

RECEIVED

JUL 29 2009

BY: AV



**David W. Brown**  
**Land Manager**

700 G Street, 99501  
P.O. Box 100360 – Suite ATO 1470  
Anchorage, Alaska 99510-0360  
Phone 907.265.6914  
Cell 907.229.8995  
Fax 907.263.4966  
david.w.brown@conocophillips.com

July 29, 2009

Hand Delivered

Mr. Thomas Lonnie, State Director  
Bureau of Land Management  
222 West 7<sup>th</sup> Avenue #13  
Anchorage, AK 99513-75009

Re: Notice of proposed First Expansion of the Greater Mooses Tooth Unit  
BLM No. AA-87852; CPAI No. C-204278  
AA 081795, 081796, 081797, and AA087896  
CPAI Nos. 932530, 933531, 932532, and 307469

Gentlemen:

Pursuant to the provisions of Section 3(b) and Article 27 of the Greater Mooses Tooth Unit Agreement ("GMTUA") and 43 CFR §3137, ConocoPhillips Alaska, Inc. ("ConocoPhillips"), as Unit Operator on behalf of the Greater Mooses Tooth Unit ("GMTU") Working Interest Owners ("WIOs"), hereby applies to the Bureau of Land Management ("BLM") to approve the first expansion of the GMTU as described herein ("Expansion Area"). The Expansion Area will add approximately 16,558 acres to current GMTU.

The Expansion Area shall include all or portions of the BLM oil and gas leases shown on the map attached hereto as Exhibit A and listed in Exhibit B hereto. Exhibit A also shows the external boundary of the unit, as expanded ("Unit Area"). ConocoPhillips and Anadarko Petroleum Corporation are the only WIOs in the Expansion Area and the GMTUA.

ConocoPhillips has acquired 3D seismic data covering the Expansion Area, and anticipates it will conduct operations to evaluate the Expansion Area in accordance with the exhibit attached hereto as Exhibit D.

### **Exhibits**

The following attachments are provided in support of this notice for the first expansion of the GMTU:

Exhibit A	Map of the proposed Unit Area
Exhibit B	List of leases in the proposed Expansion Area

- Exhibit C Geological, Geophysical, Engineering and Well Information  
[ConocoPhillips requests confidentiality for the materials in  
Exhibit C pursuant to 5 U.S.C. § 552(b)(4) and (9)]
- Exhibit D Additional Plans for the Continuing Development Obligations
- Exhibit E Ballot Agreement Approving the First Expansion of the GMTU

**BLM Criteria for Unit Expansion**

ConocoPhillips respectfully submits that this requested expansion of the GMTU meets the regulatory standards of 43 CFR §3137 because:

- The Expansion Area represents an area logically subject to exploration and development;
- The GMTUA meets the regulatory requirement of 43 CFR §3137.15(a) and has been approved by the BLM;
- The notice is complete and includes the elements of 43 CFR §3137.23 as follows:
  - The proposed unit agreement shall be the GMTUA and the Expansion Area will be subject to the GMTU Operating Agreement, a copy of each which is currently on file with the BLM.
  - A map showing the proposed Unit Area is attached (Exhibit A).
  - A list of the committed tracts, including a description of the WIOs of the tracts is attached (Exhibit B).
  - Certifications are provided as follows:
    - CPAI certifies that it has invited all owners of oil and gas rights and lease interests within the external boundary of the Unit Area to join the GMTU. (Exhibit E).
    - CPAI certifies there are sufficient tracts committed to the GMTUA to reasonably operate and develop the Unit Area.
    - CPAI certifies that all the tracts described in Exhibit B are committed to the GMTU.
    - CPAI certifies that it accepts all the obligations under 43 CFR §3137.60 and shall comply with the terms and conditions of the GMTUA, Federal laws and regulations, lease terms and stipulations, and BLM notices and orders.
  - CPAI has evidence on file with the BLM of acceptable bonding payable to the Secretary of the Interior (Bond number 59 52 191, accepted by the BLM by BLM Decision Letter dated September 29, 2002, and Surety Rider dated July 30, 2007).
  - The "Additional Plans For The Continuing Development Obligations" discusses the effects and impacts of surface operations and Unit

Area operations (Exhibit D). The effects and impacts are also discussed below.

- The allocation of production shall be consistent with Article 11 of the GMTUA.
- CPAI agrees and understands the BLM may request additional supporting documentation to this notice.

### **Additional Unit Expansion Information**

CPAI has consulted with the BLM and included additional terms and conditions that resulted from that consultation.

Section 3(b) of the GMTUA provides that the Unit Area, as defined in the GMTUA, can be expanded to include any additional lands determined to be necessary or advisable to conform to the purposes of the GMTUA. The expansion of the GMTU serves to protect the public interest for the purpose of more properly conserving the natural resources.

In addition to the foregoing, and in accordance with Section 3(b)(i) of the GMTUA, geologic, geophysical and development reasons for the inclusion of the Expansion Area in the GMTU are provided in Exhibit C. ConocoPhillips requests confidentiality for the materials in Exhibit C pursuant to 5 U.S.C. § 552(b)(4) and (9).

Another reason the GMTU is proposed to be expanded is to minimize the amount of surface impact from the infrastructure necessary to develop the reservoir encompassed within the boundary of the Expansion Area. The expansion of the GMTU will promote the conservation of oil and gas by providing an efficient, integrated approach to development of the Expansion Area reservoir while reducing the environmental impact of development of this accumulation.

The expansion will also promote the prevention of economic and physical waste by setting forth a development plan that allows maximization of physical and economic recovery as well as efficient use of existing unitized facilities. Upon negotiation of a facility sharing agreement, current plans are that all production will be transported to and processed at the Alpine facility located in the Colville River Unit, via the Greater Mooses Tooth #1 pad ("GMT-1"), thereby avoiding the need for additional significant surface impact. GMT-1 will be constructed in support of the proposed Lookout Participating Area as described in the application for the creation of the GMTU. Once in place, the GMT-1 would also support the development in the Expansion Area, consolidating infrastructure and further minimizing impact. From construction through operation, the Unit Area development will have the minimum amount of surface impact consistent with the prudent and efficient development of the oil and gas resources in the North Slope. This can best happen through unitized development. The environmental

impacts would be significantly greater if the Expansion Area reservoir was developed on a lease-by-lease basis, rather than on an integrated unitized basis.

The BLM's economic interest will also be protected by maximizing the physical recovery of hydrocarbons from the Expansion Area. Maximizing hydrocarbon recovery in turn assures that the production-based revenue accruing to the BLM is also maximized. Unitized operations within the proposed GMTUA will also minimize impacts to the area's cultural, biological, and environmental resources.

**Proposed Effective Date**

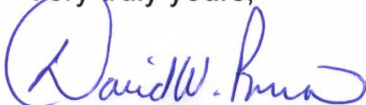
ConocoPhillips requests that this expansion be granted effective as of August 15, 2009.

**Copies and Attachments**

The BLM is receiving, enclosed along with this original, four copies of the complete notice with exhibits. Due to its confidential status, CPAI requests BLM maintain Exhibit C as confidential under 5 USC § 552(b)(4) and (9) and any other applicable law.

If you have any questions or require additional information, please contact Dora I. Soria at (907) 265-6297, or the undersigned.

Very truly yours,



830 David W. Brown *DW*  
Land Manager

Enclosures

cc: Bill Diel, Bureau of Land Management  
Steve Dodds, Anadarko Petroleum Corporation  
Teresa Imm, Arctic Slope Regional Corporation

