonworking interest owner must be consented to in writing by the Working Interest Owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such nonworking interest. A nonworking interest may not be committed to this Agreement unless the corresponding working interest is committed hereto. Joinder to this Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement, in order for the interest to be regarded as committed to this Agreement. Except as may otherwise herein be provided, subsequent joinders to this Agreement shall be effective as of the date of the filing with the AO of duly executed counterparts of all or any papers necessary to establish effective commitment of any interest and/or Unit Tract to this Agreement.

**28. SURRENDER.** Nothing in this Agreement shall prohibit the exercise by any Working Interest Owner of the right to surrender vested in such party hereto by any lease, sublease or the Unit Operating Agreement as to all or any part of the lands covered thereby, provided that each party hereto who will or might acquire such working interest by such surrender or forfeiture as hereafter set forth, is bound by the terms of this Agreement.

If as a result of such surrender or forfeiture, working interest rights become vested in the fee owner of the Unitized Substances, such owner may:

- a. Accept those working interest rights subject to this Agreement and the Unit Operating Agreement; or
- b. Lease the portion of such land as is included in a PA established hereunder subject to this Agreement and Unit Operating Agreement; or
- c. Provide for the independent operation of any part of such land that is not then included within a PA established hereunder.

If the fee owner of the Unitized Substances does not accept the working interest rights subject to this Agreement and the Unit Operating Agreement or does not lease such lands as provided above within six months after the surrendered or forfeited working interest right become vested in the fee owner, the benefits and obligations of operations accruing to such lands under this Agreement and the Unit Operating Agreement shall be shared by the remaining

Working Interest Owners of the Unit Area in accordance with their respective working interest ownerships, and such Working Interest Owners shall compensate the fee owner of the Unitized Substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands are unitized.

An appropriate accounting and settlement shall be made for all benefits accruing to or payments and expenditures made or accrued on behalf of such surrendered or forfeited working interests subsequent to the date of surrender or forfeiture, and payment of any monies found to be due by such accounting shall be made as between the parties thereto within 30 days.

The exercise of any right vested in a Working Interest Owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this Section 28 in regard to the exercise of a right to surrender.

**29. TAXES.** The Working Interest Owners shall render and pay for their account and the account of the royalty interest owners all valid taxes on or measured by the Unitized Substances in and under or that may be produced, gathered and sold from the Unitized Land covered by this Agreement after its Effective Date, or upon the proceeds derived therefrom. The Working Interest Owners on each Unit Tract shall and may charge the proper proportion of said taxes to royalty owners having interest in said Unit Tract, and may currently retain and deduct a sufficient amount of the Unitized Substances or derivative products, or net proceeds thereof, from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States, the State of Alaska or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

**30. NO PARTNERSHIP.** It is expressly agreed that nothing contained in this Agreement, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

**31. EFFECTIVE DATE AND TERM.** This Agreement shall become effective upon the approval by the AO ("Effective Date") and shall automatically terminate ten years from the Effective Date unless:

- a. Upon application by the Unit Operator such date of expiration is extended by the AO, or
- b. It is reasonably determined prior to the expiration of the ten-year term or any extension thereof that the Unit Area is incapable of production of Unitized Substances, sufficient to pay for the costs of drilling, completing, and operating the well on a Unit basis, in the formations tested hereunder, and after written notice of intention to terminate this Agreement on such ground is given by the Unit Operator to all parties hereto in interest at their last known addresses, this Agreement is terminated with the approval of the AO, or
- c. Unitized Substances that meet the Productivity Criteria in the Cretaceous Sandstone have been discovered during said ten-year term or the Scout 1 Well met the test criteria described in Section 9, or any extension hereof, in which event this Agreement shall remain in effect for such term and so long thereafter as Unitized Substances can be produced in quantities sufficient to pay for the cost of producing same from wells on Unitized Land within

any PA established hereunder. If there is no production established or should production cease and diligent actual or constructive drilling or reworking operations to restore production or establish production are not in progress within 18 months of an order of the AO and production is not restored or established from a well meeting the Productivity Criteria on any PA within the Unit Area, this Agreement will automatically terminate effective the last day of the month in which the last production of Unitized Substances occurred, or other date as specified by the AO, or

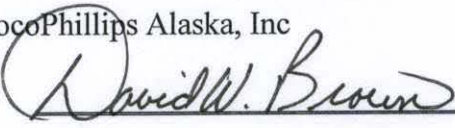
d. It is voluntarily terminated as provided in this Agreement. Except as noted herein, this Agreement may be terminated at any time prior to the discovery of Unitized Substances in a well meeting the Productivity Criteria by the affirmative vote of not less than 75 per centum, on an acreage basis, of the Working Interest Owners signatory hereto, with the approval of the AO, or

e. Before establishing any PA, the Unit Operator does not meet a CDO, in which event the Unit automatically terminates effective the day after said CDO is not met.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed and have set opposite their respective names the date of execution.

**Working Interest Owners**

ConocoPhillips Alaska, Inc

By:  \_\_\_\_\_

Date: \_\_\_\_\_

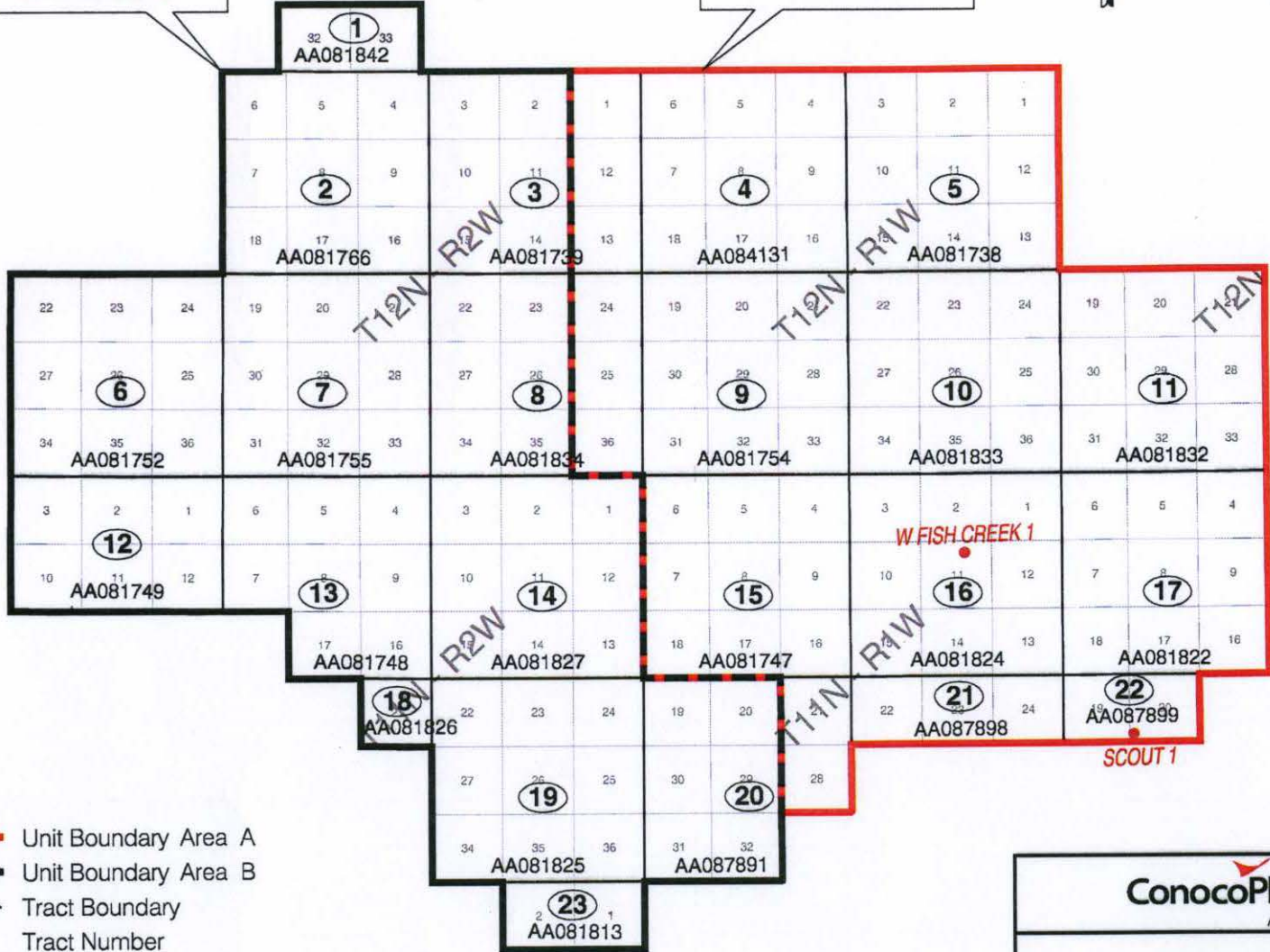
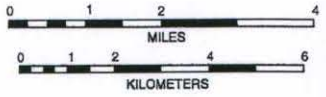
Anadarko Petroleum Corporation




By:  \_\_\_\_\_

Date: August 21, 2009

Unit Area B

Unit Area A



-  Unit Boundary Area A
-  Unit Boundary Area B
-  Tract Boundary
-  Tract Number
-  Lease ID

**ConocoPhillips**  
Alaska, Inc.

**Exhibit A**

**Bear Tooth Unit**

8-6-09 09031101D03

**Exhibit B**  
**Bear Tooth Unit Area Leases**  
**Unit Agreement for the Exploration, Development and Operation**  
**of the Bear Tooth Unit Area**

Tract No.	Description of Lands	Number of Acres	Serial Number Tobin Number	Expiration Date	Basic Royalty	Basic Royalty Owner	Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest Owner(s)	Ownership Percentage
1	T13N-R2W, UM Section 32: All Section 33: All	640.00 640.00 1280.00	AA-081842* 932577	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	70.00 <u>30.00</u> 100.00
2	T12N-R2W, UM Section 4: All Section 5: All Section 6: All Section 7: All Section 8: All Section 9: All Section 16: All Section 17: All Section 18: All	640.00 640.00 576.00 578.00 640.00 640.00 640.00 640.00 592.00 5576.00	AA-081766 953098	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
3	T12N-R2W, UM Section 1: All Section 2: All Section 3: All Section 10: All Section 11: All Section 12: All Section 13: All Section 14: All Section 15: All	639.00 638.00 639.00 640.00 640.00 640.00 640.00 640.00 640.00 5756.00	AA-081739 300843	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
4	T12N-R1W, UM Section 4: All Section 5: All Section 6: All Section 7: All Section 8: All Section 9: All Section 16: All Section 17: All Section 18: All	638.00 640.00 575.00 580.00 640.00 640.00 640.00 640.00 592.00 5576.00	AA-084131 933463	9/30/12	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
5	T12N-R1W, UM Section 1: All Section 2: All Section 3: All Section 10: All Section 11: All Section 12: All Section 13: All Section 14: All Section 15: All	639.00 638.00 639.00 640.00 640.00 640.00 640.00 640.00 640.00 5756.00	AA-081738 300842	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
6	T12N-R3W, UM Section 22: All Section 23: All Section 24: All Section 25: All Section 26: All Section 27: All Section 34: All Section 35: All Section 36: All	640.00 639.00 639.00 639.00 639.00 640.00 640.00 640.00 640.00 5756.00	AA-081752 953099	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	70.00 <u>30.00</u> 100.00



**Exhibit B**  
**Bear Tooth Unit Area Leases**  
**Unit Agreement for the Exploration, Development and Operation**  
**of the Bear Tooth Unit Area**

Tract No.	Description of Lands	Number of Acres	Serial Number Tobin Number	Expiration Date	Basic Royalty	Basic Royalty Owner	Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest Owner(s)	Ownership Percentage
7	T12N-R2W, UM Section 19: All Section 20: All Section 21: All Section 28: All Section 29: All Section 30: All Section 31: All Section 32: All Section 33: All	584.00 640.00 640.00 640.00 640.00 586.00 590.00 640.00 640.00	AA-081755 953097	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		5600.00									
8	T12N-R2W, UM Section 22: All Section 23: All Section 24: All Section 25: All Section 26: All Section 27: All Section 34: All Section 35: All Section 36: All	640.00 640.00 638.00 639.00 639.00 640.00 640.00 640.00 640.00	AA-081834 932569	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		5756.00									
9	T12N-R1W, UM Section 19: All Section 20: All Section 21: All Section 28: All Section 29: All Section 30: All Section 31: All Section 32: All Section 33: All	584.00 640.00 640.00 640.00 640.00 586.00 590.00 640.00 640.00	AA-081754 953096	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		5600.00									
10	T12N-R1W, UM Section 22: All Section 23: All Section 24: All Section 25: All Section 26: All Section 27: All Section 34: All Section 35: All Section 36: All	640.00 640.00 639.00 639.00 638.00 640.00 640.00 640.00 640.00	AA-081833 932568	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		5756.00									
11	T12N-R1E, UM Section 19: All Section 20: All Section 21: All Section 28: All Section 29: All Section 30: All Section 31: All Section 32: All Section 33: All	584.00 640.00 640.00 640.00 640.00 586.00 590.00 640.00 640.00	AA-081832 932567	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		5600.00									
12	T11N-R3W, UM Section 1: All Section 2: All Section 3: All Section 10: All Section 11: All Section 12: All	640.00 639.00 639.00 639.00 639.00 640.00	AA-081749* 953092	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	70.00 <u>30.00</u> 100.00
		3836.00									

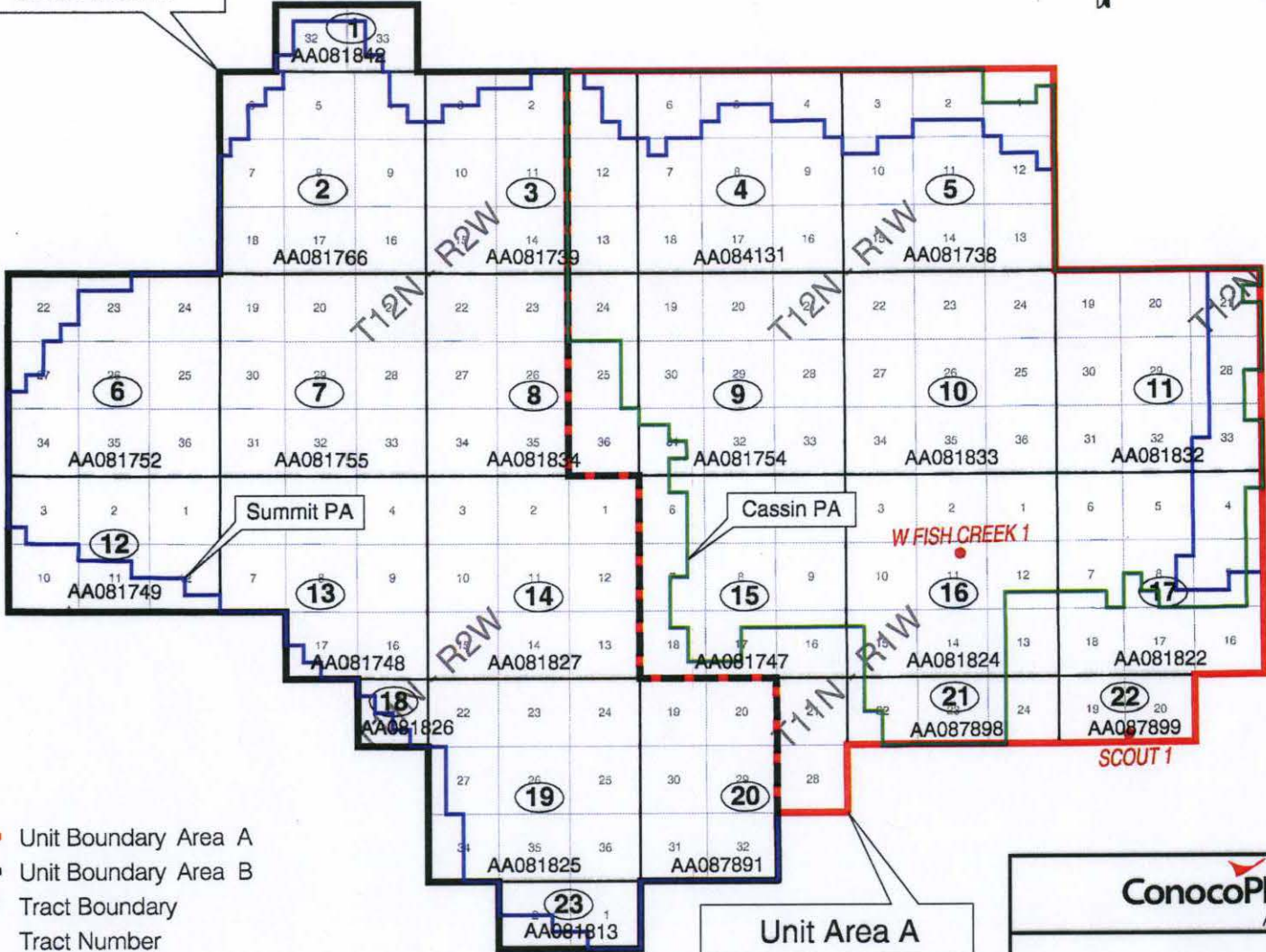
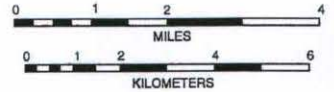
**Exhibit B**  
**Bear Tooth Unit Area Leases**  
**Unit Agreement for the Exploration, Development and Operation**  
**of the Bear Tooth Unit Area**







Tract No.	Description of Lands	Number of Acres	Serial Number Tobin Number	Expiration Date	Basic Royalty	Basic Royalty Owner	Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest Owner(s)	Ownership Percentage
13	T11N-R2W, UM Section 4: All Section 5: All Section 6: All Section 7: All Section 8: All Section 9: All Section 16: All Section 17: All	640.00 640.00 592.00 595.00 640.00 640.00 640.00 640.00	AA-081748* 953091	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		5027.00									
14	T11N-R2W, UM Section 1: All Section 2: All Section 3: All Section 10: All Section 11: All Section 12: All Section 13: All Section 14: All Section 15: All	638.00 639.00 639.00 640.00 640.00 640.00 640.00 640.00 640.00	AA-081827 932562	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		5756.00									
15	T11N-R1W, UM Section 4: All Section 5: All Section 6: All Section 7: All Section 8: All Section 9: All Section 16: All Section 17: All Section 18: All	640.00 640.00 592.00 595.00 640.00 640.00 640.00 640.00 640.00	AA-081747 953090	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		5624.00									
16	T11N-R1W, UM Section 1: All Section 2: All Section 3: All Section 10: All Section 11: All Section 12: All Section 13: All Section 14: All Section 15: All	638.00 639.00 639.00 640.00 640.00 640.00 640.00 640.00 640.00	AA-081824 932559	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		5756.00									
17	T11N-R1E, UM Section 4: All Section 5: All Section 6: All Section 7: All Section 8: All Section 9: All Section 16: All Section 17: All Section 18: All	640.00 640.00 592.00 595.00 640.00 640.00 640.00 640.00 640.00	AA-081822 932557	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		5624.00									
18	T11N-R2W, UM Section 21: All	640.00	AA-081826* 932561	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 <u>22.00</u> 100.00
		640.00									

**Exhibit B**  
**Bear Tooth Unit Area Leases**  
**Unit Agreement for the Exploration, Development and Operation**  
**of the Bear Tooth Unit Area**

Tract No.	Description of Lands	Number of Acres	Serial Number Tobin Number	Expiration Date	Basic Royalty	Basic Royalty Owner	Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest Owner(s)	Ownership Percentage
19	T11N-R2W, UM Section 22: All Section 23: All Section 24: All Section 25: All Section 26: All Section 27: All Section 34: All Section 35: All Section 36: All	640.00 638.00 639.00 639.00 640.00 640.00 640.00 640.00 640.00 640.00	AA-081825 932560	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 22.00 100.00
		5756.00									
20	T11N-R1W, UM Section 19: All Section 20: All Section 21: All Section 28: All Section 29: All Section 30: All Section 31: All Section 32: All	600.00 640.00 640.00 640.00 640.00 603.00 605.00 640.00	AA-087891 307464	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 22.00 100.00
		5008.00									
21	T11N-R1W, UM Section 22: All Section 23: All Section 24: All	640.00 640.00 639.00	AA-087898 307471	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 22.00 100.00
		1919.00									
22	T11N-R1E, UM Section 19: All Section 20: All	600.00 640.00	AA-087899 307472	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	78.00 22.00 100.00
		1240.00									
23	T10N-R2W, UM Section 1: All Section 2: All	638.00 639.00	AA-081813* 932548	8/31/09	16.6667%	U.S.	100%	ConocoPhillips Anadarko	None	ConocoPhillips Anadarko	70.00 30.00 100.00
		1277.00									
Totals		105,475.000									
Key:	U.S. -	U.S. Department of Interior, Bureau of Land Management									
	CPAI -	ConocoPhillips Alaska, Inc.									
	Anadarko -	Anadarko Petroleum Corporation									
	Pioneer -	Pioneer Natural Resources Alaska Inc.									
	* Leases that will be segregated										

Unit Area B



-  Unit Boundary Area A
-  Unit Boundary Area B
-  Tract Boundary
-  Tract Number
-  Lease ID
-  Participating Area Boundaries (Green and Blue)

Unit Area A

**ConocoPhillips**  
Alaska, Inc.

**Exhibit C**  
**Anticipated Bear Tooth**  
**Participating Area**  
**Boundaries**

**EXHIBIT D**  
**PROPRIETARY DATA**  
**NOT AVAILABLE FOR PUBLIC VIEW**