

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

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January 30, 2004

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ANS Gas Development
ConocoPhillips Alaska Inc.
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Anchorage, AK 99510-0360
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Ken Konrad
Sr. Vice President
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BP Exploration (Alaska), Inc.
P.O. Box 196612
Anchorage, AK 99519-6612
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R. D. Schilhab
Vice President
ExxonMobil Alaska Production, Inc.
P.O. Box 2180
Houston, TX 77252-2180
FAX 713-656-7100

Re: Reimbursement Agreement under the Alaska Stranded Gas Development Act

Dear Gentlemen:

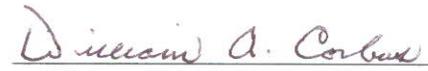
On January 23, 2004 the State of Alaska approved the application and proposed project plan of ConocoPhillips Alaska, Inc., BP Exploration (Alaska), Inc., and ExxonMobil Alaska Production, Inc. (the "Sponsor Group") under the Stranded Gas Development Act (AS 43.82).

Attached is a reimbursement agreement pursuant to section 240(a) of the Act, which provides for an agreement between the State and an applicant under which the applicant will reimburse the State for up to a maximum of \$1,500,000 of the reasonable expenses incurred by the State for its use of independent contractors retained to assist the State in the evaluation of an application and in the development and approval of a contract under the Alaska Stranded Gas Development Act.

January 30, 2004

We request that the Sponsor Group sign the agreement as soon as possible so that the agreement can be executed. The State looks forward to the next stage of the process and working with the Sponsors to develop a mutually acceptable contract.

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William A. Corbus, Commissioner

Enclosure