SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into by and between Chevron U.S.A. Inc., a Pennsylvania corporation ("Chevron"), BP Exploration (Alaska) Inc., a Delaware corporation ("BP"), Arctic Slope Regional Corporation, an Alaska corporation ("ASRC"), and the Alaska Department of Natural Resources ("DNR") (all collectively referred to as "Parties").

In consideration of the mutual covenants and obligations provided herein, the Parties agree as follows:

1. Chevron, BP and ASRC will forego filing with the United States Supreme Court a petition for certiorari to review the Alaska Supreme Court's decision in State of Alaska, Department of Natural Resources; and Alaska Oil and Gas Conservation Commission v. Arctic Slope Regional Corporation, and Standard Alaska Production Company and Chevron U.S.A. Inc., Supreme Court Nos. S-3400, S-3416, and S-3437, will cease any further appeal or prosecution of that case, and will take any affirmative steps necessary to bring the litigation to a conclusion without further challenge to the decision of the Alaska Supreme Court.

2. In this Settlement Agreement, the term "KIC well data" means any or all of the reports and information on the KIC #1 well filed with the Alaska Oil and Gas Conservation Commission as
required by AS 31.05.035(a) and any related confidential information pertaining to the KIC #1 well that was disclosed to DNR representatives at the presentation made by Chevron and BP on May 13, 1992, in support of their application for extended confidentiality for those reports and information.

3. The restrictions set out in paragraphs 4 through 7 hereof will remain in effect only as long as the KIC well data are required to be held confidential pursuant to AS 31.05.035(c). These restrictions shall not apply to data which:

a. at the time of disclosure was developed by DNR and already in the possession of DNR; or

b. as of May 13, 1992, was in the public domain or which, after disclosure of the data, becomes part of the public domain through no action or failure to act on the part of DNR or its Designated Representatives (as defined below); or

c. is hereafter lawfully acquired by DNR from a source other than reports and information filed with the Alaska Oil and Gas Conservation Commission as required by AS 31.05.035(a) or the May 13, 1992, presentation.
4. Except as otherwise provided in this paragraph, DNR agrees that no more than two (2) senior geoscientists in the employ of the Division of Oil and Gas (referred to below as "Designated Representatives") will have knowledge of the KIC well data at a given time. Prior to the effective designation of a successor Designated Representative, the other Parties hereto will be given advance notice regarding the individual and allowed the opportunity to express their respective opinions on such designation. The limitation in this paragraph on the number of DNR employees with knowledge of the KIC well data will not preclude:

a. brief periods of overlap between the time the data are disclosed to the successor of a departing Designated Representative and the time the latter departs; or

b. disclosure of the data to a Director of the Division of Oil and Gas in addition to two senior geoscientists, in the event that the Director is not a geoscientist by education and training (in which case the Director will be considered another Designated Representative for purposes of paragraphs 5 and 6 hereof); or

c. disclosure of the data to the Commissioner of Natural Resources in addition to two senior geosciensts and (pursuant to subparagraph b hereof) the Director of the
Division of Oil and Gas, when in the Commissioner’s sole discretion the Commissioner determines he or she has a need to know the data (in which case the Commissioner will be considered another Designated Representative for purposes of paragraphs 5 and 6 hereof); or

d. the designation of a successor to a Designated Representative who is transferred within DNR to a position outside the Division of Oil and Gas, even if this results in more than two geoscientists in the employ of DNR having knowledge of the KIC well data.

5. DNR and its Designated Representatives will not keep notes or other records, in any medium, containing or referring to any of the KIC well data.

6. DNR’s Designated Representatives will not disclose to or discuss with any person(s) other than a Designated Representative any portion of the KIC well data. DNR shall use its best efforts to require that each Designated Representative provide written assurance to DNR that the commitment contained in this § 6 shall remain in full force and effect even if the Designated Representative is terminated or otherwise ceases to be employed by DNR.
7. This Agreement is not intended to limit DNR's authority to use the KIC well data in carrying out its various statutory responsibilities. DNR covenants and represents that it will maintain the confidentiality of the KIC well data to the extent the data are required to be held confidential pursuant to AS 31.05.035(c). In furtherance of its obligation to maintain such confidentiality, DNR will not publicly refer to, or confirm or deny, its use of the KIC well data in any specific decision or action.

8. The parties acknowledge that, in furtherance of DNR's statutory responsibilities, it may be necessary for a Designated Representative from time to time to inspect the KIC well data on file with the Alaska Oil and Gas Conservation Commission. Prior to such inspection, DNR will notify the other parties hereto and allow representatives of the other parties to be present during such inspection.

9. DNR confirms that following the opportunity to review the KIC well data, it has by letter dated May 14, 1992, granted an extension of the confidentiality of the KIC well data pursuant to the provisions of AS 31.05.035(c) and corresponding regulation 11 AAC 83.153.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.
11. Chevron and BP represent that they made available to DNR representatives at the May 13, 1992 presentation the true and complete reports and information on the KIC #1 well filed with the Alaska Oil and Gas Conservation Commission as required by AS 31.05.035(a), and that to the extent Chevron or BP disclosed any additional related information it fairly represented the actual data obtained from the KIC #1 well or Chevron or BP's respective analysis or interpretation thereof. DNR understands that Chevron, BP and ASRC otherwise make no representations or warranties as to the quality and accuracy of the KIC well data or any related information disclosed at the May 13, 1992 presentation and assume no liability for any damage or loss of any kind which may result from DNR's use of such data or information.

12. To the extent that the memorandum dated May 12, 1992 from Commission Harold Heinze to James Eason and Ken Boyd titled "Review of Confidential Information Chevron KIC #1 (Jago River No. 1)" (as clarified by the letter dated May 13, 1992 from Commissioner Heinze to Messrs. Thoeni and Luttrell) established rules or limitations regarding the use, disclosure, discussion or examination of the KIC well data by DNR or its employees, that memorandum is superseded by the provisions of this Agreement as to use, disclosure, discussion or examination of the KIC well data occurring on or after the effective date of this Agreement.
13. Any notice required or authorized under this Agreement shall be given by regular United States mail, certified mail, express delivery, or hand delivery and shall be complete when received by the Party being notified. The addresses of the Parties for notice purposes shall be as follows:

Chevron U.S.A. Inc.  
P.O. Box 1635  
Houston, Texas 77251  
Attention: Western Exploration Division Land Manager

BP Exploration (Alaska) Inc.  
P.O. Box 196612  
Anchorage, AK 99512-6612  
Attention: E. P. Zseleczky, Land Manager

Arctic Slope Regional Corporation  
P.O. Box 129  
Barrow, AK 99723  
Attention: Oliver Leavitt  
Vice President - Land

Alaska Department of Natural Resources  
P.O. Box 107034  
Anchorage, AK 99510-0734  
Attention: Director, Division of Oil and Gas

14. This Agreement may be executed in several original counterparts, any one or more of which may be signed by all or by one or more of the Parties. All counterparts will constitute one and the same Agreement, and the aggregate of the counterparts signed by all of the Parties will have the same force and effect as if all Parties to the aggregate counterparts had signed the same instrument. This Agreement shall be effective as of July 13, 1992.
15. This Agreement shall be binding upon and inure to the benefit of each of the Parties, their successors and assigns, as well as their respective representatives, subsidiaries and affiliates.

IN WITNESS WHEREOF, this Agreement is dated this 13th day of July, 1992.

DEPARTMENT OF NATURAL RESOURCES

By: [Signature]
Title: [Title]

CHARLES E. COLE
ATTORNEY GENERAL

By: [Signature]
Title: Assistant Attorney General

CHEVRON U.S.A. INC.

By: [Signature]
Title: [Title]

BP EXPLORATION (ALASKA) INC.

By: [Signature]
Title: [Title]

ARCTIC SLOPE REGIONAL CORP.

By: [Signature]
Title: [Title]
15. This Agreement shall be binding upon and inure to the benefit of each of the Parties, their successors and assigns, as well as their respective representatives, subsidiaries and affiliates.

IN WITNESS WHEREOF, this Agreement is dated this _______ day of July, 1992.

DEPARTMENT OF NATURAL RESOURCES

By: 
Title: ________________

CHEVRON U.S.A. INC.

By: ____________________
Title: ASSISTANT SECRETARY

CHARLES E. COLE
ATTORNEY GENERAL

BP EXPLORATION (ALASKA) INC.

By: ____________________
Title: ________________

ARCTIC SLOPE REGIONAL CORP.

By: ____________________
Title: ________________
15. This Agreement shall be binding upon and inure to the benefit of each of the Parties, their successors and assigns, as well as their respective representatives, subsidiaries and affiliates.

IN WITNESS WHEREOF, this Agreement is dated this ____ day of ____________, 1992.

DEPARTMENT OF NATURAL RESOURCES

CHEVRON U.S.A. INC.

By: ________________________________
Title: ________________________________

CHARLES E. COLE
ATTORNEY GENERAL

By: ________________________________
Title: ________________________________

BP EXPLORATION (ALASKA) INC.

By: ________________________________
Title: ________________________________

ARCTIC SLOPE REGIONAL CORP.

By: ________________________________
Title: ________________________________
15. This Agreement shall be binding upon and inure to the benefit of each of the Parties, their successors and assigns, as well as their respective representatives, subsidiaries and affiliates.

IN WITNESS WHEREOF, this Agreement is dated this ___ day of __________, 1991.

DEPARTMENT OF NATURAL RESOURCES          CHEVRON U.S.A. INC.

By: ____________________________        By: ____________________________

Title: ____________________________        Title: ____________________________

CHARLES E. COLE
ATTORNEY GENERAL

By: ____________________________        By: ____________________________

Title: ____________________________        Title: ____________________________

Assistant Attorney General

ARCTIC SLOPE REGIONAL CORP.

By: ____________________________

Title: ____________________________

[Signature]

[Signature]