



United States Department of the Interior



MINERALS MANAGEMENT SERVICE
Alaska Outer Continental Shelf Region
3801 Centerpoint Drive, Suite 500
Anchorage, Alaska 99503-5823

Mr. Darryl Luoma
Liberty Project General Manager
Alaska Consolidated Team (ACT)
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

AUG 6 2008

Dear Mr. Luoma:

Your request of July 17, 2008 for a Suspension of Production (SOP) for leases OCS Y-1585 and Y-1650 is approved in accordance with 30 CFR 250.171 and 250.174, and section XVII Leases and Contracts Conformed and Extended section 17.2[c] of the Liberty Unit Agreement. The SOP is effective through December 31, 2012, or until production commences. This SOP continues the SOP that was approved by the Minerals Management Services (MMS) on April 25, 2006. During the period of this SOP, BP Exploration (Alaska), Inc. (BPXA) must conduct scheduled activities as approved under the Liberty Development and Production Plan (DPP) and leading to the commencement of production from the Liberty prospect.

The Third Plan of Operations (POO) as proposed in your letter of July 17, 2008 is approved. BPXA fulfilled the work commitments under the Second POO, which included submitting and receiving approval of a Development and Production Plan (DPP) for the Liberty Project. The Third POO, as approved under the Liberty Project DPP, calls for the following:

- Construction of a purpose-built drill rig;
- Expansion of Endicott Satellite Drilling Island;
- Upgrade of the West Sagavanirktok River Bridge;
- Rig assembly, commission and crew training;
- Commencement of drilling Liberty Development wells, with first production scheduled for the first half of 2010.

If you have any questions regarding the SOP or approval of the Third POO for the Liberty Project, please call Douglas Choromanski at (907) 334-5308.

Sincerely,

Jeff Walker
Regional Supervisor
Field Operations

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cc: Minerals Revenue Management
R. L. Skillern, BPXA