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Official Business

ALASKA STATE LEGISLATURE

Joint Special Committee on Mergers

State Capitol
Juneau, AK 99801

Chairman: Senator Rick Halford
Vice Chair: Rep. Joe Green
Senator Drue Pearce
Senator Johnny Ellis
Rep. Brian Porter
Rep. Beth Kerttula
Rep. Jim Whitaker

AGENDA

Thursday, November 18, 1999, 1:00 pm
Anchorage Legislative Information Office
2nd Floor Conference Room

- 1:00 - 5:00 p.m.** Presentations from the State of Alaska Administration,
British Petroleum, ARCO, Alaska Gasline Port Authority,
and other group representatives if time is available /
Questions from Legislators / Listen Only Teleconference
- 1:00** Introduction from the Chair, Senator Halford
- 1:05** Overview of the Charter
State Administration Representatives
British Petroleum Representatives
ARCO Representatives
- 2:00** Presentation by Alaska Gasline Port Authority
Questions from Legislators
- 2:45** Review of Committee Questions provided 11/17
During this review, state and company representatives will address
the questions the committee has previously provided them.
Legislators may ask questions about these areas as they are
addressed, they may also ask questions about these or any other
areas after the presentation.
- 5 - 6:00** Break
- 6:00 - 9:00 p.m.** Public Testimony

As there will also be public testimony taken on Friday, November 19, those who cannot attend on Friday will be taken first.

**Testimony
of
Richard Campbell, President
BP Exploration (Alaska) Inc.
Joint Committee on Mergers
Alaska Legislature
November 18, 1999**

Good afternoon Mr. Chairman, members of the committee, ladies and gentlemen.

I am here to testify in support of the Charter for Development of the Alaskan North Slope and to answer questions about the draft agreement.

The agreement is short, written in plain language and contains clear benchmarks by which to judge BP Amoco's performance.

It is the product of seven months of information sharing and discussions with the state.

By any standard, the Charter looks a lot like the outcome described early on by members of this committee and the Knowles Administration.

It requires major reductions in BP Amoco's ownership of North Slope production and infrastructure.

It ensures the presence of another major oil company or companies in Alaska.

It sets the stage for increased North Slope investment, increased North Slope production and increased state revenue.

And finally, I believe, it addresses concerns still being voiced by some Alaskans.

In today's testimony I will address those concerns. They are control and the size of the required divestitures, gas, enforceability and timing.

Because no one has defined an "acceptable level of control" I will assume for the purpose of this discussion that the status quo is acceptable to most Alaskans.

The fact is that while this agreement does allow an increase in BP Amoco's ownership of North Slope production and infrastructure, it does not deliver a corresponding increase in control.

That's because the carefully drawn operating agreements that govern TAPS and North Slope oil fields remain intact. These agreements mandate "shared control" of these important assets.

By design major operating decisions, major capital investment decisions, major facility access decisions require the approval of almost every owner.

BP Amoco has played an important and influential role in this "shared control" environment.

As a company with an ownership interest in every major producing field, we have been involved in almost all of the development spending that has occurred on the North Slope and we have funded our proportionate share.

The production and asset sales mandated by the Charter are, by any standard, very large.

Acquiring these assets will require investment of billions of dollars.

175,000 barrels of oil a day is of a scale similar to the global oil production of companies familiar to Alaska, such as UNOCAL, Marathon or Phillips.

The buyer or buyers of this production will play a major and very visible role in the Alaskan oil industry.

This second largest field in North America -- and Alaska's newest oil field -- will be operated by one, or possibly two major oil companies.

Together, they could employ 400 to 500 people. Maybe more depending on how they staff their exploration, human resources and business support organizations.

These new operators will be responsible for operating and maintaining these fields, ensuring environmental compliance, forging alliances with Alaska contractors and suppliers and developing plans for continued development of these world class assets.

Because North Slope operating agreements generally require the agreement of companies owning 90 percent or more of a given reservoir, these new players will play a pivotal role in determining the level of forward investment in these fields.

Under the charter, operatorship of the Kuparuk field must go to a company with assets of more than \$8 billion. Alpine to a company with assets of more than \$3 billion.

The new Alaska operators will be companies with major operations in other parts of the world.

Even so, it's important to remember that the assets and production they acquire here will be among the largest in their global portfolios.

Almost overnight, Alaska will become a core area in which to invest the human and financial resources necessary to grow reserves and production.

The Charter ensures these new players will have a level playing field.

We have agreed to sell buyers of North Slope production sufficient capacity in TAPS and North Slope feeder pipelines to move their oil to market. We will also market TAPS capacity to finders of new fields, if they want it.

TAPS will remain an open access, common carrier pipeline that is required to carry production tendered by all North Slope producers at fair, government regulated rates.

The tariff settlement methodology agreed with the state in the mid-1980's is working and remains intact. TAPS tariffs are lower today than they have ever been.

Our goal is to keep tariffs low by keeping production up.

To build exploration interest and encourage exploration activity, we will sell North Slope seismic and well data where we have the legal right to do so, and we will market 620,000 acres of highly prospective state and federal exploration acreage.

We will work with the state to select and manage the sale of this acreage to drive exploration activity and to ensure that other companies end up as exploration operators.

I emphasize that the Charter guarantees companies the right to move forward alone if partners are unable or unwilling to proceed with exploration drilling.

Concerns have also been voiced about how the Charter will affect efforts to achieve the sale of North Slope natural gas.

Simply put... this agreement will enhance those efforts.

We are committed to making the commercialization of the North Slope's abundant gas resources a reality.

After the acquisition – when our ownership of this resource increases from 20 to more than 50 percent – we will form a stand-alone business unit in Alaska to pursue all options for moving our gas to market.

We're going to support their efforts by locating in Alaska BP Amoco's Global Gas Technology Center.

The Center will be staffed with scientists and engineers who are experts in high pressure pipeline construction, LNG plant design and operation, and the use of space age catalysts and membranes to make more efficient the production of so-called "white crude."

The fact that we are locating it here should tell you something about how we view North Slope gas sales in the context of BP Amoco's global gas strategy.

This committee is aware of our efforts to develop competitive LNG and Gas to Liquids projects.

A third option – a gas line to the Lower 48 -- is now on the table.

New technologies and construction methods have made building long distance pipelines less expensive. And the northern expansion of the Canadian pipeline system would mean building a shorter pipeline to carry Alaskan gas.

Couple those cost savings with growing natural gas demand in the United States – the largest natural gas market in the world – and a major opportunity becomes apparent.

So apparent, that two separate groups have recently issued press releases about their plans to pursue development of gas lines to the Lower 48.

It is important to remember that the gas sale options I've described -- LNG, GTL and pipelines to the Lower 48 -- are not mutually exclusive.

We are pleased that other groups and other companies are pursuing their own ideas for moving North Slope gas to market. We won't stand in their way.

In fact, after the acquisition we have guaranteed availability of up to 1.2 billion standard cubic feet of North Slope natural gas a day to any commercial project at a competitive net back price.

Together, with the state, we've agreed on \$1 per million BTUs indexed to oil price.

Concerns have been raised about the enforceability of the Charter.

The first half of the agreement – the section requiring sale of production, acreage, infrastructure and the relinquishment of field operatorships – is a binding contract.

We either conclude the sales in the time allowed or a trustee is appointed to sell those assets for us. The requirements are clearly stated. It won't take a court long to resolve a dispute in the unlikely event there is one.

Our goal is to identify buyers and conclude sales as quickly as possible.

The community and environmental commitments are also clearly defined. Assessing our performance will be easy.

Failure to deliver on our promises would mean loss of credibility with the Alaska public and long term damage to valuable working relationships with the state, its regulatory agencies and citizen oversight groups.

That is a price too steep to pay.

BP Amoco is a company that keeps its commitments.

Four years ago, we promised to build Northstar production facilities in Alaska. Despite lawsuits and permitting delays, those modules are under construction in Anchorage today.

Finally, concerns have been raised about the time allowed Alaskans to review and comment on the Charter.

While the agreement has been on the street for two weeks, this issue has been before us for seven months.

The Knowles Administration brought in national experts and considered input from a broad cross section of Alaskans in formulating the state's position.

That position was laid out for the public in a major speech last summer.

It is no accident that the Charter looks like the agreement described at that time.

Our goal is to complete this acquisition before the end of the year.

I suggest today, that this should be your goal also.

There is a tremendous prize to achieve. The acquisition creates the potential to halt the decline of North Slope oil production and increase production over the next five years.

Significant progress towards this prize can't occur until the production, acreage and asset sales required under the Charter are completed.

The participation of another major company is now required to achieve our goals. We need them here as quickly as possible.

When this situation is resolved, activity levels on the North Slope will pick up.

It is time to end this uncertainty – for oil field service companies, for contractors and for ARCO and BP Amoco employees who are still waiting to know their status.

It is time to go back to work.

Mr. Chairman, that concludes my testimony.

To help in answering the committee's questions, I have asked some key members of my management team to join me today. I'd like to introduce them before we proceed.

Testimony
Kevin Meyers, President
ARCO Alaska, Inc. for
Joint Special Committee on Mergers
Alaska Legislature
November 18, 1999

Mr. Chairman, members of the committee

Thank you for the opportunity to appear before you today.

For the record, I am Kevin Meyers, president of ARCO
Alaska, Inc.

I am here today to urge the members of the committee to
support the merger of ARCO and BP Amoco and the draft Charter.
Finalizing this merger will be a step forward for the companies, our
employees, our shareholders and the people of Alaska.

Concluding the BP Amoco-ARCO merger will bring stability to what has been a year of change in the oil industry. Since oil hit an all-time low of \$8.61 in December of last year, it has risen to \$26/barrel today. We've seen consolidation in the industry worldwide. The merger of BP Amoco - ARCO is a part of that consolidation and critical to Alaska's future.

The merger makes good business sense in the most basic form - economic survival and growth. With continued reductions in operating and development costs, access to exploration acreage, and a working partnership with the State, I see a long-term positive future for the oil industry in Alaska. Aligning the forces of ARCO and BP Amoco ensures investment, production and the ability to survive during the troughs and peaks of oil prices.

After months of negotiation the State of Alaska and BP Amoco have reached an agreement that addresses the concerns expressed about this merger. Most importantly, the Charter preserves most of the cost synergies and production growth the acquisition was expected to deliver in Alaska, while bringing one or more new major players to Alaska.

I would like to stress a very real sense of urgency to completing this merger and ratifying the Charter. It's time to move forward with this approval. Alaskans benefit from a strong oil industry; one that can compete globally for the capital needed to develop Alaska's resources.

Approval of this merger sends a message to the major players in the oil industry and the business community as a whole. It tells them that Alaska is truly open for business and willing to work as partners with the industry for responsible development of the State's resources.

Supporting the Charter agreement will also help end the short-term uncertainty for investment plans in Alaska. With the uncertainty of the merger and now the unknown of one or more new players in Alaska, it has been hard to plan for the immediate future. Because we don't know who will ultimately own the assets, it's difficult to invest new capital.

Timing is critical as the winter construction season approaches. This winter's exploration and construction season is the driver for new production that will come on-line in the next 2-3 years. Our Alaska contractors and vendors are anxiously awaiting the outcome of the merger. This uncertainty not only affects them, but the local Alaska economies the where their employees live as well.

Finalizing the Charter agreement not only makes good business sense, it makes sense to the men and women of ARCO Alaska who have been waiting for this merger to conclude since April 1.

About 1,450 ARCO Alaska employees and 500 BP Amoco employees are waiting to hear the outcome of the merger so they may plan a future for their families. To our employees and their families, timing is critical. I am proud of what the men and women of ARCO Alaska have accomplished this year in the face of great uncertainty. I believe it's a testament to their abilities and what they will bring to their new roles in the BP Amoco family.

Many of our people have played a role in helping to build this great state. Companies like ARCO and BP have been good neighbors, while creating economic opportunity and a better quality of life for all Alaskans.

Before I conclude, I would like to repeat a statement I made in Fairbanks earlier this week because my response has been misquoted.

I was asked if given the rebound of oil price, could ARCO survive if the merger were not approved. Let me state unequivocally, ARCO, as we know it today would cease to exist if the merger were not approved.

ARCO would be an acquisition or merger target for another company. If we were not acquired, ARCO would have to continue to repair its balance sheet, while dramatically restructuring its operations worldwide. These changes would have negative impacts on our Alaska operations.

If we were acquired, that company may not have the financial strength of BP Amoco or the long-term commitment to Alaska that BP has demonstrated over the past 40 years.

Let's not forget that ARCO's senior management, board of directors and its shareholders overwhelmingly approved this merger with BP Amoco.

Thank you. I'll be happy to answer any questions.

CHARTER FOR DEVELOPMENT of the Alaskan North Slope

This Charter for Development of the Alaskan North Slope is entered between the State of Alaska, BP and ARCO on November 5, 1999.

BP and ARCO historically have been major participants in the development of oil resources on the North Slope of Alaska. ARCO discovered the giant Prudhoe Bay oil field in 1968. BP participated in the discovery of Kuparuk the following year. Both were leaders in building the Trans Alaska Pipeline System. Today, they are two of the largest interest owners and operators on the North Slope.



Gas injection and conditioning facilities in the northern portion of the Prudhoe Bay oil field

The environment for finding, developing and producing oil and gas is challenging and complex, in Alaska and the world. The giant Prudhoe Bay and Kuparuk fields are in decline. World energy markets continue to experience price volatility, competition for capital and opportunities, and financial and technical challenges to discover, develop and produce new fields. These challenges have led to large-scale industry consolidation in recent years.

Earlier this year, BP and ARCO proposed to merge. The merger and its potential impact on Alaska have been analyzed and discussed by the Governor, his Cabinet-level review team, the Legislature and the public in private, in hearings and in the media since the announcement.



Governor Knowles and Rodney Chase, President and Deputy Chief Executive Officer of BP Amoco.

There is potential both for benefit and risk to Alaska in the merger as initially proposed. In BP and ARCO's view, Alaska would benefit from the combination's financial strength and expertise, and the increased efficiencies and synergies of the combination would help make Alaska more attractive in a global oil marketplace. But Alaska would, in the State's view, lose a measure of competition, diversity and balance in the exploration, development and production of North Slope resources, and Alaska would lose the varied contributions of a leading corporate citizen.

The State of Alaska is committed to maintaining and enhancing competition, diversity and balance in the exploration, development and production of North Slope resources, sustaining and growing both oil and gas production, and ensuring that the State's natural resources are developed in an environmentally and socially sensitive and responsible manner. The State has determined therefore that its support for the merger must be conditioned upon BP and ARCO making substantial marketplace and community commitments to Alaska.

Therefore, in order to provide for greater competition, diversity, corporate responsibility, renewal and growth in the exploration, development and production of Alaskan North Slope oil and gas, the State, BP and ARCO agree to this Charter and its terms as set forth below.

I. BP and ARCO Commitments Regarding Competition, Diversity and Growth.

A. Sale of Current Production. After the merger is completed, BP and ARCO will sell the following properties in the following manner:

1. Sale of Production. BP and ARCO will sell interests in the North Slope properties producing in aggregate share not less than 175,000 barrels of working interest oil per day to one or more purchasers. For purposes of this paragraph 1.A., quantity will be measured by 1999 average daily production, except the Colville River Unit will be deemed to produce 80,000 barrels (gross) per day.

2. Sale of Interests including Kuparuk. BP and ARCO will enter into a contract of sale with a single qualified company ("Buyer A") at least 125,000 barrels of working interest oil per day, including at least 40% of the Kuparuk River Unit total interest, and will take all reasonable available steps to enable that company to become the operator of that unit. In no event will BP or ARCO continue as operator of that unit after sale of the working interest oil. For purposes of this subparagraph 2, "qualified company" means a company which is currently a joint interest owner in the Kuparuk River Unit, or a company primarily in the energy business with assets of not less than \$8 billion.



Tankage in Kuparuk Field.

3. Sale of Interests in Alpine. BP and ARCO will enter into a contract of sale with a single qualified company ("Buyer B") sufficient interest in the Colville River Unit that after the sale is completed that company will hold at least 40% of the total Colville River Unit interest. BP and ARCO will, in addition, take all reasonable available steps to enable that company to become the operator of that unit. In no event will BP or ARCO continue as operator of that unit after sale of the interest. For purposes of this subparagraph 2, "qualified company" means a company which is currently a joint interest owner in the Colville River Unit, or a company primarily in the energy business with assets of not less than \$3 billion.

4. Sale of Share of Pipelines. BP and ARCO will enter into a contract of sale with Buyer A and Buyer B for a commensurate interest in TAPS and intermediate pipelines as provided in Paragraph H.

B. Sale of NPRA Lease Interests. BP and ARCO will sell not less than 220,000 net acres of their aggregate NPRA holdings to one or more purchasers. BP and ARCO will enter a contract of sale with either Buyer A or Buyer B for not less than 100,000 net NPRA acres, including at least 40% of the net interests in one of the sections of the NPRA designated on Exhibit A to this Charter, and will take all reasonable available steps to enable that company to become the exploration operator in that section.

C. Sale or Relinquishment of State Leases. BP and ARCO will sell or relinquish at least 400,000 net acres of undeveloped state leases, including sufficient interests in onshore/non-unitized state leases to reduce their aggregate holdings in such leases to not more than 500,000 net acres. BP and ARCO will manage the sale of this acreage to result in two exploration operatorships other than BP or ARCO in material and significant geologic play fairways on the North Slope (lease groupings which the parties agree meet this requirement are listed in Exhibit B to this Charter). BP and ARCO agree to meet and confer with representatives of the Alaska Department of Natural Resources, beginning within 10 days

after the merger is completed and continuing for the period reasonably necessary to review the number, status, prospectivity and possible transfer options for all such holdings, as well as intended marketing or relinquishment plans.

D. Terms of Sales. Contracts for the full aggregate amount of the interests sold under paragraphs I.A. and I.B. will be signed within 6 months after the merger is completed and those transactions will be closed not later than 12 months after the merger is completed. Transfers under paragraph I.C. will be made within the period prescribed by law. All transfers of whole or partial interests in the properties and pipelines referenced in paragraphs I.A.-I.C. will be absolute, in good faith and with no minimum price. BP and ARCO agree that they will not reacquire interests transferred under paragraphs I.A.-I.C. by any means without advance approval of the State. Except as specifically provided in paragraphs I.A.-I.C. and otherwise in this Charter, the sales contemplated in paragraphs I.A.-I.C. may be to various parties and include interests from various units and leases as determined by BP and ARCO. BP and ARCO may retain an interest in the units and leases it sells under paragraphs I.A.-I.C., subject to the requirement that any interest retained in exploration leases be subject to non-consent provisions permitting investment by other interest owners without BP or ARCO's consent. Any transfer under paragraphs I.A.-I.C. will be subject to all necessary state and federal regulatory approvals and other requirements. BP and ARCO will use their best efforts to secure such approvals.

E. Data Availability. After the merger is completed, BP and ARCO will make their proprietary North Slope seismic and well data publicly available for purchase by any person where they have the legal right to do so. Where they do not currently have the legal right to do so, they will diligently and in good faith seek permission from the other joint interest owners to make the data available. Unless otherwise approved by the State, BP and ARCO will make the data available by contracting with a third party company that will market the data at prices it independently determines. BP and ARCO will ensure that the data is publicly available as soon as is reasonably practicable but in all events not longer than 3 months after the merger is completed. BP and ARCO will provide the State with (1) a list of which of their North Slope seismic and well data can be made available on their own and which requires the consent of parties other than BP or ARCO, and (2) a list or lists showing all of BP and ARCO's North Slope seismic and well data from 1958 on indicating the acquisition area, the size of the acquisition area, the ownership status (sole, joint, group shoot, trade, purchase or license), when the data was acquired, the survey type, and the operator and the contractor. For data acquired after 1984, these lists will be provided as soon as is reasonably practicable but in all events before December 31, 1999. For data acquired before 1985, these lists will be provided as soon as is reasonably practicable but in all events within 3 months after the merger is completed.

F. Facilities Access.

1. In the State's view, the Commissioner of Natural Resources possesses the statutory, regulatory and contractual authority to require working interest owners in DNR-approved units to provide others access to existing production and other lease facilities, on terms that are non-discriminatory, just and reasonable. The Commissioner may require access whenever necessary to maximize the economic and physical recovery of the State's oil or gas resources, maximize competition among parties seeking to explore and develop the resources, minimize the adverse effects of exploration, development, production and transportation activity, and otherwise to protect the best interests of the State. Binding arbitration between BP or ARCO and others under subparagraph 2 does not affect the Commissioner's authority to resolve questions of facility access.

2. BP and ARCO currently take no position on the State's view. BP and ARCO nevertheless commit that, after the merger is completed, neither BP nor ARCO will unreasonably withhold their voting support as facilities owners for allowing nearby satellites to have access to existing unit facilities on reasonable commercial terms. BP and ARCO agree that if a nearby satellite owner reasonably and diligently negotiates to unsuccessful impasse with facilities owners that include BP or ARCO, and after 90 day advance notice to BP and ARCO, BP and ARCO agree to subject themselves to binding arbitration governed by the rules of the American Arbitration Association on the question of reasonable commercial terms for that access.



Processing Facility at Kuparuk.

G. Purchases From Minor Interest Owners. After the merger is completed, BP and ARCO agree to offer any producer of up to 5,000 barrels per day the terms reflected in the form purchase contract which is Exhibit C to this Charter. BP and ARCO may limit the total purchased under all such contracts to 25,000 barrels per day. Only barrels acquired through a production interest count against the 25,000 barrels per day limit.

H. Divestiture of TAPS and Feeder Lines.

1. In order to satisfy the State's concern that the purchasers of the production interests sold under paragraph I.A. of this Charter (the "Transferee(s)") be similarly situated to BP and ARCO by ownership in TAPS, within the time frame established for paragraph I.A. transfers, BP or ARCO will enter into a contract with each Transferee to sell a share of BP and ARCO's combined interest in TAPS sufficient to carry the production sold to that Transferee. For purposes of this paragraph I.H., production quantity will be measured in the same manner as under paragraph I.A. and TAPS capacity will be measured in accordance with the Amended and Restated Capacity Settlement Agreement in the fixed amount of 1380 mbd.

2. After all contracts contemplated in subparagraph 1 have been entered, and during the remaining term of this Charter, BP or ARCO will offer to sell additional interests in TAPS to any person requesting to purchase a share in TAPS, up to a total aggregate amount under this paragraph I.H. of 22.3547% of total TAPS ownership. The additional transfers contemplated by this subparagraph 2 will be in minimum increments of 2% of total TAPS ownership, valued at not more than the ad valorem tax value as of the time of the offer, less 5%. The parties agree that the price at which the TAPS interest is sold will not be precedent in any property tax proceeding regarding the value of TAPS.

3. Within the time frame established for paragraph I.A. transfers, BP and ARCO will enter into a contract with each Transferee to sell to that Transferee a separate share of BP and ARCO's aggregate interest in the Oliktok pipeline and in each of the intermediate crude oil common carrier pipelines serving the specific units in which the production interests to be transferred to that Transferee are located (the "relevant intermediate pipelines"). The ownership interest in each relevant intermediate pipeline to be sold to each Transferee will be equal to the percentage which the production sold under paragraph I.A. to that Transferee flowing through that pipeline bears to the overall throughput of that pipeline. The relevant production and throughput levels will be measured in the same manner as under paragraph I.A. The percentage of the Oliktok pipeline to be sold will be equal to the percentage share of the KRU sold pursuant to subparagraph I.A.2.

4. Any transfer under this paragraph I.H. will be subject to all necessary state and federal regulatory approvals and any preference rights and required approvals of the other TAPS and relevant intermediate pipeline owners. BP and ARCO will use their best efforts to secure such approvals. BP and ARCO will vote their entire interest in TAPS and the relevant intermediate pipelines in support of any such transfer. In the event any other TAPS or relevant intermediate pipeline owner exercises its preference rights with respect to the sale of a pipeline interest pursuant to subparagraphs 1, 2 or 3 hereof, the sale to that other owner will be considered a sale satisfying the obligations of that subparagraph.

I. Offer to Sell Excess Jones Act Ships. If BP's and ARCO's combined long-term ANS Jones Act fleet requirements are such that one or more ships becomes surplus of those requirements, BP or ARCO (as the case may be), will offer to sell the surplus ship or ships to other ANS producers on reasonable commercial terms. If BP or ARCO does not own the ship or ships, it will not object to arrangements by another ANS producer to acquire the ship or ships from the owner. Further, in the event that the purchaser of the ship or ships seeks ship operation services from the Alaska Tanker Company, Inc., BP will not object. Nothing in this paragraph requires BP or ARCO to assume any liability of another ANS producer concerning any of these transactions.

J. Natural Gas.

1. During the period through December 31, 2001, BP Amoco and Arco agree to commit up to 1.2 billion cubic feet per day of working interest gas to a project to commercialize Alaska North Slope gas, that meets the following criteria by such date:



Prudhoe Bay Central Gas Facility.

- a. The project has sufficient financial backing to underpin a long term 100% take or pay arrangement from the purchaser if the project requires a long term gas sales commitment from the producer(s).
- b. The project has the demonstrated ability to acquire all requisite governmental and partner approvals.
- c. The project commits to a project schedule which includes full ramp-up no later than 2010.
- d. If the project is an LNG project, it must have a minimum netback price for the gas of $P = \$1.00 * (WTI/\$17.50)$ where "P" is the Price per MMBtu applicable to the month of delivery; "WTI" is the Final Settlement price for NYMEX West Texas Intermediate Crude Oil contract for the prompt month. BP Amoco or Arco shall realize the above netback after payment of any taxes, including severance, fees or assessments imposed with respect to the gas at and after the delivery point.
- e. If the project is a pipeline to the Lower 48, it will have a defined tariff structure applicable to gas transported on behalf of BP Amoco or Arco resulting in a total volumetric tariff to Chicago of \$1.60/mcf transported, or less.

BP Amoco or Arco may put forward their own project to take advantage of this commitment.

If more than one project meets the criteria set forth above before December 31, 2001, then the project that offers the highest product of wellhead netback price (net of production, severance or other taxes or fees) times sales volume during the first five years of its life will receive the gas commitment.

2. To be eligible for this commitment, the project shall also be subject to the following :

a. The delivery point for gas will be the Residue gas discharge point of the Low Temperature Separators at the Prudhoe Bay Unit Central Gas Facility, or such other point as agreed by the Parties.

b. The gas will be taken at normal operating conditions at the Residue gas discharge point of the Low Temperature Separators at the Prudhoe Bay Unit Central Gas Facility, or such other point as agreed by the Parties.

c. BP Amoco or Arco will retain the right to recover the liquids contained in the gas stream delivered to any downstream delivery point(s) or extracted while in transit on any pipeline.

II. BP and ARCO's Environmental and Community Commitments.

A. North Slope Environmental Commitments. After the merger is completed, BP and ARCO will take the following steps to improve and protect the environment on the North Slope.

1. Cleanup of Abandoned Sites. BP and ARCO will take a leadership role in the assessment and environmental clean up of the North Slope "orphan sites" identified in Exhibit D1, up to a maximum expenditure under this paragraph II.A.1. of \$10,000,000. In carrying out this role, BP and ARCO will consult with the Alaska Department of Environmental Conservation (ADEC) concerning site goals, standards and methods and will substantially complete the assessment and cleanup to the standards approved by ADEC under applicable law within six years after the merger is completed. In addition, BP and ARCO will work cooperatively with ADEC to develop a joint database of North Slope contaminated and solid waste "orphan sites" which includes the nature and location of the sites, the responsible parties and the relative priority for cleanup of each site based upon preliminary evaluation of the risk of harm to human health and the environment posed by the site. BP and ARCO will meet and confer with ADEC from time to time thereafter to arrange for priority re-ordering and substitutions and additions to Exhibit D1 as requested by ADEC, subject to the spending cap identified above and to the further requirements that there is no known viable responsible party for any substitute or additional site and the site has been wholly vacated.

2. Cleanup of Abandoned Empty Barrels. BP and ARCO will require contractors conducting seismic or exploration work for them to collect and deliver abandoned empty barrels to BP or ARCO operations for handling, to inventory and map locations of empty barrels and barrels containing product, and to report any visible signs of ground contamination associated with the barrels. BP and ARCO will periodically report to ADEC regarding this effort and provide ADEC with the inventory lists, maps and reports which are developed.

3. Cleanup of Existing BP and ARCO Sites. BP and ARCO will assess and clean to the standards approved by ADEC under applicable law the contaminated sites listed on Exhibit D2. BP and ARCO will work cooperatively with ADEC and the land manager to develop cleanup plans and schedules to complete required assessment and cleanup activities at these sites. Assessment and cleanup activities at sites which are currently accessible will be substantially completed by year-end 2005 for the sites listed as "high" priority sites in

Exhibit D2 and by year-end 2007 for the remainder. Sites which due to operational restrictions cannot be fully cleaned until facility or equipment abandonment will be identified by BP, ARCO and ADEC for completion according to a mutually agreed schedule. Nothing in this paragraph is intended to eliminate or supercede any other obligations BP or ARCO may have to assess, cleanup or restore these or any other sites.

4. Cleanup of Inactive Reserve Pits. BP and ARCO will comply with the requirements of 18 AAC 60.440 with respect to their inactive reserve pit sites and will close the inactive reserve pits subject to the Order dated May 3, 1993 in Natural Resources Defense Council Inc. v. ARCO Alaska, Inc., No. A88- 287 CIV (D. Alaska) as amended within the designated time period established by the court in that matter, and will close other ARCO and BP inactive reserve pits listed on Exhibit D.3.A. by the end of 2007 (except that in the event of currently unprojected operational delay affecting any BP site, that site may be completed on a separate mutually agreed schedule). BP and ARCO will close the ARCO and BP inactive reserve pits listed on Exhibit D.3.B. according to a mutually agreed schedule that ends a reasonable period after work on the D.3.A. sites has been completed.

5. Commitment to North Slope Spill Response. BP and ARCO will support, at their proportion- ate share, an independent professional North Slope spill response organization, such as Alaska Clean Seas or a substantially equivalent organization, and will encourage the fullest possible participation in this organization by all North Slope producers. BP and ARCO will support and vote in favor of funding to the North Slope oil spill response organization for an Arctic spill response research and development program (jointly agreed to by the spill response organization, BP, ARCO and ADEC) at an average annual level of not less than \$200,000 during the 10 year period following completion of the merger.

6. Commitment to Corrosion Monitoring. BP and ARCO will, in consultation with ADEC, develop a performance management program for the regular review of BP's and ARCO's corrosion monitoring and related practices for non-common carrier North Slope pipelines. This program will include meet and confer working sessions between BP, ARCO and ADEC, scheduled on average twice per year, reports by BP and ARCO of their current and projected monitoring, maintenance and inspection practices to assess and to remedy potential or actual corrosion in these lines, and ongoing consultation with ADEC regarding environmental control technologies and management practices.

7. Additional Expenditure Commitment. BP and ARCO will pay or spend up to an aggregate total of \$500,000 each year during the 10 year period following completion of the merger for any combination of the following as requested annually in writing by the ADEC Commissioner: additional orphan site assessment or cleanup in excess of cap established in subparagraph 1; additional Arctic spill response research and development in excess of amount established in subparagraph 5; and/or an expert or experts chosen by ADEC to provide expert advice to ADEC regarding pipeline corrosion issues.

B. Marine Environmental Commitments.

1. Renewed Commitment to OPA 90. BP and ARCO renew their commitment that neither of them will seek to be relieved of the vessel retirement or replacement requirements of the federal Oil Pollution Act of 1990 (OPA 90), nor will either of them lobby for a reduction in its current requirements, nor will they take any other action to extend the retirement dates of the non-double-hulled tankers in their combined fleet beyond the currently scheduled retirement dates .



Oil Tanker in Prince William Sound.

2. Replacement Vessels. In furtherance of their continuing commitment to meet or exceed the OPA 90 standards and timetable, BP and ARCO will complete the purchase and delivery of the three ARCO Millennium class tankers on current order to replace single hulled tankers now used in the combined fleet, and will order and purchase additional tankers to meet their combined fleet requirements on average one year earlier than required by OPA 90, with the expected result that the combined fleets will be entirely double-hulled by mid-year 2007. These additional purchased tankers will each have safety related attributes substantially equivalent to or better than Millennium or Cape class tankers, including new build double-hulls (wholly new construction), main power plant redundancy, twin propellers, twin rudders, twin independent sets of steering gear, and proven electronics (including navigation, course tracking, collision alarms, engine room monitoring, cargo and ballast monitoring, and fire and safety systems).

3. Marine Operations. After the merger is completed, BP and ARCO will continue to encourage and support the company operating ANS tankers for them in using a performance management program for the regular review of its practices related to its management and operations including a safe environment, training and qualifications, and vessel operation, maintenance and management procedures. The parties expect this program will include meet and confer working sessions between the operating company and ADEC, scheduled on average once per year, reports at those working sessions by the operating company of their current and anticipated management and operations practices, ongoing consultation between the operating company and ADEC regarding ANS trade tanker management and operations practices, and the involvement of BP and ARCO in those sessions and consultations on a monitoring basis. In addition, BP and ARCO will encourage the operating company to allow the opportunity for ADEC to observe management and vessel audits performed as part of a certification or re-certification process for the International Maritime Organization's International Safety Management Code or for the International Standards Organization.

C. Continued Commitment to Alaska Hire.

1. Alaska Hire Program. BP and ARCO agree that, after the merger is completed, they will continue with and extend their commitment to the people of Alaska to utilize a voluntary program to employ residents of Alaska and to use Alaska businesses. It is expected by the parties that this program will include the attributes that:

- a. BP and ARCO will comply with all valid federal, State and local hiring laws in hiring Alaska residents and contractors, and within the constraints of law will employ Alaska residents and contractors to the extent they are available and qualified;
- b. When recruiting for new hires, BP and ARCO will advertise for available

positions locally and use Alaska job service organizations to notify the Alaskan public;

c. BP and ARCO will use best efforts to contract with Alaska firms and fabricate modules in Alaska whenever feasible (in determining feasibility, BP and ARCO will consider commercial, health, safety, and environmental conditions and requirements to ensure maintenance of BP and ARCO's operational standards); and

d. BP and ARCO will, to the extent permitted by law, encourage its contractors to employ, and train when necessary, residents of Alaska.

2. Reporting. BP and ARCO agree to submit to the Director, Division of Oil and Gas, for transmission to the Department of Labor, an annual report that details the specific measures that they and their contractors and subcontractors have taken or are planning to take to recruit qualified Alaska residents for available jobs, describes on-the-job training opportunities, and describes their efforts to use Alaska businesses for work in connection with their leases and associated activities. BP and ARCO will also furnish the Department of Labor a quarterly report regarding their employment of Alaska residents. The report will include statistical data concerning the number of resident personnel hired within the previous year.

3. Construction. The program and reporting described in this paragraph are intended to be fully consistent with the 1996 amendments to paragraphs 41 (1980 leases) and 31 (1983 lease) of the Northstar Unit leases between the State and BP.

4. Alaska Native Recruitment, Training and Hire. BP and ARCO further acknowledge their continuing support for the recruiting, training and hiring of Alaska Natives and the parties' common understanding of the desirability of providing Alaska's first citizens opportunities to participate in the economic benefits of oil and gas development, most of which takes place in rural Alaska.

D. Community Charitable Commitment. Within three months after the merger is completed, BP and ARCO will establish a charitable entity dedicated to funding organizations and causes within Alaska. The entity will provide 30% of its giving to the University of Alaska Foundation and the remainder to general community needs. Funding decisions by the entity will be made by BP and ARCO, with the advice of a board of community advisors. BP and ARCO will provide ongoing funding to this entity in an amount that is equal to .2% of BP's and ARCO's combined aggregate net Alaska liquids production after royalty times the price for WTI. Specific entity funding levels will be calculated annually, on the same date each year, referencing the liquids production and the average NYMEX WTI prompt month settlement price for the 12 months immediately preceding the calculation.

III. Alaska's Commitments.

The State of Alaska finds that this Charter adequately addresses the concerns raised by the State during its merger review, that this Charter will provide for greater competition, diversity, corporate responsibility, renewal and growth in the exploration, development and production of Alaskan North Slope oil and gas and is by virtue of these significant benefits in the best interest of Alaska and its people. The State accordingly agrees that, in exchange for BP's and ARCO's fulfillment of their obligations under this Charter, it will not seek to enjoin the merger or seek additional orders or judgments under AS 45.50.580 related to a claim that the merger is unlawful under AS 45.50.568.

IV. BP Amoco, p.l.c.'s Commitments.

BP Amoco, p.l.c. acknowledges that, after the merger is completed, it will be the ultimate parent company of the BP and ARCO corporate entities owning the Alaska assets which are the subject of this

Charter and which accordingly are the primary parties with the State of Alaska herein. In order to provide further assurance to the State that the commitments made in this Charter by these primary parties are fulfilled in all respects, BP Amoco, p.l.c. guarantees that (1) these BP and ARCO corporate entities, or such other BP/ ARCO Group companies to which the obligations under this Charter are assigned or otherwise transferred, will remain fully capable during the term of this Charter to fulfill all commitments made by them herein and (2) if for any reason a commitment made by them in this Charter goes unfulfilled past the time performance is due, BP Amoco, p.l.c. will cause that performance to be otherwise fulfilled.

V. General Provisions.

A. Definitions. As used in this Charter: "State" and "state of Alaska" means the State of Alaska, through its Governor, Attorney General and Commissioners of Natural Resources and Revenue; "BP" means BP Exploration (Alaska) Inc.; "ARCO" means ARCO Alaska, Inc.; "merger" means the proposed merger between BP and ARCO's parent companies; the merger is "completed" on the earliest of the date of closing, the effective date of the merger, or the first day after ARCO parent stock is exchanged for BP parent stock; "sell" and "transfer" mean divest; "well data" includes, in digital and analog format, any mud log, lithology log, wireline well logs, conventional core and sidewall core descriptions, repeat formation tester, log curve, directional survey, velocity survey, vertical seismic profile, geologic markers, test result, test summary, porosity and permeability data, biostratigraphic data, palynology and paleontology data, geochemical data, vitrinite reflectance data, petrographic data, and completion reports, regarding onshore or offshore exploration acreage west of the Canning River onshore and west of and including the Kuvlum prospect offshore; "seismic data" includes all seismic and ancillary data required to interpret or reprocess a seismic survey including digital files in standard exchange formats containing survey and location data, original field records, final stack and migrated processed data, final stacking and migration velocities, and a report describing the acquisition and processing of the data, regarding onshore or offshore acreage west of the Canning River onshore and west of and including the Kuvlum prospect offshore.

B. Enforcement. This Charter is governed by Alaska law. The parties agree that, except as provided in Section V.C., it may be enforced as a contract by (a) the Attorney General (for Alaska) and (b) its authorized representatives (for BP and ARCO) in any state or federal court in Alaska, the commitments made in this Charter may be specifically enforced, a trustee may be appointed by the court in such an action to effectuate any property transfers not accomplished as committed, and the court may also order any other appropriate remedy consistent with law. If BP, ARCO and the Federal Trade Commission enter into a consent decree or other agreement related to the merger, the terms of that decree or agreement that relate directly to or affect Alaskan assets or activities within or touching Alaskan waters may be incorporated by the State into this Charter by reference, and are enforceable by the State as though fully set forth herein. BP and ARCO acknowledge that they are subject to the personal jurisdiction of any state or federal court within the State of Alaska for the purposes of enforcing the terms of this Charter. BP Amoco, p.l.c. consents to the jurisdiction of any state or federal court within the State of Alaska for the purposes of enforcing its commitments under section IV of this Charter.

C. Enforcement of Section II. Commitments. Section II of this Charter contains corporate citizenship commitments to the Alaskan community at large. The parties do not intend for them to be enforced by lawsuits but to be judged in the forum of public opinion, and no right of action is created with respect to them.

D. Construction. This Charter may be amended only in writing by the principals to this agreement or their successors. This Charter will be binding on the parties and their respective successors and assigns, and is not intended to confer any rights or remedies upon any other persons (as used herein, "assigns" includes a transferee of substantially all of the assets of BP or ARCO but does not otherwise include a transferee of property, under this Charter or otherwise). Except as otherwise provided in this

Charter, nothing herein shall be construed to impose a duty or obligation on BP or ARCO to make any additional agreements with or concessions to any other governmental or regulatory body. Where an act required of BP or ARCO under this Charter is subject to regulatory approval or action, the time limits stated in this Charter will be deemed extended as may be necessary to accommodate the time involved in securing those regulatory approvals if BP and ARCO have acted with reasonable diligence in obtaining those approvals.

D. Reporting, Notice and Access to Records.

1. BP and ARCO will submit an initial compliance report at the time they execute this Charter and will submit additional compliance reports beginning thirty (30) days from the date when this Charter is entered, and every thirty (30) days thereafter until the divestitures required under Section I have been completed or a trustee is appointed. Such reports will be in writing and each such report shall include, for each person who during the preceding thirty (30) days made an offer, expressed an interest or desire to acquire, entered into negotiations to acquire, or made an inquiry about acquiring any ownership interest in all or any portion of the divestiture assets, the name, address, and telephone number of that person and a detailed description of each contact with that person during that period. BP and ARCO will maintain full records of all efforts made to divest the assets under Section I.

2. BP and ARCO will notify the State of any proposed divestiture within two (2) business days following execution of a letter of intent or agreement for sale of the assets under Section I. The notice shall set forth the details of the proposed transaction and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the divestiture assets. Within fifteen (10) days after receipt of the notice, the State may request additional information concerning the proposed divestiture, the proposed Purchaser, and any other potential Purchaser. BP Amoco and ARCO will furnish the additional information within fifteen (10) days of the receipt of the request. Within thirty (20) days after receipt of the notice or within fifteen (10) days after receipt of the additional information, whichever is later, the State will notify BP and ARCO in writing if it objects to the proposed divestiture. If the State fails to object within the period specified, or if the State provides notice that it does not object, then the divestiture may be consummated. If the State objects, the proposed divestiture may not be accomplished unless ordered by a court of competent jurisdiction.

3. For the purpose of determining or securing compliance with this Charter, and subject to any legally recognized privilege and reasonable notice, the State will be permitted access during office hours to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of BP or ARCO relevant to BP or ARCO's compliance with this Charter. Subject to the reasonable convenience of BP and ARCO, and without restraint or interference from them, the State may interview their directors, officers, employees, and agents regarding any such matters. No information or documents obtained by the State under this paragraph shall be divulged by any representative of the State to any person other than a duly authorized representative of the Attorney General, except in the course of legal proceedings to which the State is a party, or for the purpose of securing compliance with this Charter, or as otherwise required by law.

F. Effectiveness. This Charter shall be effective as of the date it is entered as written above. This Charter shall remain fully effective thereafter, except in the event that the merger shall not be completed by June 30, 2000, then any party may terminate this Charter by written notice to all other parties, in which event this Charter shall become null and void and of no effect, as if it were never entered.

G. Term of Charter and Action Period. This Charter will remain in effect through January 15, 2008. No action alleging a failure of performance under this Charter may be commenced more than four years after the alleged failure, and no action alleging a failure of performance under this Charter may be commenced in any event after January 15, 2009.

H. Attorneys Fees. Within 30 days of the effective day of this Charter, BP and ARCO will pay the State \$_____ as reimbursement for its attorney's fees and costs reasonably incurred in connection with the merger.

I. Warranty of Authority. Each of the persons signing below represent and warrant that he has the authority to execute this Charter on behalf of the party for which he signs. BP and ARCO specifically warrant and represent that they are fully authorized and able to make, and to ensure the performance of, the commitments made herein and that, with respect to any Alaska assets currently owned by affiliates, they have taken or will take such steps as are necessary to ensure that the commitments they make herein are accomplished.

Signatures:

STATE OF ALASKA

by_____ Tony Knowles, Governor

by_____ Bruce Botelho, Attorney General

by_____ John Shively, Commissioner of Natural Resources

by_____ Wilson Condon, Commissioner of Revenue

BP EXPLORATION (ALASKA) INC.

by_____ Richard Campbell, President

ARCO ALASKA, INC.

by_____ Kevin Meyers, President

BP AMOCO, p.l.c.

by_____ John Browne, CEO



**CHARTER FOR DEVELOPMENT
of the Alaskan North Slope
EXHIBIT A**

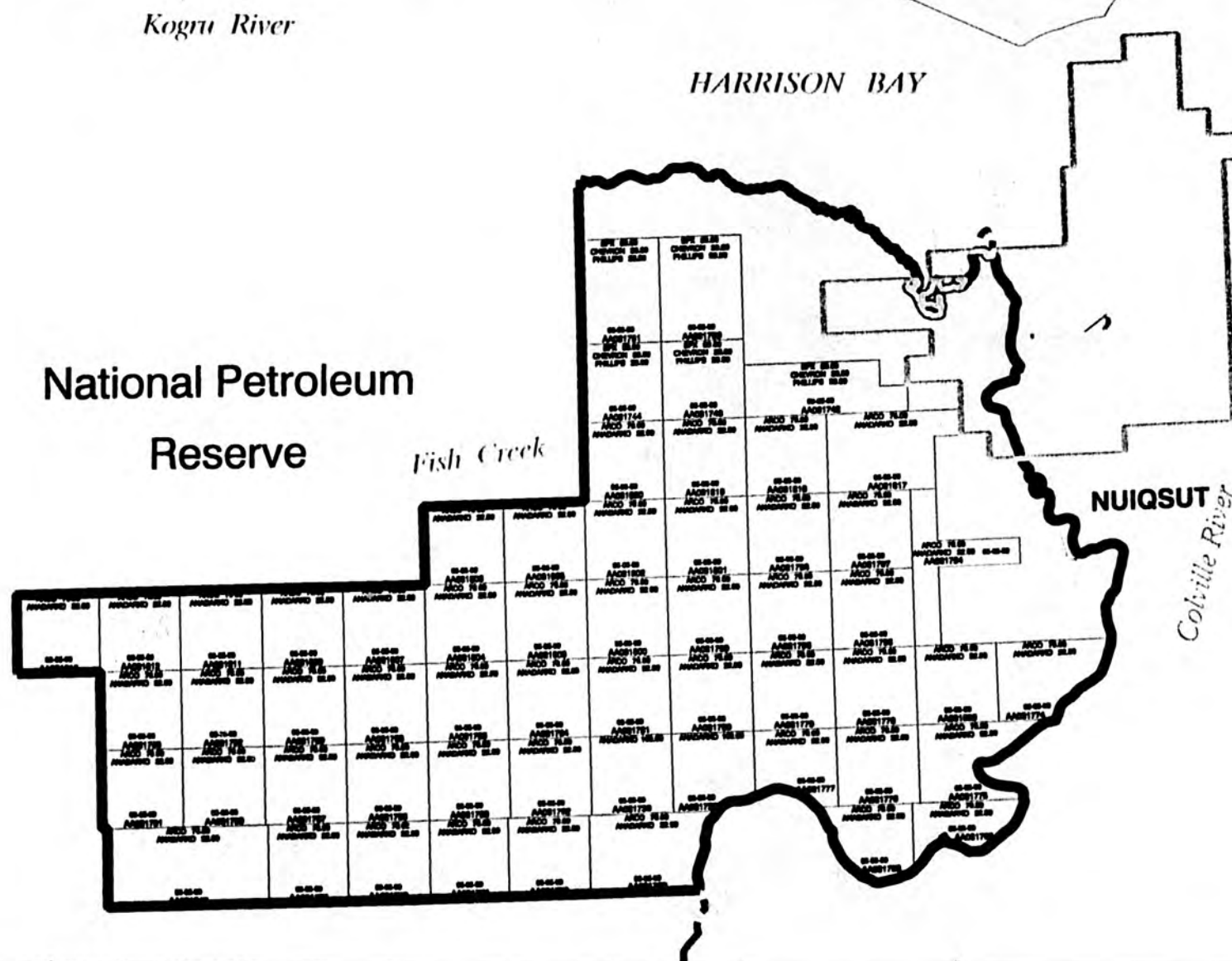
Potential New Northeast NPR-A Operating Areas

Project Area	BP & ARCO Lease Holdings				
NPR-A Northwest	991-L-259	991-L-265	991-L-270	991-L-273	
	991-L-263	991-L-266	991-L-271	991-L-274	
	991-L-264	991-L-269	991-L-272	991-L-275	
NPR-A Central	991-H-057	991-H-081	991-H-104	991-H-119	991-H-140
	991-H-058	991-H-082	991-H-105	991-H-120	991-H-141
	991-H-061	991-H-083	991-H-108	991-H-121	991-H-142
	991-H-062	991-H-084	991-H-109	991-H-122	991-H-143
	991-H-065	991-H-085	991-H-111	991-H-123	991-H-156
	991-H-074	991-H-086	991-H-112	991-H-132	991-L-225
	991-H-075	991-H-088	991-H-113	991-H-134	991-L-236
	991-H-076	991-H-089	991-H-114	991-H-135	991-L-237
	991-H-077	991-H-093	991-H-115	991-H-136	991-L-239
	991-H-078	991-H-096	991-H-116	991-H-137	
	991-H-079	991-H-100	991-H-117	991-H-138	
	991-H-080	991-H-101	991-H-118	991-H-139	
NPR-A Southeast	991-H-007	991-H-024	991-H-037	991-H-049	991-H-068
	991-H-008	991-H-025	991-H-038	991-H-050	991-H-069
	991-H-010	991-H-026	991-H-039	991-H-051	991-H-070
	991-H-013	991-H-028	991-H-040	991-H-052	991-H-071
	991-H-014	991-H-029	991-H-041	991-H-053	991-H-072
	991-H-017	991-H-030	991-H-042	991-H-054	991-H-073
	991-H-018	991-H-031	991-H-043	991-H-055	991-H-098
	991-H-019	991-H-032	991-H-044	991-H-056	991-H-099
	991-H-020	991-H-033	991-H-045	991-H-059	991-L-171
	991-H-021	991-H-034	991-H-046	991-H-060	
	991-H-022	991-H-035	991-H-047	991-H-063	
	991-H-023	991-H-036	991-H-048	991-H-067	



NPR-A SOUTHEAST

Exhibit A



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NPR-A CENTRAL

Exhibit A

Smith Bay

LONGLY

Harrison Bay

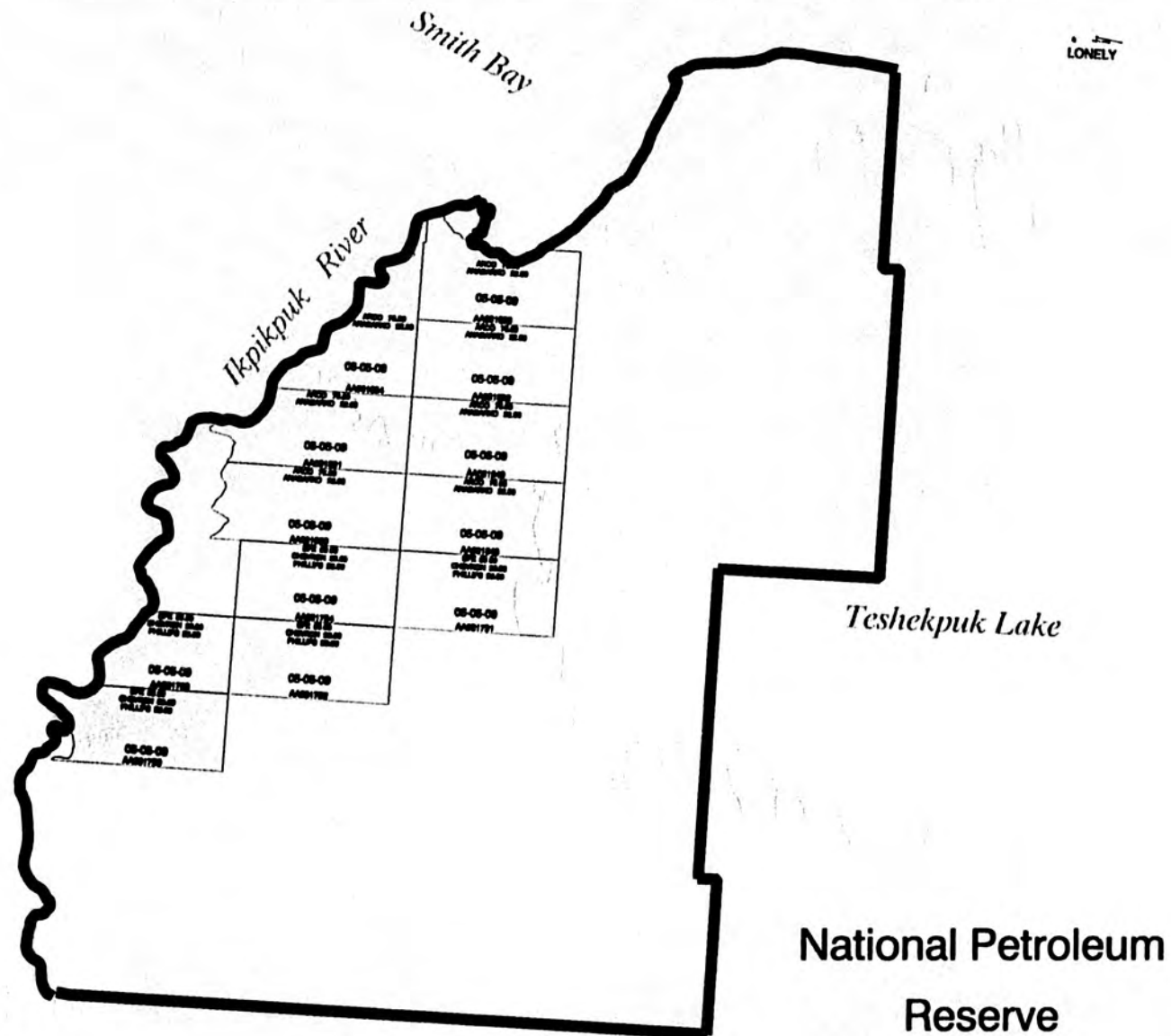
Teshekpuk Lake

National Petroleum
Reserve

central_npra



Exhibit A

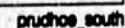


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**CHARTER FOR DEVELOPMENT
of the Alaskan North Slope
EXHIBIT B**

Potential New North Slope Operating Areas

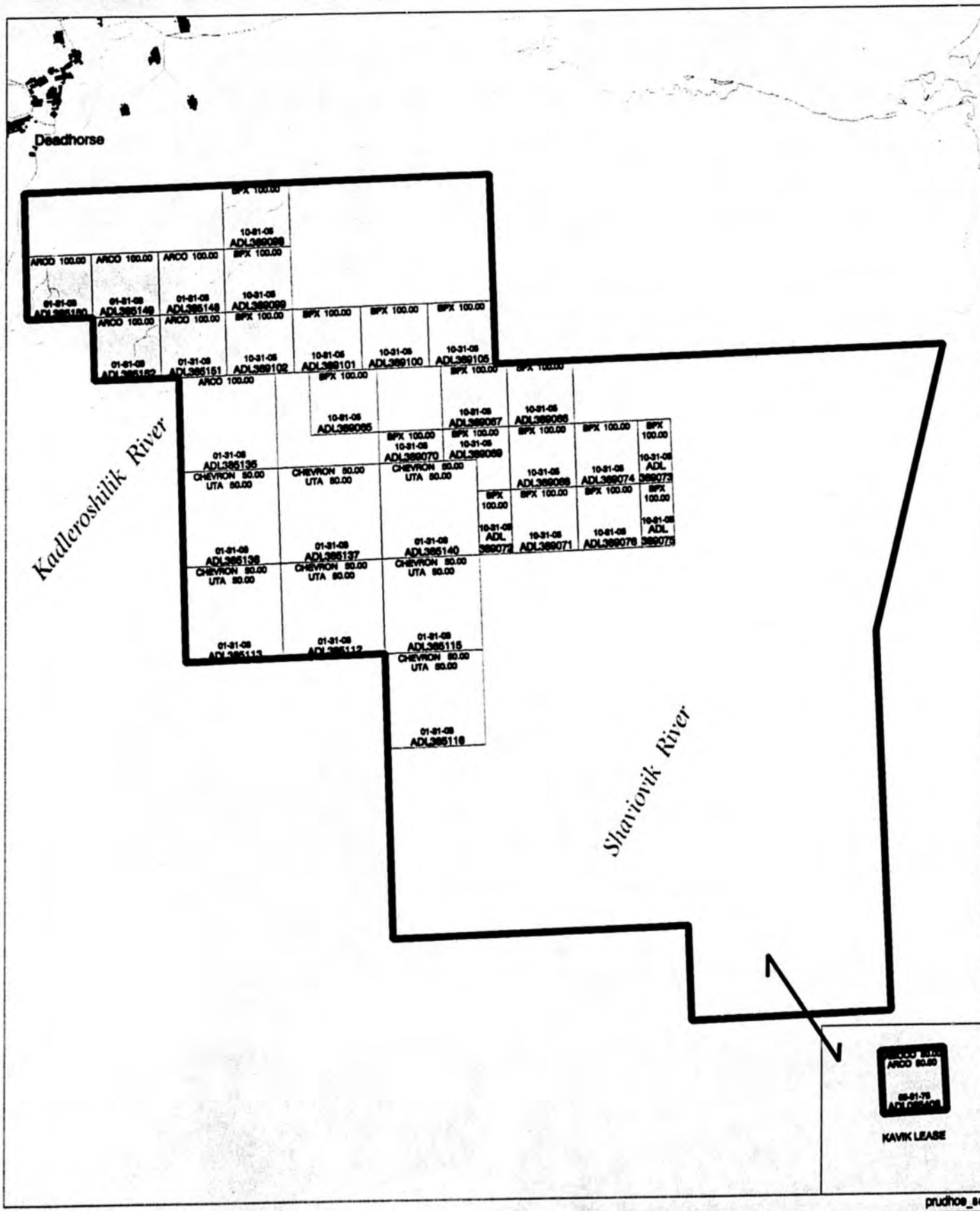
Project Area	BP & ARCO Lease Holdings				
Genesee	AK ADL 377025	AK ADL 377048	AK ADL 388446	AK ADL 388479	AK ADL 388487
	AK ADL 377027	AK ADL 388434	AK ADL 388448	AK ADL 388480	AK ADL 388553
	AK ADL 377038	AK ADL 388437	AK ADL 388475	AK ADL 388482	OCS-Y-1649
	AK ADL 377039	AK ADL 388442	AK ADL 388476	AK ADL 388483	OCS-Y-1678
	AK ADL 377044	AK ADL 388443	AK ADL 388477	AK ADL 388485	OCS-Y-1679
	AK ADL 377045	AK ADL 388445	AK ADL 388478	AK ADL 388486	OCS-Y-1689
Greater M. Hwater	AK ADL 389001	AK ADL 389012	AK ADL 389023	AK ADL 389040	AK ADL 389149
	AK ADL 389002	AK ADL 389013	AK ADL 389024	AK ADL 389041	AK ADL 389150
	AK ADL 389003	AK ADL 389014	AK ADL 389025	AK ADL 389042	AK ADL 389151
	AK ADL 389004	AK ADL 389015	AK ADL 389026	AK ADL 389141	AK ADL 389152
	AK ADL 389005	AK ADL 389016	AK ADL 389027	AK ADL 389142	AK ADL 389153
	AK ADL 389006	AK ADL 389017	AK ADL 389028	AK ADL 389143	AK ADL 389154
	AK ADL 389007	AK ADL 389018	AK ADL 389029	AK ADL 389144	AK ADL 389155
	AK ADL 389008	AK ADL 389019	AK ADL 389030	AK ADL 389145	AK ADL 389156
	AK ADL 389009	AK ADL 389020	AK ADL 389031	AK ADL 389146	
	AK ADL 389010	AK ADL 389021	AK ADL 389032	AK ADL 389147	
	AK ADL 389011	AK ADL 389022	AK ADL 389039	AK ADL 389148	
Kukpak Area	AK ADL 355029	AK ADL 355038	AK ADL 364476	AK ADL 388566	AK ADL 388572
	AK ADL 355031	AK ADL 355039	AK ADL 364477	AK ADL 388567	AK ADL 388573
	AK ADL 355034	AK ADL 355040	AK ADL 364478	AK ADL 388568	AK ADL 388575
	AK ADL 355035	AK ADL 364473	AK ADL 388512	AK ADL 388569	OCS-Y-1641
	AK ADL 355036	AK ADL 364474	AK ADL 388515	AK ADL 388570	OCS-Y-1642
	AK ADL 355037	AK ADL 364475	AK ADL 388564	AK ADL 388571	
McCovey	AK ADL 377055	AK ADL 388470	AK ADL 388541	AK ADL 388549	OCS-Y-1578
	AK ADL 377056	AK ADL 388471	AK ADL 388542	AK ADL 388552	OCS-Y-1580
	AK ADL 377059	AK ADL 388530	AK ADL 388543	OCS-Y-1576	
	AK ADL 377066	AK ADL 388540	AK ADL 388544	OCS-Y-1577	
Prudhoe South	AK ADL 375024	AK ADL 375025	AK ADL 375044	AK ADL 380014	AK ADL 385176
	AK ADL 375005	AK ADL 375026	AK ADL 375045	AK ADL 380019	AK ADL 385179
	AK ADL 375006	AK ADL 375027	AK ADL 375046	AK ADL 380021	AK ADL 388921
	AK ADL 375014	AK ADL 375030	AK ADL 375047	AK ADL 380023	AK ADL 389096
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	AK ADL 375018	AK ADL 375039	AK ADL 375089	AK ADL 380066	AK ADL 389126
	AK ADL 375024	AK ADL 375043	AK ADL 380012	AK ADL 385174	
Prudhoe Southeast	AK ADL 385112	AK ADL 385140	AK ADL 389066	AK ADL 389073	AK ADL 389101
	AK ADL 385113	AK ADL 385148	AK ADL 389067	AK ADL 389074	AK ADL 389102
	AK ADL 385115	AK ADL 385149	AK ADL 389068	AK ADL 389075	AK ADL 389105
	AK ADL 385116	AK ADL 385150	AK ADL 389069	AK ADL 389076	AK ADL 65406
	AK ADL 385135	AK ADL 385151	AK ADL 389070	AK ADL 389098	
	AK ADL 385136	AK ADL 385152	AK ADL 389071	AK ADL 389099	
	AK ADL 385137	AK ADL 389065	AK ADL 389072	AK ADL 389100	





PRUDHOE SOUTHEAST

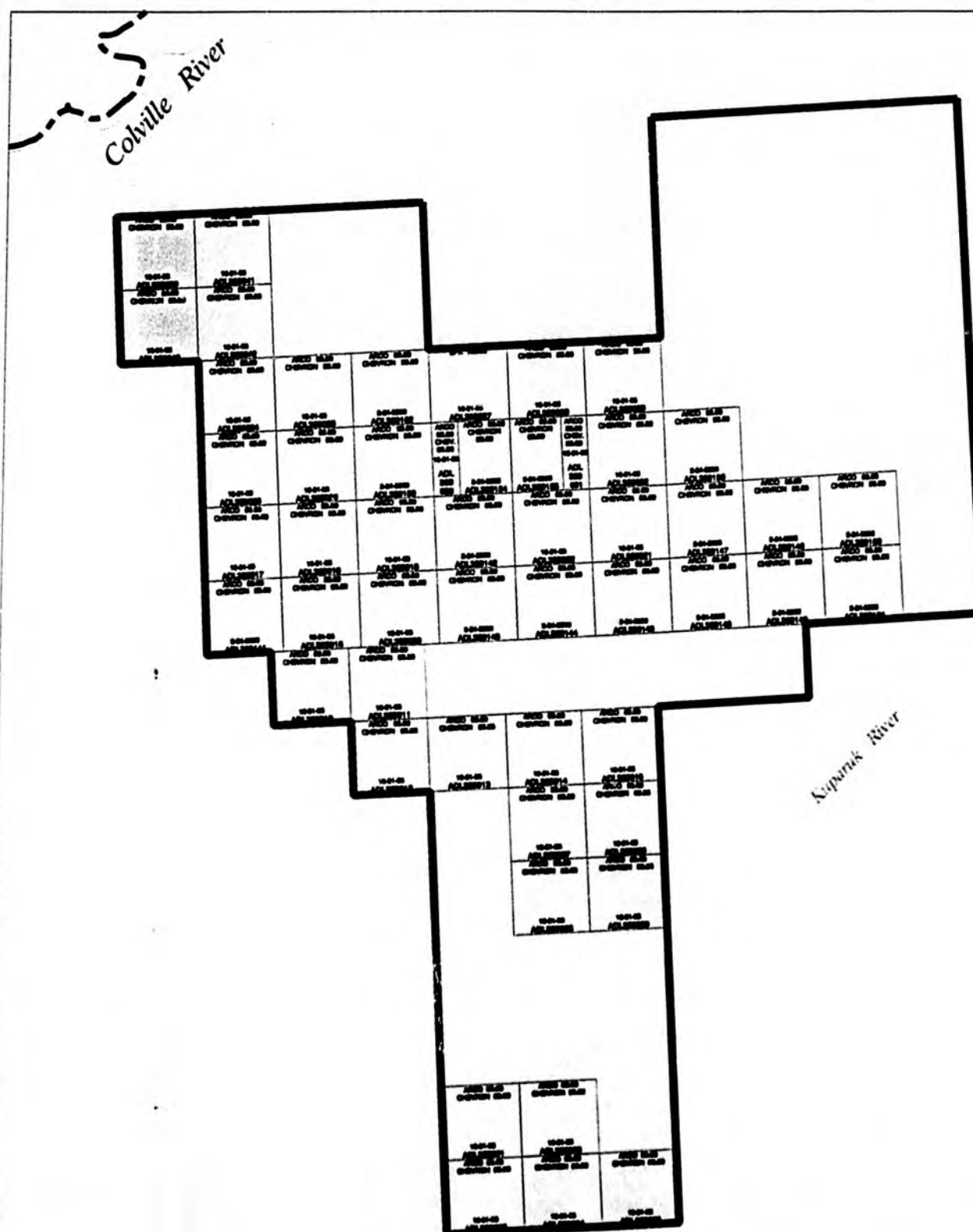
Exhibit B



prudhoe_88



Exhibit B



Introduction



McCOVEY AREA

Exhibit B

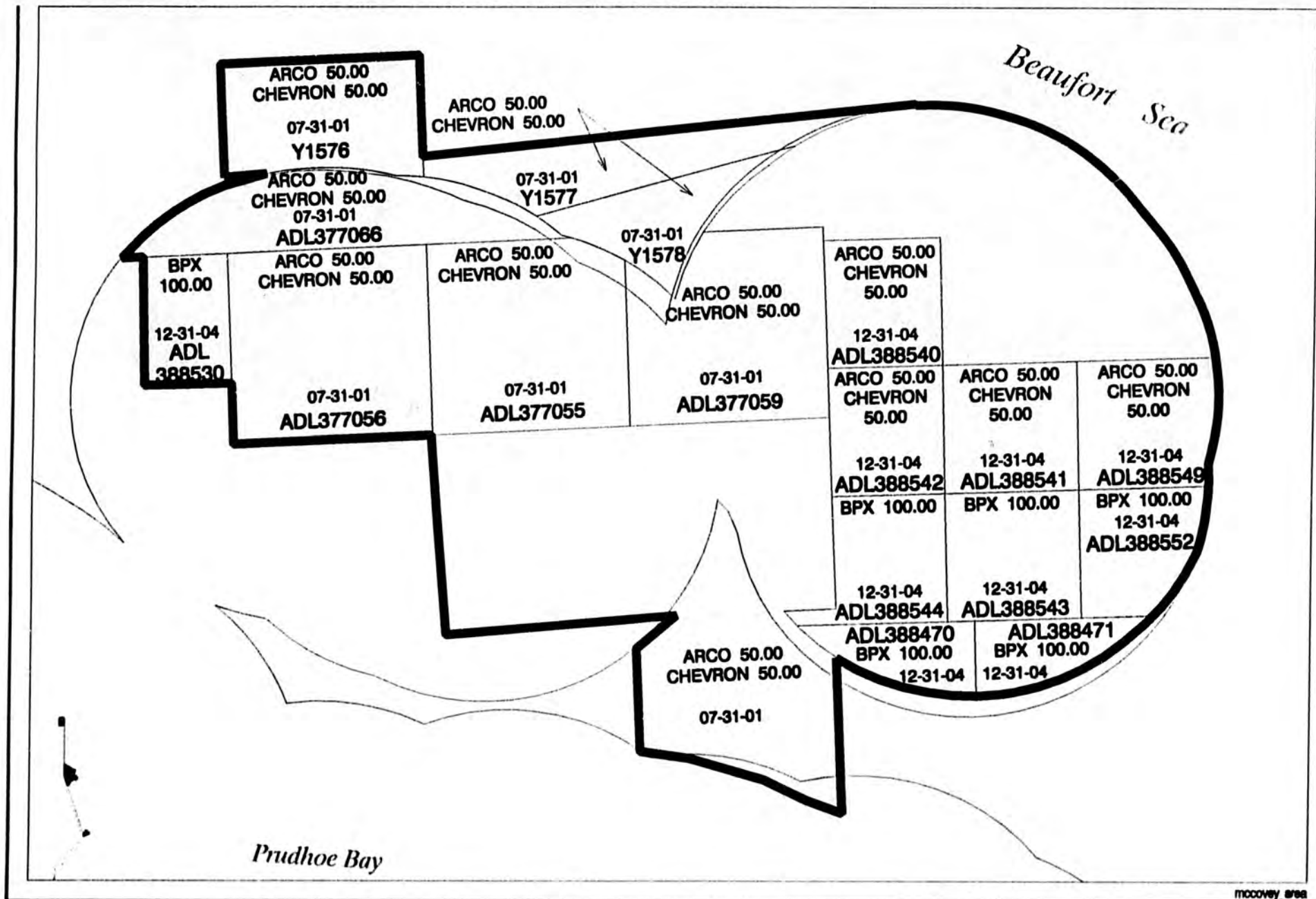
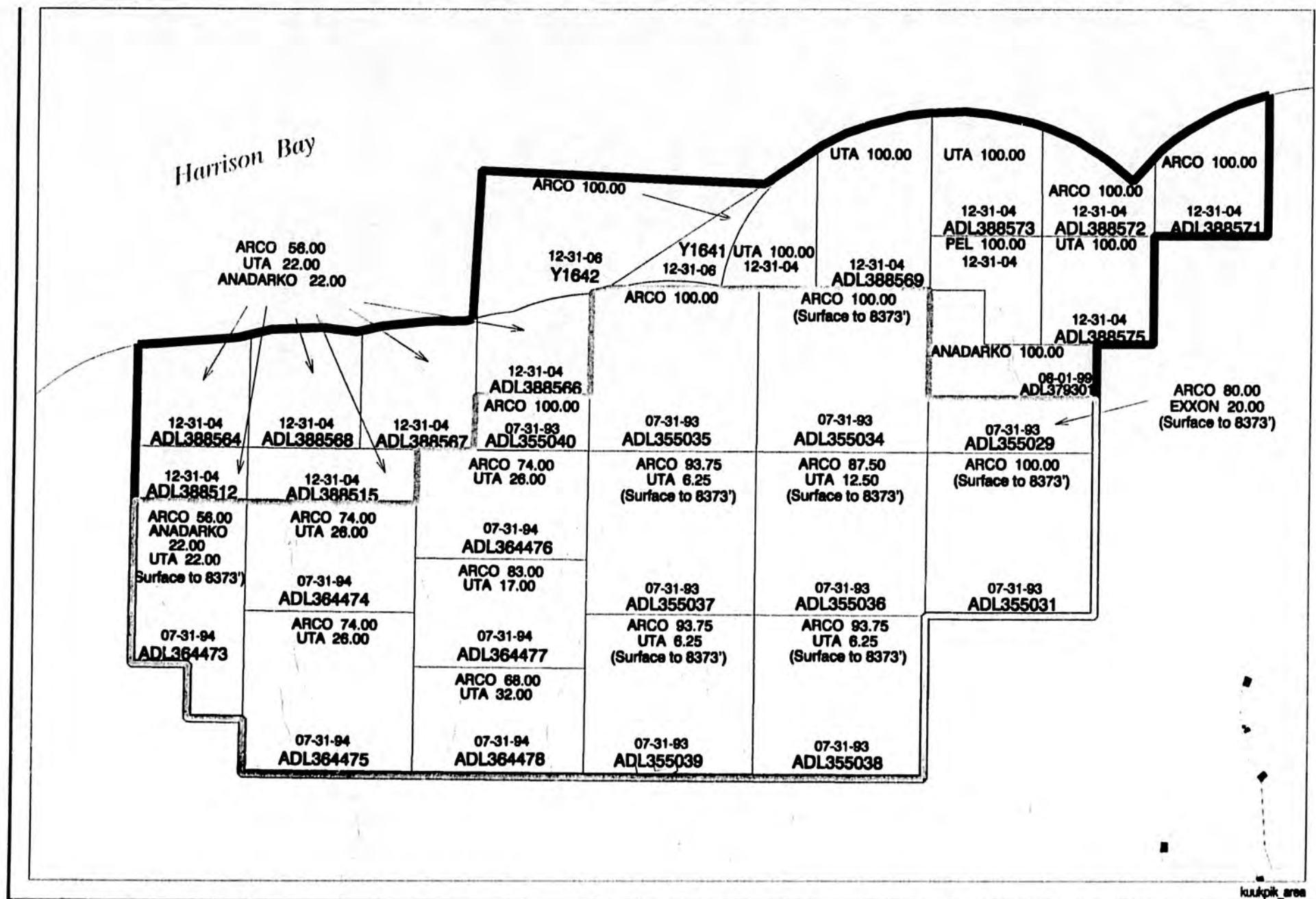
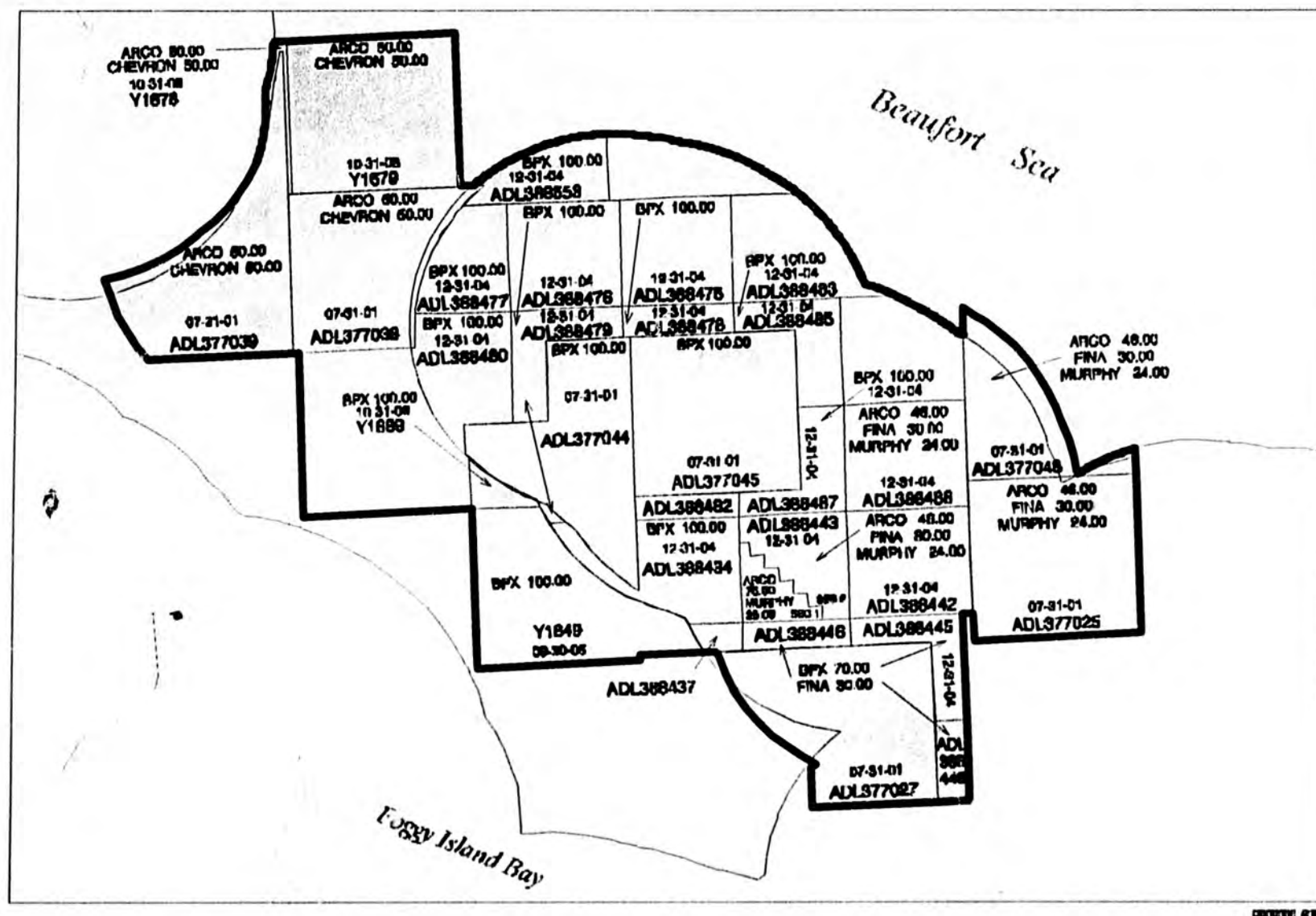




Exhibit B





**CHARTER FOR DEVELOPMENT
of the Alaskan North Slope
EXHIBIT C**

DELIVERIES BY PRODUCER

QUALITY: Alaska North Slope (ANS) crude oil.

QUANTITY: Approximately _____ [not to exceed 5,000] barrels per day, with volumes equivalent to [Producer's] _____% working interest in the _____ Unit, Alaska.

CONTRACT TERM: Effective _____ through _____ [5 year period].

DELIVERY: Title and risk of loss shall pass to [BP or ARCO] as the crude oil passes from _____ Pipeline Company through the Inlet flange of Trans Alaska Pipeline System at TAPS Pump Station No. 1, or as the crude oil passes through the ship's flange at Valdez, at the Seller's option.

PRICE: For purchases at PS-1, [BP or ARCO] agrees to pay [PRODUCER] a price based on the NYMEX settlement price for light sweet crude oil (WTI lead month average of means with a pricing period from the 21st day of two months prior to the delivery month to the 20th day of the month prior to the delivery month) minus \$3.03, minus the cost of transport through TAPS which shall be BP Pipeline's actual TAPS interstate PS-1 to Valdez tariff for the delivery month, adjusted up or down by the actual TAPS quality bank adjustment for the delivery month accorded to other crude oils reaching PS-1 through the same delivery means as the crude purchased under this contract. For purchases at Valdez, [BP or ARCO] agrees to pay [PRODUCER] a price based on the NYMEX settlement price for light sweet crude oil (WTI lead month average of means with a pricing period from the 21st day of two months prior to the delivery month to the 20th day of the month prior to the delivery month) minus \$3.03.

INVOICES: Pricing will be provisional due on the 20th of the month following the month of delivery. The prior month's TAPS tariff and quality bank adjustment to the month of delivery will be used in the provisional invoice. (For example, the provisional Invoice for January 1999 production would use December 1998 tariff and quality bank adjustment.). Provisional Invoices will be actualized after actual tariffs and quality bank adjustments are determined.

PROVISIONS APPLICABLE FOR BOTH PARTIES

PAYMENT: Payment shall be made by check of immediately available federal funds on the 20th of the month following the month of delivery.

Payments due on Saturday shall be paid the preceding Friday, and payments due on Sunday shall be paid the following Monday. Similarly, payments due on a federal bank holiday shall be paid the preceding business day except when a federal bank holiday falls on a Monday, when payment shall be due the following day.

GENERAL PROVISIONS: BP's Standard General Provisions, copy attached.

**CHARTER FOR DEVELOPMENT
of the Alaskan North Slope
EXHIBIT D.1**

<u>Site Name</u>	<u>Facility Owner</u>	<u>Landowner</u>	<u>Location</u>	<u>Priority</u>
Lupin River Explosives	Unknown	ADNR	12 miles SE of Happy Valley	N/A
May Creek	Unknown	ADNR	SW of Happy Valley	N/A
Aufeis Unit #1	Unknown	BLM*	between Kuparuk an Toolik Rivers	N/A
Echooka	Unknown	ADNR	Cache One Lake - 30 m. E of Sagwon	N/A
Pt. Storkenson #1	Unknown	ADNR	Hamilton Bros site on coast of Pt. Storkenson	N/A
Toolik River	Unknown	ADNR	10 miles W. of Franklin Bluffs airstrip	N/A
Service City Pad	Unknown	ADNR	Prudhoe Bay	High
Arctic Coiled Tubing	Unknown	ADOT&PF	Deadhorse	High
Deadhorse Hotel Pad	Unknown	ADOT&PF	Deadhorse	High
Block 900 lots 9 & 10	Unknown	ADOT&PF	Deadhorse	High
Former Cold Weather Contr., B70 L5A	Unknown	ADOT&PF	Deadhorse	High
East Kuparuk Unit #1	Unknown	ADNR	Near Umiat	N/A
West Kavik	Unknown	ADNR	Near ANWR	N/A
Deadhorse lease tract	CR Lewis	ADOT&PF	Deadhorse	High

* state selected

**CHARTER FOR DEVELOPMENT
of the Alaskan North Slope
EXHIBIT D.2**

<u>Site Name</u>	<u>Facility Owner</u>	<u>Landowner</u>	<u>City</u>	<u>Priority</u>
ARCO 100% Pad	ARCO Alaska, Inc.	ADNR	Deadhorse	High
ARCO Alaska crude oil topping unit	ARCO Alaska, Inc.	ARCO	Deadhorse	High
ARCO Drill Site 2	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	High
ARCO Drill Site Maint. Pad	ARCO Alaska, Inc.	ARCO	Prudhoe Bay	High
ARCO Kuparuk 2U Drill Site Spill	ARCO Alaska, Inc.	ADNR	Kuparuk	High
ARCO Pad 10 East OU Dock Bioventing	ARCO Alaska, Inc.	ARCO	Prudhoe Bay	High
Drill Site L-2 Bioremediation	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	High
Point McIntyre PM-1	ARCO Alaska, Inc.	ADNR	Pt. McIntyre	High
ARCO Itkillik River Unit #1	ARCO Alaska, Inc.	ADNR	Colville River	High
ARCO C Pad Stoddard Solvent Site	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	Medium
ARCO Building U5A	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	Medium
ARCO CPF-1 Recycle Facility	ARCO Alaska, Inc.	ADNR	Kuparuk	Medium
ARCO EOA Fire Training Area	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	Medium
ARCO Kuparuk CPF1 Divert Tank A	ARCO Alaska, Inc.	ADNR	Kuparuk	Medium
ARCO Kuparuk Lab Service	ARCO Alaska, Inc.	ADNR	Kuparuk	Medium
ARCO Pad 3 (East End)	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	Medium
Kuparuk Construction Co. (Camp?)	ARCO Alaska, Inc.	ADNR	Kuparuk	Medium
Warm Storage Fac @Drill Site Maint.	ARCO Alaska, Inc.	ARCO	Prudhoe Bay	Medium
Geofoam Pad	ARCO Alaska, Inc.	ADNR	Deadhorse	Medium
Kuparuk Ind. Cntr Facility Drum Pit	ARCO Alaska, Inc.	ADNR	Kuparuk	Low
Sand Dunes Landfill - ARCO Alaska	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	Low

EXHIBIT D.2 (continued)

<u>Site Name</u>	<u>Facility Owner</u>	<u>Landowner</u>	<u>City</u>	<u>Priority</u>
Kuparuk River State 1	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	
North Prudhoe Bay State No. 1	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	
West Sak 24	ARCO Alaska, Inc.	ADNR	Kuparuk	
West Sak 3	ARCO Alaska, Inc.	ADNR	Kuparuk	
West Mikkelsen Unit 2	ARCO Alaska, Inc.	ADNR		
West Mikkelsen #1	ARCO Alaska, Inc.	ADNR		
West Sak 2	ARCO Alaska, Inc.	ADNR	Kuparuk	
Northwest Eileen 1 & 2	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	
West Sak SWPT #1	ARCO Alaska, Inc.	ADNR	Kuparuk	
Toolik Fed 1	ARCO Alaska, Inc.	ADNR		
Lake State 1	ARCO Alaska, Inc.	ADNR	Prudhoe Bay	
Hemi Springs Unit 3	ARCO Alaska, Inc.	ADNR	Kuparuk	
West Sak 26	ARCO Alaska, Inc.	ADNR	Kuparuk	
BP Milne Point CFP Turbine Module	BP Exploration (AK), Inc.	ADNR	Milne Point	High
MPU CFP Unlined Relief Pit	BP Exploration (AK), Inc.	ADNR	Milne Point	High
Milne Pt. E Pad Reserve Pit	BP Exploration (AK), Inc.	ADNR	Milne Point	Medium
Milne Pt. A Pad Reserve Pit	BP Exploration (AK), Inc.	ADNR	Milne Point	
Prudhoe Bay WOA D Pad	BP Exploration (AK), Inc.	ADNR	Prudhoe Bay	
Niakuk #4 Island	BP Exploration (AK), Inc.	ADNR	Prudhoe Bay	
West Kuparuk State 3-11-11	BP/Mobil	ADNR	Prudhoe Bay	

**CHARTER FOR DEVELOPMENT
of the Alaskan North Slope
EXHIBIT D.3.A**

Exploration Reserve Pits

Company	Well Site Name
BP Amoco	A Pad WOA, 3 sumps
BP Amoco	B Pad WOA, 3 sumps
BP Amoco	C Pad WOA, 4 sumps
BP Amoco	D Pad WOA, 3 sumps
BP Amoco	E Pad WOA, 2 sumps
BP Amoco	F Pad WOA, 2 sumps
BP Amoco	G Pad WOA, 2 sumps
BP Amoco	Gathering Center 1
BP Amoco	Gathering Center 2
BP Amoco	Gathering Center 3
BP Amoco	H Pad WOA, 3 sumps
BP Amoco	J Pad WOA, 3 sumps
BP Amoco	K Pad WOA, 3 sumps
BP Amoco	M Pad WOA, 3 sumps
BP Amoco	N Pad WOA, 3 sumps
BP Amoco	Q Pad WOA, 1 sump
BP Amoco	R Pad WOA, 3 sumps
BP Amoco	S Pad WOA, 2 sumps
BP Amoco	T Pad WOA, 1 sump
BP Amoco	U Pad WOA, 2 sumps
BP Amoco	X Pad WOA, 2 sumps
BP Amoco	Y Pad WOA, 2 sumps
BP Amoco	Z Pad WOA, 2 sumps
BP Amoco	Milne Point A Pad
BP Amoco	Milne Point B Pad
BP Amoco	Milne Point C Pad
BP Amoco	Milne Point D Pad
BP Amoco	Milne Point E Pad
ARCO	Drill Site 1
ARCO	Drill Site 2
ARCO	Drill Site 4
ARCO	Drill Site 5
ARCO	Drill Site 6

EXHIBIT D.3.A (continued)**Exploration Reserve Pits**

Company	Well Site Name
ARCO	Drill Site 7
ARCO	Drill Site 9
ARCO	Drill Site 11
ARCO	Drill Site 12
ARCO	Drill Site 13
ARCO	Drill Site 14
ARCO	Drill Site 15
ARCO	Drill Site 16
ARCO	Drill Site 17
ARCO	Drill Site 18
ARCO	NGI
ARCO	WGI
ARCO	Drill Site 1A
ARCO	Drill Site 1B
ARCO	Drill Site 1C
ARCO	Drill Site 1D
ARCO	Drill Site 1E
ARCO	Drill Site 1F
ARCO	Drill Site 1G
ARCO	Drill Site 1H
ARCO	Drill Site 1L
ARCO	Drill Site 1Q
ARCO	Drill Site 1R
ARCO	Drill Site 1Y
ARCO	Drill Site 2A
ARCO	Drill Site 2B
ARCO	Drill Site 2C
ARCO	Drill Site 2D
ARCO	Drill Site 2E
ARCO	Drill Site 2F
ARCO	Drill Site 2G
ARCO	Drill Site 2H
ARCO	Drill Site 2T
ARCO	Drill Site 2U

EXHIBIT D.3.A (continued)

Exploration Reserve Pits

Company	Well Site Name
ARCO	Drill Site 2V
ARCO	Drill Site 2W
ARCO	Drill Site 2X
ARCO	Drill Site 2Z
ARCO	Drill Site 3A
ARCO	Drill Site 3B
ARCO	Drill Site 3C
ARCO	Drill Site 3F
ARCO	Drill Site 3H
ARCO	Drill Site 3I
ARCO	Drill Site 3J
ARCO	Drill Site 3K
ARCO	Drill Site 3M
ARCO	Drill Site 3N
ARCO	Drill Site 3Q
ARCO	Lisburne L-1
ARCO	Lisburne L-2
ARCO	Lisburne L-3
ARCO	Lisburne L-4
ARCO	Lisburne L-5

**CHARTER FOR DEVELOPMENT
of the Alaskan North Slope
EXHIBIT D.3.B**

Exploration Reserve Pits

Company	Well Name
BP Amoco	East Ugnu #1
BP Amoco	Sag Delta #1
BP Amoco	Sag Delta #2 10-11-16 Sag Delta 2A
BP Amoco	Prudhoe Bay Unit Term C
BP Amoco	(Eileen) West End 21-11-12
BP Amoco	Milne Point 18-1
BP Amoco	Milne Point M Pad
BP Amoco	Milne Point N Pad
BP Amoco	Put River 1-10-14
BP Amoco	Put River 11-10-14
BP Amoco	Put River 12-10-14
BP Amoco	Put River 19-10-15 (PBU 19-10-15)
BP Amoco	Put River 24-10-14
BP Amoco	Put River 33-12-13
BP Amoco	Getty State #1
BP Amoco	West Sak 14
BP Amoco	West Sak 9
ARCO	Coville # 1
ARCO	N Prudhoe Bay St # 1
ARCO	Pt McIntyre 01
ARCO	Pt McIntyre 02
ARCO	Toolik Fed # 1
ARCO	West Sak 25571 18
ARCO	West Sak River St # 03
ARCO	Beechey PT ST 1 Beechey PT ST 2
ARCO	Delta ST 1
ARCO	Delta ST 2
ARCO	East Bay State 1
ARCO	Gyr 1
ARCO	Hemi Springs St 1
ARCO	Highland St 1

EXHIBIT D.3.B (continued)

Exploration Reserve Pits

Company	Well Name
ARCO	Itkilik River Unit 1
ARCO	Kavik Unit 3
ARCO	KRU Ugnu SWPT-1
ARCO	KRU W Sak SWPT-1
ARCO	Kuparuk River State 1
ARCO	Kuparuk Riv Unit 02-OB1 (UGNU DS2-OB1)
ARCO	Kuparuk Riv Unit 1B-05
ARCO	Kuparuk Riv Unit WT-02
ARCO	Kuparuk Riv Unit WT-03
ARCO	Kuparuk Riv Unit WT-04
ARCO	Kuparuk River Unit CPF 01-A (CPF-1)
ARCO	Kuparuk River Unit CPF #2 (CPF-2)
ARCO	Lake St 1
ARCO	Little Twist Unit 1
ARCO	NW Eileen St 1
ARCO	N W Eileen St 2
ARCO	Nora Federal 1
ARCO	Pingut St 1
ARCO	Pipeline State # 1
ARCO	Prudhoe Bay Unit Term-A
ARCO	Prudhoe Bay Unit TR T-3C
ARCO	Prudhoe Bay Unit PWDW1-1 (Flow Station # 1)
ARCO	Prudhoe Bay Unit PWDW-2 (Flow Station 2)
ARCO	Prudhoe Bay Unit PWDW3-1 (Flow Station 3)
ARCO	Put Riv St 1
ARCO	Ravik St 1
ARCO	S E Eileen ST # 1 S E Eileen St # 2
ARCO	Sag Delta #6
ARCO	Sag Riv St 1
ARCO	Schrader Unit 1

EXHIBIT D.3.B (continued)**Exploration Reserve Pits**

Company	Well Name
ARCO	South Bay State 1
ARCO	South Point State 1
ARCO	Susie Unit 1
ARCO	Toolik Fed 2
ARCO	Toolik Fed 3
ARCO	Ugnu 1
ARCO	West Beach St 1 West Beach St 1-A
ARCO	West Beach St 2
ARCO	West Beach St 3
ARCO	West Beach St 4
ARCO	West Mikkelsen St 1
ARCO	West Mikkelsen Unit 2
ARCO	West Sak 25517 25
ARCO	West Sak 25519 17
ARCO	West Sak 25523 16
ARCO	West Sak 25548 11
ARCO	West Sak 25590 15
ARCO	West Sak 25606 13
ARCO	West Sak 28242 24
ARCO	West Sak Riv St 01
ARCO	West Sak Riv St 02
ARCO	West Sak Riv St B-10
ARCO	West Sak Pilot Pad

November 17, 1999

TO: Honorable Tony Knowles, Governor, State of Alaska
Richard Campbell, President, BP Exploration (Alaska), Inc.
Kevin Meyers, President, ARCO Alaska, Inc.

FROM: Joint Special Committee on Mergers

RE: Charter for North Slope Development

To review the proposed Charter for North Slope Development, the committee is having a public hearing on Thursday, November 18, 1999. In addition to questions asked by the legislators at the meeting, the committee respectfully requests the preparation of the following information.

A general summary of the charter – what we have before the merger, what we would have had under the Governor's original proposed conditions and how that differs from the proposed Charter. We would also like the representatives appearing at the meeting to be prepared to answer the following questions.

General Questions

1. How does the Charter limit the ability of state, the legislature or the citizens of Alaska to bring antitrust litigation against the companies? Does the Charter limit legal actions by the Administration and/or preclude public interest litigation?
2. What are the consequences if BP Amoco and ARCO fail to perform any of the actions agreed to in the Commitments regarding Competition, Diversity and Growth section of the Charter?
3. What is the significance of the termination date of 1/15/08?
4. According to press reports BP has agreed to use the ARCO pricing structure in California in order to keep gas prices down. Have you reviewed this commitment to determine whether a similar agreement using Arco's pricing structure in Alaska is appropriate? Specifically, will BP be using ARCO's royalty and tax structure on ARCO barrels in Alaska?

The FTC Process

1. What is the timeline for the FTC?
2. What information have you received from the FTC about the charter?
3. Has the FTC told you what is going on with other states with respect to the merger? If so, what?

4. Does the FTC generally require divestiture or approval of the actual divestiture and buyers before approving mergers?

Divestiture

Please describe how the divestiture will be accomplished, particularly:

1. Does this Agreement create a post-merger situation that approximates the current competitive significance of ARCO?
2. Based on your conversations with prospective buyers, are the assets being divested what they need to be a viable competitor on the North Slope?
3. Can "Buyer A" and "Buyer B" be the same? If yes, are you encouraging divestiture to one company? Have you identified what companies are interested and which acreage they are interested in?
4. How will the price be set?
 - a. Will the prices for the working interests in production sold to Buyer B and to any other buyers be set in the same manner as they would be set for Buyer A?
 - b. What method will be used to sell, i.e. auction or bidding?
 - c. Has BP Amoco/ARCO committed to sell no matter how low the best qualified offer is?
 - d. Assume there are only two buyers for the production acreage. Assume Buyer number one is a company that the state believe will become an aggressive explorer on the North Slope and buyer number two is looking to purchase the oil solely to diversify its extensive world wide inventory and has no plans to explore on the North Slope. Does the state have the power to compel BP to sell to Buyer Number One?
 - e. What means do the state have to identify and assure itself that whomever buys the production interests will be as aggressive an explorer on the North Slope as was ARCO? How can the state be sure that the buyer is not simply making an investment decision to acquire North Slope oil to balance its portfolio?
5. Regarding Exhibits A and B, what is the total acreage in each of the "play fairways" listed?
6. When is the Colville River Unit expected to begin production and when is its output expected to reach 80,000 barrels per day?
7. The total divestiture earmarked for "Buyer A" and "Buyer B" does not equal the total divestiture required, either in production acreage or exploration acreage, how will the additional acreage for divestiture be chosen? Will the buyers choose from where the additional acreage to be purchased?

- a. Assuming BP Amoco/ARCO sells a 40% working interest in the Kuparuk River Unit to Buyer A, this would be (in 2001, according to the Alaska DNR) about 93,000 barrels per day, from which production units would the balance of the 125,000 barrels per day be sold to Buyer A? If not certain, what are the possibilities?
 - b. Assuming BP Amoco/ARCO sells a 40% working interest in the Colville River Unit to Buyer B, and that total production at the is 80,000 barrels per day, this would be, at most, 32,000 barrel per day of production. Is it BP Amoco/ARCO's intent to give preference to Buyer B for the remainder of the 50,000 barrel per day production working interest sale commitment? If not, how will the other buyer be chosen?
 - c. If Buyer B were to be Anadarko, which already owns 22% of the Colville Unit, would only 18% of the total interest be sold, leaving BP Amoco/ARCO with a 60% interest? From which production units would the balance be sold and to whom? If not certain, what are the possibilities?
 - d. BP Amoco/ARCO committed to sell at least 220,000 net acres of their NPRA lease holdings and at least 400,000 net acres of their onshore/nonunitized state leases. Other than the 100,000 NPRA net acres earmarked for Buyer A or Buyer B, is it BP Amoco/ARCO's intent to earmark additional lease acreage for either Buyer A or Buyer B?
8. Is it BP Amoco/ARCO's intent to retain a majority interest in all the production units from which these working interests are sold, in NPRA exploration and development lease areas, and in onshore/non-unitized state exploration and development lease areas? If no:
- a. Is BP Amoco/ARCO willing to sell Buyer A more than a 50% interest in the Kuparuk River Unit? Could Buyer A purchase 125,000 barrels per day of working interest in the Kuparuk River Unit from BP Amoco/ARCO?
 - b. Please indicate the steps that will be taken by BP Amoco/ARCO to sell majority interests in exploration and development lease areas to others.
9. Will lease commitments be maintained in leases that are divested under this agreement, including work commitments?
10. What will happen with excess state lease acreage that BP has acquired before a purchase contract is signed to divest it? What is the state law regarding limits on exploration acreage and how it is divested?
11. How do the non-consent provisions work? Will they be sufficient to not impede development on the North Slope? What are the consequences to "not consenting" to exploration?
12. What is the process for BP to reacquire acreage or TAPs ownership under this Charter? Does it involve a public process?

Facilities Access

Does inclusion of I.F.2 in any way compromise the Commissioner's standing in a dispute? Will it compromise the state's position if a satellite operator cannot come to an agreement for facilities access?

Transportation

Could you please explain why different pipeline companies have different tariffs since all of them use the same TSM agreement for calculating their tariff. Was there discussion of reducing TAPs tariffs?

How would Buyer A and Buyer B, or any other purchaser, acquire access to tanker transportation services so as to be able to transport their combined 175,000 barrels per day from Valdez to the West Coast?

1. Is there tanker capacity that could be leased from third parties?
2. Would new operators have to buy or lease tankers? If yes, could such a relatively small tanker fleet be efficient and cost competitive with the much larger BP Amoco/ARCO tanker fleet?
3. Would BP Amoco/ARCO consider allowing the purchasers of these working interests in production (Buyer A, Buyer B, and any other purchasers), as well as the existing minority interest owners (MIOs), to participate in the ownership of the combined BP Amoco/ARCO tanker fleet so as to provide them access to tanker transportation and to have them share in the risks/liabilities associated with such tanker transportation?
4. Will there be excess Jones Act Tankers to sell under provision I.I. of the Charter?
5. How firm are BP Amoco/ARCO's commitments regarding the tankers? Would BP Amoco/ARCO be willing to make the tanker commitments firm (i.e., to contractually commit to them)?

Natural Gas

Section I.J. of the Charter calls for "up to 1.2 BCF per day "working interest gas" to a project to commercialize Alaska North Slope gas."

1. Is a period until December 31, 2001 long enough?
2. Does this include royalty gas?
3. Does BP plan to use this amount for its own GTL project?
4. If the gas is from BP, what "partner approvals" are needed?
5. If 1.2 BCF is committed now, what is "full ramp-up"?
6. How were the netback price and delivery point determined?

Environmental Concerns

1. What are the environmental concessions in the Charter that are different from existing law? Does their inclusion in the Charter affect existing statutes?
2. Regarding II.A.5, how are BP and ARCO's proportionate shares determined?
3. Regarding II.A.6, shouldn't the Alaska Oil and Gas Commission be involved in corrosion monitoring?

Other

1. Have you determined how the merger will impact the State revenue stream? Specifically, do you anticipate any increase or decrease in revenue over that which you expected had no merger occurred?

Alaska LNG Project

Benefit Analysis



Benefits to the United States

- Reduces Trade Deficit
- Helps the US meet the Kyoto Accords
- Potential to supply LNG to Lower 48, if a future shortage develops



Benefits to Alaskans

- Increased Royalties
& Severance Taxes: \$239 m / yr
- Increased Corporate Taxes: \$68 m / yr
- Cash to Communities: \$325 m / yr
- Cash to State: \$316 m / yr
- **Total: \$948 m / yr**

Assumes a \$3.00/MMbtu sales price in Japan. Based on purchase of incremental raw gas. Numbers will vary depending on gas sales, prices and configuration of facilities and certain decisions to be made by Producers.



Benefits to Alaskans

- Inexpensive gas for Alaskan communities
 - Cheaper power and heating costs
 - Potential spur line to Anchorage
 - Helps maintain State budgetary commitments
-
- 

Benefits to Alaskans

- Jobs during construction: 8,000
- Local contribution to economy: \$900 m
- Impact on the economy with multiplier effects: \$ 4-5 billion during construction



Benefits to Alaskans

- 400 permanent jobs during operations
- \$100 m /yr impact on local economy during operations
- Environmental benefits from use of gas instead of more polluting fuels along pipeline corridor



Benefits to Oil Companies

- Increased oil production: \$588 m / yr
- Increased Gas Liquids for TAPS: \$22 m / yr
- Income from gas sales: \$349 m / yr
- Total Revenues to Producers: **\$959 m / yr**



Benefits to Oil Companies

- Additional CO₂ for reinjection
- May facilitate Point Thompson and other field development



Comparison of Benefits to State

	Port Authority \$0.30 Gas Price	Private Project \$0.30 Gas Price	Private Project \$1.00 Gas Price
Lean Residue Gas	\$472 million	\$115 million	\$261 million
Rich Residue Gas	\$802 million	\$140 million	\$302 million
Raw Gas	\$948 million	\$306 million	\$469 million

Includes:

*Royalties
Severance Tax
Corporate Income Tax
Excess Cash from Project*

*Royalties
Severance Tax
Corporate Income Tax*

*Royalties
Severance Tax
Corporate Income Tax*



Taylor-DeJongh, Inc.

International Project Development and Finance
Washington * London * Cairo * Istanbul * Johannesburg * Bahrain

WHO WE ARE:

Taylor-DeJongh is a leading international project development and finance advisory firm. We assist multinational clientele in developing, structuring, negotiating and financing major capital projects worldwide.

Our principals have extensive experience in structuring and arranging financings for major capital projects in power generation, oil & gas, petrochemical facilities, pipelines, LNG plants; telecommunications; water and wastewater treatment; industrial plants, mining projects, "BOT" ports, airports, transportation, and other infrastructure projects. We have arranged financings with virtually all major international banks, and have expertise placing debt with institutional investors and trading companies worldwide. We are globally recognized experts in all major OECD export credit agency and multilateral financings.

Taylor-DeJongh is also an equity fund manager, having been mandated as Fund Manager for OPIC's \$350 million New Africa Infrastructure Fund.

Our principals have closed transactions in over 75 countries.

OUR SUCCESSES:

Privatisation International Adviser League Tables for 1998-99 ranked Taylor-DeJongh as:

3 rd Globally by number of advisory projects	1 st in MidEast/Africa,
1 st by number of deals in the power sector	1 st in Eastern Europe/NIS
2 nd in the telecommunications sector	2 nd in Latin America;

Taylor-DeJongh has ranked in TOP SIX Financial Advisers in the World by *Project Finance International* every year from 1995 through 1998.

In 1996, the company Chairman & CEO, Terry Newendorp received a 25-year All-Star award from *Independent Energy*. *Global Finance* has selected Taylor-DeJongh as "Superstar Team of Project Finance: Middle East/Asia, Oil & Gas."

HOW WE WORK:

Taylor-DeJongh's business philosophy is to provide experienced, senior level international project development and financing advice to developers, investors, governments, and suppliers. We design development plans and project structures that are soundly based on the unique commercial, legal and financial environment of the host country.

Our seasoned judgment and in-depth market knowledge generates viable financing and risk mitigation plans for major projects. We are independent advisors who offer our clients true long-term experience in successfully structuring and protecting investments around the world.

WHO OUR CLIENTS ARE:

Taylor-DeJongh's clients include project sponsors, developers, lenders, institutional investors, international development agencies, and host governments. We take pride that so many of our clients have rewarded our performance with repeat business.

WHAT WE HAVE DONE:

Taylor-DeJongh has over 20 years of international experience structuring and arranging financing for industrial and infrastructure projects, both public and private.

We have advised on, structured, negotiated and financed major capital projects in more than 70 countries, for investments totaling more than \$50 billion.

Currently the company is active in 25 countries.

Selected Project Advisory Assignments
(Recently Completed & Pending)

1. \$2.2 billion 3500 MW of Gas-Fired BO Power Projects Turkey	14. \$130 MM Cellular Telecom India
2. \$360 MM Telecom Network South Africa	15. \$2.5 billion Gas Pipeline Philippines
3. \$8 billion Gas Development (pipeline & LNG plant) Alaska, USA	16. \$2 billion Copper/Gold Mine Indonesia
4. \$1,000 MM Aluminum Smelter Kuwait	17. \$300 MM Coal-Fired Power Poland
5. \$500 MM Gas Pipeline and Power project Bangladesh	18. \$640 MM Hydro Power Brazil
6. \$800 MM BOT Power Turkey	19. \$1.2 billion Oil Pipeline Romania-Italy
7. \$800 MM PURPA Power Portfolio Refinancing USA	20. \$100 MM Gas Pipeline Mozambique
8. \$1,640 MM Power Plant and Privatization Morocco	21. \$1.4 billion Oil Development Indonesia
9. \$3 billion Trans-Caspian Pipeline Turkmenistan	22. \$40 MM Water Privatization Namibia
10. \$60 MM BOT Water Pipeline Egypt	23. Two 200 MW Power Plants Slovakia
11. \$400 MM 600 MW Gas-Fired Power Plant Mexico	24. Privatization of Energy Sector Moldova
12. \$400 MM Thermal Power Brazil	25. \$400 MM Pulp Mill Projects Indonesia, Russia, Brazil
13. \$60 MM Acquisition of Oil&Gas Properties Italy	26. BOT Gas-Fired Power Project Viet Nam

Representative Clients

Power Generation

Arab Bank
Black & Veatch
CEA (PSEG)
CMS Generation
CSW International
El-Paso Power Services
Enron Europe
Entergy
Foster Wheeler
GVA
Houston Industries Energy (Reliant)
Marathon Power
Nations Energy
Nissho Iwai
Parsons-Power
PP&L Global
Raytheon Engineers & Constructors
Unocal
U.S. Ex-Im Bank

Telecommunications

BBN Communications
Motorola
Netrix Systems
SAIC
Distacom
MCHI
Ellipsat
Vula Communications
Modicom

Financial Institutions

U.S. Ex-Im Bank
InterAmerican Development Bank
World Bank
OPIC
MIGA
SACE
OEBK
AON
American Express Corporation
Global Environmental Fund
Swiss Re New Markets

Environmental/Hazardous Waste/Water

BFI International
CH2M Hill
Dames & Moore
Global Environment Fund
IT Corporation
Metcalf & Eddy
Ogden-Yorkshire Water
Badger Engineering
Molten Metal Technologies
NUS Halliburton

Governments

India
Bosnia
Slovakia
Moldova
Poland
Philippines
Egypt
Turkmenistan
Mozambique
Senegal

LNG/Petrochemical

Alaska Gasline Authority
Badger Engineers
British Gas
Charger Petroleum
CCC
ENH (Mozambique)
Foster Wheeler
Itochu
Nissho Iwai
Raytheon Engineers
Unocal
M.W. Kellogg
Ralph M. Parsons Co.
Stone & Webster
Tenneco Gas International
Unocal
U.S. Ex-Im Bank
Petrocan

Industrial/Transportation

A. Ahlstrom
ABB
Ogden Corporation
Nissho Iwai
Parsons Corporation
Raytheon Company
Black & Veatch

Mining

Resource Development Ltd.
Sunshine Mining
U.S. Ex-Im Bank

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San Francisco, CA 94119-3965

Press Release:

Bechtel Corporation is pleased to announce today the signing of a Memorandum of Understanding with the Alaska Gasline Port Authority to design, procure and construct a gas pipeline from the Alaska North Slope to Port Valdez, together with a LNG facility to supply the Asian market.

Mr. Adrian Zaccaria, President of Bechtel stated today, "We are very pleased to be able to play a part in this historic project, which will enable Alaska to commercialize its vast gas reserves some 30 years after their discovery."

"We look forward to working with the Port Authority and the negotiation of definitive contracts for this project. We believe that Bechtel, Yukon Pacific Corporation and the Port Authority, working together with Alaska, will be able to build a project that will be a safe and environmentally sound pipeline system and one of the most competitive LNG facilities in the world today. The project will ensure significant revenues for producers and Alaskans well into the next century."



Bechtel Corporation

PROBLEMS WITH CHARTER AGREEMENT

1. Only 1.2 Bcf need at least 2.5 Bcf
2. Price is way too high – need minimum net back price of \$0.30 based on gas with a heating value of 1145 btu's per cubic foot.
3. BP should not be allowed to retain right to recover liquids downstream in Valdez.
4. Take or pay contract should be changed to requirements contract.
5. Need a decision on buyer of gas based on three factors which will be given equal weight:
 1. Net benefit to State of Alaska
 2. Base case net back pro forma
 3. The project which has the earliest commercial operating date.

A decision on the preferred contract must be made no later than January 30, 2000, and a requirements contract signed no later than March 20, 2000, which contract will expire if certain reasonable milestones are not met.

OPTION 1:

2.9 Bcf of raw gas (measured minus CO₂) taken from the field separators. CO₂ taken out of the gas will be traded for butanes and propanes that cannot be shipped down the TAPS. The heating value of this gas will be approximately 1160 btu's per standard cubic foot.

\$0.30 minimum net back price for this case

OPTION 2:

2.9 Bcf of residue gas (measured minus CO₂) taken from the residue gas discharge point of the Low Temperature Separators at the Prudhoe Bay Unit Central Gas Facility, spiked with Propane and Butane from the Stabilizer overhead to give the gas a heating value of 1145 btu's per standard cubic foot.

\$0.30 minimum net back price for this case

OPTION 3:

2.6 Bcf of residue gas (measured minus CO₂) taken from the residue gas discharge point of the Low Temperature Separators at the Prudhoe Bay Unit Central Gas Facility. The heating value of this gas will be approximately 1090 btu's per standard cubic foot.

\$0.10 minimum net back price for this case.

**Testimony on the BP Amoco – State of Alaska
“Contract for Development of the Alaskan North Slope”
before the Special Joint Legislative Committee on Mergers
November 18, 1999**

*by Karen Cowart, General Manager
Alaska Support Industry Alliance*

My name is Karen Cowart, General Manager for the Alaska Support Industry Alliance. The Alliance membership includes nearly 350 businesses that contract directly with producer companies to provide products and services in support of oil and gas exploration, development and production.

Our members have weathered one of the toughest years in this decade by laying off workers, cutting operating budgets, reducing charitable contributions. Some didn't make it. Some won't make it much further.

Now that oil prices have risen, oil and gas activity in other states and countries is on the rebound. But not in Alaska. Not only is the industry stagnant here, it is declining. And that is taking a painful toll on hundreds of Alaskan contractor and supplier businesses and thousands of employees and their families.

We know that many of our members have lost up to 75% of their workforce. Just yesterday a member told me that he had employed 120 Alaskans. But because of the industry's ongoing stagnancy, he won't begin a significant oil and gas contract for months. He had to lay off 85 employees. And that's just ONE company.

It's time that Alaskan businesses resume profitable contracts and regain jobs that can pay the mortgage and educate the kids. It's time for BP Amoco and ARCO to

finalize the merger. We believe the proposed "Charter for Development" between BP, ARCO and the state will help keep Alaska competitive in the energy arena, provide meaningful employment for Alaskans, ensure environmental stewardship on the North Slope, and contribute positively to communities statewide.

Perhaps having one major investor is not ideal for the state within the context of the "good old days." However, formation of a combined, strengthened investor may be just what Alaska needs to remain a competitive location for oil and gas development tomorrow. The merger is a business decision that is efficiency driven. And that is good. Indeed, consolidation among support industry businesses has meant the difference between belt-tightening and belly-up.

The oil and gas industry has proven its resiliency over many years, surviving lean times with ingenuity and sound decisions. Together, producers and support businesses have lowered production costs through advanced technologies. We've lowered operational costs by eliminating redundant services. We've consolidated resources and assets to remain competitive. Had the industry maintained the status quo, it would have failed. Let's let the private sector get on with business.

State and industry leaders have spent more than adequate time over the past eight months to address public concerns related to the merger. Alaskan support industry businesses and workers are running out of time. Right now Alaska needs at least one *active* corporate investor with a vision and commitment to develop Alaska's oil and gas resources. The flow of income and revenue is good for everyone ... the state, businesses, families and communities. Alaskan contractors and suppliers need something to look forward to in the new millennium. We want to go back to work.

Alaska Support Industry

ALLIANCE

4220 'B' Street, Suite 200

Anchorage, AK 99503

Phone 907.563.2226

Fax 907.561.8870

www.akalliance.org

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Business Consultant

GENERAL MANAGER

Karen Cowart



THE ALLIANCE

... for responsible development of Alaska's Oil, Gas & Mineral Resources

#99-04

ALASKA SUPPORT INDUSTRY ALLIANCE BOARD OF DIRECTORS RESOLUTION IN SUPPORT OF THE BP AMOCO AGREEMENT WITH THE STATE OF ALASKA REGARDING THE ACQUISITION OF ARCO

WHEREAS, Alaska must contend with a highly-competitive global market for oil & gas exploration and development investments; and

WHEREAS, the oil & gas industry provides 75% of the state's unrestricted revenue base; and Alaskan support industry businesses contribute significantly to Alaska's statewide economy and employment; and

WHEREAS, depressed oil prices over the past year have taken a heavy toll on the oil and gas and support industries, devastating all sizes of business and putting thousands of Alaskans out of work; and

WHEREAS, state and industry leaders have spent more than adequate time and resources to analyze and address public concerns related to the merger; and

WHEREAS, the Charter for Development of the Alaskan North Slope adequately addresses contractors' main areas of concern, such as maximizing Alaskan employment and use of Alaskan contractors, and restoring Alaska's competitive position; and

WHEREAS, Alaska support industry businesses and workers expect to capture a substantial portion of the funds BP Amoco has committed to spending on capital projects and operations once the acquisition is complete; and

WHEREAS, Alaska must encourage investment by new oil and gas producers in times of declining oil production as quickly as possible in order to foster a competitive industry environment conducive to the interests of the state and its residents; and

WHEREAS, the Alaska Support Industry Alliance is recognized as a statewide advocate for the environmentally sound exploration, development and production of Alaska's oil and gas resources to benefit all Alaskans.

NOW, THEREFORE BE IT RESOLVED, that the Alaska Support Industry Alliance Board of Directors does hereby urge expeditious approval of the Charter for Development of the Alaskan North Slope and forwarding the approved agreement to the Federal Trade Commission, thereby allowing the BP Amoco acquisition of ARCO to conclude.

BE IT FURTHER RESOLVED that The Alliance Board of Directors urges state leaders to pursue a long-range fiscal plan and balanced budget to demonstrate to potential new oil and gas investors that Alaska has a stable business environment with little risk of additional industry tax burdens.

Adopted this 12th day of November, 1999

by the Alaska Support Industry Alliance Board of Directors

**Testimony on the BP Amoco – State of Alaska
“Contract for Development of the Alaskan North Slope”
before the Special Joint Legislative Committee on Mergers
November 18, 1999**

*by Matthew Fagnani
President, Alaska Support Industry Alliance
President, WorkSafe Incorporated*

My name is Matthew Fagnani. Today I am speaking as President of the Alaska Support Industry Alliance, a trade organization that represents oil and gas contractors and suppliers.

I am also speaking as President of Worksafe, Incorporated. Worksafe, a wholly owned subsidiary of NANA Development Corporation, which employees 10 people, including four NANA shareholders. Worksafe is considered a third tier vendor to Alaska's oil patch, providing drug testing program administration for major oil field service companies, drilling operators, and transportation companies. Obviously the health of Alaska's oil and gas industry impacts my bottom line, my employees and my contributions to the communities.

People who do not work directly in the oil and gas industry may not understand how devastating this past year has been, with low oil prices squeezing production and bringing exploration and development to a near standstill. Today there are four to five drilling rigs operating on the North Slope. That's way down from the 23 rigs projected in early 1998. When drillers aren't drilling, wellhead workers aren't working, freight is not being hauled, security and maintenance is not needed. Over the past year, an alarming number of my company's clients have lost contracts, and laid off employees (thousands in the aggregate).

Through an informal polling of the Alliance membership in 1998 showed our 350 member business employed 29,000 people in Alaska (26,000 were permanent residents of the state). In February 1999, we again polled our members and found that about 3,000 jobs were lost among just 40 companies just in the last quarter of 1998. Seven months later, some members are reporting further employee reductions of between 20 and 75 percent. BP's commitment to use Alaska businesses, products and workers gives hope for the future.

The heart of Alaska's economy over the past 20 years has been based on oil and gas. Petroleum production provides ...

- 75% of the state's unrestricted operating revenue
- 75-100% of the income for oilfield contractors and suppliers
- A substantial chunk of income for transportation, engineering and construction businesses, as well as several municipalities and boroughs.
- A significant flow of income for third-and fourth-tier vendors and suppliers, like banks, insurance, office suppliers, communications companies, etc.
- Good-paying salaries that are spent on real estate, grocery, retail, entertainment, recreation and other enterprises.

Alaskans are depending on oil and gas activity to resume quickly, priming a healthy flow of revenue – from the driller to the retailer. We cannot wait for “the perfect agreement.” It does not exist. However, we believe the Charter includes important compromises that mitigate concerns over competition, natural gas development, the environment, Alaska hire and fiscal commitments to Alaskan communities. At the same time, it will allow BP Amoco to realize adequate profit, which is what *business* is formed to do.

Frankly, we will all profit when oil and gas producers get back to work, providing family incomes and revenues to the state. It's time to close the deal and get Alaska's economy pumping again.

Thank you for providing this opportunity to comment.

November 18, 1999

To: State of Alaska

Attention: Joint Legislative Committee on Mergers

From: Jerry Hendriks

Vice President Alaska Operations- Puget Sound Pipe

2120 Spar Avenue - Anchorage, Alaska 99501 - 263-6601

I became a resident of Alaska in 1966, having moved from California to Kenai, Alaska during the development years of the Cook Inlet oil field. During the last 33 years I have continued to work in the oilfield support industry, as a supplier of Pipe, Valves, and fittings, to Alaska's oil industry. My wife and I have raised 9 children here in Alaska and I currently manage a supply operation in Anchorage that employs 22 employees. Two of these employees were hired through BP Exploration's "Stepping Stones", a Welfare to Work Program. All 22 employees count on their employment to provide them with the financial support needed to provide for their families.

I have been an Alaskan long enough to know that when it comes to doing business with the Alaska oil industry, it has up and down years. This year, 1999 has been one of those dreaded "Down" years, beginning the year with low oil prices. Now that oil prices have rebounded the oil industry is getting back to normal everywhere except here in Alaska. In Alaska, exploration is non-existent. Development of new oilfields is on hold. We need at least one company to become active again soon or the state and its residents may never recover those good-paying jobs and the royalty revenues that have funded state government. I support the "Charter for Development of the Alaskan North Slope", as a fair way to get oil, family incomes and state revenues flowing again. Oilfield contractors and suppliers like my business have had to lay off thousands of workers in the wake of low oil prices. First we waited for oil prices to recover and then we were told we would have to wait for the merger to get completed, meanwhile I am still waiting for my business to recover. I appreciate the need to consider the impacts of the proposed merger. Over the past several months, the public, industry and government have had ample time and opportunity to do so. The proposed charter covers the main areas of concern, including competition, environmental protection, Alaskan employment and a commitment to Alaskan businesses.

In my 33 years spent supporting the Alaska oil industry I have seen many changes. Most of the major oil companies have pulled out of Alaska for one reason or another. I feel the major reason for their leaving was due to poor economic conditions. Few businesses survive a changing environment if they cannot change with it. Arco's offer to be acquired by BP was motivated by survival in an ever-more consolidated and competitive oil and gas industry. It is time for Alaska to come to grips with an environment of declining production. We need to acknowledge major shifts within the oil and gas industry worldwide, adjust our expectations, and move ahead with success and growth in mind. BP's acquisition of Arco and the charter with the state are justified and proactive responses to change.

I am encouraged to see that the state has found ways to provide opportunities for new investors and operators on Alaska's North Slope. However, having a combined, strengthened investor may be just what Alaska needs to remain a competitive location for oil and gas development for many years ahead. To stay competitive Alaska must be more efficient, this merger is an efficiency-driven business decision.

It's time to get Alaskans back to work! Let's not delay this process any longer, we need to complete the merger and move ahead with our future.

Best Regards,


Jerry Hendriks

Testimony regarding BP/AMOCO's acquisition of ARCO.

18 Nov 1999

I am Maynard Tapp - President of Hawk Construction Consultants, Inc., a citizen of Alaska USA, member of the Alaska Support Industry Alliance, a proud contractor with Alyeska Pipeline Service Company, BP, ARCO, and UNOCAL.

Over ninety percent of my business comes from the oil industry. Hawk's job is to assist our clients in constructing cost effective projects so they can be the most competitive participants in the world wide oil market.

In 1998 when BP spent \$953 million dollars in capital projects with 80% going to Alaska businesses, Hawk had a good year. I like good years.

In 1999 during the fall in oil prices and the pending acquisition of ARCO by BP, the forecast for spending by BP is nearly half of 1998's expenditure. I have lost 50% of my people to the decline in capital activity and we are not alone.

Hawk is like the state of Alaska in many ways. When the oil flowing through the Alyeska Pipeline goes down, so does my revenue. When my revenue goes down I lose the talented people I have had the honor and pleasure in providing as resources to the Alaskan oil industry. They are truly my most important resources.

These talented people are also important resources of Alaska. But when their jobs go away, they go away. How can we "Buy Alaska" and "Hire Alaska" when companies and people who have built this industry and state are no longer here?

Remember, the oil industry has been providing 85% of the states revenues since before the 1990's. I believe those revenues have since declined to 70%. TAPS pipeline throughput has declined from over 2 million barrels of oil per day during the Gulf War in Kuwait to 1.1 million barrels today. That's almost a 50% reduction. This reduction is a strategic vulnerability for the United States and a financial catastrophe for the people and state of Alaska.

Alaska's revenue crisis is only partially related to the price of oil. Our big problem here is that we are not producing enough of it.

If the government wants to be involved, determining how to increase production would be time much better spent than fighting the acquisition. At a price of \$20 per barrel applying the states 12% royalty, we need oil production to raise by 1,142,000 BBL of oil per day to fill the pipeline and fill the \$1,000,000,000 revenue shortfall. In other words we need to double our production just to maintain the state services we now have.

Why is this a good deal for BP? They get a refining base and retail outlets in the western United States. They get to live in a great place, and do business where they have a talented workforce, and qualified companies.

BP is giving up an oil company the size of Unocal with proven reserves in the biggest oil field in the USA.

Why is this a good deal for Alaskans? BP and the oil industry pay for over 70% of our government costs, they provide Alaskan jobs in their industry, and those people's incomes go into the Alaskan economy providing jobs for a large portion of other Alaskan businesses. It's Economics 101.

WE CAN'T WAIT ANOTHER YEAR.

LET'S PUT ALASKAN PEOPLE AND COMPANIES BACK TO WORK.

THE ONLY BAD DEAL IS NO DEAL.

FROM THE DESK OF JIM SYKES

PO Box 696, Palmer, AK 99645 phone: 745-6962 email: jsykes@ak.net

DT: November 18, 1999

TO: Joint Legislative Committee on BP-Arco Merger

RE: Questions that still need to be answered as of November 18, 1999

1. Is the State of Alaska better off accepting the proposed "deal" or opposing the merger to allow Arco to go on its own again or possibly be bought by someone else? Evidence suggests no merger is better for Alaska.
2. BP has told the State of California that the retail prices will stay low and be revenue neutral. Why has Alaska been offered no such conditions? In Alaska, because BP could retain their well-head price structure, it could hurt the State of Alaska significantly. Because BP will take over most facilities, including electrical generation and diesel production they will have greater control over North Slope operations even by divesting Alpine and Kuparuk operations. They will also have cheaper shipping costs to the West Coast and available refineries.
3. The Governor declared the BP-Arco merger a monopoly in violation of state laws on October 31, 1999. By November 5, 1999 the "deal" had been negotiated to make it legal. Precisely what changed to make it legal? (Divestiture of Kuparuk and Alpine do not appear to satisfy state anti-trust laws).
4. BP gets to choose its competitor in this case, not the State. In Carr's -Safeway the state had the authority to decide what would be divested, to which company, along with strict penalties for noncompliance. Why should this vastly more important merger not have these same state controls?
5. What is different about the competition pledged in this contract than that pledged over the past decade, which shows that nearly all competitors were either run off the North Slope or absorbed by BP and Arco. [The Big Squeeze, Finberg 1997] There appears to be no "real" competition the way the "deal" is structured.
6. The weasel words in the "deal" appear to be so vague that the compact is unenforceable. Why not say these conditions will be met or fines of many millions of dollars will be levied each day?
7. Why are there no tariff reductions or divestiture of the pipeline? BP would ship to the West Coast, not the Gulf. In order to assure equal access, the pipeline should be a public utility, not a private one.
8. The only way to insure equal access to infrastructure is to divest utilities to independent companies so that things like electrical generation and diesel production are

produced on customer demand not ownership control. Why aren't these items slated for divestment?

9. The only way to track equal access on facilities is to make Facilities Sharing Agreements public, audited and regulated. None of this is presently being done, is the state ready to make these things happen?

10. In the charter provision 'D' Terms of Sales, it states that "BP and ARCO agree that they will not reacquire interests transferred under paragraphs I.A-I.C by any means without advance approval of the State." Since these transfers are routinely approved, how can they be sure that interests are not reacquired?

11. In looking at the voting interests of field operators and voting interests within Joint Venture Agreements, it looks like BP could effectively leverage control over most of the leases they divest. Has this been analyzed? Is it true that oil-starved Arco was kept from fully developing the Alpine field by BP's veto?

12. What percentage of BP leases they plan to divest are expiring within the next two years?

13. Threats by BP not to explore or drill until after the merger are made larger by BP's refusal to sign contracts. It effectively holds oilfield workers hostage, forcing them to push for the "deal." In reality if no merger takes place Alaska retains competition through Arco or another company that may buy them, that will likely provide more job opportunities than BP itself. If the merger goes through Alaska can expect to be threatened in the same manner by a more powerful monopolistic BP. Does the State really want to expose itself to such threats?

14. Isn't it true that a non-merged Arco will supply more jobs, honest competition (instead of illusory competition), and more profit to the State?

15. The public has been able to learn very little about the merger due to the closed-door negotiations and limited public visibility. The State paid several consultants to prepare reports in advance of negotiations. Is the legislature prepared to ask for them to be made public? Is the legislature prepared to hold a special session and extensive hearings in order to expose many important issues to the public for a normal public process covering 30 to 60 days?

16. Attorney General Botelho has stated there is a deadline for getting this deal done, yet Federal Trade Commission officials have stated the opposite. Can we get a clear explanation in public? The FTC may operate in secret, but there is no excuse for the State to do so. It appears there is plenty of time for a full honest public process.

Chuck and Melissa Johnson

VIA FACSIMILE TO 907-269-0229

November 18, 1999

Senator Rick Halford
Chair, Joint Special Committee on Mergers
State of Alaska

Gentlemen:

As a long term resident of the state and the President of a company that employs over 550 Alaskans I have paid close attention to the many statements about the possible impacts of the BP Amoco acquisition of ARCO on Alaska, its people and its businesses.

I applaud the careful analysis and the open dialogue that have been displayed in working this challenge. It is "public process" at its best, with industry and government working together to address their respective concerns.

We trust this process and we hope that the "Charter for Development" will be signed soon. It is time to get on with business and what we all do best, namely making Alaska an attractive place to do business and a state where its citizens have rewarding job opportunities.

I am ready, along with the people who work under me, to roll up our sleeves to do our part to make this happen by putting our Alaskan employees to work in support of new oil development on the Slope and elsewhere. I look forward with optimism to opportunities to work with the combined organization in the future and we thank the State, BP and ARCO for the Charter's commitment to the use of Alaska businesses and the employment of Alaska residents.

I urge you to work through this process carefully, but with timeliness, so that the uncertainty that this process brings to the many lives directly affected can be brought to conclusion. I look forward to the future this new company will bring to the table.

Sincerely yours,



Chuck Johnson

18670 Harlequin Place, Anchorage, Alaska 99516
Phone: 907-345-9148 Facsimile: 907-345-9149

An ARCO employee who wishes to remain anonymous in order to protect their job, called the following comment into our office:

"A compact is not a contract. A contract is an enforceable instrument whereas this agreement is not. I am concerned that they will not keep their word if they have nothing to keep them honest. It strikes me as more of a feel good issue than a good faith one."

"Giving up a portion of the operations in the Kaparuk and Alpine fields will not change the fact BP will still own a majority in those fields. They will still be in a position to control investment decisions in these fields."

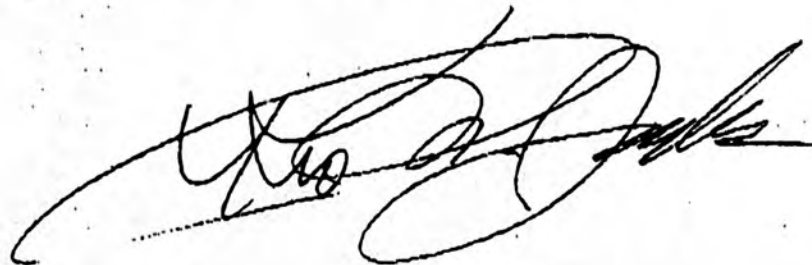
Phone: 907/566-5518
Fax: 907/566-5516

**SYSCO Food Service
Alaska**

Fax

To: Joint legislative From: King M. Jenks
Common Mergers Pages: 1
FAX: 2690229 Date: 11/18/99
Re: _____ CC: _____
Total Pages include cover page

We support the BP/Arco Menger.
We do not need a special session.
The delay in this merger is costing
our company sales and affects my
ability to hire. Lets move ahead.



AMENDMENTS TO "CHARTER"

Please note changes in the underlined bold portions of Sections B(2) and the addition of Section B(4) below. **Section V(C) re Enforceability of Section II must be deleted in its entirety.**

B. Marine Environmental Commitments.

1. Renewed Commitment to OPA 90. BP and ARCO renew their commitment that neither of them will seek to be relieved of the vessel retirement or replacement requirements of the federal Oil Pollution Act of 1990 ("OPA 90"), nor will either of them lobby for a reduction in its current requirements, nor will they take any other action to extend the retirement dates of the non-double-hulled tankers in their combined fleet beyond the currently scheduled retirement dates.

2. Replacement Vessels. In furtherance of their continuing commitment to meet or exceed the OPA 90 standards and timetable, BP and ARCO will complete the purchase and delivery of the three ARCO Millennium class tankers on current order to replace single hulled tankers now used in the combined fleet, and will order and purchase additional tankers to meet their combined fleet requirements on average one year earlier than required by OPA 90, with the expected result that the combined fleets will be entirely double-hulled by mid-year 2007. **At least nine new** tankers will each have safety related attributes substantially equivalent to or better than Millennium _____ class tankers, including new build double-hulls (wholly new construction), main power plant redundancy, twin propellers, twin rudders, twin independent sets of steering gear, and proven electronics (including navigation, course tracking, collision alarms, engine room monitoring, cargo and ballast monitoring, and fire and safety systems).

3. Marine Operations. After the merger is completed, BP and ARCO will continue to encourage and support the company operating ANS tankers for them in using a performance management program for the regular review of its practices related to its management and operations including a safe environment, training and qualifications, and vessel operation, maintenance and management procedures. The parties expect this program will include meet and confer working sessions between the operating company and ADEC, scheduled on average once per year, reports at those working sessions by the operating company of their current and anticipated management and operations practices, ongoing consultation between the operating company and ADEC regarding ANS trade tanker management and operations practices, and the involvement of BP and ARCO in those sessions and consultations on a monitoring basis. In addition, BP and ARCO will encourage the operating company to allow the opportunity for ADEC to observe management and vessel audits performed as part of a certification or re-certification process for the International Maritime Organization's International Safety Management Code or for the International Standards Organization.

4. Reduction of Air Pollution. BP and ARCO will aid in reduction of air pollution from its tankers by committing \$30 million to a joint construction fund for expedited installation of an additional hydrocarbon vapor recovery system at the Valdez Marine Terminal.

C. Continued Commitment to Alaska Hire.



UNITED ASSOCIATION
of Journeymen and Apprentices of the
Plumbing and Pipe Fitting Industry of
the United States and Canada

Founded 1889

Letters should
be confined to
one subject

UA Local Union: **375**
3568 Geraghty Street, Fairbanks, Alaska 99709

Subject: **BP's Charter for Development with Alaska**

Martin J. Maddaloni
General President

Michael A. Collins
General Secretary-Treasurer

C. Randal Gardner
Assistant General President

November 16, 1999

U.A. Local 375 Plumbers and Pipefitters Union is in support of the Charter

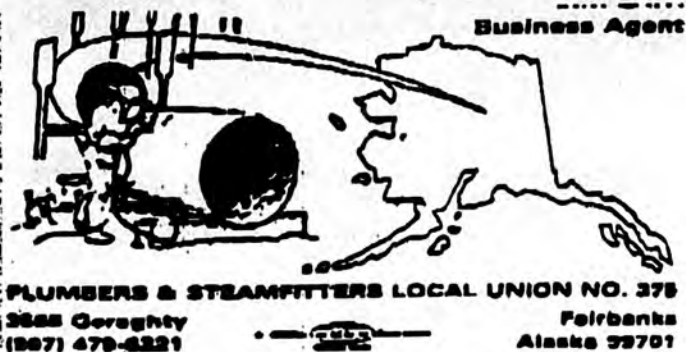
It is time to finalize the merger. We have discussed these issues for over seven months. Clearly there will be additional players in the Alaska oil industry. It is time for the State to finish this phase, approve this agreement and let us get on with finding out who we will be working with in the future. Delaying longer just makes more hype, and there has been too much of that already.

The plumbers and pipefitters of Local 375 have worked with BP since the beginning. Together with BP and our contractors we've helped to strengthen the Fairbanks economy. This relationship has been a *win win* situation for our contractors, our members, and the Fairbanks community and we would like it to continue.

The agreement between the State and BP/AMOCO resolves dozens of issues. It guarantees at least one new operator on the slope. It even provides that new operator with existing oil production. It assures natural gas availability. There are loads of community projects and environmental extras added in. Local 375 and I say it is time to get on with business and take advantage of the many benefits which Governor Knowles and his team have negotiated for us. Not tomorrow; not sometime in the future; but now!

Respectfully submitted,

J.C. Wingfield
Business Manager
Financial Secretary-Treasurer



SENT BY FAX

DATE 11-19-99 FAX Number _____

Total # of pages: _____ Call _____ to correct problems w/transmission

FROM: U.A. Local 375 of the Plumbers & Steamfitters Union
3568 Geraghty Street
Fairbanks, Alaska 99709
Telephone: 907-479-6221

TO:

JOINT LEGISLATIVE COMMITTEEPLEASE EXPEDITE MERGER -* THIS MEANS JOBS FOR ALASKANS* MAINTAINING THROUGHPUT FOR TAPS- 30¢ GAS APPEARS UNREALISTIC- THANK YOU Jim Saiti

715 Muir Avenue
Kenai, Alaska 99611-8816
November 19, 1999

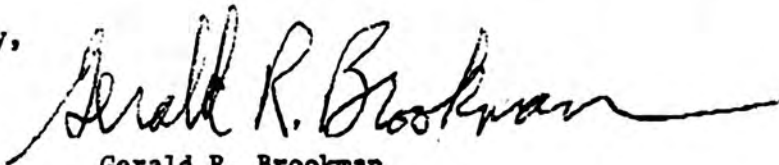
To: Whom it may concern
Alaska State Senate and House of Representatives

I am sending, as page 2 of this message, a copy of my testimony given on Monday evening, November 15.

I note with much interest the article on page 1 of today's ANCHORAGE DAILY NEWS that the only end-of-the year deadline was one self-imposed by the Governor (or perhaps by his masters in the oil industry). THIS MATTER DESERVES GREAT SCRUTINY BY THE ALASKAN PUBLIC. IT SHOULD NOT BE ALLOWED TO BE SHOVED DOWN OUR THROATS BY THE PRESENT STATE ADMINISTRATION!

I note, also, that Representative Croft states that he will be supporting a special session of the legislature, in order to examine fully the consequences of the B.P.-ARCO merger. I would urge all members of the legislature to support such a special session.

Sincerely,



Gerald R. Brookman

715 Muir Avenue
Kenai, Alaska 99611
November 15, 1999

To:

Governor Tony Knowles

Others who may have influence in the British Petroleum-ARCO merger policy of the State of Alaska

I would like to say that I believe that what is alleged to be the "public process" in this matter is a sham.

The crux of the matter is: will the state of Alaska control the actions of the oil industry within its borders, or will the oil industry in Alaska control the state government?

The Governor has obtained some "concessions" from British Petroleum. These are far less than would be necessary to ensure a "level playing field".

The effects on the state, both economic and environmental, if the merger as proposed is allowed to go forward will be unacceptable to me, and, I believe, to many Alaskans. The vote, last September, on whether or not the state should be allowed to tap a portion of the earnings of the permanent fund to finance some of the operations of the state government was widely debated, and an election was held on the matter. I believe that this matter is far, far, more important to the future of the state, than that ballot question. It should receive at least as much public debate, and be subject to a public vote.

I have heard the merger questioned because British Petroleum is a foreign-owned corporation. I do not believe that any one corporation, foreign or domestic, should be allowed to control so large a proportion of this state's economy. I do not believe that British Petroleum, or the oil industry in general, is comprised of people who are wicked or evil; however, I do not care who they are, or how pure their motives may be. I do not believe that the state's best interests should permit any one company to exercise as much economic control over this state's destiny. Under our system, economic power translates almost directly into political power. The founding fathers of our country are dead and gone, so we can't consult them as to whether or not they would approve of this merger. I find it impossible, however, to believe that they would approve. I'm equally sure that Theodore Roosevelt would not approve of it. Are we, at the end of this century, to return to the policies of the last century? I certainly hope not!

To make it clear and explicit: this state should reject the B.P.-ARCO merger, no matter what conditions might be attached to it!

Sincerely,



Gerald R. Brookman

FAIRBANKS ALASKA AREA
PLUMBERS AND PIPEFITTERS
JOINT APPRENTICESHIP COMMITTEE
1978 BURGESS AVENUE
FAIRBANKS, ALASKA 99709
456-5989

DATE

11/19/99

FAX NUMBER

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CALL: 456-5909 TO CORRECT
ANY PROBLEMS WITH
TRANSMISSION

FROM:

John Plutt

TO:

Joint Legislative Committee

COMMENTS:

BP + Agre. have done well for ALASKANS with
jobs and local business support. I believe
this merger is a good agreement and we
must keep the Oil Companies WORKING. When they
WORK THEN ALASKANS WORK. Jobs are the issue.
Alaska is dependant on the Oil Companies. I
think we need to move forward.

John Plutt

FAIRBANKS ALASKA AREA
PLUMBERS AND PIPEFITTERS
JOINT APPRENTICESHIP COMMITTEE
1978 BURGESS AVENUE
FAIRBANKS, ALASKA 99709
456-5989

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CALL: ~~456-5900~~ TO CORRECT
ANY PROBLEMS WITH
TRANSMISSIONFROM: Bret HelmsTO: Joint Legislative Committee

COMMENTS:

The proposed BP & Arco merger will bring
a increase of jobs to the Fairbanks area.
These jobs will be well paying jobs that
will impact the Fairbanks area as well as the state.
I urge you to expedite the merger.

Thank you Bret Helms

Richard L. Larew
10160 Voyager Circle
Anchorage, Alaska 99515

VIA FACSIMILE: (907) 269-0229
November 19, 1999

Senator Rick Halford
Chairman
Joint Special Committee on Mergers

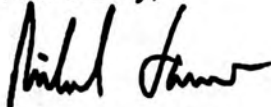
Dear Senator Halford,

I would like to express my support for the BP Amoco acquisition of ARCO. This merger is needed to provide the necessary capital resources for future North Slope oil development.

This continued development will provide jobs and tax revenues for the State of Alaska. I believe the agreement reached by Governor Knowles with BP Amoco addresses the concerns we Alaskan's have.

Please move quickly forward with the approval of this charter and let Alaska move on to new opportunities.

Yours truly,



Richard L. Larew

FROM THE DESK OF JIM SYKES

PO Box 696, Palmer, AK 99645 phone: 745-6962 email: jsykes@ak.net

DT: November 19, 1999

TO: Joint Legislative Committee on BP-Arco Merger, please distribute to all members.

Dear Members,

I had planned to come to Anchorage and testify today, but I won't be able to make it. I will send written comments to you soon. Here's a couple thoughts.

I know people are trying to figure out financial impacts of a possible merger and compare them with a "no merger" scenario. Something that popped out from a report in today's ADN Compass piece by Representative Eric Croft:

"It is fundamentally unfair for our partners in the oil industry to gain substantial savings at our expense without sharing some of those increased profits, or at least guaranteeing no net loss to the state."

Where BP takes Arco assets and keeps their BP tariff, the State loses, at a minimum hundreds of millions of dollars. BP will now ship to the West Coast instead of the Gulf Coast and they will control more North Slope infrastructure than they already do. They do not deserve to keep the high tariff.

While BP has said they will increase the flow of oil, so the state will get more revenue, this is a red herring. Even if BP is able to increase production, (which is only an unenforceable promise, particularly with divestment of Alpine), they will profit even more handsomely by keeping their tariff structure. So even with increased production it means the state stands to lose even more potential income from increased production.

The TAPS tariff agreement was negotiated based on the situation at the time. If this merger goes through, that will no longer be the case. The state needs to take the authority to modify it and ensure we don't cheat ourselves out of income that we should have. This change can be easily justified.

Also, the State needs to take a strong position on divested leases and properties. Divestment should be total so that there is not even a small percentage of control by BP. BP could exercise veto power with some level of minority ownership within a Joint Venture Agreement. They should also be forced to completely divest of facilities that can be managed by independent utilities such as electrical and diesel production.

I still think the current framework of the "deal" cannot be massaged to be in the best interest of Alaska, or keep BP from having a dangerous monopoly. I still oppose the merger.

Jim Sykes

Alliance Members: Take EVERY opportunity to voice your opinion!

Provide supportive comments on BP Amoco's agreement with the State. You're making a difference! To follow is a letter from BP President Richard Campbell and ARCO Alaska President Kevin Meyers that outlines the opportunities to comment and how important your voice is to the industry and to Alaska.

- 1. Testify before the Joint Legislative Committee on Mergers**
6:00-8:00 p.m. Thursday, November 18 • 9:00 a.m., Friday, November 19
Anchorage Legislative Information Office - 1st Floor Conference Room
Comments may be **FAXED** to (907) 269-0229
- 2. Testify at the Administration's second public hearing in Anchorage**
10:00 a.m. to 3:00 p.m., Saturday, November 20
Wendy Williamson Auditorium, University of Alaska Anchorage
- 3. Write to the State Administration by November 26**
Send written comments to the Attorney General's office:
fax 907-465-2075 • email attorney_general@law.state.ak.us
- 4. Send copies to your own legislators!!!**
Let your senator and representative know that it is important to your business and employees to get back to work NOW.
Legislator Faxes and Email addresses are in your 1999 Oil & Gas Industry Directory and are available on the state's web site — www.legis.state.ak.us

Please fax a courtesy copy of your comments to The Alliance, 561-8870.

THE ALASKA SUPPORT INDUSTRY ALLIANCE

4220 B STREET, SUITE 201 • ANCHORAGE, AK 99503 • (907) 563-2226 • FAX 561-8870



FAX MESSAGE

November 19, 1999

To: Joint Legislative Committee on Mergers
 Legislative Information Office
 716 W. 4th Avenue
 Anchorage, AK 99501
 Fax: 907-269-0229

From: R.C. Gardner
 Fairweather E & P Services Inc.
 715 L Street
 Anchorage, AK 99501
 Fax: 907-258-5557

Post-It® Fax Note	7871	Date	11/19	# of pages	2
To	JOINT LEGISLATIVE	From	R.C. GARDNER		
Co./Dept	COMMITTEE ON	Co.	FAIRWEATHER		
Phone #	MERGERS	Phone #	258-3446		
Fax #	269-0229	Fax #	258-5557		

Re: Support for BP Amoco Acquisition of ARCO
 and the BP Amoco Charter with Alaska

Members of the Committee:

I am unable to be present in person today to testify on the above referenced matter. I respectfully request that the contents of this letter be included in the formal record of your Committee Hearing this date.

My comments are made on behalf of Fairweather Exploration and Production Services; Fairweather Inc.; Fairweather Geophysical LLC; and Fairweather Marine Services, Inc. The Fairweather companies are currently working in support of various petroleum exploration and production operations throughout Alaska. We presently employ approximately 50 persons, down significantly from the 100 employees we enjoyed during times of maximum development work on the North Slope.

The Fairweather Companies are also trying to become more active internationally, recognizing the increasing globalization of the petroleum industry. The economic forces that have driven this globalization have produced a wave of industry mergers and acquisitions aimed principally at reducing operating costs and maintaining competitiveness in an environment of unstable, and for the most part low, oil prices.

From a more provincial viewpoint, for many years Alaska has been the beneficiary of sustained major petroleum industry investments. As Alaskans, we have become accustomed to reasonable access to high-paying petroleum industry jobs, a strong local economy, and significant annual increases in the permanent fund dividend, all almost in spite of a recent prolonged period of depressed oil prices and economic hardship for the state's principal industry.

The need for the industry to reduce operating costs has been, and still is, a necessity, if a viable petroleum industry presence is to remain in Alaska, and we as Alaskans are to continue to receive the benefits of that presence. The pressure to reduce operating costs is not unique to Alaska, as the anti-oil and the-sky-is-falling crowds would have you believe, but is world wide within the petroleum industry. I do not for a minute believe the buyout of ARCO by BP Amoco is orchestrated by some sinister foreign corporate strategy designed to capture total control of North Slope oil fields and impoverish Alaskans. Rather, it is the local manifestation of the cost-saving consolidations that are taking place throughout an industry beset by a long period of unfavorable economic conditions.

Most of us don't like changes much; and we particularly don't like those that challenge the ways we have done things for a long time. The original announcement of the ARCO buyout admittedly had some provisions that gave many of us in the service sector pause; particularly in the areas of reduced work opportunities, the potential to strongly influence service company compensation, and undisclosed barriers to entry for new operators interested in North Slope projects. The State of Alaska had every reason to declare "time out" while the effects this buyout would have on the Alaska business climate were investigated.

We at Fairweather believe the BP Amoco Charter with Alaska, announced on November 5, 1999, now adequately addresses the concerns that many of us in the service sector had previously. We believe the terms of the Charter will deliver the operating cost reductions that BP Amoco needs in order to sustain investments in Alaskan projects, and which are necessary to maintain Alaska's competitive position within a global economy. Without these operating cost reductions, Alaska's competitive position will continue to degrade, and local business opportunities will deteriorate commensurately.

We also believe that under the terms of the Charter, the barriers to entry to new North Slope operators are perhaps even fewer than they were when ARCO and BP operated independently. This is good for the service sector of the petroleum industry, and we at Fairweather see some significant opportunities here.

The Fairweather Companies want to go on record as supporting the BP Amoco acquisition of ARCO under the terms of the Charter with Alaska. We believe this acquisition should now move forward with dispatch. Further delays will only contribute to "paralysis by analysis", as Alaskan investments by both BP Amoco and new operators alike will remain on hold. It is now time for all of us to go back to work.

Sincerely,



R.C. Gardner
President

Subject: Support of the ARCO/BP Amoco Merger
Date: Thu, 18 Nov 1999 12:16:25 -0900
From: ed@takas.com (Cronick, Edward)

November 18, 1999
The Honorable Governor Knowles
State of Alaska
Office of the Governor
550 West 7th Avenue, Suite 1700
Anchorage, Alaska 99501
RE: Alaska's Prompt Approval of ARCO/BP Amoco Merger

Dear Governor Knowles:

I am writing to you in my capacity as President/CEO of ClearWater Environmental, Inc. We are an Alaska Native owned and operated corporation. Our corporate office is located in Anchorage, with satellite offices in Washington, Idaho, California, Utah, and Kentucky. We offer a comprehensive range of services including environmental studies, engineering design support, site remediation, construction management, civil construction, and on-site construction.

For the last eight months I have followed the state's review of the anti-trust implications of the ARCO/BP Amoco merger. I thank you and your commissioners for the leadership and courage you have shown in resolving through negotiation, a set of merger conditions that protect Alaska's long-term oil development interests.

The uncertainty created by the divestment requirement has slowed oil field activities and I am seriously concerned that the entire Alaska economy may fall into a recession. My company and employees will be harmed by any further delays in implementing the ARCO/BP Amoco merger; therefore, I urge you now to take all the necessary steps with the Federal Trade Commission to move the merger forward.

I recognize that the Alaska oil industry will change significantly with the loss of ARCO and the entry of one or more new operators. I welcome this change as an opportunity and look forward to jointly using our energies to forge a better future for Alaska.

Sincerely,

Edward S. Cronick
President / CEO

/mlh