

APR 20 1990

CERTIFIED MAIL--  
RETURN RECEIPT REQUESTED

PUBLIC FILE  
COPY

Mr. J. C. Boyd, Attorney-in-Fact  
Shell Western Exploration  
and Production, Inc.  
P.O. Box 831  
Houston, Texas 77001

Dear Mr. Boyd:

Your letter dated February 27, 1990, requested a suspension of lease operations pursuant to 30 CFR 250.10 for Lease OCS-Y 0181. You requested a 5-year suspension for further defining the hydrocarbon accumulation and pursuing the technical, environmental, and economic feasibility of production development of this offshore arctic oil field as provided in the approved Northstar Unit plan of development. Lease OCS-Y 0181 is committed to the Northstar Unit Agreement, and the 5-year unit plan of development was approved for the period of January 24, 1990 to January 23, 1995.

The development activities described in the approved Northstar Unit plan of development have been determined to be necessary to facilitate proper development of the unit. The suspension will be consistent with the unit plan of development and will assure the orderly and environmentally safe development of Lease OCS-Y 0181 and will benefit the national interest. Accordingly, the 5-year suspension of operations for Lease OCS-Y 0181 is approved pursuant to 30 CFR 250.10 contingent upon the timely performance of work described in the approved Northstar Unit plan of development. Termination of the Northstar Unit Agreement would result in termination of this suspension. The period of suspension will commence on January 25, 1990, and will terminate on January 24, 1995. The new termination date for Lease OCS-Y 0181 will be July 31, 1995, unless this suspension of operations is terminated at an earlier date pursuant to 30 CFR 250.10 (j) or unless the lease is otherwise extended by production, drilling, well workover operations, or further suspensions of production or operations.

We are notifying the Minerals Management Service Royalty Management Division of this action by copy of this letter. Please be advised that, in accordance with 30 CFR 218.154, the rental or minimum royalty payments on lease OCS-Y 0181 must continue to be made during the period of suspension. Any questions concerning the rentals or minimum royalty payments should be addressed to the Royalty Management Division at the following address:

Mr. J. C. Boyd

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Associate Director for Royalty Management  
Minerals Management Service  
P.O. Box 25165  
Denver, Colorado 80225

If you have any questions regarding this decision, please contact  
me at (907) 261-4065.

Sincerely,

(ORIG. SGD.) ~~L. A. SMITH~~

Regional Supervisor,  
Field Operations