



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

ALASKA OUTER CONTINENTAL SHELF REGION
949 E. 36TH AVENUE, ROOM 110 ANCHORAGE, AK 99508-4302

HOUSTON



PUBLIC FILE

COPY

JAN 25 1990

Mr. D. G. Stevenson
Amerada Hess Corporation
P.O. Box 2040
Tulsa, Oklahoma 74102

Dear Mr. Stevenson:

Amerada Hess submitted the Northstar Unit Agreement and Unit Plan of Development for Outer Continental Shelf (OCS) leases and State of Alaska leases in the Beaufort Sea, Sale BF area on December 4, 1989. We consider the proposed area as described in exhibit A of the Unit Agreement as a logical area for unitization and agree that this unit will ensure conservation of natural resources, prevention of waste, and protection of correlative rights in accordance with 30 CFR 250.190. The executed Unit Agreement is hereby approved and has been assigned Unit Agreement No. 750190001X. The effective date of this Unit Agreement is January 24, 1990. Enclosure 1 is a copy of the December 4, 1989, Northstar Unit Agreement with our certification-determination of the Unit Agreement, bearing the Unit Agreement number.

The unit plan of development submitted with the Northstar Unit Agreement on December 4, 1989, in accordance with Article 8 of the Unit Agreement is approved subject to the following conditions.

1. All work commitments identified in the unit plan of development must be completed within the timeframes indicated and copies of final reports, including appropriate data and information, must be submitted to this office within 30 days of completion of each project. For the purposes of administering the Northstar Unit, the timeframes for completing projects will be based on the effective date of the agreement.

During initial preparation of the unit plan of development, Amerada provided detailed project descriptions for the Petrological/Petrographical, Production Facilities Design, and Reservoir Engineering Studies. Amerada indicated that the final project designs were subject to additional review by joint partner task forces. A final description of work for each of these studies should be provided to this office when completed.

2. The unit plan of development is approved for 5 years from the effective date of the Unit Agreement. A new or revised unit plan of development must be approved prior to the end of the

initial 5-year period in order to maintain the Unit Agreement beyond the 5-year period. Any changes to the unit plan of development must be approved by the Minerals Management Service and the State in accordance with Article 8 of the Unit Agreement.

3. The filing of an annual report which describes the status of projects and work completed, and the work and projects to be completed the ensuing year.

4. Prior to conducting geophysical surveys as described under the unit plan of development on the OCS, Amerada must notify the Regional Supervisor, Field Operations at least 2 weeks in advance of proposed operations in accordance with Notice to Lessee 86-2 (Enclosure 2).

Approval of the Northstar Unit and the unit plan of development will not extend the OCS leases in the unit area (OCS-Y 0179 and 0181) beyond their primary term. In the absence of production, drilling, or well reworking, a suspension of operations under 30 CFR 250.10 must be requested by the lessees and approved prior to the end of the primary term of the lease. Failure to obtain approval of a suspension of operations would result in termination of those leases at the end of their primary term. By copy of this letter, we are notifying OCS lessees of this requirement.

As reflected in the Unit Agreement, leases OCS-Y 0179 and 0181 are federally managed disputed leases. These leases are subject to the October 26, 1979, Section 7 agreement between the United States of America and the State of Alaska for the Sale BF lease sale.

If you have any further questions, please contact either myself or Jeff Walker at (907)261-4188.

Sincerely,


Rodney A. Smith
Regional Supervisor
Field Operations

PUBLIC FILE
COPY

CERTIFICATION-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under the Outer Continental Shelf Lands Act, approved August 7, 1953, 67 Stat. 462, 43 U.S.C. 1331 et seq., as amended, and delegated to the Regional Supervisor, Field Operations of the Minerals Management Service, I do hereby:

- A. Approve the attached Agreement for the development and operation of the Northstar Unit, Beaufort Sea, Outer Continental Shelf, offshore Alaska.
- B. Certify and determine that the unit plan of development contemplated in the attached Agreement is necessary and advisable in the public interest for the purpose of more properly conserving natural resources.

DATED:

January 23, 1990



Regional Supervisor
Field Operations
Alaska OCS Region

Contract No. 750190001X