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REGIONAL SUPERVISOR
FIELD OPERATIONS
MINERALS MANAGEMENT SERVICE

BP Exploration (Alaska) Inc.
900 East Benson Boulevard
P.O. Box 196612
Anchorage, Alaska 99519-6612
(907) 561-5111

Mr. Jeff Walker,
Regional Supervisor – Field Operations
U.S. Minerals Management Service
949 East 36th Avenue, room 308
Anchorage, AK, 99508-4302

June 26, 2003

Re: Request for New Suspension of Production (SOP) for OCS Y-1585

Dear Mr. Walker:

BP Exploration (Alaska) Inc. (BP), as the Working Interest Owner of OCS Y-1585, request that the Regional Supervisor, Field Operations, grant a new SOP for the aforementioned lease. The basis for this request is contained within the initial plan of operations associated with unitization of OCS Y-1585 and OCS Y-1650.

BP requests a new Suspension of Production for lease OCS-Y 1585 to be granted for a period, ending December 15, 2004, to allow the evaluation and selection of a preferred development option for the Liberty Project. Assuming an economically viable option exists and permitting risks to costs and schedule are manageable, BP shall prepare a conceptual design and permit application packages.

Should you have any questions or require additional information, please contact R. L. Skillern at (907) 564-5567 or myself at (907) 564-5433.

Sincerely,

A handwritten signature in black ink, appearing to read "E. R. West".

Eric. R. West
Liberty Team Leader
BP Exploration (Alaska) Inc.

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**Liberty Unit
Plan of Operations**

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BP 's initial Plan of Operations for The Liberty Unit is for the period from June 2003 to June 2006. During this three (3) year period, BP intends to a). complete its appraisal of the economic viability of the current conceptual development options; b). assess the permitting risks associated with each of the current conceptual development options; c). select, if commercially viable, a conceptual development option; d). prepare conceptual design, development and depletion plan and permit package and e). submit permit applications.

During the remainder of 2003, BP intends to secure internal approval and funding to complete the appraisal of the current conceptual development options. Included in each option is a nearshore, potentially off-lease, drilling island from which the Liberty Unit wells will be drilled and produced fluids will be sent to existing infrastructure for processing. The actual location of the drilling island will depend upon the selection of the infrastructure for the processing of Liberty Unitized produced fluids and assessment of the permitting risks associated with each location.. The current conceptual development options include the appraisal of the use of the Badami and Endicott existing infrastructure.

In 2004, BP intends to select a preferred conceptual development option. Assuming an economically viable option exist and permitting risks to costs and schedule are manageable, BP shall prepare a conceptual design and permit application packages.

By December 15, 2004, BP plans to submit the permit application with a revised DPP and start the permitting process.

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