

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7177 HOUSE RESOURCES

permit shall be conclusively deemed to have, and shall thereby have, (i) expressly consented to and waived any prohibition with respect to (including, without limitation, granting any consent required by and waiving any prohibition imposed by any law, regulation or contract) the disclosure by the one of the parties who granted such license or permit to the other of the parties of all information, data, and materials with respect to such seismic exploration operation and information obtained or developed incident thereto or as a result thereof which is provided or caused to be provided by such licensee or permittee to the one of the parties who granted such license or permit (including, without limitation, the right to make and retain copies of any such information, data, or materials), but provided that the one of the parties to whom such information, data, or materials is thus disclosed shall be obligated to maintain confidentiality with respect to such information, data, or materials as regards all other persons in the same manner and to the same extent (if any) as is required by law, regulation, or contract of the one of the parties who granted such license or permit, and (ii) agreed to permit each of the parties and its representatives to review, examine and (at its expense) copy and retain copies of all raw and all processed geophysical data, information, and materials obtained or developed by such licensee or permittee incident to or as a result of or based upon such seismic survey operation, but provided that, if requested by such licensee or permittee, the parties (or such one of the parties who has reviewed, examined, or copied such data, information, or materials) shall maintain confidentiality with respect to such data, information, and materials and shall not disclose same to other persons other than to its or their employees and consultants (who shall be required to agree that they will likewise maintain confidentiality with respect thereto) or as required by law. As cotenants owning the Nulqsut subsurface and the Point Lay subsurface, the State and ASRC covenant and agree that the power or right of each of the State and ASRC to authorize other persons

to conduct seismic exploration operations on the Nuiqsut subsurface area or Point Lay subsurface area pursuant to licenses or permits (which are not Subsurface Agreements as defined in subsection 11.27) granted by the State or ASRC is and shall be expressly subject to the terms and provisions of the last preceding sentence of this subsection, which shall be deemed covenants running with the land and shall be binding upon any licensee or permittee accepting such a license or permit or conducting or causing to be conducted any seismic exploration operation within the Nuiqsut subsurface area or Point Lay subsurface area, without the necessity of reference thereto or inclusion thereof in such license or permit.

10.4. Setoff.

Neither ASRC nor the State may claim a setoff against moneys owed either party under this Settlement Agreement, or owed under any other agreement or law, in order to reduce any payment of subsurface revenues due under this Settlement Agreement, except as follows:

(a) If the Legislature fails or refuses, in a timely manner, to appropriate for payment any sum the State might owe ASRC under this Settlement Agreement and for which ASRC has no right to enforce a direct payment from a third person under subsection 5.1, then ASRC may, in making any payment of any sum due the State, deduct (as a setoff from the total amount due) the unappropriated amount the State owes ASRC.

(b) If either ASRC or the State secures a state or federal court judgment against the other party, then the amount of the unpaid judgment (including attorneys' fees and costs awarded by the court) and any post judgment interest, may be set off against any payment otherwise due under this Settlement Agreement.

10.5. Notification and Consultation Concerning Disputes.

(a) Neither ASRC nor the State may initiate litigation against the other party to enforce or to seek a declaration of the effect of any provision of this Settlement Agreement unless a written demand is delivered to the other party describing in reasonable detail:

(1) the nature of the dispute between the parties;

(2) the legal and factual basis for any action or compensation demanded; and

(3) the action or compensation demanded.

The party receiving the demand will have thirty (30) days from receipt to deliver a response, in writing, to the demanding party. If no written response is received within thirty (30) days, the party making the demand may thereafter, but not before, initiate litigation against the other party to enforce or to seek a declaration of the effect of any provision of this Settlement Agreement. If a timely written response is received, the parties will have thirty (30) additional days to consult and to attempt settlement of the dispute. If no settlement is reached within that thirty (30) day period, then either party may thereafter initiate litigation against the other party to enforce or seek a declaration of the effect of any provision of this Settlement Agreement. The notice requirements of this paragraph (a) will not alter the effect of any applicable statute of limitations on ASRC's or the State's claims.

(b) ASRC will notify the State if it has knowledge that a party to a lease or other **Subsurface Agreement** affecting the **Nuiqsut subsurface** or the **Point Lay subsurface** has, in ASRC's judgment, breached a term of that lease or other **Subsurface Agreement**. The notice will be given to the State at least thirty (30) days before ASRC files any suit against any person concerning the breach; however, in the case of an emergency or other circumstance in which, in ASRC's good faith judgment, ASRC may suffer irreparable harm if filing of a suit is delayed, ASRC may file suit against any such person before expiration of the thirty (30) day period. Likewise, the State will notify ASRC if it has knowledge that a party to a lease or other **Subsurface Agreement** affecting the **Nuiqsut subsurface** or the **Point Lay subsurface** has, in the State's judgment, breached a term of that lease or other **Subsurface Agreement**. The notice will be given to ASRC at least thirty (30) days before the State files any suit against any person concerning the breach; however, in the case of

an emergency or other circumstance in which, in the State's good faith judgment, the State may suffer irreparable harm if filing of a suit is delayed, the State may file suit against any such person before expiration of the thirty (30) day period.

10.6. Payment of Legal Rate of Interest.

If either the State or ASRC incurs the direct responsibility to make a payment (or delivery of product, if in kind) due under this Settlement Agreement, and is late in doing so, the payee shall be entitled to the legal rate of interest on the amount due from the date payment should have been made or the product delivered. If the delivery was to be in kind, the "amount due" will be its fair market value at the date and place delivery was due.

10.7. Interpretation.

(a) This Settlement Agreement will be construed and enforced in accordance with and governed by the laws of the State of Alaska.

(b) Both ASRC and the State are jointly and equally responsible for the drafting of this Settlement Agreement. An ambiguity, if any, in this Settlement Agreement may not be construed against one party or the other as its drafter. This Settlement Agreement will be construed independently of any draft settlement proposals or draft settlement documents.

(c) In implementing the terms and intent of this Settlement Agreement, ASRC and the State understand that it is an enforceable contract between them. Each will deal with the other to implement it in accordance with its terms in good faith and fairly or in accordance with any applicable higher standard of conduct that may be imposed elsewhere in this Settlement Agreement.

(d) The captions used in this Settlement Agreement are for convenience only and will not control or affect the meaning or construction of any of its provisions.

(e) This Settlement Agreement incorporates all Exhibits that are referred to in it. In turn, when an Exhibit to

this Settlement Agreement, such as a deed, references an attached exhibit, the attached exhibit will be incorporated in the Exhibit.

(f) This Settlement Agreement contains the entire agreement and understanding of the State and ASRC with respect to its subject matter. Except as provided with respect to the 1974 Agreement in subsection 1.3 of this Settlement Agreement, all prior understandings, agreements, promises, warranties, representations, covenants, or other undertakings between the parties with respect to its subject matter are revoked upon the Final Effective Date of this Settlement Agreement.

(g) Nothing in this Settlement Agreement abrogates or limits the State's powers or duties under the common law public trust doctrine, or article VIII, section 14 of the Alaska Constitution, or AS 38.05.127-38.05.128.

(h) This Settlement Agreement does not create, validate, or reinstate any third party interest which is not otherwise valid and extant.

(i) Nothing in this Settlement Agreement shall diminish or affect in any way any rights of the State with respect to Kuukpik Corporation under the 1974 Agreement.

10.8. Amendment; Waiver; Consent.

No amendment or waiver of a right under this Settlement Agreement, or consent required by a provision of this Settlement Agreement, will be effective unless made in a writing signed by each party, and (if required by law) submitted to the Alaska Legislature for approval. For the State, both the Attorney General and the Commissioner must sign for a change or waiver to be effective. For ASRC, its President or any Vice President may sign.

10.9. Notices.

(a) To be effective, any notice or other communication given under this Settlement Agreement must be in writing and will be deemed to have been given if (i) delivered in person or deposited in the United States mail, sent by registered or

certified mail, return receipt requested and first-class postage prepaid, or (ii) sent by telecopy or other electronic transmission and confirmed by a copy deposited in the United States mail, sent by registered or certified mail, return receipt requested and first-class postage prepaid, in each case addressed to the party for whom it is intended, as follows:

(i) If to ASRC: Arctic Slope Regional Corporation
(1230 Agvik Street)
P. O. Box 129
Barrow, Alaska 99723
Attention: Jacob Adams, President
Telecopy No.: (907) 852-5733

With a copy to: Wickwire, Greene, Crosby &
Seward, P.C.
National Building, Suite 506
1008 Western Avenue
Seattle, Washington 98104
Attention: James Wickwire
Telecopy No.: (206) 623-5670

(ii) If to the State: The State of Alaska
Department of Natural Resources
Division of Oil and Gas
P. O. Box 107034
Anchorage, Alaska 99510-7034
Telecopy No.: (907) 562-3852

With a copy to: The State of Alaska
Department of Natural Resources
Division of Oil and Gas
P. O. Box 107034
Anchorage, Alaska 99510-7034
Attention: Carol Wilkinson,
Lease Administration
Telecopy No.: (907) 562-3852

The names and addresses of a party may be changed by written notice to the other party pursuant to this provision.

(b) Each of the parties will, within thirty (30) days, notify the other, in writing (i) if it enters into an agreement or takes an action to amend, supplement, extend, authorize suspension of operations under, or terminate a Subsurface Agreement as to its undivided interest in any Nuiqsut subsurface or Point Lay subsurface covered thereby, (ii) if it makes an

assignment or conveyance to any person permitted under section 7 of any of its rights or duties under this Settlement Agreement or of all or any interest in its undivided percentage interest in all or any portion of the Nuiqsut subsurface or the Point Lay subsurface as described in paragraph 7.3(b), (iii) if it determines that a Subsurface Agreement covering its undivided interest in any portion of the Nuiqsut subsurface or Point Lay subsurface has terminated or expired or been relinquished by the holder thereof as to all or any portion of such subsurface, (iv) if it executes a Subsurface Agreement covering its interest only in any portion of the Nuiqsut subsurface or Point Lay subsurface as to which the Executive Rights have been suspended pursuant to subsection 6.1, or (v) as to ASRC, if it has executed and recorded a notice pursuant to paragraph 6.3(a) terminating the suspension of the Executive Rights as to a portion of the Nuiqsut subsurface or Point Lay Subsurface.

10.10. Attorneys' Fees.

If a court action is commenced to enforce or to seek a declaratory judgment as to the effect of any provision of this Settlement Agreement by either the State or ASRC, then the court as part of its judgment shall award the prevailing party its actual attorneys' fees (measured at a reasonable hourly rate for private practitioners in the locale of the litigation) and costs.

10.11. Defense of Settlement Agreement and Property Interests.

(a) Except as the obligation is solely ASRC's under paragraph (b) below, the State and ASRC will jointly and in good faith defend the legality and enforceability of the provisions of this Settlement Agreement in any litigation brought by any person. In the event that ASRC or the State is named as a party to litigation contesting the legality or enforceability of any provision of this Settlement Agreement under claims other than those that might be made under ANCSA or the 7(1) Agreement, then the other party will seek to intervene and align itself as a party with the named party. The State and ASRC each will bear

its own costs, including attorneys' fees, incurred in such litigation.

(b) ASRC will defend, indemnify, and hold the State harmless from any claims made by any person to the interests in the Nuiqsut subsurface or to the subsurface revenues attributable to such interest in the Nuiqsut subsurface that the State is entitled to pursuant to this Settlement Agreement, if those claims are made under ANCSA or the 7(i) Agreement. ASRC will not oppose a timely motion to intervene by the State in that litigation.

(c) ASRC will not, directly or indirectly, support or cause to be brought by itself or by any other person any challenge in any forum or proceeding to the State's title to or ownership of the applicable State percentage in and to the Nuiqsut subsurface or the Point Lay subsurface provided in this Settlement Agreement to be conveyed to or reserved by the State. Likewise, the State will not, directly or indirectly, support or cause to be brought by itself or by any other person any challenge in any forum or proceeding to ASRC's title to or ownership of the applicable ASRC percentage in and to the Nuiqsut subsurface or the Point Lay subsurface provided in this Settlement Agreement to be conveyed to or reserved by ASRC. Except as otherwise expressly provided in subsection 2.3 of this Settlement Agreement, loss or failure of title to any part of or interest in the Nuiqsut subsurface or the Point Lay subsurface shall not alter or affect the ownership as between ASRC and the State, in undivided interests in proportion to the applicable ASRC percentage and the applicable State percentage, respectively, of the remaining parts of or interests in the Nuiqsut subsurface or the Point Lay subsurface as provided for in this Settlement Agreement.

(d) Each party will, within thirty (30) days, notify the other, in writing, in the event that the title to all or part of any interest in the subsurface (including uplands and submerged lands) affected by this Settlement Agreement is

questioned in an administrative or judicial proceeding. Each party will have the right to intervene at its own expense in any such proceeding.

(e) Each party will, within thirty (30) days, notify the other, in writing, in the event a dispute arises as to the interpretation of a **Subsurface Agreement** concerning either the **Point Lay subsurface** or the **Nuiqsut subsurface** which dispute may affect, directly or indirectly, revenues shared under this Settlement Agreement. In the event the dispute results in an administrative or judicial proceeding involving either party and another person, then the other party will have the right to intervene at its own expense in that proceeding.

(f) A party's decision not to intervene as might be allowed under paragraphs (d) and (e) above will not relieve the other party of any obligation otherwise owed under this Settlement Agreement.

10.12. Rule of Evidence 408.

Alaska Evidence Rule 408 and Federal Rule of Evidence 408 both proscribe the admission into evidence of discussions of compromise and settlement, except under certain circumstances. This Settlement Agreement is in settlement of disputed matters. Accordingly, neither this Settlement Agreement nor any of its provisions may be introduced as evidence in any lawsuit concerning the enforceability of any provision of the 1974 Agreement, be construed to be an admission against either party as to the enforceability of any provision of the 1974 Agreement, or be used for any purpose other than enforcement of this Settlement Agreement. Draft settlement proposals and written or oral statements made with respect to this Settlement Agreement's negotiation (including those that might be made in efforts to secure passage of a law under section 1), are for purposes of settlement only, and may not be deemed admissions by either party, or otherwise deemed admissible as evidence in a lawsuit concerning the enforceability of the 1974 Agreement.

10.13. Assignment; Delegation.

The assignment of any rights and the delegation of any duties under this Settlement Agreement are prohibited except as might be expressly allowed in subsection 7.3 above. Subject to the restrictions of section 7, the terms and provisions of this Settlement Agreement shall inure to the benefit of and be binding upon ASRC and the State, and each party's successors and assigns.

10.14. Other Documents and Actions.

The parties agree to execute and deliver to each other such documents and instruments, including the Exhibits, as provided for herein, and take such other actions as shall be reasonably necessary and appropriate to implement, effectuate, and carry out the intentions of this Settlement Agreement.

10.15. Remedies and Specific Performance.

Both ASRC and the State expressly agree that each may enforce its rights hereunder by any and all remedies available under law or equity. Both ASRC and the State agree that irreparable damage would occur if any of the provisions of this Settlement Agreement were not performed in accordance with their specific terms or were otherwise breached. It is therefore agreed that ASRC and the State shall be entitled to an injunction or injunctions to prevent breaches of this Settlement Agreement and to enforce specifically the terms and provisions of it in a Superior Court of the State of Alaska, in addition to any other remedy to which they are entitled at law or in equity. Nothing in this Settlement Agreement or implementing legislation, however, shall be construed to create any right of action, direct or otherwise, in any person not a party to this Settlement Agreement.

11. DEFINITIONS.

11.1. Action Notice.

"Action Notice" means a written notice given by the State to ASRC, in the absence of an Approval Agreement, setting forth the substantive terms and conditions of a proposed Subsurface Agreement or Subsurface Agreement Solicitation and

describing the Nuiqsut subsurface or Point Lay subsurface affected by it as more fully set forth in paragraph 4.3(d) of this Settlement Agreement.

11.2. ANCSA.

"ANCSA" means the Alaska Native Claims Settlement Act of 1971 (Pub. L. 92-203, 43 U.S.C. §§ 1601 et seq., as amended), and "ANILCA" means the Alaska National Interest Lands Conservation Act of 1980 (Pub L. 96-487, December 2, 1980).

11.3. Approval Agreement.

"Approval Agreement" means a written agreement executed by the State and ASRC setting forth the substantive terms and conditions of a proposed Subsurface Agreement or Subsurface Agreement Solicitation as more fully set forth in paragraph 4.3(c) of this Settlement Agreement.

11.4. Commissioner.

"Commissioner" means the Commissioner of the Department of Natural Resources of the State of Alaska.

11.5. Consultant Group.

"Consultant Group" means the panel consisting of Qualified Independent Consultants established to hear and decide protests of Action Notices as more fully set forth in paragraph 4.3(h) of this Settlement Agreement.

11.6. Consultant Opinion.

"Consultant Opinion" means an opinion issued by a Qualified Independent Consultant deciding a protest as more fully set forth in paragraph 4.3(j) of this Settlement Agreement.

11.7. Director.

"Director" means the Director of the Division of Oil and Gas within the Department of Natural Resources of the State of Alaska.

11.8. Executive Rights.

"Executive Rights" means the exclusive right, power, and authority to formulate and issue Subsurface Agreement Solicitations and to negotiate, formulate, agree upon, execute,

and grant **Subsurface Agreements** pursuant to the terms of this Settlement Agreement.

11.9. **Fair Market Value.**

"Fair market value" means the amount of money that an informed purchaser, willing but not obligated to buy, would pay an informed seller, willing but not obligated to sell, for particular property, goods, or services.

11.10. **Final Effective Date.**

"Final Effective Date" means the effective date, as determined under AS 01.10.070, of a state law approving this Settlement Agreement as set out in Exhibit A or in such other form as may be approved in writing by both ASRC and the Commissioner of Natural Resources.

11.11. **Final Partial Section.**

"Final Partial Section" means a section of Nuiqsut subsurface described in Exhibit E as to which the Bureau of Land Management grants to Kuukpik Corporation the surface estate in less than all the lands selected by Kuukpik Corporation in the section in order not to exceed the total number of acres as to which Kuukpik Corporation is entitled to receive a conveyance of the surface estate under ANCSA.

11.12. **Fully Conveyed Section.**

"Fully Conveyed Section" means, as of any relevant date, a section of Nuiqsut subsurface described in Exhibit E as to which ASRC has, as of that date, theretofore received one or more interim conveyances or patents from the United States conveying to ASRC the Nuiqsut subsurface in all lands in that entire section to which ASRC is or can become entitled pursuant to ANCSA; provided, further, that:

(a) no section of Nuiqsut subsurface listed in this paragraph shall be deemed to be a "Fully Conveyed Section" before the date when all Alaska Native allotment applications affecting that section and listed in this paragraph have been approved and granted or rejected or withdrawn and all Nuiqsut subsurface within that section now covered by those Alaska Native allotment applications has either been patented or tentatively approved to the State or

conveyed to ASRC by an interim conveyance or patent from the United States:

<u>Township</u>	<u>Section</u>	<u>Native Allotment application</u>
T10N, R5E UM	16	F11723, Sarah Kunaknana
T10N, R5E UM	17	F11723, Sarah Kunaknana
T10N, R5E UM	32	F14607, Leffingwell Erikloak
T10N, R5E UM	33	F14607, Leffingwell Erikloak
T12N, R6E UM	1	F13833, Annie Allen
T12N, R6E UM	1	F13834, Jim T. Allen
T12N, R6E UM	2	F13833, Annie Allen
T12N, R6E UM	2	F13834, Jim T. Allen
T12N, R6E UM	10	F14315, Lena Baker
T12N, R6E UM	11	F13833, Annie Allen
T12N, R6E UM	11	F13835, Neil Allen
T12N, R6E UM	11	F14315, Lena Baker
T12N, R4E UM	10	F11949, Abraham Woods
T12N, R4E UM	11	F11949, Abraham Woods
T12N, R4E UM	14	F11949, Abraham Woods
T12N, R4E UM	15	F11949, Abraham Woods
T12N, R4E UM	15	F11951, Joeb O. Woods
T12N, R4E UM	14	F11951, Joeb O. Woods

(b) no section of Nuiqsut subsurface listed in this paragraph shall be deemed to be a "Fully Conveyed Section" before the earlier of (i) the date when all Nuiqsut subsurface within that section now covered by an Alaska Native allotment application listed in this paragraph has been conveyed to ASRC by an interim conveyance or patent from the United States, or (ii) the date when it is finally determined (by final administrative or judicial decision after conclusion of all appeals) or by written acknowledgment by ASRC that ASRC is not entitled to receive an interim conveyance or patent from the United States of the subsurface within that section now covered by that Alaska Native allotment application:

<u>Township</u>	<u>Section</u>	<u>Native Allotment application</u>
T12N, R4E UM	15	F11947, Nany Woods
T12N, R4E UM	15	F11943, Lydia Woods Sovlik
T12N, R4E UM	22	F11943, Lydia Woods Sovlik

and

(c) when ASRC receives an interim conveyance or patent to the Nuiqsut subsurface in all the lands in a Final Partial Section in which the surface estate has been granted to Kuukpik Corporation, that portion of the Final Partial

Section which shall thereupon be deemed to be a Fully Conveyed Section shall be determined by dividing the Final Partial Section into sixteen (16) equal quarter-quarter subsections (each constituting either the NE, NW, SW, or SE quarter of the NE, NW, SW, or SE quarter of the Final Partial Section), with the entirety of each quarter-quarter subsection within which any subsurface is granted to ASRC in the interim conveyance or patent of subsurface from the United States to ASRC to be included in the Fully Conveyed Section, and with the remainder of the Final Partial Section to be excluded from the Nuiqsut subsurface as provided for in paragraph 2.3(b).

11.13. Kuukpik Agreement.

"Kuukpik Agreement" means the agreement a copy of which is attached as Exhibit K.

11.14. Legal Rate of Interest.

"Legal rate of interest" means that rate of simple (not compounded) interest earned on money due and owing as established under AS 45.45.010(a) (or any similar or successor legislation hereafter enacted) at the time the principal sum becomes due and owing.

11.15. Limited Prudent Landowner Standard.

"Limited Prudent Landowner Standard" means the Prudent Landowner Standard except to the extent that the State is prevented from complying with such standard because of its duties and obligations as sovereign or because of applicable federal or state statutes, regulations, and constitutional provisions, including, but not limited to, those that govern protection of natural resources and procedural requirements for disposal of interests in State lands for leasing, exploration, and development of natural resources, subject, however, to the provisions of subsection 8.2.

11.16. Nuiqsut subsurface.

"Nuiqsut subsurface" means the subsurface in all the uplands and submerged lands now and hereafter existing in the following lands, all located within the Umiat Meridian (subject, if applicable, to the provisions of paragraph 2.3(b) above):

T.10N., R.4E., U.M.
Secs. 1, 2, 12, 13.

T.10N., R.5E., U.M.
Secs. 1-18, 20-29, 32-36.

T.10N., R.6E., U.M.
Secs. 7, 18, 19, 30, 31.

T.11N., R.4E., U.M.
Secs. 1-3, 10-16, 22-27, 35, 36.

T.11N., R.5E., U.M.
Secs. 1, 11-15, 19-36.

T.11N., R.6E., U.M.
Secs. 1-9, 16-20, 29-31.

T.12N., R.4E., U.M.
Secs. 1-5, 8-17, 20-27, 34-36.

T.12N., R.5E., U.M.
Secs. 24, 25, 36.

T.12N., R.6E., U.M.
Secs. 1-5, 7-36.

T.13N., R.4E., U.M.
Secs. 25-28, 32-36.

11.17. The parties.

"The parties" means ASRC and the State; unless the context clearly refers to a third party, "party" means either ASRC or the State.

11.18. Person.

"Person" means a natural person and all types of private or governmental entities, including but not limited to all such entities listed in AS 01.10.060(7), and any corporate subsidiary or joint venture.

11.19. Point Lay subsurface.

"Point Lay subsurface" means the subsurface in all uplands and submerged lands now and hereafter existing in the following lands, all located within the Umiat Meridian:

T.1N., R.45W., U.M.
Secs. 1-36.

T.1N., R.46W., U.M.
Secs. 1-3, 10-15, 22-27, 34-36.

T.2N., R.45W., U.M.
Secs. 1-36.

T.2N., R.46W., U.M.
Secs. 2, 3, 10, 11, 14, 15, 22-24, 26, 27, 34-36.

T.3N., R.45W., U.M.
Secs. 1, 2, 11, 12.

T.4N., R.45W., U.M.
Secs. 25, 26, 35, 36.

T.6N., R.43W., U.M.
Secs. 1, 2, 11-14, 23-28, 31-36.

T.7N., R.43W., U.M.
Sec. 36.

11.20. Proposed Action Notice.

"Proposed Action Notice" means a written notice given by the State to ASRC describing the portion of Nuiqsut subsurface or Point Lay subsurface involved in a proposed Subsurface Agreement or Subsurface Agreement Solicitation and the nature (and, to the extent then known by the State, the proposed terms) of that proposed Subsurface Agreement or Subsurface Agreement Solicitation as more fully set forth in paragraph 4.3(b) of this Settlement Agreement.

11.21. Protest Notice.

"Protest Notice" means a written notice given by ASRC to the State protesting an Action Notice and stating the objections of ASRC to substantive terms and conditions of a proposed Subsurface Agreement or Subsurface Agreement Solicitation, as more fully set forth in paragraph 4.3(e) of this Settlement Agreement.

11.22. Prudent Landowner Standard.

"Prudent Landowner Standard" means the degree of diligence and discretion that would be exercised by an average landowner, acting as a reasonable and prudent person who is familiar with prevailing practices and standards in the oil, gas, and mineral industry in the area at the time, in seeking to cause his subsurface to be explored and developed and to maximize

subsurface revenues from such subsurface and protect such subsurface from drainage.

11.23. Qualified Independent Consultant.

"Qualified Independent Consultant" means a member of the Consultant Group as more fully set forth in paragraph 4.3(h) of this Settlement Agreement.

11.24. 7(i) Agreement.

"7(i) Agreement" means the Section 7(i) Settlement Agreement reached in 1982 between ASRC and other ANCSA Regional Corporations.

11.25. Substantive terms and conditions.

"Substantive terms and conditions" means, but is not limited to, timing of lease sales, lease tract identification and composition, bid terms, and lease terms, but shall not include (i) the exercise by the State of its duties and obligations as sovereign, (ii) the State's compliance with applicable federal or state statutes, regulations, and constitutional provisions, including, but not limited to, those that govern protection of natural resources and procedural requirements for disposal of interests in State lands for leasing, exploration, and development of natural resources, (iii) the granting of exploration incentive credits against tax obligations or the State's royalty interest (but not ASRC's royalty interest), or (iv) other exercise of the State's taxing power.

11.26. Subsurface.

"Subsurface" means all interests in oil, gas, or other minerals, now known or discovered in the future in, on, or under land (including all depths, formations, and horizons), together with all rights, privileges, benefits, and powers conferred upon the owner of that interest with respect to the use and occupation of the surface of, and the subsurface depths under, the lands that may be necessary, convenient, or incidental to the possession and enjoyment (and including, without limitation, exploring, drilling, developing, producing, mining, saving, handling, treating, transporting, marketing, and operating the

oil, gas, or other minerals). However, "subsurface" does not include any "mineral" that on January 3, 1959, was subject to location under the mining laws of the United States, does not include sand and gravel (whether or not of an uncommon variety), and does not include water.

11.27. Subsurface Agreement.

"Subsurface Agreement" means any oil, gas, or mineral lease or other contract or agreement granting or agreeing to grant to any person any right, title, or interest in or to any Nuiqsut subsurface or Point Lay subsurface or any right, license or permit to explore for, develop, produce, or otherwise exploit oil, gas, or other minerals in, on, or under any Nuiqsut subsurface or Point Lay subsurface; however, a contract or agreement to sell, exchange, or otherwise dispose of oil, gas, or minerals after severance or production thereof from the subsurface is not a "Subsurface Agreement." Also, a surface authorization given pursuant to the State's sovereign authority (such as land- or water-use permits) is not a Subsurface Agreement whether or not the authorization is given in support of development of the Nuiqsut Subsurface or the Point Lay Subsurface. Likewise, a license or permit authorizing the licensee or permittee to conduct seismic exploration on the Nuiqsut subsurface area or Point Lay subsurface area (which license or permit does not grant any right to drill exploratory or development wells or otherwise to produce or remove or acquire any right or interest in oil, gas or other minerals or subsurface revenues) is not a Subsurface Agreement, although such license or permit shall be subject to the provisions of subsection 10.3.

11.28. Subsurface Agreement Solicitation.

"Subsurface Agreement Solicitation" means a request for bids, notice of lease sale, or other form of solicitation of bid proposals or offers for Subsurface Agreements; however, for purposes of this Settlement Agreement, the "issuance" of or to "issue" a Subsurface Agreement Solicitation includes, when applicable, the execution and delivery of a Subsurface Agreement

as described in that **Subsurface Agreement Solicitation** in acceptance of a bid or offer received in response to that **Subsurface Agreement Solicitation**.

11.29. Subsurface revenues.

"**Subsurface revenues**" means all bid deposits, bonuses, rents, net profits, royalties, the proceeds of sale or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the exploration, development, production, or other exploitation of, or lease, sale, exchange, or other disposition of any interest in the **Nuiqsut subsurface** or the **Point Lay subsurface**, as applicable, except as expressly otherwise provided in paragraph 7.3(b) of this Settlement Agreement. **Subsurface revenues** includes all rents, profits, and royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the oil and gas leases described in section 9 attributable to any part of the **Nuiqsut subsurface**. When **subsurface revenues** are received in a form other than cash or cash equivalents, the cash fair market value at the time of the receipt will be included in and considered as **subsurface revenues**.

Subsurface revenues does not include taxes of any kind owed to the State by any person, including ASRC. **Subsurface revenues** also does not include the customary fees charged by the State in connection with the filing of an application for a permit, lease, license, or mining claim, mining lease, or mining leasehold location that are generally applicable to all such applications and are not limited to or different in amount with respect to applications pertaining to **Nuiqsut subsurface** or **Point Lay subsurface** as compared to other **subsurface** areas, or other like generally applicable fees customarily charged by the State for authorizations, publications, or services.

11.30. Unauthorized Action.

"**Unauthorized Action**" means the execution or issuance by the State as executive of any **Subsurface Agreement**. or

Subsurface Agreement Solicitation which has not, within six (6) months before execution or issuance thereof, either:

(a) been approved by an Approval Agreement as to its substantive terms and conditions pursuant to paragraph 4.3(c); or

(b) been the subject of an Action Notice received by ASRC pursuant to paragraph 4.3(d) with respect to which ASRC has failed to give a Protest Notice to the State pursuant to paragraph 4.3(e) within ten (10) days after receipt of that Action Notice; or

(c) been the subject of a Consultant Opinion rendered pursuant to paragraph 4.3(j) concluding that execution or issuance thereof either would or would not be consistent with the standard set forth in paragraph 4.2(a) of this Settlement Agreement.

12. SIGNATURES.

This Settlement Agreement is being signed in five (5) counterparts, to be effective as of the date of execution hereof set out below by the last of the parties named below who are executing this Settlement Agreement on behalf of ASRC and the State, respectively. Each will be deemed an original; however, all constitute one and the same agreement.

ARCTIC SLOPE REGIONAL CORPORATION

Executed:
December 17, 1991

By Jacob Adams
Name: Jacob Adams
Title: President

STATE OF ALASKA

BY: ATTORNEY GENERAL
CHARLES E. COLE

Executed:
December 13, 1991

By Charles E. Cole
Name:
Title:

AND

BY: STATE OF ALASKA
DEPARTMENT OF NATURAL
RESOURCES

Executed:
December 17, 1991

By Harold C. Heinze
Harold C. Heinze,
Commissioner

THE STATE OF ALASKA §
 § ss.
3rd JUDICIAL DISTRICT §

This is to certify that on the 17th day of December, 1991, before me appeared Jacob Adams, the person who has been lawfully authorized as the President of Arctic Slope Regional Corporation, a corporation organized and existing under the laws of the state of Alaska, to execute the foregoing document; that Jacob Adams executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Shirley Humes
Notary Public in and for Alaska

My Commission Expires: July 10, 1994

THE STATE OF ALASKA §
 § ss.
3rd JUDICIAL DISTRICT §

This is to certify that on the 13th day of December, 1991, before me appeared Charles E. Cole, the person who has been lawfully delegated the authority of Charles E. Cole, the Attorney General, State of Alaska, to execute the foregoing document; that he executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Gyonne Lindblom
Notary Public in and for Alaska

My Commission Expires: 9-11-92

THE STATE OF ALASKA §
 § ss.
3rd JUDICIAL DISTRICT §

This is to certify that on the 17th day of December, 1991, before me appeared Harold C. Heinze, the Commissioner, Department of Natural Resources, State of Alaska; that Harold C. Heinze executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Shirley Harris
Notary Public in and for Alaska

My Commission Expires: July 10, 1994

NOTE:

EXHIBIT A IS A DRAFT BILL, AND DIFFERS SOMEWHAT
FROM THE BILL INTRODUCED AT THE GOVERNOR'S
REQUEST IN JANUARY 1992.

EXHIBIT A

IN THE _____

BY THE _____ COMMITTEE BY
REQUEST OF THE GOVERNOR

_____ BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE—SECOND SESSION

A BILL

For an Act Entitled: "An Act relating to the approval of an agreement settling litigation between the State of Alaska and Arctic Slope Regional Corporation; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

- * Sec. 1. PURPOSE. The purpose of the Act is to provide for the settlement of certain claims raised in litigation between the State of Alaska and Arctic Slope Regional Corporation in "State of Alaska v. Arctic Slope Regional Corporation," Alaska Superior Court, Third Judicial District, Case No. 3AN-85-15523.
- * Sec. 2. RATIFICATION. Notwithstanding any other provision of Alaska law, the "1991 Settlement Agreement Between Arctic Slope Regional Corporation and the State of Alaska" (including the Exhibits to it) is incorporated herein by reference and is hereby ratified as to the rights, duties, agreements, and obligations of the State of Alaska provided for or contemplated in it. No statutory or common law rules against perpetuities or restraints of alienation of property shall apply to the settlement agreement or to any interest or power created by it.
- * Sec. 3. COMMISSIONER AUTHORITY. The commissioner of natural resources is authorized to carry out and perform the settlement agreement, including, without limitation, executing and delivering patents to Arctic Slope Regional

Corporation as provided for in the settlement agreement, notwithstanding any procedural requirement or other provision of the Alaska Statutes that might otherwise be deemed a restriction on the commissioner's authority to do so. However, the commissioner may not materially amend the settlement agreement without legislative approval.

* Sec. 4. RECORDATION. (a) The commissioner of natural resources shall record a true and authenticated photocopy of the settlement agreement and any conveyance document required thereby in the recording office of the appropriate recording district, and incorporate the settlement agreement in the lands records system maintained by the Department of Natural Resources.

(b) The commissioner of natural resources shall deliver a signed original of the settlement agreement to the Archivist in the Department of Administration for preservation.

* Sec. 5. ACTIONS. (a) No person may bring an action challenging the legality of the settlement agreement, in whole or in part, or a provision of this act, unless the action is commenced in a state superior court within thirty (30) days after the effective date of this act.

(b) The State of Alaska waives its sovereign immunity from suit by Arctic Slope Regional Corporation or its successors or assigns seeking to enforce or protect rights conferred on Arctic Slope Regional Corporation under the settlement agreement, but only if that action is brought in state superior court. Nothing in this act is intended to waive the State of Alaska's U.S. Constitution Eleventh Amendment immunity from suit in federal court.

(c) Nothing in this act is intended to create a right in any person to challenge the legality of all or part of the settlement agreement or this act.

* Sec. 6. This act takes effect immediately in accordance with AS 01.10.070(c).

EXHIBIT B

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

STATE OF ALASKA,
Plaintiff,

vs.

ARCTIC SLOPE REGIONAL
CORPORATION,
Defendant.

§
§
§
§
§
§
§
§
§
§

Case No. 3AN-85-15523

STIPULATION FOR DISMISSAL

The parties, through counsel, hereby stipulate to dismiss this action without prejudice, each party to bear its own costs, including attorney's fees. This dismissal is made pursuant to the terms of the 1991 Settlement Agreement Between Arctic Slope Regional Corporation And The State Of Alaska.

Dated: _____, 1991 WICKWIRE, SEWARD, GREENE & CROSBY

By _____
David C. Crosby

Attorneys for the defendant, Arctic Slope Regional Corporation

CHARLES E. COLE
ATTORNEY GENERAL
STATE OF ALASKA

Dated: _____, 1991

By _____

Assistant Attorney General for plaintiff, State of Alaska

ORDER

It is so ordered this _____ day of _____,
1991, in Anchorage, Alaska.

JUDGE OF THE SUPERIOR COURT

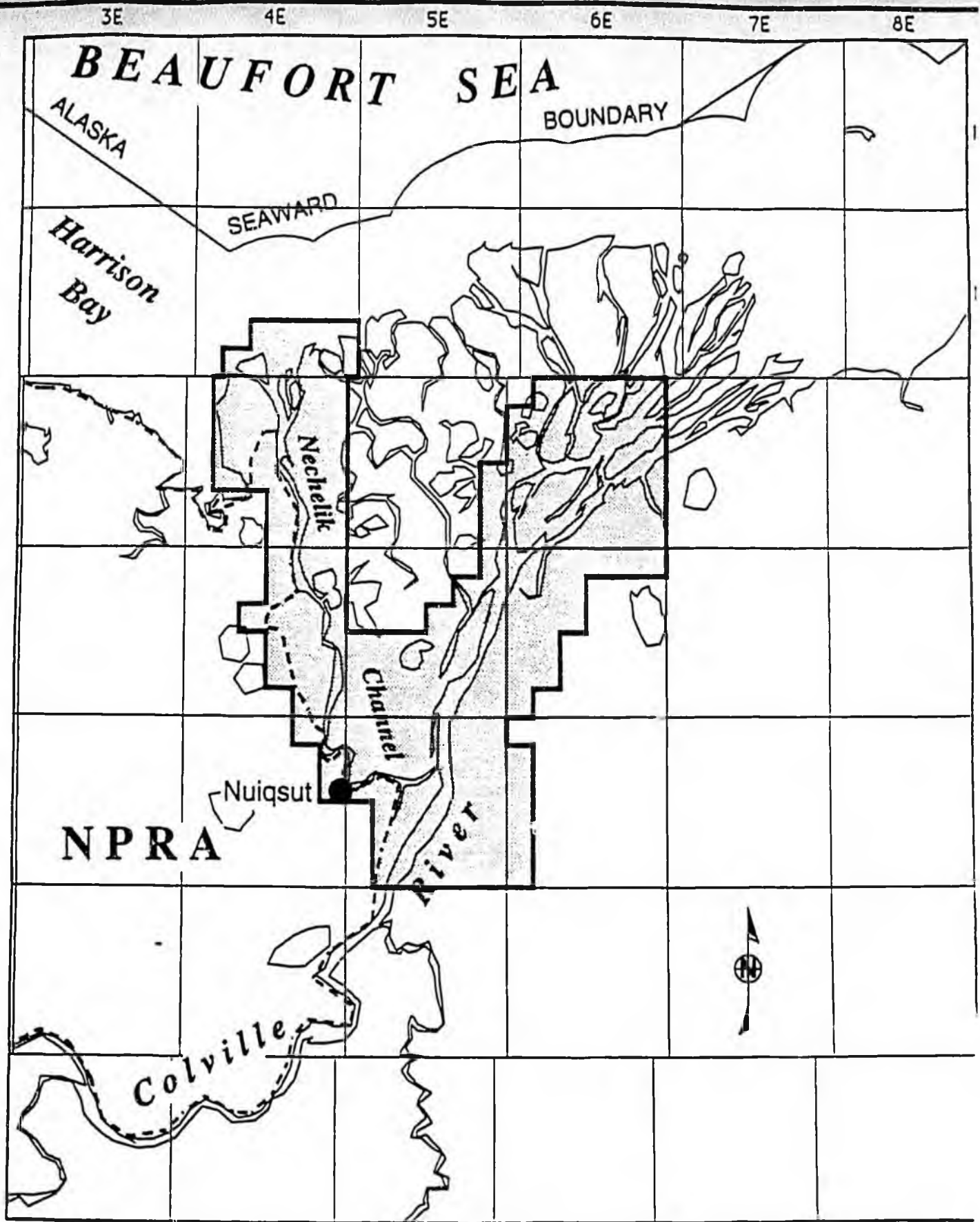
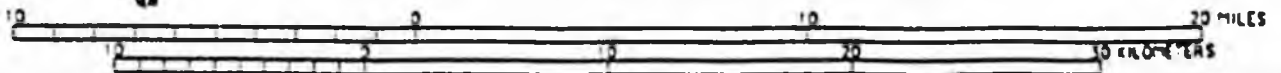


Exhibit C Nuiqsut Subsurface

SCALE 1: 317,000 ONE INCH = FIVE MILES APPROX.

Alaska
Department of
Natural Resources
Division of Oil and G
12-4-91



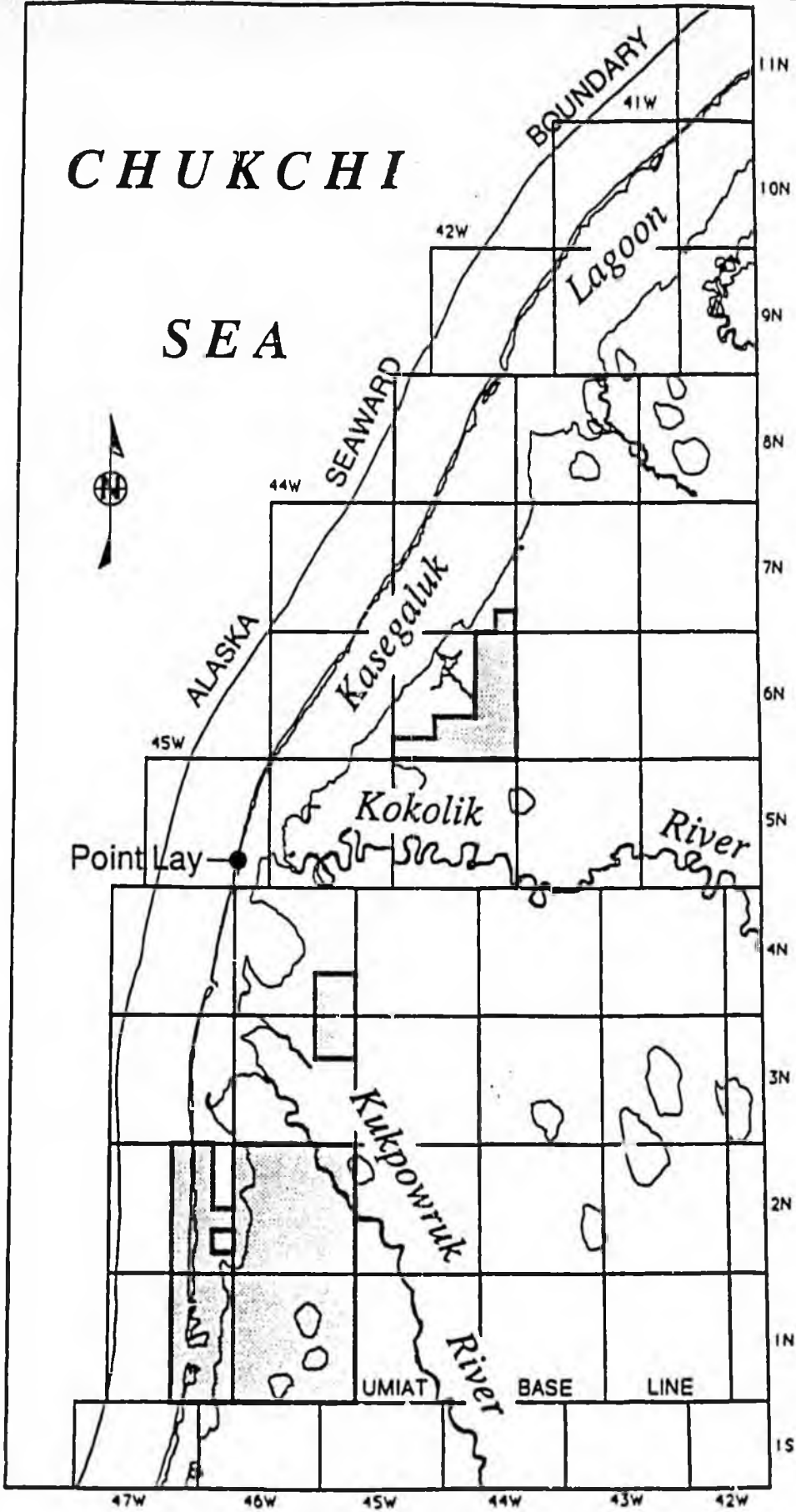


Exhibit D
Point Lay Subsurface

Alaska
 Department of
 Natural Resources
 Division of Oil and Gas
 12-4-91

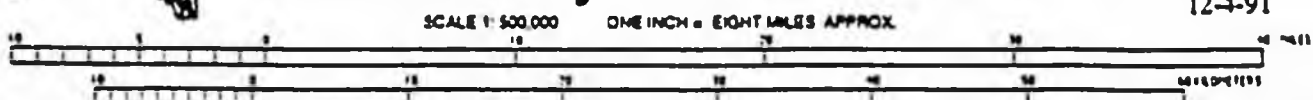


EXHIBIT E

**ASRC AND STATE PERCENTAGE OWNERSHIP
(NUIQSUT SUBSURFACE)**

<u>Township/Section</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acreage</u>
T10N, R4E Umiat Meridian			
Section: 1	44.93%	55.07%	640
2	92.14%	7.86%	640
12	79.05%	20.95%	640
13	94.45%	5.55%	640
T10N, R5E Umiat Meridian			
Section: 1	42.55%	57.45%	640
2	36.70%	63.30%	640
3	19.25%	80.75%	640
4	50.00%	50.00%	640
5	50.00%	50.00%	640
6	50.00%	50.00%	609
7	48.90%	51.10%	612
8	49.48%	50.52%	640
9	50.00%	50.00%	640
10	21.78%	78.22%	640
11	42.61%	57.39%	640
12	49.75%	50.25%	640
13	50.00%	50.00%	640
14	49.58%	50.42%	640
15	18.00%	82.00%	640
16	41.43%	58.57%	640
17	79.43%	20.57%	640
18	65.13%	34.87%	615
20	83.54%	16.46%	640
21	43.62%	56.38%	640
22	26.61%	73.39%	640
23	50.00%	50.00%	640
24	50.00%	50.00%	640
25	50.00%	50.00%	640
26	50.00%	50.00%	640
27	45.27%	54.73%	640
28	21.42%	78.58%	640
29	53.88%	46.12%	640
32	See Alternative Outcomes for T10N, R5E		
33	See Alternative Outcomes for T10N, R5E		
34	48.98%	51.02%	640
35	50.00%	50.00%	640
36	50.00%	50.00%	640

T10N, R5E UM: Alternate Outcomes for Sections Affected by Alaska Native Allotment Applications

Section 33, Native Allotment Application F14607			
Approved	30.18%	69.82%	640
Rejected	41.11%	58.89%	640
Section 32, Native Allotment Application F14607			
Approved	24.46%	75.54%	640
Rejected	26.05%	73.95%	640

<u>Township/Section</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acres</u>
T10N, R6E Umiat Meridian			
Section: 7	50.00%	50.00%	612
18	50.00%	50.00%	615
19	50.00%	50.00%	617
30	50.00%	50.00%	620
31	50.00%	50.00%	623
T11N, R4E Umiat Meridian			
Section: 1	46.49%	53.51%	640
2	42.75%	57.25%	640
3	89.75%	10.25%	640
10	97.61%	2.39%	640
11	29.41%	70.59%	640
12	23.13%	76.87%	640
13	32.45%	67.55%	640
14	46.37%	53.63%	640
15	60.20%	39.80%	640
16	99.66%	0.34%	640
22	78.65%	21.35%	640
23	49.33%	50.67%	640
24	39.49%	60.51%	640
25	36.59%	63.41%	640
26	51.25%	48.75%	640
27	97.40%	2.60%	640
35	69.49%	30.51%	640
36	39.03%	60.97%	640
T11N, R5E Umiat Meridian			
Section: 1	36.31%	63.69%	640
11	42.32%	57.68%	640
12	17.22%	82.78%	640
13	22.52%	77.48%	640
14	37.21%	62.79%	640
15	49.99%	50.01%	640
19	47.12%	52.88%	601
20	44.21%	55.79%	640
21	50.00%	50.00%	640
22	42.74%	57.26%	640
23	31.65%	68.35%	640
24	33.89%	66.11%	640
25	49.35%	50.65%	640
26	20.39%	79.61%	640
27	32.39%	67.61%	640
28	49.94%	50.06%	640
29	49.14%	50.86%	640
30	49.83%	50.17%	604
31	50.00%	50.00%	607
32	50.00%	50.00%	640
33	49.80%	50.20%	640
34	14.34%	85.66%	640
35	30.37%	69.63%	640
36	46.60%	53.40%	640
T11N, R6E Umiat Meridian			
Section: 1	49.02%	50.98%	640
2	50.00%	50.00%	640
3	50.00%	50.00%	640
4	50.00%	50.00%	640
5	41.98%	58.02%	640
6	19.22%	80.78%	593

<u>Township/Section</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acreage</u>
7	39.48%	60.52%	596
8	44.08%	55.92%	640
9	49.84%	50.16%	640
16	50.00%	50.00%	640
17	44.93%	55.07%	640
18	45.77%	54.23%	599
19	49.50%	50.50%	601
20	45.17%	54.83%	640
29	49.21%	50.79%	640
30	50.00%	50.00%	604
31	50.00%	50.00%	607

T12N, R4E Umiat Meridian

Section: 1	44.64%	55.36%	640
2	45.38%	54.62%	640
3	26.58%	73.42%	640
4	42.31%	57.69%	640
5	23.81%	76.19%	640
8	35.40%	64.60%	640
9	48.47%	51.53%	640
10	See Alternative Outcomes for T12N, R4E		
11	See Alternative Outcomes for T12N, R6E		
12	46.68%	53.32%	640
13	44.91%	55.09%	640
14	See Alternative Outcomes for T12N, R4E		
15	See Alternative Outcomes for T12N, R4E		
16	53.79%	46.21%	640
17	30.37%	69.63%	640
20	12.55%	87.45%	640
21	73.77%	26.23%	640
22	See Alternative Outcomes for T12N, R4E		
23	49.95%	50.05%	640
24	48.03%	51.97%	640
25	44.21%	55.79%	640
26	39.82%	60.18%	640
27	92.00%	8.00%	640
34	99.82%	0.18%	640
35	40.76%	59.24%	640
36	49.28%	50.72%	640

T12N, R4E UM: Alternate Outcomes for Sections Affected by Alaska Native Allotment Applications

Section 10, Native Allotment Application F11949			
Approved	29.61%	70.39%	640
Rejected	30.39%	69.61%	640
Section 11, Native Allotment Application F11949			
Approved	47.13%	52.87%	640
Rejected	48.30%	51.70%	640
Section 14, Native Allotment Applications F11949 and F11951			
Both approved	35.55%	64.45%	640
F11949 approved, F11951 rejected	43.36%	56.64%	640
F11949 rejected, F11951 approved	42.19%	57.81%	640
Both rejected	50.00%	50.00%	640

<u>Township/Section</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acres</u>
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Section 15, Native Allotment Applications F11949, F11951, F11947¹, and F11943¹

F11949	F11951	F11947 ¹	F11943 ¹	ASRC Percentage	State Percentage	Acres
Approved	Approved	Approved	Approved	41.66%	58.34%	640
Rejected	Approved	Approved	Approved	45.56%	54.44%	640
Approved	Rejected	Approved	Approved	46.34%	53.66%	640
Approved	Approved	Rejected	Approved	28.33%	71.67%	640
Approved	Approved	Approved	Rejected	38.28%	61.72%	640
Rejected	Rejected	Approved	Approved	50.25%	49.75%	640
Rejected	Approved	Rejected	Approved	33.13%	66.87%	640
Rejected	Approved	Approved	Rejected	42.41%	57.59%	640
Approved	Rejected	Rejected	Approved	34.09%	65.91%	640
Approved	Rejected	Approved	Rejected	43.24%	56.76%	640
Approved	Approved	Rejected	Rejected	23.17%	76.83%	640
Rejected	Approved	Rejected	Rejected	28.31%	71.69%	640
Rejected	Rejected	Approved	Rejected	47.37%	52.63%	640
Rejected	Rejected	Rejected	Approved	38.89%	61.11%	640
Approved	Rejected	Rejected	Rejected	29.34%	70.66%	640
Rejected	Rejected	Rejected	Rejected	34.48%	65.52%	640

Section 22, Native Allotment Application F11943

Approved	52.63%	47.37%	640
Rejected	40.05%	50.95%	640

T12N, R5E Umiat Meridian

Section: 24	50.00%	50.00%	640
25	40.29%	59.71%	640
36	41.58%	58.42%	640

T12N, R6E Umiat Meridian

Section: 1	See Alternative Outcomes for T12N, R6E		
2	See Alternative Outcomes for T12N, R6E		
3		37.42%	62.58%
4		30.44%	69.56%
5		39.57%	60.43%
7		39.12%	60.88%
8		37.87%	62.13%
9		36.02%	63.98%
10	See Alternative Outcomes for T12N, R6E		
11	See Alternative Outcomes for T12N, R6E		
12		23.74%	76.26%
13		23.22%	76.78%
14		32.74%	67.26%
15		22.43%	77.57%
16		28.11%	71.89%
17		36.61%	63.39%
18		40.59%	59.41%
19		38.54%	61.46%
20		25.71%	74.29%
21		34.35%	65.65%
22		28.29%	71.71%

¹ Alaska Native Allotment Application F11943 or Alaska Native Allotment Application F11947 (or both, as applicable) shall be deemed to have been "rejected" for purposes of this Exhibit E as to a section of Nuiqsut subsurface affected thereby if that section becomes a Fully Conveyed Section as defined in subsection 11.12 of the Settlement Agreement before all Nuiqsut subsurface within that section covered by that Alaska Native Allotment Application has been conveyed to ASRC by an interim conveyance or patent from the United States.

<u>Township/Section</u>	<u>ASRC Percentag</u>	<u>State Percentage</u>	<u>Acreage</u>
23	22.61%	77.39%	640
24	40.58%	59.42%	640
25	44.58%	55.42%	640
26	49.26%	50.74%	640
27	28.25%	71.75%	640
28	31.69%	68.31%	640
29	46.40%	53.60%	640
30	29.67%	70.33%	588
31	33.10%	66.90%	591
32	26.59%	73.41%	640
33	33.17%	66.83%	640
34	50.00%	50.00%	640
35	50.00%	50.00%	640
36	47.80%	52.20%	640

T12N, R6E UM: Alternate Outcomes for Sections Affected by Alaska Native Allotment Applications

Section: 1, Native Allotment Applications F13833 and F13834

Both approved	15.48%	84.52%	640
F13833 approved, F13834 rejected	23.29%	76.71%	640
F13833 rejected, F13834 approved	17.12%	82.88%	640
Both rejected	24.93%	75.07%	640

Section: 2, Native Allotment Applications F13833, F13834, and F13835

All approved	21.77%	78.23%	640		
F13833	F13834	F13835			
Approved	Rejected	Rejected	29.26%	70.74%	640
Approved	Approved	Rejected	24.58%	75.42%	640
Approved	Rejected	Approved	26.45%	73.55%	640
Rejected	Approved	Rejected	33.88%	66.12%	640
Rejected	Approved	Approved	31.07%	68.93%	640
Rejected	Rejected	Approved	35.75%	64.25%	640
All rejected	38.56%	61.44%	640		

Section: 10, Native Allotment Applications F14315

Approved	28.27%	71.73%	640
Rejected	36.79%	63.21%	640

Section: 11, Native Allotment Applications F13833, F13835, and F14315

All approved	9.01%	90.99%	640		
F13833	F13835	F14315			
Approved	Rejected	Rejected	22.68%	77.32%	640
Approved	Approved	Rejected	12.99%	87.01%	640
Approved	Rejected	Approved	18.70%	81.30%	640
Rejected	Approved	Rejected	14.55%	85.45%	640
Rejected	Approved	Approved	10.57%	89.43%	640
Rejected	Rejected	Approved	20.26%	79.74%	640
All rejected	24.24%	75.76%	640		

T13N, R4E Umint Meridian

Section: 25	16.32%	83.68%	640
26	1.91%	98.09%	640
27	4.26%	95.74%	640
28	0.21%	99.79%	640
32	10.38%	89.62%	640
33	23.04%	76.96%	640
34	32.35%	67.65%	640
35	39.48%	60.52%	640
36	42.65%	57.35%	640

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

<u>Township/Section</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acres</u>
23	22.61%	77.39%	640
24	40.58%	59.42%	640
25	44.58%	55.42%	640
26	49.26%	50.74%	640
27	28.25%	71.75%	640
28	31.69%	68.31%	640
29	46.40%	53.60%	640
30	29.67%	70.33%	588
31	33.10%	66.90%	591
32	26.59%	73.41%	640
33	33.17%	66.83%	640
34	50.00%	50.00%	640
35	50.00%	50.00%	640
36	47.80%	52.20%	640

T12N, R6E UM: Alternate Outcomes for Sections Affected by Alaska Native Allotment Applications

Section: 1, Native Allotment Applications F13833 and F13834

Both approved	15.48%	84.52%	640
F13833 approved, F13834 rejected	23.29%	76.71%	640
F13833 rejected, F13834 approved	17.12%	82.88%	640
Both rejected	24.93%	75.07%	640

Section: 2, Native Allotment Applications F13833, F13834, and F13835

All approved	21.77%	78.23%	640
F13833 F13834 F13835			
Approved Rejected Rejected	29.26%	70.74%	640
Approved Approved Rejected	24.58%	75.42%	640
Approved Rejected Approved	26.45%	73.55%	640
Rejected Approved Rejected	33.88%	66.12%	640
Rejected Approved Approved	31.07%	68.93%	640
Rejected Rejected Approved	35.75%	64.25%	640
All rejected	38.56%	61.44%	640

Section: 10, Native Allotment Applications F14315

Approved	28.27%	71.73%	640
Rejected	36.79%	63.21%	640

Section: 11, Native Allotment Applications F13833, F13835, and F14315

All approved	9.01%	90.99%	640
F13833 F13835 F14315			
Approved Rejected Rejected	22.68%	77.32%	640
Approved Approved Rejected	12.99%	87.01%	640
Approved Rejected Approved	18.70%	81.30%	640
Rejected Approved Rejected	14.55%	85.45%	640
Rejected Approved Approved	10.57%	89.43%	640
Rejected Rejected Approved	20.26%	79.74%	640
All rejected	24.24%	75.76%	640

T13N, R4E Umiat Meridian

Section: 25	16.32%	83.68%	640
26	1.91%	98.09%	640
27	4.26%	95.74%	640
28	0.21%	99.79%	640
32	10.38%	89.62%	640
33	23.04%	76.96%	640
34	32.35%	67.65%	640
35	39.48%	60.52%	640
36	42.65%	57.35%	640

EXHIBIT F

ASRC AND STATE PERCENTAGE OWNERSHIP
(POINT LAY SUBSURFACE)

<u>Township/Section</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acreage</u>
T1N, R45W Umiat Meridian			
Section: 1	49.00%	51.00%	640
2	49.00%	51.00%	640
3	49.00%	51.00%	640
4	49.00%	51.00%	640
5	49.00%	51.00%	640
6	49.00%	51.00%	626
7	49.00%	51.00%	628
8	49.00%	51.00%	640
9	49.00%	51.00%	640
10	49.00%	51.00%	640
11	49.00%	51.00%	640
12	49.00%	51.00%	640
13	49.00%	51.00%	640
14	49.00%	51.00%	640
15	49.00%	51.00%	640
16	49.00%	51.00%	640
17	49.00%	51.00%	640
18	49.00%	51.00%	631
19	49.00%	51.00%	634
20	49.00%	51.00%	640
21	49.00%	51.00%	640
22	49.00%	51.00%	640
23	49.00%	51.00%	640
24	49.00%	51.00%	640
25	49.00%	51.00%	640
26	49.00%	51.00%	640
27	49.00%	51.00%	640
28	49.00%	51.00%	640
29	49.00%	51.00%	640
30	49.00%	51.00%	636
31	49.00%	51.00%	639
32	49.00%	51.00%	640
33	49.00%	51.00%	640
34	49.00%	51.00%	640
35	49.00%	51.00%	640
36	49.00%	51.00%	640
T1N, R46W Umiat Meridian			
Section: 1	22.20%	77.80%	640
2	3.06%	96.94%	640
3	6.51%	93.49%	640
10	3.45%	96.55%	640
11	2.37%	97.63%	640
12	16.46%	83.54%	640
13	27.95%	72.05%	640
14	11.48%	88.52%	640
15	7.27%	92.73%	640
22	4.21%	95.79%	640
23	15.47%	84.53%	640
24	32.16%	67.84%	640
25	42.88%	57.12%	640
26	9.95%	90.05%	640

<u>Township/Section</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acres</u>
27	10.03%	89.97%	640
34	7.27%	92.73%	640
35	1.68%	98.32%	640
36	47.85%	52.15%	640
T2N, R45W Umiat Meridian			
Section: 1	49.00%	51.00%	640
2	49.00%	51.00%	640
3	49.00%	51.00%	640
4	49.00%	51.00%	640
5	49.00%	51.00%	640
6	13.66%	86.34%	610
7	1.20%	98.80%	613
8	48.23%	51.77%	640
9	49.00%	51.00%	640
10	49.00%	51.00%	640
11	49.00%	51.00%	640
12	49.00%	51.00%	640
13	49.00%	51.00%	640
14	49.00%	51.00%	640
15	49.00%	51.00%	640
16	49.00%	51.00%	640
17	49.00%	51.00%	640
18	22.67%	77.33%	616
19	7.14%	92.86%	618
20	49.00%	51.00%	640
21	49.00%	51.00%	640
22	49.00%	51.00%	640
23	49.00%	51.00%	640
24	49.00%	51.00%	640
25	49.00%	51.00%	640
26	49.00%	51.00%	640
27	49.00%	51.00%	640
28	49.00%	51.00%	640
29	49.00%	51.00%	640
30	16.57%	83.43%	621
31	32.25%	67.75%	623
32	49.00%	51.00%	640
33	49.00%	51.00%	640
34	49.00%	51.00%	640
35	49.00%	51.00%	640
36	49.00%	51.00%	640
T2N, R46W Umiat Meridian			
Section: 2	1.99%	98.01%	640
3	3.06%	96.94%	640
10	3.06%	96.94%	640
11	3.06%	96.94%	640
14	5.90%	94.10%	640
15	2.30%	97.70%	640
22	3.45%	96.55%	640
23	3.60%	96.40%	640
24	0.38%	99.62%	640
26	5.74%	94.26%	640
27	5.36%	94.64%	640
34	7.27%	92.73%	640
35	1.30%	98.70%	640
36	13.40%	86.60%	640

EXHIBIT G

WARRANTY DEED

This warranty deed is made from Arctic Slope Regional Corporation, an Alaska corporation ("ASRC"), whose mailing address is P. O. Box 129, Barrow, Alaska 99723, to the State of Alaska ("State"), whose mailing address is Chief, Title Administration Section, Division of Land, State of Alaska, Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503.

W I T N E S S E T H :

This warranty deed is made pursuant to the "1991 Settlement Agreement Between Arctic Slope Regional Corporation and the State of Alaska" ("Settlement Agreement"), which was ratified and approved by the Alaska Legislature in chapter __ SLA 199__ and to which reference is here made for all purposes. The Settlement Agreement has been recorded in the recording office of the Barrow recording district and has been noted in the lands records system maintained by the State's Department of Natural Resources.

Now, therefore, in consideration of the premises, the mutual covenants and agreements contained herein and in the Settlement Agreement, and other good and valuable consideration (the receipt and sufficiency of which are all hereby acknowledged), ASRC and the State hereby agree as follows:

1. Definitions. In this warranty deed, the following definitions apply:

(a) "Subsurface" means all interests in oil, gas, or other minerals, now known or discovered in the future in, on, or under land (including all depths, formations, and horizons), together with all rights, privileges, benefits, and powers conferred upon the owner of that interest with respect to the use and occupation of the surface of, and the subsurface depths under, the lands that may be necessary, convenient, or incidental to the possession and enjoyment (and including, without

development, production, or other exploitation of, or lease, sale, exchange, or other disposition of any interest in the Nuiqsut subsurface, except as expressly otherwise provided in paragraph 7.3(b) of the Settlement Agreement. "Subsurface revenues" includes all rents, profits and royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the oil and gas leases described in section 9 of the Settlement Agreement attributable to any part of the Nuiqsut subsurface. When "subsurface revenues" are received in a form other than cash or cash equivalents, the cash fair market value at the time of the receipt will be included in and considered as "subsurface revenues."

"Subsurface revenues" does not include taxes of any kind owed to the State by any person, including ASRC.

"Subsurface revenues" also does not include the customary fees charged by the State in connection with the filing of an application for a permit, lease, license, or mining claim, mining lease, or mining leasehold location that are generally applicable to all such applications and are not limited to or different in amount with respect to applications pertaining to Nuiqsut subsurface as compared to other subsurface areas, or other like generally applicable fees customarily charged by the State for authorizations, publications or services.

(h) "Fair market value" means the amount of money that an informed purchaser, willing but not obligated to buy, would pay an informed seller, willing but not obligated to sell, for particular property, goods, or services.

2. Conveyance. Pursuant to the Settlement Agreement, ASRC hereby grants, assigns, and conveys to the State the applicable State percentage set out in Exhibit A hereto in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface in the Barrow recording district in the State of

Alaska described in Exhibit A hereto to which ASRC has heretofore acquired title by virtue of an interim conveyance or patent from the United States, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface.

3. Reservation. Pursuant to the Settlement Agreement, in making this grant, assignment, and conveyance, ASRC reserves and excepts to itself and its successors and assigns, the applicable ASRC percentage set out in Exhibit A in and to the subsurface in the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of Nuiqsut subsurface described in paragraph 2 above.

4. Future Changes. As provided for in the Settlement Agreement, the State has granted or will grant to ASRC one or more patents (collectively, the "State Patent") conveying to ASRC the applicable ASRC percentage set out in Exhibit A in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface described in Exhibit A hereto to which the State has heretofore acquired title, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface, reserving to the State the applicable State percentage set out in Exhibit A in the subsurface in those portions of the Nuiqsut subsurface now and hereafter existing in those respective parcels of Nuiqsut subsurface. This warranty deed is not intended and shall not be construed to grant to the State any interest in the ASRC percentage in any Nuiqsut subsurface which has been or is conveyed from the State to ASRC pursuant to the State Patent, and it is intended by ASRC and the State that, after giving effect to this warranty deed and the State Patent, the entirety of the Nuiqsut subsurface in each of the parcels described in this warranty deed and in the State

patent shall be owned by ASRC and the State in undivided interests in proportion to the applicable ASRC percentage and the applicable State percentage, respectively, set out in Exhibit A. Further, pursuant to the Settlement Agreement, it is expressly stipulated and provided that the respective undivided ownership interests of the State (that is, the applicable State percentage set out in Exhibit A) and of ASRC (that is, the applicable ASRC percentage set out in Exhibit A) in the Nuiqsut subsurface in each respective parcel of Nuiqsut subsurface described in Exhibit A will not change by virtue of any future change in the boundary, location, or extent of uplands or submerged lands within that parcel.

5. Leases. To the extent that any oil and gas lease previously granted by the State to any person and described in paragraph 2.2(d) of the Settlement Agreement is presently valid and in force and effect as to the subsurface in any parcel of the Nuiqsut subsurface described in Exhibit A, this conveyance is made subject to that oil and gas lease, and subsurface revenues payable under and in connection with that oil and gas lease as to that parcel of the Nuiqsut subsurface after the effective date of this deed shall be owned by the State and ASRC in proportion to the applicable State percentage and applicable ASRC percentage set out in Exhibit A as more fully provided in the Settlement Agreement. Nothing herein is intended or shall be construed to validate or reinstate any oil or gas lease that is not otherwise valid and extant.

6. Habendum. To have and to hold the applicable undivided State percentage interest set out in Exhibit A in and to the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of the Nuiqsut subsurface described in paragraph 2 of this deed, together with all and singular the tenements, hereditaments, and appurtenances thereto appertaining, unto the State and its successors and assigns, forever, subject to and in accordance with the terms and provisions of the Settlement Agreement. ASRC does hereby bind itself and its

successors and assigns, to warrant and forever defend all and singular the interests hereby conveyed unto the State (its successors and assigns) against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under ASRC, but not otherwise, subject in all respects to the Settlement Agreement and to the other matters to which this warranty deed is made subject as set forth herein.

7. Further Assurances. The parties agree to take all further actions and execute, acknowledge, and deliver any further documents that are necessary or useful in carrying out the purposes of this warranty deed. Without limitation to the foregoing, ASRC agrees to execute, acknowledge and deliver to the State all additional instruments, notices, and other documents and to do all other and further acts and things as may be necessary to more fully and effectively grant, convey, and assign to the State the interests conveyed hereby and intended to be so conveyed.

8. Governing Law. The validity of this warranty deed shall be governed by and it shall be construed in accordance with the laws of the State of Alaska.

9. Counterparts. This warranty deed may be executed in any number of counterparts and each counterpart shall be deemed to be an original instrument, but all counterparts shall constitute but one conveyance.

10. Successors and Assigns. Subject to the provisions of the Settlement Agreement, this warranty deed shall bind and enure to the benefit of ASRC and the State and the respective successors and assigns of each of them. The covenants and provisions of this warranty deed and of the Settlement Agreement shall be covenants running with the land.

11. Prior Warranties. ASRC hereby assigns to the State with full right of subrogation, to the extent so transferable, the benefit of and the right to enforce the covenants and warranties, if any, which ASRC is entitled to enforce with respect to the interests in the Nuiqsut subsurface provided

herein to be conveyed to the State, including those against any assignors and other predecessors in title.

12. Deed Effective Date. This warranty deed is effective and takes effect as of [Use, as applicable, in deeds executed pursuant to paragraph 3.1(a) of the Settlement Agreement, _____, 199__, the date SLA 199__ became effective, or in deeds executed pursuant to paragraph 3.1(b) of the Settlement Agreement, _____, 199__, the date the parcels (whether one or more) of Nuiqsut subsurface described in Exhibit A became "Fully Conveyed Sections" as defined in the Settlement Agreement].

ARCTIC SLOPE REGIONAL CORPORATION

By _____
Name: _____
Title: _____

THE STATE OF ALASKA

§
§
§

ss.

_____ JUDICIAL DISTRICT

This is to certify that on the _____ day of _____, 199__, before me appeared Jacob Adams, the person who has been lawfully authorized as the President of Arctic Slope Regional Corporation, a corporation organized and existing under the laws of the state of Alaska, to execute the foregoing document; that Jacob Adams executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for Alaska

My Commission Expires: _____

EXHIBIT A
TO WARRANTY DEED FROM
ARCTIC SLOPE REGIONAL CORPORATION
TO THE STATE OF ALASKA

1. All of section _____, T_____N, R_____E, Umiat Meridian ("UM"), as described in Interim Conveyance from the United States of America to Arctic Slope Regional Corporation ("ASRC") dated _____, 19_____, recorded in _____.

State percentage—_____%; ASRC percentage—_____%.

2. The following described portion of section _____, T_____N, R_____E, UM, described in _____ from _____ to ASRC dated _____, 19_____, recorded in _____:

INSERT DESCRIPTION

State percentage—_____%; ASRC percentage—_____%.

General Format: Each section or portion of a section to be described separately with a reference to the Interim Conveyance, Patent, etc., granting subsurface in all or part of such section or portion of a section to ASRC. State percentage and ASRC percentage to be set out separately for each section or portion of a section.

All references in this Exhibit A and in the foregoing Warranty Deed to a "section" of land shall be construed to refer to the entirety of the area (including any area now or hereafter situated within the Beaufort Sea) encompassed within a full square or rectangular section (protracted or projected to the extent, if any, it is within the Beaufort Sea) containing approximately 640 acres.

SIGNED FOR IDENTIFICATION:

ARCTIC SLOPE REGIONAL CORPORATION

By _____

EXHIBIT H

STATE OF ALASKA

PATENT NO. _____

This patent is made from the State of Alaska, through its Department of Natural Resources ("State"), whose mailing address is Chief, Title Administration Section, Division of Land, State of Alaska, Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, pursuant to chapter ___ SLA 199__, to Arctic Slope Regional Corporation, an Alaska corporation ("ASRC"), whose mailing address is P. O. Box 129, Barrow, Alaska 99723.

W I T N E S S E T H :

This patent is made pursuant to the "1991 Settlement Agreement Between Arctic Slope Regional Corporation and the State of Alaska" ("Settlement Agreement"), which was ratified and approved by the Alaska Legislature in chapter ___ SLA 199__ and to which reference is here made for all purposes. The Settlement Agreement has been recorded in the recording office of the Barrow recording district and has been noted in the land records system maintained by the State's Department of Natural Resources.

Now, therefore, in consideration of the premises, the mutual covenants and agreements contained herein and in the Settlement Agreement, and other good and valuable consideration (the receipt and sufficiency of which are all hereby acknowledged), ASRC and the State hereby agree as follows:

1. Definitions. In this patent, the following definitions apply:

(a) "Subsurface" means all interests in oil, gas, or other minerals, now known or discovered in the future in, on, or under land (including all depths, formations, and horizons), together with all rights, privileges, benefits, and powers conferred upon the owner of that interest with respect to the use and occupation of the surface of, and subsurface depths under,

the lands that may be necessary, convenient, or incidental to the possession and enjoyment (including, without limitation, exploring, drilling, developing, producing, mining, saving, handling, treating, transporting, marketing, and operating the oil, gas, or other minerals). However, "subsurface" does not include any "mineral" that on January 3, 1959, was subject to location under the mining laws of the United States, does not include sand and gravel (whether or not of an uncommon variety), and does not include water.

(b) "State percentage" means, as to each different section or portion of a section of Nuiqsut subsurface described in Exhibit A hereto, the undivided percentage interest described as the "State percentage" following the description of that particular section or portion of a section in Exhibit A. "State percentage" means, as to each different section of Point Lay subsurface described in Exhibit B hereto, the undivided percentage interest described as the "State percentage" following the description of that particular section in Exhibit B.

(c) "ASRC percentage" means, as to each different section or portion of a section of Nuiqsut subsurface described in Exhibit A hereto, the undivided percentage interest described as the "ASRC percentage" following the description of that particular section or portion of a section in Exhibit A. "ASRC percentage" means, as to each different section of Point Lay subsurface described in Exhibit B hereto, the undivided percentage interest described as the "ASRC percentage" following the description of that particular section in Exhibit B.

(d) "Parcel" means, as to each entire section of Nuiqsut subsurface or Point Lay subsurface described in Exhibit A or B, the entirety of that section; and as to less than all of a section of Nuiqsut subsurface described in Exhibit A, "parcel" means only that portion of the section so described.

(e) "Nuiqsut subsurface" means the subsurface in all the uplands and submerged lands now and hereafter existing in the lands described in subsection 11.16 of the Settlement Agreement

(subject, if applicable, to the provisions of paragraph 2.3(b) of the Settlement Agreement).

(f) "Point Lay subsurface" means the subsurface in all the uplands and submerged lands now and hereafter existing in the lands described in subsection 11.19 of the Settlement Agreement.

(g) "Subsurface revenues" means all bid deposits, bonuses, rents, net profits, royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the exploration, development, production, or other exploitation of, or lease, sale, exchange, or other disposition of any interest in the Nuiqsut subsurface or Point Lay subsurface, except as otherwise expressly provided in paragraph 7.3(b) of the Settlement Agreement. "Subsurface revenues" includes all rents, profits and royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the oil and gas leases described in section 9 of the Settlement Agreement attributable to any part of the Nuiqsut subsurface. When "subsurface revenues" are received in a form other than cash or cash equivalents, the cash fair market value at the time of the receipt will be included in and considered as "subsurface revenues."

"Subsurface revenues" does not include taxes of any kind owed to the State by any person, including ASRC. "Subsurface revenues" also does not include the customary fees charged by the State in connection with the filing of any application for a permit, lease, license, or mining claim, mining lease, or mining leasehold application that are generally applicable to all such applications and are not limited to or different in amount with respect to applications pertaining to Nuiqsut subsurface or Point Lay subsurface as compared to other subsurface areas, or other like generally applicable fees customarily charged by the State for authorizations, publications, or services.

(h) "Person" means a natural person and all types of private or governmental entities, including but not limited to all such entities listed in AS 01.10.060(7), and any corporate subsidiary or joint venture.

(i) "Fair market value" means the amount of money that an informed purchaser, willing but not obligated to buy, would pay an informed seller, willing but not obligated to sell, for particular property, goods, or services.

2. Conveyance. Pursuant to the Settlement Agreement, the State hereby grants, assigns, and conveys to ASRC and its successors and assigns

(a) the applicable ASRC percentage set out in Exhibit A hereto in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface in the Barrow recording district in the State of Alaska described in Exhibit A hereto to which the State has heretofore acquired title in any manner other than by virtue of the ASRC Deed described below, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface, and

(b) the applicable ASRC percentage set out in Exhibit B hereto in and to the subsurface in all those portions of the Point Lay subsurface (without regard to whether that Point Lay subsurface is within uplands or submerged lands) in the respective parcels of Point Lay subsurface in the Barrow recording district in the State of Alaska described in Exhibit B hereto to which the State has heretofore acquired title in any manner, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Point Lay subsurface.

3. Reservation. Pursuant to the Settlement Agreement, in making this grant, assignment, and conveyance, the State reserves and excepts to itself and its successors and assigns

(a) the applicable State percentage set out in Exhibit A in and to the subsurface in the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of Nuiqsut subsurface described in subparagraph 2(a) above, and

(b) the applicable State percentage set out in Exhibit B in and to the subsurface in the portions of the Point Lay subsurface now and hereafter existing in the respective parcels of Point Lay subsurface described in subparagraph 2(b) above.

4. Future Changes. As provided for in the Settlement Agreement, ASRC has granted or will grant to the State one or more warranty deeds (collectively, the "ASRC Deed") conveying to the State the applicable ASRC percentage set out in Exhibit A in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface described in Exhibit A hereto to which ASRC has heretofore acquired title, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface, reserving to ASRC the applicable ASRC percentage set out in Exhibit A in the subsurface in those portions of the Nuiqsut subsurface now and hereafter existing in those respective parcels of Nuiqsut subsurface. This patent is not intended and shall not be construed to grant to ASRC any interest in the State percentage in any Nuiqsut subsurface which has been or is conveyed from ASRC to the State pursuant to the ASRC Deed, and it is intended by the State and ASRC that, after giving effect to this patent and the ASRC Deed, the entirety of the Nuiqsut subsurface in each of the parcels described in this patent and in the ASRC Deed shall be owned by the State and ASRC in undivided interests in proportion to the applicable State percentage and the applicable ASRC percentage, respectively, set out in Exhibit A. Further, pursuant to the Settlement Agreement, and both with respect to the Point Lay subsurface and the Nuiqsut subsurface, it is expressly stipulated and provided that the

respective undivided ownership interests of ASRC (that is, the applicable ASRC percentage set out in Exhibit A as to Nuiqsut subsurface and the applicable ASRC percentage set out in Exhibit B as to Point Lay subsurface) and of the State (that is, the applicable State percentage set out in Exhibit A as to Nuiqsut subsurface and the applicable State percentage set out in Exhibit B as to Point Lay subsurface) in each respective parcel of Nuiqsut subsurface described in Exhibit A and in each respective parcel of Point Lay subsurface described in Exhibit B, respectively, will not change by virtue of any future change in the boundary, location, or extent of uplands or submerged lands within said parcel.

5. Leases. To the extent that any oil and gas lease previously granted by the State to any person and described in paragraph 2.2(d) of the Settlement Agreement is presently valid and in force and effect as to the subsurface in any parcel of the Nuiqsut subsurface described in Exhibit A, this conveyance is made subject to that oil and gas lease, and subsurface revenues payable under and in connection with that oil and gas lease as to that parcel of the Nuiqsut subsurface after the effective date of this patent shall be owned by the State and ASRC in proportion to the applicable State percentage and applicable ASRC percentage as more fully provided in the Settlement Agreement. Nothing herein is intended or shall be construed to validate or reinstate any oil or gas lease that is not otherwise valid and extant.

6. Habendum. To have and to hold the applicable undivided ASRC percentage interest set out in Exhibit A in and to the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of the Nuiqsut subsurface described in subparagraph 2(a) of this patent and the applicable undivided ASRC percentage interest set out in Exhibit B in and to the portions of the Point Lay subsurface now and hereafter existing in the respective parcels of the Point Lay subsurface described in subparagraph 2(b) of this patent, together with all and singular the tenements, hereditaments, appurtenances, rights,

encumbrances, and actions thereto appertaining, unto ASRC and its successors and assigns, forever, subject to and in accordance with the terms and provisions of the Settlement Agreement. The State hereby binds itself and its successors and assigns, to warrant and forever defend all and singular the interests hereby conveyed unto ASRC (its successors and assigns) against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under the State, but not otherwise, but subject in all respects to the Settlement Agreement and to the other matters to which this patent is made subject as set forth in it.

7. Further Assurances. The parties agree to take all further actions and execute, acknowledge, and deliver any further documents that are necessary or useful in carrying out the purposes of this patent. Without limitation to the foregoing, the State agrees to execute, acknowledge, and deliver to ASRC all additional instruments, notices, and other documents and to do all other and further acts and things as may be necessary to more fully and effectively grant, convey, and assign to ASRC the interests conveyed hereby and intended to be so conveyed.

8. Governing Law. The validity of this patent shall be governed by and it shall be construed in accordance with the laws of the State of Alaska.

9. Counterparts. This patent may be executed in any number of counterparts and each counterpart shall be deemed to be an original instrument, but all counterparts shall constitute but one conveyance.

10. Successors and Assigns. Subject to the provisions of the Settlement Agreement, this patent shall bind and enure to the benefit of the State and ASRC and the respective successors and assigns of each of them. The covenants and provisions of this patent and of the Settlement Agreement shall be covenants running with the land.

11. Prior Warranties. The State hereby assigns to ASRC with full right of subrogation, to the extent so transferable,

the benefit of and the right to enforce the covenants and warranties, if any, which the State is entitled to enforce with respect to the interests in the Nuiqsut subsurface and Point Lay subsurface provided herein to be conveyed to ASRC, including those against any assignors and other predecessors in title.

12. Patent Effective Date. Chapter ___ SLA 199__ became effective on _____, 199__, and this patent is effective and takes effect as of that date.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES

By _____
Director, Division of Land

THE STATE OF ALASKA §
 § ss.
_____ JUDICIAL DISTRICT §

This is to certify that on the _____ day of _____, 199__, before me appeared _____, the person who has been lawfully delegated the authority of _____, the Director of the Division of Land, Department of Natural Resources, State of Alaska, to execute the foregoing document; that _____ executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for Alaska

My Commission Expires: _____

ACCEPTANCE

Arctic Slope Regional Corporation accepts title to the applicable ASRC percentage in the subsurface in the above-described property subject to the obligations set forth in this patent.

Dated this _____ day of _____,
199__.

ARCTIC SLOPE REGIONAL CORPORATION

By _____
Jacob Adams, President

THE STATE OF ALASKA §
 § ss.
_____ JUDICIAL DISTRICT §

This is to certify that on the _____ day of _____, 199__, before me appeared Jacob Adams, the person who has been lawfully authorized as the President of Arctic Slope Regional Corporation, a corporation organized and existing under the laws of the state of Alaska, to execute the foregoing document; that Jacob Adams executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for Alaska
My Commission Expires: _____

EXHIBIT A
TO PATENT NO. _____
FROM THE STATE OF ALASKA TO
ARCTIC SLOPE REGIONAL CORPORATION

1. All of section _____, T_____N, R_____E, Umiat Meridian ("UM"), in the Barrow recording district, state of Alaska.

State percentage—_____%; ASRC percentage—_____%.

2. The following described portion of section _____, T_____N, R_____E, UM, in the Barrow recording district, state of Alaska:

INSERT DESCRIPTION

State percentage—_____%; ASRC percentage—_____%.

General Format: Each section or portion of a section to be described separately with State percentage and ASRC percentage to be set out separately for each section or portion of a section.

All references in this Exhibit A and in the foregoing patent to a "section" of land containing Nuiqsut subsurface refer to the entirety of the area (including any area now or hereafter situated within the Beaufort Sea) encompassed within a full square or rectangular section (protracted or projected to the extent, if any, it is within the Beaufort Sea) containing approximately 640 acres.

SIGNED FOR IDENTIFICATION

By _____
Name: _____
Title: _____

EXHIBIT B
TO PATENT NO. _____
FROM THE STATE OF ALASKA TO
ARCTIC SLOPE REGIONAL CORPORATION

1. All of section _____, T_____N, R_____E, Umiat Meridian ("UM"), in the Barrow recording district, state of Alaska.

State percentage—____%; ASRC percentage—____%.

2. All of section _____, T_____N, R_____E, UM, in the Barrow recording district, state of Alaska.

State percentage—____%; ASRC percentage—____%.

General Format: Each section to be described separately with State percentage and ASRC percentage to be set out separately for each section.

All references in this Exhibit B and in the foregoing patent to a "section" of land containing Point Lay subsurface refer to the entirety of the area (including any area now or hereafter situated within the Chukchi Sea or the Kasegaluk Lagoon) encompassed within a full square or rectangular section (protracted or projected to the extent, if any, it is within the Chukchi Sea or the Kasegaluk Lagoon) containing approximately 640 acres.

SIGNED FOR IDENTIFICATION

By _____
Name: _____
Title: _____

EXHIBIT I

STATE OF ALASKA

PATENT NO. _____

This patent is made from the State of Alaska, through its Department of Natural Resources ("State"), whose mailing address is Chief, Title Administration Section, Division of Land, State of Alaska, Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, pursuant to chapter ___ SLA 199__, to Arctic Slope Regional Corporation, an Alaska corporation ("ASRC"), whose mailing address is P. O. Box 129, Barrow, Alaska 99723.

W I T N E S S E T H :

This patent is made pursuant to the "1991 Settlement Agreement Between Arctic Slope Regional Corporation and the State of Alaska " ("Settlement Agreement"), which was ratified and approved by the Alaska Legislature in chapter ___ SLA 199__ and to which reference is here made for all purposes. The Settlement Agreement has been recorded in the recording office of the Barrow recording district and has been noted in the land records system maintained by the State's Department of Natural Resources.

Now, therefore, in consideration of the premises, the mutual covenants and agreements contained herein and in the Settlement Agreement, and other good and valuable consideration (the receipt and sufficiency of which are all hereby acknowledged), ASRC and the State hereby agree as follows:

1. Definitions. In this patent, the following definitions apply:

(a) "Subsurface" means all interests in oil, gas, or other minerals, now known or discovered in the future in, on, or under land (including all depths, formations and horizons), together with all rights, privileges, benefits and powers conferred upon the owner of that interest with respect to the use and occupation of the surface of, and subsurface depths under,

the lands that may be necessary, convenient, or incidental to the possession and enjoyment (including, without limitation, exploring, drilling, developing, producing, mining, saving, handling, treating, transporting, marketing and operating oil, gas, or other minerals). However, "subsurface" does not include any "mineral" that on January 3, 1959, was subject to location under the mining laws of the United States, does not include sand and gravel (whether or not of an uncommon variety), and does not include water.

(b) "State percentage" means, as to each different section or portion of a section of Nuiqsut subsurface described in Exhibit A hereto, the undivided percentage interest described as the "State percentage" following the description of such particular section or portion of a section in Exhibit A.

(c) "ASRC percentage" means, as to each different section or portion of a section of Nuiqsut subsurface described in Exhibit A hereto, the undivided percentage interest described as the "ASRC percentage" following the description of such particular section or portion of a section in Exhibit A.

(d) "Parcel" means, as to each entire section of Nuiqsut subsurface described in Exhibit A, the entirety of that section; and as to less than all of a section of Nuiqsut subsurface described in Exhibit A, "parcel" means only that portion of the section so described.

(e) "Nuiqsut subsurface" means the subsurface in all the uplands and submerged lands now and hereafter existing in the lands described in subsection 11.16 of the Settlement Agreement (subject, if applicable, to the provisions of paragraph 2.3(b) of the Settlement Agreement).

(f) "Subsurface revenues" means all bid deposits, bonuses, rents, net profits, royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the exploration, development, production, or other exploitation of, or lease, sale, exchange, or other disposition of any interest in the

subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface in the Barrow recording district in the State of Alaska described in Exhibit A hereto to which the State has heretofore acquired title in any manner other than by virtue of the ASRC Deed described below, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface.

3. Reservation. Pursuant to the Settlement Agreement, in making this grant, assignment, and conveyance, the State reserves and excepts to itself and its successors and assigns, the applicable State percentage set out in Exhibit A in and to the subsurface in the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of Nuiqsut subsurface described in paragraph 2 above.

4. Future Changes. As provided for in the Settlement Agreement, ASRC has granted or will grant to the State one or more warranty deeds (collectively, the "ASRC Deed") conveying to the State the applicable ASRC percentage set out in Exhibit A in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface described in Exhibit A hereto to which ASRC has heretofore acquired title, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface, reserving to ASRC the applicable ASRC percentage set out in Exhibit A in the subsurface in those portions of the Nuiqsut subsurface now and hereafter existing in those respective parcels of Nuiqsut subsurface. This patent is not intended and shall not be construed to grant to ASRC any interest in the State percentage in any Nuiqsut subsurface which has been or is conveyed from ASRC to the State pursuant to the ASRC Deed, and it is intended by the State and ASRC that, after giving effect to this patent and the ASRC Deed, the entirety of

Nuiqsut subsurface, except as otherwise expressly provided in paragraph 7.3(b) of the Settlement Agreement. "Subsurface revenues" includes all rents, profits, and royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the oil and gas leases described in section 9 of the Settlement Agreement attributable to any part of the Nuiqsut subsurface. When "subsurface revenues" are received in a form other than cash or cash equivalents, the cash fair market value at the time of the receipt will be included in and considered as "subsurface revenues."

"Subsurface revenues" does not include taxes of any kind owed to the State by any person, including ASRC.

"Subsurface revenues" also does not include the customary fees charged by the State in connection with the filing of any application for a permit, lease, license, or mining claim, mining lease, or mining leasehold application that are generally applicable to all such applications and are not limited to or different in amount with respect to applications pertaining to Nuiqsut subsurface as compared to other subsurface areas, or other like generally applicable fees customarily charged by the State for authorizations, publications, or services.

(g) "Person" means a natural person and all types of private or governmental entities, including but not limited to all entities listed in AS 01.10.060(7), and any corporate subsidiary or joint venture.

(h) "Fair market value" means the amount of money that an informed purchaser, willing but not obligated to buy, would pay an informed seller, willing but not obligated to sell, for particular property, goods, or services.

2. Conveyance. Pursuant to the Settlement Agreement, the State hereby grants, assigns, and conveys to ASRC and its successors and assigns the applicable ASRC percentage set out in Exhibit A hereto in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut

the Nuiqsut subsurface in each of the parcels described in this patent and in the ASRC Deed shall be owned by the State and ASRC in undivided interests in proportion to the applicable State percentage and the applicable ASRC percentage, respectively, set out in Exhibit A. Further, pursuant to the Settlement Agreement, it is expressly stipulated and provided that the respective undivided ownership interests of ASRC (that is, the applicable ASRC percentage set out in Exhibit A) and of the State (that is, the applicable State percentage set out in Exhibit A) in each respective parcel of Nuiqsut subsurface described in Exhibit A will not change by virtue of any future change in the boundary, location or extent of uplands or submerged lands within said parcel.

5. Leases. To the extent that any oil and gas lease previously granted by the State to any person and described in paragraph 2.2(d) of the Settlement Agreement is presently valid and in force and effect as to the subsurface in any parcel of the Nuiqsut subsurface described in Exhibit A, this conveyance is made subject to that oil and gas lease, and subsurface revenues payable under and in connection with that oil and gas lease as to that parcel of the Nuiqsut subsurface after the effective date of this patent shall be owned by the State and ASRC in proportion to the applicable State percentage and applicable ASRC percentage as more fully provided in the Settlement Agreement. Nothing herein is intended or shall be construed to validate or reinstate any oil or gas lease which is not otherwise valid and extant.

6. Habendum. To have and to hold the applicable undivided ASRC percentage interest set out in Exhibit A in and to the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of the Nuiqsut subsurface described in paragraph 2 of this patent, together with all and singular the tenements, hereditaments, appurtenances, rights, encumbrances, and actions thereto appertaining, unto ASRC and its successors and assigns, forever, subject to and in accordance with the terms and provisions of the Settlement Agreement. The State does

hereby bind itself and its successors and assigns to warrant and forever defend all and singular the interests hereby conveyed unto ASRC (its successors and assigns) against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under the State, but not otherwise, but subject in all respects to the Settlement Agreement and to the other matters to which this patent is made subject as set forth in it.

7. Further Assurances. The parties agree to take all such further actions and execute, acknowledge and deliver such further documents that are necessary or useful in carrying out the purposes of this patent. Without limitation to the foregoing, the State agrees to execute, acknowledge and deliver to ASRC all such other additional instruments, notices and other documents and to do all such other and further acts and things as may be necessary to more fully and effectively grant, convey and assign to ASRC the interests conveyed hereby and intended to be so conveyed.

8. Governing Law. The validity of this patent shall be governed by and it shall be construed in accordance with the laws of the State of Alaska.

9. Counterparts. This patent may be executed in any number of counterparts and each counterpart shall be deemed to be an original instrument, but all such counterparts shall constitute but one conveyance.

10. Successors and Assigns. Subject to the provisions of the Settlement Agreement, this patent shall bind and enure to the benefit of the State and ASRC and the respective successors and assigns of each of them. The covenants and provisions of this patent and of the Settlement Agreement shall be covenants running with the land.

11. Prior Warranties. The State hereby assigns to ASRC with full right of subrogation, to the extent so transferable, the benefit of and the right to enforce the covenants and warranties, if any, which the State is entitled to enforce with

respect to the interests in the Nuiqsut subsurface provided herein to be conveyed to ASRC, including those against any assignors and other predecessors in title.

12. Patent Effective Date. This patent is effective and takes effect as of _____, 199__, the date the parcels (whether one or more) of Nuiqsut subsurface described in Exhibit A became "Fully Conveyed Section" as defined in the Settlement Agreement.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES

By _____
Director, Division of Land

THE STATE OF ALASKA §
 § ss.
_____ JUDICIAL DISTRICT §

This is to certify that on the ____ day of _____, 199__, before me appeared _____, the person who has been lawfully delegated the authority of _____, the Director of the Division of Land, Department of Natural Resources, State of Alaska, to execute the foregoing document; that _____ executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for Alaska
My Commission Expires: _____

ACCEPTANCE

Arctic Slope Regional Corporation accepts title to the applicable ASRC percentage in the subsurface in the above-described property subject to the obligations set forth in this patent.

Dated this _____ day of _____,
199__.

ARCTIC SLOPE REGIONAL CORPORATION

By _____
Jacob Adams, President

THE STATE OF ALASKA §
 § ss.
_____ JUDICIAL DISTRICT §

This is to certify that on the _____ day of _____, 199__, before me appeared Jacob Adams, the person who has been lawfully authorized as the President of Arctic Slope Regional Corporation, a corporation organized and existing under the laws of the state of Alaska, to execute the foregoing document; that Jacob Adams executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for Alaska
My Commission Expires: _____

EXHIBIT A
TO PATENT NO. _____
FROM THE STATE OF ALASKA TO
ARCTIC SLOPE REGIONAL CORPORATION

1. All of section _____, T _____ N, R _____ E, Umiat Meridian ("UM"), in the Barrow recording district, state of Alaska.

State percentage—_____%; ASRC percentage—_____%.

2. The following described portion of section _____, T _____ N, R _____ E, UM, in the Barrow recording district, state of Alaska:

INSERT DESCRIPTION

State percentage—_____%; ASRC percentage—_____%.

General Format: Each section or portion of a section to be described separately with State percentage and ASRC percentage to be set out separately for each section or portion of a section.

All references in this Exhibit A and in the foregoing patent to a "section" of land containing Nuiqsut subsurface refer to the entirety of the area (including any area now or hereafter situated within the Beaufort Sea) encompassed within a full square or rectangular section (protracted or projected to the extent, if any, it is within the Beaufort Sea) containing approximately 640 acres.

SIGNED FOR IDENTIFICATION

By _____
Name: _____
Title: _____

A G R E E M E N T

THIS AGREEMENT entered into this 21 day of January, 1987, is by ARCTIC SLOPE REGIONAL CORPORATION ("ASRC"), a corporation authorized pursuant to Section 7 of the Alaska Native Claims Settlement Act, 85 Stat. 688, 691, 43 U.S.C. 1606 ("ANCSA"), and duly organized under the laws of the State of Alaska, and KUUKPIK CORPORATION ("Kuukpik"), a corporation authorized pursuant to Section 8 of ANCSA and duly organized under the laws of the State of Alaska. ASRC and Kuukpik are collectively referred to as "the parties".

W I T N E S S E T H:

WHEREAS, ASRC desires to exercise its option under § 1431(o) of the Alaska National Interest Lands Conservation Act, 94 Stat. 2371, 2542, Pub. L. 96-487 ("ANILCA"), to acquire the subsurface estate of lands, all or part of the surface estate of which has been selected by and has been or will be conveyed to Kuukpik within the National Petroleum Reserve in Alaska ("NPR-A") (referred to hereinafter as the "ASRC Subsurface"); and

WHEREAS, the option of ASRC to acquire the ASRC Subsurface will expire on January 26, 1987, unless extended; and

WHEREAS, it is in the best interests of ASRC and Kuukpik for ASRC to exercise its option under § 1431(o) of ANILCA; and

WHEREAS, the concurrence of Kuukpik is required under § 1431(o) of ANILCA prior to the exercise of ASRC's option to acquire the ASRC Subsurface; and

WHEREAS, the parties recognized that Kuukpik may condition its concurrence under § 1431(o) of ANILCA to require its further consent for ASRC, its successors and assigns, to conduct oil and gas exploration activities that may occur with respect to the ASRC Subsurface, and to conduct any future development activities, including but not limited to oil and gas development and production and sand and gravel extraction, that may occur with respect to the ASRC Subsurface (referred to hereinafter as "Exploration and Development Activities"); and

WHEREAS, Kuukpik is willing to give its conditional concurrence to ASRC for acquisition of the ASRC Subsurface under § 1431(o) of ANILCA.

NOW, THEREFORE, in consideration of their mutual promises and for other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto consent and agree as follows:

1. Kuukpik hereby gives its concurrence for ASRC to exercise its option under § 1431(o) of ANILCA to acquire the ASRC Subsurface, but Kuukpik expressly conditions its concurrence in such acquisition of the ASRC Subsurface by reserving the right to consent to any Exploration and Development Activities that ASRC, its successors and assigns, may engage in from time to time with respect to the ASRC Subsurface.

2. ASRC agrees that it will not engage in any Exploration and Development Activities with respect to the ASRC Subsurface without first obtaining the consent referred to in Paragraph 1 of this Agreement.

ARCTIC SLOPE REGIONAL CORPORATION

Date: 1/16/87

By Jaime Adams

KUUKPIK CORPORATION

Date: 1/21/87

By Joe Nul. ayli

EXHIBIT J

NOTICE OF ASSIGNMENTS
OF
SUBSURFACE INTERESTS AND RIGHTS
UNDER STATE OF ALASKA
OIL AND GAS LEASE

TO: [NAME AND ADDRESS OF LESSEE]

This notice pertains to the following oil and gas lease (the "Subject Lease") issued by the State of Alaska:

Oil and Gas Lease ADL _____ [If applicable, add: (originally number ADL _____)] describing the following lands in the Barrow recording district, State of Alaska:

Township _____ North, Range _____ East, Umiat Meridian:

section _____ : all (640 acres)
section _____ : all (640 acres)*

Containing _____ acres, more or less (the "Lease Premises").

[*If less than all, describe portion and acres.]

Notice is hereby given that:

1. The State of Alaska ("State") and Arctic Slope Regional Corporation ("ASRC") entered into the "1991 Settlement Agreement Between Arctic Slope Regional Corporation and The State of Alaska" ("Settlement Agreement") which was ratified and approved by the Alaska Legislature in chapter ___ SLA 199__. The Settlement Agreement has been recorded in the recording office of the Barrow recording district and has been noted in the lands records system maintained by the State's Department of Natural Resources.

2. Pursuant to the Settlement Agreement, by warranty deed made effective as of _____, 199__, ASRC conveyed to the State an undivided percentage interest (the "State Percentage") in and to all portions of the subsurface in the respective sections in the Lease Premises owned by ASRC, including both uplands and submerged lands now and hereafter existing, as follows:

Section No.

State Percentage

3. Pursuant to the Settlement Agreement, by patent no. _____ made effective as of _____, 199__, the State conveyed to ASRC an undivided percentage interest (the "ASRC Percentage") in and to all portions of the subsurface in the respective sections in the Lease Premises owned by the State, including both uplands and submerged lands now and hereafter existing, as follows:

Section No.

ASRC Percentage

4. As provided in the Settlement Agreement, no change in the boundary, location, or extent of submerged lands or uplands within any section of the Lease Premises will alter, increase, or diminish the State Percentage or the ASRC Percentage of the subsurface and rentals, royalties, and other subsurface revenues in and attributable to such section owned by the State and ASRC, respectively.

5. As provided in the Settlement Agreement and notwithstanding any provision of section 14(g) of the Alaska Native Claims Settlement Act of 1971 ("ANCSA"), all rentals, royalties, and other subsurface revenues with respect to and payable on account of production of oil or gas from each section of the Lease Premises shall be owned by and payable to the State and ASRC, respectively, in proportion to the State Percentage and ASRC Percentage in that particular section and shall not be pooled or communitized with or payable to the owners of the subsurface in any other section of the Lease Premises.

6. As provided for in the Settlement Agreement, the lessee under the Subject Lease is hereby directed to pay all rentals, royalties, and other subsurface revenues becoming payable by the lessee under the Subject Lease after the effective date of the warranty deed and patent described in paragraphs 2 and 3 above, as follows:

(a) To ASRC, to the extent of the applicable ASRC Percentage in the subsurface in the particular section of the Lease Premises with respect to which such rentals, royalties, or other subsurface revenues become payable, at the following address (or such other address of which notice is hereafter given by ASRC to such lessee):

(b) To the State, to the extent of the applicable State Percentage in the subsurface in the particular section of the Lease Premises with respect to which such rentals, royalties, or other subsurface revenues become payable, at the following address (or such other address of which notice is hereafter given by the State to such lessee):

7. Notices from the lessee under the Subject Lease to the "lessor" under the Subject Lease after the effective date of the warranty deed and patent described in paragraphs 3 and 4 above are to be given both to ASRC, at the address shown in paragraph 6(a) above (or such other address of which notice is hereafter given by ASRC to the lessee) and to the State at the address shown in paragraph 6(b) above (or to such other address of which notice is hereafter given by the State to the lessee).

8. As provided in the Settlement Agreement, from and after the effective date of the warranty deed and patent described in paragraphs 2 and 3 above, and notwithstanding any contrary provision of section 14(g) of ANCSA:

(a) As to the applicable State Percentage in each respective section of the Lease Premises, the State shall have the right and responsibility, with respect only to its State Percentage interest, in its own discretion to administer and enforce directly any termination provisions, duties, obligations, and covenants, express or implied, undertaken by or imposed by virtue of the Subject Lease; and

(b) As to the applicable ASRC Percentage in each respective section of the Lease Premises, ASRC shall have the right and responsibility, with respect only to its ASRC Percentage interest, in its own discretion to administer and enforce directly any termination provisions, duties, obligations, and covenants, express or implied, undertaken by or imposed by virtue of the Subject Lease.

9. Nothing in this notice is intended or shall be construed to ratify, validate, or reinstate the Subject Lease as to any land or interest therein as to which the Subject Lease is not otherwise presently valid and in force and effect.

10. The effective date of this notice is the same date as the effective date of the deed and patent described in paragraphs 2 and 3 above.

STATE OF ALASKA

By _____
Director, Division of Land,
Department of Natural Resources

ARCTIC SLOPE REGIONAL CORPORATION

By _____
(Name) _____
(Title) _____

HB

429

7-LS1773J
Utermoble
3/19/92

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 429 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES SHARP, Gonzales, M.A.Miller, G.Phillips, Choquette, Zawacki, Hudson, Taylor,
Baker

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the powers of the Board of Game and to intensive game management
2 to achieve higher sustained yield for human harvest."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 16.05.255(a) is amended to read:

5 (a) The Board of Game shall [MAY] adopt regulations it considers advisable in
6 accordance with the Administrative Procedure Act (AS 44.62) to provide for the management
7 of game, and for intensive management of identified game species to maintain or restore
8 high levels of game populations to achieve higher sustained yield for human harvest where
9 the board has determined that consumptive use of those game species is the preferred use,
10 by [FOR]

11 (1) setting apart game reserve areas, refuges, and sanctuaries in the water or on
12 the land of the state over which it has jurisdiction, subject to the approval of the legislature;

13 (2) establishing open and closed seasons and areas for the taking of game;

14 (3) establishing the means and methods employed in the pursuit, capture, and

1 transport of game, including regulations, consistent with resource conservation and development
2 goals, establishing means and methods that may be employed by persons with physical
3 disabilities;

4 (4) setting quotas, bag limits, harvest levels, and sex, age, and size limitations on
5 the taking of game;

6 (5) classifying game as game birds, song birds, big game animals, fur bearing
7 animals, predators, or other categories;

8 (6) methods, means, and harvest levels necessary to control predation and
9 competition among game in the state;

10 (7) watershed and habitat improvement, and management, conservation, protection,
11 use, disposal, propagation, and stocking of game;

12 (8) prohibiting the live capture, possession, transport, or release of native or exotic
13 game or their eggs;

14 (9) establishing the times and dates during which the issuance of game licenses,
15 permits, and registrations and the transfer of permits and registrations between registration areas
16 and game management units or subunits is allowed;

17 (10) regulating sport hunting and subsistence hunting as needed for the
18 conservation, development, and utilization of game;

19 (11) requiring the department, within the department's ability, to develop and
20 conduct intensive management to restore the abundance of a game resource or the
21 productivity of a game resource as necessary to achieve harvest goals of the board in an
22 area where depletion of the game resource, or a reduction of the productivity of the game
23 resource, has occurred and has, or is likely to, result in a significant reduction in the
24 allowable human harvest of the game resource;

25 (12) requiring the development and implementation of long-range plans for
26 the rehabilitation and enhancement of game populations and game habitat to ensure
27 opportunities for enhanced human consumptive use of game populations in areas identified
28 by the board; the plans shall be revised and updated as required by the board.

29 * Sec. 2. AS 16.05.255 is amended by adding new subsections to read:

30 (e) The Board of Game shall evaluate the use of intensive management to increase the
31 harvestable surplus of a game population before restricting the taking of the game population to

1 provide for priority use of the game population by a designated subgroup of resident hunters or
2 trappers.

3 (f) In this section, "intensive management" means management of a game population by
4 regulation to enhance, extend, and develop the game population to provide for higher levels of
5 human harvest in accordance with the sustained yield principle, including reduction of predation
6 on a game species or population, prescribed and controlled use of fire and other habitat
7 management techniques to improve the quality of game habitat, development of access, and other
8 management actions; "intensive management" does not include management of a game population
9 by customary adjustments in seasons, bag limits, areas, or methods and means.

7-LS1773M
Utermohle
5/5/92

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 429 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES SHARP, Gonzales, M.A.Miller, G.Phillips, Choquette, Zawacki, Hudson, Taylor, Baker, M.W.Miller

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the powers of the Board of Game and to intensive game management
2 to achieve higher sustained yield for human harvest."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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5 (a) The Board of Game shall [MAY] adopt regulations it considers advisable in
6 accordance with the Administrative Procedure Act (AS 44.62) to provide for the management
7 of game, and for intensive management of identified game species to maintain or restore
8 high levels of game populations to achieve higher sustained yield for human harvest where
9 the board has determined that consumptive use of those game species is the preferred use.
10 by [FOR]

11 (1) setting apart game reserve areas, refuges, and sanctuaries in the water or on
12 the land of the state over which it has jurisdiction, subject to the approval of the legislature;

13 (2) establishing open and closed seasons and areas for the taking of game;

14 (3) establishing the means and methods employed in the pursuit, capture, and

1 transport of game, including regulations, consistent with resource conservation and development
2 goals, establishing means and methods that may be employed by persons with physical
3 disabilities;

4 (4) setting quotas, bag limits, harvest levels, and sex, age, and size limitations on
5 the taking of game;

6 (5) classifying game as game birds, song birds, big game animals, fur bearing
7 animals, predators, or other categories;

8 (6) methods, means, and harvest levels necessary to control predation and
9 competition among game in the state;

10 (7) watershed and habitat improvement, and management, conservation, protection,
11 use, disposal, propagation, and stocking of game;

12 (8) prohibiting the live capture, possession, transport, or release of native or exotic
13 game or their eggs;

14 (9) establishing the times and dates during which the issuance of game licenses,
15 permits, and registrations and the transfer of permits and registrations between registration areas
16 and game management units or subunits is allowed;

17 (10) regulating sport hunting and subsistence hunting as needed for the
18 conservation, development, and utilization of game;

19 (11) requiring the department, within the department's ability, to conduct
20 intensive management programs to restore the abundance or productivity of a game
21 population as necessary to achieve human consumptive use goals of the board in an area
22 where the board has determined that

23 (A) deletion of the game population or reduction of the productivity
24 of the game population has occurred and may result in a significant reduction in the
25 allowable human harvest of the game population;

26 (B) enhancement of abundance or productivity of the game population
27 is feasible; and

28 (C) the expected benefits to human consumptive use of the game
29 population justify intensive management.

30 * Sec. 2. AS 16.05.255 is amended by adding new subsections to read:

31 (e) The Board of Game shall evaluate the use of intensive management to increase the

1 harvestable surplus of a game population before significantly restricting the taking of the game
2 population.

3 (f) In this section, "intensive management" means management of a game population to
4 enhance, extend, and develop the game population to maintain high levels or provide for higher
5 levels of human harvest in accordance with the sustained yield principle, including control of
6 predation, prescribed or planned use of fire and other habitat improvement techniques,
7 development of regulation of access, and other management actions; "intensive management" may
8 include management of a game population by customary adjustments in seasons, bag limits, areas,
9 or methods and means.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSSSHB 429(Res)

Revision Date: 3/19/92 Department Affected: Fish and Game

Title: An Act relating to the powers of the Board of Game and intensive game mgt. BRU: Wildlife Conservation
Component: Wildlife Conservation

Sponsor: Representative Sharp

Requestor: House Resources

COMPONENT SERIAL NO.

0	4	7	3
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE:	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: No FY 92 impact.

ANALYSIS: (Attach a separate page if necessary.)

This analysis assumes that the bill is amended as suggested in the department's position paper, and the development and implementation of management plans are not required.

Prepared By: Phil Koehl Phone: 465-4190

Division: Division of Wildlife Conservation Date: 4/20/92

Approved by Commissioner: *Ben J. Minchillo*

Agency: Department of Fish and Game Date: 4/20/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. OSC., & Impacted Agency(ies).

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 429 (RESOURCES)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered:
 Referred:

Sponsor(s): REPRESENTATIVES SHARP, Gonzales, M.A.Miller, G.Phillips, Choquette, Zawacki, Hudson, Taylor,
 Baker, M.W.Miller

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the powers of the Board of Game and to intensive game management
 2 to achieve higher sustained yield for human harvest."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 16.05.255(a) is amended to read:

5 (a) The Board of Game shall [MAY] adopt regulations it considers advisable in
 6 accordance with the Administrative Procedure Act (AS 44.62) to provide for the management
 7 of game, and for intensive management of identified game species to maintain or restore
 8 high levels of game populations to achieve higher sustained yield for human harvest where
 9 the board has determined that consumptive use of those game species is the preferred use,
 10 by [FOR]

- 11 (1) setting apart game reserve areas, refuges, and sanctuaries in the water or on
 12 the land of the state over which it has jurisdiction, subject to the approval of the legislature;
 13 (2) establishing open and closed seasons and areas for the taking of game;
 14 (3) establishing the means and methods employed in the pursuit, capture, and

1 transport of game, including regulations, consistent with resource conservation and development
2 goals, establishing means and methods that may be employed by persons with physical
3 disabilities;

4 (4) setting quotas, bag limits, harvest levels, and sex, age, and size limitations on
5 the taking of game;

6 (5) classifying game as game birds, song birds, big game animals, fur bearing
7 animals, predators, or other categories;

8 (6) methods, means, and harvest levels necessary to control predation and
9 competition among game in the state;

10 (7) watershed and habitat improvement, and management, conservation, protection,
11 use, disposal, propagation, and stocking of game;

12 (8) prohibiting the live capture, possession, transport, or release of native or exotic
13 game or their eggs;

14 (9) establishing the times and dates during which the issuance of game licenses,
15 permits, and registrations and the transfer of permits and registrations between registration areas
16 and game management units or subunits is allowed;

17 (10) regulating sport hunting and subsistence hunting as needed for the
18 conservation, development, and utilization of game;

19 (11) requiring the department, within the department's ability, to conduct
20 intensive management programs to restore the abundance or productivity of a game
21 population as necessary to achieve human consumptive use goals of the board in an area
22 where the board has determined that

23 (A) deletion of the game population or reduction of the productivity
24 of the game population has occurred and may result in a significant reduction in the
25 allowable human harvest of the game population;

26 (B) enhancement of abundance or productivity of the game population
27 is feasible; and

28 (C) the expected benefits to human consumptive use of the game
29 population justify intensive management.

30 * Sec. 2. AS 16.05.255 is amended by adding new subsections to read:

31 (e) The Board of Game shall evaluate the use of intensive management to increase the