



131 SOUTH ROBERTSON STREET (70112)
P.O. BOX 61780
NEW ORLEANS, LA 70161-1780
(504) 561-2811
FAX (504) 561-2837

**PUBLIC
COPY**

July 16, 1998

RECEIVED

Anchorage, Alaska

JUL 20 1998

REGIONAL SUPERVISOR
FIELD OPERATION
MINERALS MANAGEMENT SERVICE

Via Facsimile - (907) 271-6504

U.S. Department of the Interior
Minerals Management Service
Alaska OCS Region
949 East 36th Avenue, Room 603
Anchorage, Alaska 99508-4302

Attention: Mr. Jeff Walker
Regional Supervisor, Field Operations

RE: Sandpiper Unit
Beaufort Sea, Alaska
Murphy's M-3559 and M-3720

Gentlemen:

This letter will formally advise you that Murphy Exploration & Production Company and Petrofina Delaware, Incorporated, being the present record owners of the Sandpiper Unit, have entered into a Letter of Agreement whereby BP Exploration (Alaska) Inc. acquires a 50% ownership in that Unit. The interests of Murphy and Fina will be proportionately reduced. BP will assume operatorship.

Although the companies have been involved among and between themselves in preparing for the transition, actual assignments, designations of operator and other necessary documents have not yet been prepared. Please be advised that we expect to complete that portion of the work within the month.

BP has expressed the desire and need to begin working directly with your office in regard to the duties it will be assuming. Notwithstanding that the actual documents (assignments, etc.) have not yet been filed with your office, it is hereby requested that, in light of the forthcoming transition, you extend to BP the courtesies of your office as if BP were already recognized as Operator of Sandpiper.

Should there be any problems with this request, please do not hesitate to call me at (504) 561-2578.

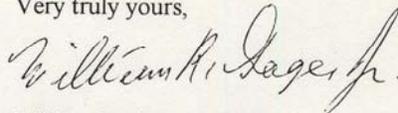
On a personal note, it has been my pleasure to have been working on Sandpiper for about the last year. Given the coming change of Operatorship, it is apparent that I will not have much occasion to work with you and your staff in the future (at least not as to Sandpiper). Therefore, I wish to express to you my personal appreciation for the efficient and professional manner in which you and

U. S. Department of the Interior
July 16, 1998

2

your staff have conducted yourselves. In particular I would mention Ms. Stan and Messrs. Choromanski and Monkeliën.

Very truly yours,

A handwritten signature in cursive script that reads "William R. Gage, Jr." with a flourish at the end.

William R. Gage, Jr., CPL
Senior Landman



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Alaska Outer Continental Shelf Region
949 East 36th Avenue, Suite 308
ANCHORAGE, ALASKA 99508-4363

JUN | 1998

The Minerals Management Service (MMS) is requesting comments on British Petroleum Exploration (Alaska)'s Northstar Project Description [Development and Production Plan (DPP)]. The Project Description is included as Appendix A of the Northstar Project Draft Environmental Impact Statement (DEIS), and analyzed as Alternative 2 in the DEIS. The Northstar development project includes drilling wells into, and producing oil from, two Outer Continental Shelf (OCS) leases, and requires an approved DPP. The Northstar Project Description was developed to meet the requirements under 30 CFR 250.34 for a DPP. The MMS has determined that the Project Description, in conjunction with the Draft EIS, meets the requirements under 30 CFR 250.34(f), and has deemed the DPP submitted on June 1, 1998.

Comments on the Project Description are requested, and should be sent to the Corps of Engineers (COE), the lead Federal agency for this DEIS, by July 30, 1998. Comments submitted on the Project Description will be forwarded by the COE to the MMS for consideration. No OCS action to approve, disapprove, or require modification to the DPP will be taken by MMS until the Final EIS is released. No OCS development and production activities can be conducted unless and until the DPP is approved, as required by 30 CFR 250.34(l). The Northstar development offshore facilities will be located on State of Alaska submerged lands. An Oil Spill Contingency Plan (OSCP) will be submitted pursuant to 30 CFR 254.53 for facilities in State waters. Under 30 CFR 254.53, operators of offshore facilities in State waters may submit to MMS a spill response plan that has been submitted to a State agency for approval. The Northstar response plans will be reviewed under the State of Alaska Department of Environmental Conservation process.

Sincerely,

Jeff Walker
Regional Supervisor, Field Operations