

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

Sean Parnell, Governor

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April 26, 2012

VIA FAX TO (907) 278-7001 & 1ST CLASS MAIL

William M. Walker
Craig Richards
Walker & Levesque, LLC
731 N Street
Anchorage, AK 99501

Re: Point Thomson Unit Settlement Agreement

Dear Mr. Walker and Mr. Richards:

I am in receipt of your letter to Department of Natural Resources Commissioner Dan Sullivan dated April 17, 2012 requesting reconsideration of the State of Alaska's entry into the March 29, 2012 settlement agreement with the Point Thomson working interest owners (the "Point Thomson Settlement"). Settlements entered into by the State of Alaska are not subject to administrative challenge, by reconsideration or otherwise. As the Attorney General for the State of Alaska, I have broad authority to enter into any settlement of litigation on behalf of the State of Alaska that I believe in the exercise of my discretion is in the best interests of the State. *See, e.g., Public Defender Agency v. Superior Court*, 534 P.2d 947, 950-51 (Alaska 1975). The exercise of this authority is not subject to administrative review.

Commissioner Sullivan's signature to the Point Thomson Settlement and his findings in paragraph 5.8, recognize, among other things, that the Agreement addresses matters within the Department of Natural Resources' legislatively delegated authority and administrative expertise, and resolves disputed matters that arose as part of the agency's oversight of the Point Thomson Unit Agreement and the leases that encompass the unit. These findings do not give rise to a right to challenge or seek reconsideration of a settlement agreement entered into by the State of Alaska. The Point Thomson Settlement has been executed and all related litigation has been dismissed.

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Thank you for your attention.

Sincerely,



Michael C. Geraghty
Attorney General

cc: Daniel Sullivan, Commissioner, Department of Natural Resources