

**UNIT OPERATING AGREEMENT  
PRUDHOE BAY UNIT  
STATE OF ALASKA**

**VOLUME I  
ARTICLES**

**April 1, 1977**

37A even if the revised fault location should diverge by a greater lateral distance than 500 feet, and in no event will the plane be shifted along that segment connecting the faults which is drawn along the Range 12 East, Range 13 East boundary.

*Major Gas Pipeline* is any pipeline and appurtenant equipment used to transport Separator Off-Gas off the North Slope of Alaska for purposes other than use or consumption as fuel for a Major Oil Pipeline.

*Major Gas Sale.* If the Forecasted Initial Gas Sales Rate, as defined in Section 40.002, equals or exceeds 2,000 MMScf/D, Major Gas Sale is 12.01 A.M. on the first day of the calendar month following the point in time when the first deliveries of Separator Off-Gas are made by any Working Interest Owner to a Major Gas Pipeline for transportation off the North Slope of Alaska for purposes other than use or consumption as fuel for a Major Oil Pipeline. If the Forecasted Initial Gas Sales Rate is less than 2,000 MMScf/D, Major Gas Sale is 12.01 A.M. on the first day of the calendar month following the first complete calendar month during which the average daily volume of Separator Off-Gas delivered to a Major Gas Pipeline for transportation off the North Slope of Alaska, for purposes other than use or consumption as fuel for a Major Oil Pipeline, has equaled or exceeded 1,750 MMScf/D.

*Major Loss* shall have the meaning given to it in § 32.002.

*Major Oil Pipeline* is any common carrier pipeline, together with suitable pump stations, tankage, terminals, docks, communication facilities and other facilities necessary and incident to the transportation of Separator Liquid Production off the North Slope of Alaska, including the pipeline from Prudhoe Bay to Valdez, Alaska.

*Midperiod Allocated Solution GOR* is the number calculated in accordance with Section 28.709 at each Modification Date.

*Midperiod Bottomhole Pressure* is the number calculated in accordance with Subsection 28.704.03 at each Modification Date.