

AGREEMENT BETWEEN ARCTIC
SLOPE REGIONAL CORPORATION
AND THE UNITED STATES OF AMERICA

THIS AGREEMENT entered into this 9th day of August, 1983, is by ARCTIC SLOPE REGIONAL CORPORATION (hereinafter "ASRC"), a corporation authorized pursuant to the Alaska Native Claims Settlement Act (hereinafter "ANCSA"), 85 Stat. 688, as amended, 43 U.S.C. §§ 1601, et seq., and duly organized under the laws of the State of Alaska, and the UNITED STATES OF AMERICA, acting through James G. Watt, the Secretary of the Interior (hereinafter "Secretary"). ASRC and the Secretary are collectively referred to as "the parties."

W I T N E S S E T H:

WHEREAS, the Secretary desires to acquire private inholdings in Gates of the Arctic National Park in the Chandler Lake and nearby areas currently owned by ASRC, which lands, upon acquisition, would become, and be administered as, a part of Gates of the Arctic National Park; and

WHEREAS, the Secretary also desires to acquire easements for public purposes, including access and recreation, along the Killik River and on associated lakes between Gates of the Arctic National Park and the National Petroleum Reserve-Alaska; and

WHEREAS, the Secretary has determined that the acquisition of lands owned by ASRC in the Chandler Lake and nearby areas will enhance the protection of the outstanding natural values of the areas as a part of Gates of the Arctic National Park and will further the purposes set forth in §§ 101 and 201(4) of the Alaska National Interest Lands Conservation Act (hereinafter "ANILCA"), Pub. L. 96-487, 98 Stat. 2374 and 2378, 16 U.S.C. §§ 3101 and 410hh(4); and

WHEREAS, § 22(f) of ANCSA, 43 U.S.C. § 1621(f), and § 1302(h) of ANILCA, 16 U.S.C. § 3192(h), authorize the Secretary to acquire lands or interests therein by exchanging public lands in Alaska, including lands, or interests therein, within conservation system units, including the Arctic National Wildlife Refuge (hereinafter "ANWR"); and

WHEREAS, ASRC desires to acquire at this time the subsurface estate of lands the surface estate of which is owned, or hereafter is owned, by Kaktovik Inupiat Corporation (hereinafter "KIC"), the Village Corporation established by the Native residents of the Village of Kaktovik, Alaska, and desires to acquire the remainder of the subsurface estate of lands the surface estate of which is owned, or hereafter is owned, by holders of Alaska Native allotments and the townsite trustee for the benefit of the occupants of the Townsite of Kaktovik, Alaska; and

WHEREAS, ASRC has a right under the provisions of § 1431(o) of ANILCA to exchange in-lieu subsurface lands which it selected pursuant to the provisions of § 12(a)(1) of ANCSA for an equal acreage of the subsurface estate beneath those lands selected by KIC within ANWR, contingent only upon the opening of ANWR lands within 75 miles of lands selected by KIC for purposes of commercial development of oil or gas; and

WHEREAS, under the provisions of §§ 1002 and 1003 of ANILCA, ANWR lands within 75 miles of the lands selected by KIC cannot be opened for purposes of commercial development of oil or gas until authorized by an Act of Congress; and

WHEREAS, ASRC desires to obtain at this time the subsurface estate beneath the surface estate owned by KIC, rather than to wait to exercise its rights under § 1431(o) of ANILCA, pursuant to which ASRC, at its sole option, could exchange its least valuable in-lieu subsurface lands for the subsurface estate beneath KIC lands; and

WHEREAS, the Secretary desires to obtain valuable inholdings within Gates of the Arctic National Park in the Chandler Lake and nearby areas which are not eligible for acquisition under § 1431(o) of ANILCA by exchanging the subsurface estate beneath the surface estate owned or to be owned by KIC and the remaining interest of the United States in lands owned or to be owned by Native allottees and the townsite trustee for the benefit of the occupants of the Townsite of Kaktovik, Alaska; and

WHEREAS, both KIC and the Village of Kaktovik have expressed in letters to the Secretary their strong support for an exchange in which ASRC would receive the subsurface estate beneath lands conveyed to KIC; and

WHEREAS, the Secretary has determined that the exchange of lands set forth in this Agreement is in the public interest;

NOW, THEREFORE, in consideration of their mutual promises and other good and valuable consideration, the parties hereto covenant and agree as follows:

1. The parties agree to the land exchange specified in the following paragraphs and to be bound thereby. The parties agree that this exchange of lands is authorized and undertaken pursuant to the Secretary's authority under § 22(f) of ANCSA and § 1302(h) of ANILCA.

2. ASRC shall convey to the United States, subject to the conditions set forth in subparagraph 5(b) of this Agreement, as its part of the exchange, the following described lands or interests in lands:

(a) by warranty deed, the surface estate in the following lands previously conveyed by the United States to ASRC, excepting therefrom the easements reserved and described in Appendix 3 attached to and incorporated as a part of this Agreement:

Umiat Meridian

D2

Township 13 south, range 4 west, sections 1, 2, 11-14, 23-26, 35, 36;

Township 14 south, range 2 west, sections 29-32;

Township 14 south, range 3 west, sections 4, 19, 25-36;

Township 14 south, range 4 west, sections 2, 11, 13, 14, 21-28, 33-36;

Township 14 south, range 2 east, section 32;

Township 15 south, range 2 west, sections 1-5, 8-12;

Township 15 south, range 1 west, sections 7-10, 13-18, 21-26, 35, 36;

Township 15 south, range 1 east, sections 1-4, 9, 10, 15, 16, 21, 22, 29, 30, 31;

Township 16 south, range 2 east, sections 1-12, 16-21, 28-33;

Township 16 south, range 4 east, sections 5-8, 17, 18; and

Township 17 south, range 1 west, sections 3, 4 (partials);

aggregating 75,150 acres;

(b) by relinquishment, all right, title and interest which ASRC has under § 22(f) of ANCSA or § 1431(c)(1) of ANILCA to receive the surface estate of the following lands, ASRC's right to receipt of which has vested by virtue of previous satisfaction by ASRC of the conditions precedent set forth in the first sentence of § 1431(c)(1) of ANILCA:

Umiat Meridian

Township 16 south, range 3 east, sections 1-3, 6, 7, 9-16, 18-30; and

Township 15 south, range 4 east, sections 6, 7, 18, 21-28, 33-36;

12
+ 9
21
+ 640
13440.

same D2
4
5
9

D2

D2

aggregating 26,122 acres, excepting therefrom the right to receive an interim conveyance of an easement for access or for subsistence uses, or both, identical to the easements excepted from the lands conveyed by ASRC to the United States pursuant to subparagraph 2(a) of this Agreement and described in paragraph 1 of Appendix 3 of this Agreement, which easement shall extend: (i) easterly along that portion of the Anaktuvuk River in Township 15 south, range 4 east, sections 21-23, 25-27 (Umiat Meridian), and (ii) southerly along those portions of the tributaries of the Anaktuvuk River in Township 16 south, range 3 east, sections 13, 16, 20, 21, 24, 25, 27, 28 (Umiat Meridian), and shall be subject to all the terms, conditions and limitations set forth in paragraph 1 of Appendix 3 of this Agreement. Nothing in this Agreement shall affect ASRC's right to a conveyance of the subsurface estate of the lands described in this subparagraph 2(b);

(c) by warranty deed, the easements described in Appendix 4 attached to and incorporated as a part of this Agreement, provided, that, in the event of any inconsistency between the provisions of Appendix 4 and the provisions of the warranty deed issued by ASRC pursuant to subparagraph 5(b) of this Agreement, the provisions of Appendix 4 shall control, and ASRC shall promptly issue a reformed warranty deed to correct the inconsistency; and

(d) by relinquishment, all right, title and interest which ASRC has under § 12(c) of ANCSA to receive the surface estate of any lands within the lands described in subparagraph (a) of this paragraph 2 in the event that any of such lands become available for conveyance to ASRC as the result of the denial of an allotment application adjudicated pursuant to the Act of May 17, 1906, 34 Stat. 197, as amended, or § 905 of ANILCA. Nothing in this Agreement shall affect ASRC's right to a conveyance of the subsurface estate of the lands described in this subparagraph 2(d).

3. The Secretary shall convey, subject to valid existing rights and the provisions of subparagraphs (f) and (g) of this paragraph 3 and the provisions of paragraph 4 of this Agreement, to ASRC, as his part of the exchange, the following:

(a) all right, title and interest of the United States in the subsurface estate of the following lands:

Umiat Meridian

Township 7 north, range 32 east, section 1;

Township 8 north, range 32 east, sections 1-3, 7-16, 18-33, 36;

Township 8 north, range 33 east, sections 1-21, 29-32;

Township 8 north, range 34 east, sections 1-17;

Township 8 north, range 35 east, sections 1-18, 24, 25, 36;

Township 8 north, range 36 east, sections 1-13, 18, 19, 30;

Township 9 north, range 32 east, all;

Township 9 north, range 33 east, all, except lands within P.L.O. No. 715, as amended by P.L.O. No. 5448;

Township 9 north, range 34 east, all, except lands within P.L.O. No. 715, as amended by P.L.O. No. 5448;

Township 9 north, range 35 east, all; and

Township 9 north, range 36 east, all;

(b) all right, title and interest of the United States in the subsurface estate of the following lands:

Township 8 north, range 33 east, sections 22-24; and

Township 8 north, range 34 east, sections 18-20;

(c) all right, title and interest of the United States in the subsurface estate beneath all lands conveyed to KIC pursuant to the provisions of § 1431(g)(3) of ANILCA;

(d) all right, title and interest of the United States in the subsurface estate beneath all lands conveyed to KIC to satisfy its entitlement under §§ 12 and 14 of ANCSA and § 1431(g) of ANILCA, provided, that, if conveyance of the subsurface estate to ASRC pursuant to the provisions of subparagraphs (a), (b), (c) and (d) of this paragraph 3 results in gross acreage conveyed to ASRC in excess of 92,160 acres, then ASRC shall promptly convey to the United States the surface estate of lands it owns within the exterior boundaries of Gates of the Arctic National Park in an amount equal to the number of acres conveyed to ASRC in excess of 92,160 acres, the identification of lands to be conveyed to the United States to

be solely at the discretion of ASRC, and provided further, that the conveyance by ASRC to the United States pursuant to this subparagraph (d) shall be in whole sections or in aliquot part thereof with respect to the last section so conveyed, and shall not result in isolated tracts of federal ownership, and provided further, that the remaining pattern of ASRC ownership following such conveyance to the United States shall be in compact and contiguous tracts of not less than 5,760 acres in size; and

(e) all right, title and interest of the United States remaining in the subsurface estate: (i) beneath Kaktovik Townsite Patent No. 50-68-6022; and (ii) beneath all allotments adjudicated and heretofore or hereafter approved pursuant to the Act of May 17, 1906, 34 Stat. 197, as amended, or § 905 of ANILCA, within the exterior boundaries of lands conveyed to KIC to satisfy its entitlement under §§ 12 and 14 of ANCSA and § 1431(g) of ANILCA.

(f) The Secretary shall convey to ASRC the subsurface estate of those lands described in subparagraphs (a), (b), (c) and (d) of this paragraph 3 only when the surface estate of those lands has been conveyed to KIC. If, upon the satisfaction of the full land entitlement of KIC pursuant to §§ 12 and 14 of ANCSA and § 1431(g) of ANILCA, any of the surface estate of the lands described in subparagraphs (a) and (b) of this paragraph 3 is not conveyed to KIC, the subsurface estate of those lands shall not be conveyed to ASRC.

(g) The full extent and legal boundary of the interest of ASRC, its successors or assigns, in the subsurface estate of the lands conveyed to ASRC pursuant to this paragraph 3 shall be coterminous with the interest in the surface estate of those lands conveyed to KIC pursuant to § 14(a) of ANCSA and § 1431(g) of ANILCA and with the interest in the surface estate of those lands conveyed pursuant to subparagraph (e) of this paragraph 3. ASRC's interest in the subsurface estate shall increase or decrease in the same manner and to the same extent as the surface estate increases or decreases by operation of law, including, but not limited to, processes such as accretion or erosion.

4. The subsurface estate of the lands to be conveyed by the Secretary to ASRC pursuant to paragraph 3 of this Agreement shall be subject to: (i) the terms, conditions, covenants, limitations, exceptions and reservations set forth in Appendix 1 attached hereto and incorporated herein as part of this Agreement, except that, with respect to conveyances pursuant to subparagraph 3(e) of this Agreement, paragraphs 5 and 13 of Appendix 1 shall not apply; and (ii) the stipulations and limitations on ASRC's activities and uses set forth in Appendix 2 attached hereto and incorporated herein as a part of this Agreement. All of the provisions of Appendices 1 and 2 shall run with the land and shall be binding upon ASRC, its successors and assigns. The Secretary shall insert in any

conveyance to ASRC of the subsurface estate of the lands described in paragraph 3 of this Agreement the language set forth in Appendix 1.

5. The parties mutually agree that each can perform his or its respective obligations under paragraphs 1 through 4 of this Agreement in a ~~series of transactions~~, but that:

(a) the Secretary shall exercise his best efforts to convey to ASRC, on or before September 1, 1983, the subsurface estate of the lands described in paragraph 3 of this Agreement the surface estate of which has previously been conveyed to KIC. The Secretary shall then convey to ASRC the remaining subsurface estate of the lands described in subparagraphs 3(a), (b), (c) and (d) of this Agreement at the time that the Secretary conveys the surface estate of such lands to KIC. The Secretary shall make a good faith effort to convey to ASRC the interests in lands described in subparagraph 3(e)(i) of this Agreement and those interests in lands described in subparagraph 3(e)(ii) of this Agreement beneath any allotment heretofore approved within one year of the effective date of this Agreement, and to convey to ASRC those interests in lands described in subparagraph 3(e)(ii) of this Agreement beneath any allotment hereafter approved upon the date of approval of the allotment, provided, that the conditions set forth in subparagraph 3(e)(ii) have been satisfied. The Secretary shall make a good faith effort to convey to ASRC the easement

described in subparagraph 2(b) of this Agreement within eight (8) months of the effective date of this Agreement.

(b) ASRC shall convey to the United States the surface estate of the lands described in subparagraph 2(a) of this Agreement by warranty deed, shall relinquish to the United States its rights to the surface estate of the lands described in subparagraph 2(b) of this Agreement by letter from an authorized officer of the corporation, shall convey the easements described in subparagraph 2(c) of this Agreement by warranty deed, and shall relinquish to the United States its rights to the surface estate of the lands described in subparagraph 2(d) of this Agreement by letter from an authorized officer of the corporation, such deeds, letters of relinquishment, appropriate corporate resolutions and opinions of counsel to be delivered to the Department of the Interior at the time of the delivery to ASRC of the conveyance of the lands described in the first sentence of subparagraph (a) of this paragraph 5. ASRC shall also deliver to the Department of the Interior all documents necessary for the review, approval and acceptance of title or relinquishment from ASRC to the United States.

6. The parties agree that the Secretary shall convey to ASRC the easement described in subparagraph 2(b) of this Agreement and the subsurface estate of the lands described in paragraph 3 of this Agreement by patent or by interim

conveyance, as authorized in § 22(j) of ANCSA, as amended by § 1410 of ANILCA. Recognizing that the subsurface estate to be conveyed to ASRC pursuant to this Agreement is coterminous with the surface estate conveyed, or to be conveyed, to KIC and with the interest in the surface estate of those lands conveyed pursuant to subparagraph 3(e) of this Agreement, as set forth in subparagraph 3(f) of this Agreement, ASRC hereby accepts the survey, if any, of lands conveyed to KIC pursuant to § 14(a) of ANCSA and § 1431(g) of ANILCA and the surveys, if any, of Kaktovik Townsite Patent No. 50-68-6022 and of Alaska Native allotments approved under the Act of May 17, 1906, 34 Stat. 197, as amended, or § 905 of ANILCA. If KIC elects to receive patent to its lands under § 909 of ANILCA, ASRC waives any right that it may have to require an independent survey. ASRC further waives any right that it may have to require a survey of the easement to be conveyed to ASRC pursuant to subparagraph 2(b) of this Agreement.

7. The Secretary shall convey the subsurface estate of the lands described in paragraph 3 of this Agreement and the easement described in subparagraph 2(b) of this Agreement subject to valid existing rights, including, but not limited to, the unexpired term of any outstanding lease, license, permit or contract, provided, that the Secretary shall terminate or suspend, if terminable or suspendable in the judgment of the Secretary without liability to the United

States, that portion of any such lease, license, permit or contract which authorizes activities on the lands the subsurface estate of which has been conveyed to ASRC pursuant to paragraph 3 of this Agreement, and provided further, that, with respect to the subsurface estate to be conveyed to ASRC pursuant to subparagraph 3(b) of this Agreement and the subsurface estate to be conveyed to ASRC pursuant to subparagraph 3(e)(ii) of this Agreement within the exterior boundaries of the subsurface estate described in subparagraph 3(b) of this Agreement, the Secretary shall be authorized to approve any application for a permit to conduct geological or geophysical surveys that was filed on or before the effective date of this Agreement, and provided further, that, with respect to the subsurface estate to be conveyed to ASRC pursuant to subparagraph 3(c) of this Agreement and the subsurface estate to be conveyed to ASRC pursuant to subparagraph (3)(e)(ii) of this Agreement within the exterior boundaries of the subsurface estate described in subparagraph 3(c) of this Agreement, the Secretary shall be authorized to approve any application for a permit to conduct geological or geophysical surveys that was filed with the Department of the Interior on or before the date of identification of lands pursuant to § 1431(g)(3) of ANILCA or the effective date of this Agreement, whichever last occurs, and provided further, that, with respect to the subsurface estate to be conveyed to

ASRC pursuant to subparagraph 3(d) of this Agreement and the subsurface estate to be conveyed to ASRC pursuant to subparagraph 3(e)(ii) of this Agreement within the exterior boundaries of the subsurface estate described in subparagraph 3(d) of this Agreement, the Secretary shall be authorized to approve any application for a permit to conduct geological or geophysical surveys that was filed with the Department of the Interior on or before the date of conveyances of such estates to ASRC to the extent that those estates are located within the area identified by § 1002(b)(1) of ANILCA, and provided further, that the Secretary shall terminate on September 1, 1984, if terminable in the judgment of the Secretary without liability to the United States, that portion of such permits for geological and geophysical surveys that is outstanding on the date of the conveyance to ASRC of the subsurface estate of the lands described in subparagraphs 3(b) and (c) of this Agreement and which authorizes activities on such lands. Identification of lands pursuant to § 1431(g)(3) of ANILCA shall be deemed to have occurred when KIC finally and irrevocably identifies in writing to the Secretary the lands it desires to acquire, and the Secretary has concurred in that identification as provided in § 1431(g)(3) of ANILCA and the provisions of paragraph 8 of this Agreement.

8. The Secretary hereby concurs in any identification of lands that KIC makes pursuant to § 1431(g)(3) of ANILCA within

the former withdrawal made by § 11(a)(1) of ANCSA, as more particularly described in § 1431(g)(3) of ANILCA, provided, that the lands identified by KIC shall be compact and contiguous with lands previously conveyed to KIC in accordance with the provisions of 43 C.F.R. § 2651.4(b), and provided further, that the concurrence of the Secretary pursuant to this paragraph 8 in such identification by KIC is conditioned upon KIC irrevocably identifying not more than 105 percent of its remaining entitlement under § 1431(g)(3) of ANILCA and listing the identified sections of land in order of priority for conveyance. Nothing in this paragraph 8 shall be construed as exercising or waiving the Secretary's discretion to concur in the identification by KIC of lands outside the former withdrawal made by § 11(a)(1) of ANCSA.

9. ASRC agrees to waive its right pursuant to Paragraph 10 of the Agreement of August 6, 1976, between the parties to Arctic Slope Regional Corporation, et al. v. Kleppe, Civil Action No. A75-218, United States District Court for the District of Alaska, to have Easements EIN 15-C5 (15a) and EIN 17-C5 (17a), which were excepted and reserved to the United States in the lands conveyed to ASRC in Interim Conveyance No. 048, vacated, modified, altered or relocated, provided, that the waiver of ASRC pursuant to this paragraph 9 shall not be construed to restrict the right of ASRC, its successors and assigns, to use or develop any resources in the area of the

above-described easements, including without limitation, oil and gas, valuable minerals, and sand and gravel, and provided further, however, that ASRC will ensure adequate access around any obstructions placed upon the bed of Shainin Lake or the bank thereof.

10. ASRC agrees to utilize its best efforts to assist the United States to obtain from KIC an easement for access to conduct scientific research and studies on lands conveyed, or to be conveyed, to KIC. ASRC agrees that its subsurface estate shall be subject to any easement, license or other authorization for scientific research and studies so granted by KIC, and further agrees that, in the event that KIC grants such an easement, license or other authorization, ASRC shall grant the United States a conforming easement, license or authorization for use of the subsurface estate to a depth of three feet for scientific research and studies. Any easement, license or authorization granted by ASRC pursuant to this paragraph 10 shall not interfere with ASRC's full use and enjoyment of the subsurface estate of the lands conveyed to ASRC pursuant to paragraph 3 of this Agreement. Nothing in this paragraph 10 shall be construed to diminish any rights of access of the United States.

11. The Secretary hereby finds that he has evaluated the effects of the exchange set forth in this Agreement on subsistence uses and needs, the availability of other lands for

the purposes sought to be achieved, and other alternatives that would reduce or eliminate the use, occupancy, or disposition of public lands needed for subsistence purposes and has determined, in accordance with the provisions of § 810(a) of ANILCA, that the exchange set forth in this Agreement will not significantly restrict subsistence uses.

12. The Secretary hereby finds that the conveyance to ASRC of the subsurface estate of the lands described in paragraph 3 of this Agreement, subject to the stipulations, covenants and limitations set forth in paragraph 4 of this Agreement, will not undermine the essential integrity of ANWR, will not frustrate the purposes of ANWR, and will not significantly adversely affect the fish and wildlife, their habitats, or the environment of ANWR.

13. The Secretary hereby finds that the acquisition of lands and interests in land in the Chandler Lake and nearby areas will enhance the protection of the outstanding natural values of the areas and further the purposes of ANILCA, including the purposes set forth in §§ 101, 201(4) and 1302 of ANILCA, by: the preservation of unrivaled scenic and geological values associated with natural landscapes; the protection of habitat for, and the populations of, fish and wildlife, including those species dependent on vast, relatively undeveloped areas; the preservation in its natural state of an extensive unaltered arctic environment; the preservation of

wilderness resource values and related recreational opportunities and the maintenance of the wild and undeveloped character of the area, including opportunities for visitors to experience solitude, and the natural environmental integrity and scenic beauty of the mountains, lakes, rivers and other natural features of the area; the exercise of an opportunity to eliminate substantial inholdings within Gates of the Arctic National Park; the facilitation of access to lands within Gates of the Arctic National Park and other public lands; and the consolidation of Federally-owned lands in Gates of the Arctic National Park. The Secretary further finds that the conveyance to ASRC of the subsurface estate of the lands described in paragraph 3 of this Agreement will further the purposes of ANILCA, including the purposes set forth in §§ 101, 303(2) and 1302 of ANILCA, by: the conveyance pursuant to paragraph 3 of this Agreement or § 1431(o) of ANILCA (in the event that the provisions of subparagraph 19(d) of this Agreement are triggered) to ASRC of those lands subject to covenants running with the land, assuring that the conveyance will not undermine the essential integrity of ANWR, will not frustrate the purposes of ANWR, and will not significantly adversely affect the fish and wildlife, their habitats, or the environment of ANWR; the conservation of fish and wildlife populations and habitats in their natural diversity; the contermination of Native-owned lands within ANWR; the provision of the

opportunity for continued subsistence uses by local residents; and the provision of an adequate opportunity for satisfaction of the economic and social needs of the Native people of the Arctic Slope Region. For these reasons and because this exchange enables the United States presently to acquire valuable National Park inholdings and other interests of significant public value in return for conveyance to ASRC of an interest in the land which ASRC may in the future be entitled to acquire for far less consideration and to impose by contract the kinds of environmental safeguards that the Secretary would seek to impose by regulation should ASRC exercise its rights under § 1431(o) of ANILCA, the Secretary concludes that the exchange set forth in this Agreement is in the public interest and therefore does not require equalization of values.

14. With respect to the lands conveyed or relinquished by ASRC to the United States pursuant to paragraph 2 of this Agreement, nothing in this Agreement, other than the easements excepted to ASRC from the lands conveyed by ASRC to the United States pursuant to subparagraph 2(a) of this Agreement and reserved and described in Appendix 3 attached to this Agreement and the easement excepted to ASRC from the lands relinquished by ASRC pursuant to subparagraph 2(b) of this Agreement, shall be construed to enlarge, diminish, alter or affect in any manner the rights of the rural residents of the Village of Anaktuvuk Pass, Nunamiut Corporation or ASRC, as the context

requires: (1) to access pursuant to §§ 811, 1109, 1110, and 1111 of ANILCA and any other applicable authority; and (2) to engage in subsistence uses pursuant to Title VIII of ANILCA. It is expressly stipulated and agreed that the lands conveyed or relinquished by ASRC to the United States pursuant to paragraph 2 of this Agreement shall be public lands within the meaning of § 102(3) of ANILCA and as that term is used in the provisions of Title VIII of ANILCA.

15. Nothing in this Agreement shall be construed to enlarge or diminish ASRC's rights of access under Title XI of ANILCA or other applicable authority.

16. The parties agree that the land conveyances and relinquishments authorized under this Agreement, if consummated, shall not affect the entitlement of ASRC under § 12(c) of ANCSA. The parties agree that those lands previously conveyed to ASRC pursuant to § 12(c) of ANCSA, the surface estate of which is to be conveyed to the United States by ASRC pursuant to subparagraph 2(a) of this Agreement, aggregating 75,150 acres of surface estate, and those lands which ASRC has a right to a conveyance under § 22(f) of ANCSA and § 1431(c)(1) of ANILCA, the right to a conveyance of the surface estate of which is to be relinquished to the United States pursuant to subparagraph 2(b) of this Agreement, aggregating 26,122 acres of surface estate, for a total of 101,272 acres of surface estate, will remain or be charged to

ASRC against its entitlement under ANCSA. The parties recognize that a portion of these lands has not been surveyed and mutually agree upon the acreage figures set forth above to remain or be charged to ASRC against its entitlement under ANCSA and that ASRC shall receive any gain or bear any loss of acreage due to errors, if any, in such figures, and notwithstanding a change in the method of computing the acres charged to entitlement when land is conveyed. The parties further agree that ASRC will receive no credit or reduction against those acres conveyed or to be conveyed to it as a result of its reconveyance or relinquishment of the surface estate of those lands described in subparagraphs 2(a) and (b) of this Agreement and the conveyance to ASRC of the subsurface estate of the lands described in paragraph 3 of this Agreement and of the easement described in subparagraph 2(b) of this Agreement.

17. The parties recognize that, upon the consummation of this Agreement, ASRC will retain the subsurface estate of the lands in the Chandler Lake and nearby areas, the surface estate of which will be conveyed by ASRC to the United States pursuant to subparagraph 2(a) of this Agreement. ASRC has leased a substantial portion of this subsurface estate to Shell Oil Company, but ASRC is not aware at this time of any plans of Shell Oil Company to conduct exploration or development activities on the leased subsurface. The parties further

recognize that leases held by Shell Oil Company are scheduled to terminate in 1991, but may be terminated, at the option of Shell Oil Company, prior to that time. Within sixty (60) days of the termination of the leases held by Shell Oil Company, ASRC shall notify in writing the Regional Director of the National Park Service, Alaska, of the termination. The parties agree that, upon the termination of the leases held by Shell Oil Company, the parties will enter into good faith negotiations to seek an exchange, on an equal value basis, of the subsurface estate of the lands in the Chandler Lake and nearby areas, as well as the subsurface estate of the lands the surface estate of which is to be relinquished to the United States pursuant to subparagraphs 2(b) and (d) of this Agreement, for other lands, or interests therein, owned by the United States in the Arctic Slope Region. If, after a period of six months following the termination of the leases held by Shell Oil Company, the parties have failed to reach an agreement on an exchange by which ASRC will convey these subsurface estates to the United States, the United States may initiate a condemnation proceeding to acquire from ASRC these subsurface estates. ASRC hereby waives any right that it may have to object to such a condemnation proceeding, and expressly consents to the acquisition of these subsurface estates through such a condemnation proceeding if the parties are unable to reach an agreement on an exchange pursuant to the provisions of this paragraph 17.

18. Nothing in this Agreement shall be construed as a permit to conduct any particular activity on any lands to be conveyed to ASRC under this Agreement; nor shall this Agreement be construed as relieving ASRC of any obligations it may have under Federal, State and local laws and regulations with respect to obtaining necessary permits prior to commencing any activity on its lands.

19. (a) In the event that the exchange of lands provided for in this Agreement is set aside because of a final order of a court of competent jurisdiction, the parties shall return to their status and rights prior to the execution of this Agreement and the parties agree to take whatever actions and to execute whatever documents are necessary to restore the status quo ante the exchange, provided, that, if ASRC has been able to complete the drilling of an exploratory well or wells on the lands conveyed to ASRC pursuant to subparagraph 3(a) of this Agreement prior to the time that the exchange is set aside and ASRC is not deprived of the economic benefits obtained or to be obtained from the drilling of an exploratory well or wells, then the setting aside of the exchange shall be treated as a frustration of purpose and the provisions of subparagraph (c) of this paragraph 19, rather than the provisions of this subparagraph (a), shall apply.

(b) In the event that the Secretary is prevented, by judicial or legislative action, from conveying any portion of

the subsurface estate of the lands described in paragraph 3 of this Agreement within one year of the conveyance to KIC of the surface estate of those lands pursuant to the provisions of § 14(a) of ANCSA or § 1431(g) of ANILCA, ASRC shall be entitled to designate lands conveyed or relinquished to the United States pursuant to paragraph 2 of this Agreement, equal in acreage to the lands which have not been conveyed or relinquished to ASRC beneath surface estate conveyed to KIC, provided, that the lands so designated by ASRC shall be in compact and contiguous tracts of not less than 5,760 acres in size, or the total number of acres that the Secretary is prevented from conveying to ASRC, whichever is smaller, and provided further, that ASRC shall not be entitled to designate any of the following described lands for reconveyance pursuant to the provisions of this subparagraph (b):

Umiat Meridian

Township 14 south, range 4 west, sections 13, 14, 21-28, 33-36; and

Township 14 south, range 3 west, sections 19, 30, 31.

The Secretary shall reconvey to ASRC the surface estate of the lands so designated.

(c) At its sole option, ASRC may rescind this exchange if, as a result of judicial, legislative or administrative action beyond the control of ASRC, ASRC is denied the necessary permits or authorizations to drill, or is otherwise prohibited

from completing, by May 1, 1987, up to three exploratory wells on the lands conveyed to it under this Agreement at locations of its own choosing, or within one mile of the locations selected by ASRC, notwithstanding timely applications and vigorous good faith efforts on the part of ASRC to obtain the necessary permits and authorizations to drill such wells. For purposes of this subparagraph (c), no application filed after May 1, 1985, shall be deemed timely. Any well, the drilling of which is commenced by May 1, 1987, and which ASRC is not thereafter prohibited from completing by judicial or legislative action, shall be deemed to have been completed by May 1, 1987, for purposes of this subparagraph (c). In the event of rescission of this exchange by ASRC pursuant to the provisions of this subparagraph (c), the parties shall take all steps and execute all documents necessary to restore the status quo ante the exchange, except that:

- (i) the United States may retain title to the following described lands if frustration occurs prior to completion of the first well:

Umiat Meridian

Township 16 south, range 2 east, sections 31-33;
and

Township 17 south, range 1 west, sections 3, 4
(partials).

- (ii) the United States may retain title to the following described lands if frustration occurs prior to completion of the second well:

Umiat Meridian

Township 16 south, range 2 east, sections 31-33;

Township 17 south, range 1 west, sections 3, 4
(partials); and

Township 15 south, range 4 east, sections 22-27,
34-36.

- (iii) the United States may retain title to the following
described lands if frustration occurs prior to
completion of the third well:

Umiat Meridian

Township 16 south, range 2 east, sections 31-33;

Township 17 south, range 1 west, sections 3, 4
(partials);

Township 15 south, range 4 east, sections 22-27,
34-36; and

Township 14 south, range 4 west, sections 13, 14,
22-24, 26-28, 33, 34.

The option of ASRC to rescind pursuant to this subparagraph (c) shall terminate upon completion of the third exploratory well on the lands conveyed to ASRC pursuant to paragraph 3 of this Agreement. ASRC shall notify the Secretary of its decision to elect to rescind the exchange pursuant to this subparagraph (c) within six (6) months of the occurrence of any event constituting frustration under this subparagraph (c). For purposes of this subparagraph (c), frustration will not exist if it results from the failure of ASRC to comply with any term or condition of this Agreement.

(d) ASRC agrees that it will not exercise its rights under § 1431(o) of ANILCA with respect to the subsurface estate of any lands conveyed to it pursuant to this Agreement unless the parties have returned to the status quo ante pursuant to subparagraph (a) of this paragraph 19 or ASRC has elected to rescind the exchange pursuant to subparagraph (c) of this paragraph 19. In the event that ASRC exercises its rights under § 1431(o) of ANILCA to acquire the subsurface estate of any lands covered by this Agreement, ASRC agrees that the provisions of paragraph 4 of this Agreement shall apply to the lands so acquired.

20. The United States Fish and Wildlife Service, or the Department of the Interior acting on its behalf, shall not oppose any application to any Federal, State or local government agency for permits or other approvals necessary to conduct activities on the lands conveyed to ASRC pursuant to paragraph 3 of this Agreement that is consistent with the provisions of this Agreement. Nothing in this paragraph 20 shall be construed to affect the Secretary's responsibilities under § 7 of the Endangered Species Act, 87 Stat. 892, as amended, 16 U.S.C. § 1536.

21. Any failure by either party to this Agreement to object to or to seek a remedy of any violation by the other party of any provision of this Agreement shall not be deemed a waiver of or estop any future right to object to or to seek a

remedy of a subsequent violation, whether the later violation is of the same or another provision of this Agreement.

22. A copy of this Agreement shall be attached to and incorporated in the first conveyance issued to ASRC pursuant to paragraph 3 of this Agreement, and shall be recorded by ASRC with the conveyance. In any subsequent conveyance issued to ASRC pursuant to paragraph 3 of this Agreement, this Agreement shall be incorporated by reference to the place, date, volume and page of recordation. ASRC agrees that it will refer to the applicability of the provisions of this Agreement in any document relating to a subsequent sale, transfer or other disposition of the subsurface estate, or any interest therein, of the lands conveyed to ASRC pursuant to paragraph 3 of this Agreement. ASRC further agrees to provide a copy of this Agreement to any person that ASRC permits to use in any manner the subsurface estate of the lands conveyed to ASRC pursuant to paragraph 3 of this Agreement.

23. Nothing in this Agreement shall be construed as creating any rights of enforcement by any person or entity that is not a party to this Agreement.

24. This Agreement shall become effective only upon its execution by both of the parties, and the effective date of the Agreement shall be the date upon which the last of the subscribed parties signs the Agreement.

25. For purposes of expediting execution of this Agreement, it may be signed in separate counterparts by the parties, which, when all have so signed, shall be deemed a single Agreement.

26. The parties agree that this Agreement may be amended by mutual consent of the parties.

27. For purposes of this Agreement, the easements to be conveyed by ASRC to the United States pursuant to subparagraph 2(c) of this Agreement and described in Appendix 4 attached to and incorporated as a part of this Agreement and the subsurface estate to be conveyed by the United States to ASRC pursuant to subparagraph 3(e)(i) of this Agreement are mutual and exclusive consideration one for the other. In the event that the exchange of the above-described interests in lands is set aside because of a final order of a court of competent jurisdiction, the above-described exchange shall be severable from the remainder of this Agreement, and the parties agree to immediately commence good faith negotiations to enter into a new agreement to exchange the above-described interests in lands.

28. The following general provisions shall apply to each of the provisions of this Agreement, except to the extent specifically provided otherwise in such provision:

(a) The parties mutually covenant and agree not to sue each other challenging the legal authority or capacity of

the Secretary or ASRC to enter into this Agreement or to effectuate any provision herein, provided, that nothing herein shall be construed to prevent either party from suing to enforce this Agreement or seeking any other available remedy for breach of this Agreement.

(b) ASRC agrees not to assign to any third party its right under this Agreement to receive the conveyance of the subsurface estate of the lands described in paragraph 3 of this Agreement.

(c) The parties mutually covenant and agree not to encumber property proposed to be exchanged or conveyed to the other party under this Agreement, except to the extent provided in paragraph 7 of this Agreement or otherwise required by law.

(d) No member of or delegate to Congress, or resident Commissioner, shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

(e) As used in this Agreement, the term "Secretary" shall include the Secretary of the Department of the Interior or his authorized representative.

(f) As used in this Agreement, the term "Arctic Slope Regional Corporation" shall include ASRC, its successors and assigns.

(g) As used in this Agreement, the term "Kaktovik Inupiat Corporation" shall include KIC, its successors and assigns.

(h) As used in this Agreement, the term "Agreement" shall refer to this "Agreement Between Arctic Slope Regional Corporation and the United States of America", the terms, conditions, covenants, limitations, exceptions and reservations set forth in Appendix 1 attached hereto and incorporated as a part of this Agreement pursuant to the provisions of paragraph 4 of this Agreement, the "Land Use Stipulations, ASRC Lands, Kaktovik, Alaska" attached hereto as Appendix 2 and incorporated as a part of the Agreement pursuant to the provisions of paragraph 4 of this Agreement, the easements excepted to ASRC from the land conveyed by ASRC to the United States pursuant to subparagraph 2(a) of this Agreement and reserved and described in Appendix 3 attached hereto and incorporated as a part of the Agreement pursuant to the provisions of subparagraph 2(a) of this Agreement, the easements conveyed by ASRC to the United States pursuant to subparagraph 2(c) of this Agreement and described in Appendix 4 attached hereto and incorporated as a part of the Agreement pursuant to the provisions of subparagraph 2(c) of this Agreement, or all of the foregoing, as the context requires.

(i) As used in this Agreement, an allotment shall not be deemed to be approved until the issuance of the

Certificate of Allotments, provided, however, that the United States shall make a good faith effort to expedite the issuance of Certificates of Allotment within the exterior boundaries of lands conveyed to KIC to satisfy its entitlement under §§ 12 and 14 of ANCSA and § 1431(g) of ANILCA.

(j) The parties agree that clerical and typographical errors contained herein may be corrected upon notice to the other party. Unless such errors are deemed substantive or otherwise objected to by either party within sixty (60) days by written notice, correction may be made without formal ratification by the parties.

IN WITNESS WHEREOF, the parties have set their hands and seals as of the date herein written.

ARCTIC SLOPE REGIONAL CORPORATION

Date: August 9, 1983

By Jacob Adams
Jacob Adams
President

UNITED STATES OF AMERICA

Date: August 9, 1983

By James G. Watt
James G. Watt
Secretary of the Interior

APPENDIX 1

RESERVING TO THE UNITED STATES from the lands so granted:

An easement pursuant to which the United States shall have reasonable rights of access as may be necessary to properly monitor and ensure compliance with the provisions set forth in the Agreement Between Arctic Slope Regional Corporation and the United States of America of August 9, 1983.

THE GRANT OF THE ABOVE-DESCRIBED LANDS IS SUBJECT TO:

1. The requirements of the second sentence of § 22(g) of the Alaska Native Claims Settlement Act, 43 U.S.C. § 1621(g).

2. The easements and rights-of-way reserved to the United States pursuant to § 17(b) of the Alaska Native Claims Settlement Act, 43 U.S.C. § 1616(b), in the conveyance of the surface estate of those lands to Kaktovik Inupiat Corporation.

3. Any site-specific road or trail easement acquired by the United States in the surface estate of those lands after the effective date of the Agreement Between Arctic Slope Regional Corporation and the United States of America of August 9, 1983, provided, that the above-described lands shall only be subject to such road or trail easement to the extent of the lesser of either its actual width or thirty (30) feet on either side of its centerline, and provided further, that, prior to acquiring any such future easement, the Department of the

Interior shall consult in good faith with Arctic Slope Regional Corporation concerning the location and proposed use of such easement, and provided further, that any such future easement acquired by the United States shall not interfere with the reasonable use and enjoyment of the subsurface estate by Arctic Slope Regional Corporation.

4. Any site-specific easement reserved to or acquired by the United States in the surface estate of those lands which is relocated pursuant to an agreement between the Department of the Interior and the surface owner after the effective date of the Agreement Between Arctic Slope Regional Corporation and the United States of America of August 9, 1983, provided, that, prior to acquiring any such relocated easement, the Department of the Interior shall consult in good faith with Arctic Slope Regional Corporation concerning the location and proposed use of such easement, and provided further, that any such relocated easement reserved to or acquired by the United States shall not interfere with the reasonable use and enjoyment of the subsurface estate by Arctic Slope Regional Corporation, and provided further, that the above-described lands shall only be subject to any relocated acquired road or trail easement to the extent of the lesser of either its actual width or thirty (30) feet on either side of its centerline.

5. The covenant that Arctic Slope Regional Corporation, its successors and assigns, shall make sand and gravel within

the confines of any easement or right-of-way reserved to the United States pursuant to § 17(b) of the Alaska Native Claims Settlement Act, 43 U.S.C. § 1616(b), in the conveyance of the surface estate of those lands to Kaktovik Inupiat Corporation and within the confines of any site-specific road or trail to the extent of the lesser of either its actual width or thirty (30) feet on either side of its center line acquired by the United States in such surface estate after the effective date of the Agreement Between Arctic Slope Regional Corporation and the United States of America of August 9, 1983, available at no cost to the United States for the purposes of construction or maintenance of the easement and adjoining easements, if any, provided, however, that Arctic Slope Regional Corporation shall enjoy reasonable access to, and the reasonable opportunity to use, remove or sell, such sand and gravel insofar as such use, removal or sale does not interfere with the existing use of the easement at the time of such use, removal or sale. In the event that the use, removal or sale by Arctic Slope Regional Corporation of sand and gravel makes the same unavailable for the purposes of the easement or otherwise interferes with the present or future use of the easement, then Arctic Slope Regional Corporation shall make available in reasonably proximate locations sufficient quality and quantity of sand and gravel to alleviate the need or interference. The right of Arctic Slope Regional Corporation to use, remove or sell sand

and gravel applies to all easements referenced in this covenant, including streamside and marine shoreline easements, and it shall not be deemed an interference with the present or future use of an easement that such use or removal may detract from the aesthetics of the easement area.

6. The covenant that Arctic Slope Regional Corporation, its successors and assigns, shall use those lands in conformance with the "Land Use Stipulations, ASRC Lands, Kaktovik, Alaska" attached as Appendix 2 to the Agreement Between Arctic Slope Regional Corporation and the United States of America of August 9, 1983, and incorporated herein.

7. The covenant that Arctic Slope Regional Corporation, its successors and assigns, shall not use those lands, or the surface of those lands, in any manner that significantly adversely affects the fish and wildlife, their habitats, or the environment of those lands or Arctic National Wildlife Refuge lands.

8. The covenant that Arctic Slope Regional Corporation, its successors and assigns, shall use any portion of those lands that lies beneath a floodplain in compliance with the valid applicable provisions of Federal, State and local law relating to floodplains and shall not utilize any such portion of those lands in any manner that will violate the valid applicable restrictions of Federal, State or local law with respect to floodplains.

9. The covenant that Arctic Slope Regional Corporation, its successors and assigns, shall use any portion of those lands that lies beneath wetlands in compliance with the valid applicable provisions of Federal, State and local law relating to wetlands and shall not utilize any such portion of those lands in any manner that will violate the valid applicable restrictions of Federal, State or local law with respect to wetlands.

10. The covenant that Arctic Slope Regional Corporation, its successors and assigns, shall take no action on those lands that significantly restricts subsistence uses on such lands, the surface thereof or adjacent public lands. For purposes of this covenant, the term "subsistence uses" shall have the meaning ascribed to it in § 803 of the Alaska National Interest Lands Conservation Act, 16 U.S.C. § 3113.

11. The covenant that Arctic Slope Regional Corporation agrees that the full extent and legal boundary of the interest of Arctic Slope Regional Corporation, its successors and assigns, in those lands shall be coterminous with the interest in the surface estate of those lands conveyed to Kaktovik Inupiat Corporation pursuant to § 14(a) of the Alaska Native Claims Settlement Act, 43 U.S.C. § 1613(a), and § 1431(g) of the Alaska National Interest Lands Conservation Act, 94 Stat. 2371, 2538, and with the interest in the surface estate of those lands conveyed pursuant to subparagraph 3(e) of the

Agreement Between Arctic Slope Regional Corporation and the United States of America of August 9, 1983, and that the interest of Arctic Slope Regional Corporation, its successors and assigns, in those lands shall increase or decrease in the same manner and to the same extent as the surface estate increases or decreases by operation of law, including, but not limited to, processes such as accretion or erosion.

12. The covenant that Arctic Slope Regional Corporation, its successors and assigns, will permit on the above-described lands, and will not interfere with, such reasonable rights of access as may be necessary to enable the United States to properly monitor and ensure compliance with the provisions set forth in the Agreement Between Arctic Slope Regional Corporation and the United States of America of August 9, 1983.

13. The covenant that Arctic Slope Regional Corporation, its successors and assigns, shall reconvey to the United States by limited warranty deed any portion of the lands above-described determined by the Secretary of the Interior to be subject to a meritorious claim(s) of valid existing rights; the claim(s) will then be adjudicated and the lands will be reconveyed to Arctic Slope Regional Corporation if the claimant(s) cannot establish the claimed valid existing rights. If any valid existing right is approved and conveyed; then the Secretary shall reconvey to Arctic Slope Regional Corporation

those rights reserved to the United States in the subsurface estate, if any.

APPENDIX 2

LAND USE STIPULATIONS ASRC LANDS, KAKTOVIK, ALASKA

A. INTRODUCTION

1. Purpose.

Activities on, and uses of, lands conveyed to Arctic Slope Regional Corporation ("ASRC") pursuant to paragraph 3 of the Agreement Between Arctic Slope Regional Corporation and the United States of America ("the Agreement") of August 9, 1983, shall be conducted in accordance with these stipulations. The purpose of these stipulations, which shall apply to ASRC, its successors and assigns, is (1) to implement the Secretary's responsibility under § 1302(h) of the Alaska National Interest Lands Conservation Act, 94 Stat. 2475, to ensure that the conveyance to ASRC of the subsurface estate of those lands described in paragraph 3 of the Agreement ("ASRC Lands") will not undermine the essential integrity of the Arctic National Wildlife Refuge ("the Refuge") and will not frustrate the purposes of the Refuge, and (2) to implement, based on presently available information respecting the fish and wildlife resources and the environment of the ASRC Lands and the Refuge, the Secretary's responsibility under the second sentence of § 22(g) of the Alaska Native Claims Settlement Act

("ANCSA"), 43 U.S.C. § 1621(g), as it relates to uses and activities occurring on ASRC Lands, including oil and gas exploration, until, as to such exploration, these stipulations are superseded in accordance with the provisions of Paragraph B.9 of these stipulations, and to sand and gravel extraction, processing, transportation and storage.

2. Definitions.

The following definitions are applicable to these stipulations:

(a) "Adequate protective cover" means snow or a frostline, or both, sufficient to protect the vegetation and soil from significant adverse effects due to the operation of surface equipment.

(b) "ANILCA" means the Alaska National Interest Lands Conservation Act, 94 Stat. 2371 et seq., as amended.

(c) "ASRC Lands" means, as the context requires, the subsurface estate conveyed to ASRC beneath lands conveyed to Kaktovik Inupiat Corporation ("KIC") pursuant to § 14(a) of ANCSA and § 1431(g) of ANILCA and the subsurface estate conveyed to ASRC pursuant to the provisions of subparagraph 3(e) of the Agreement, or the surface of such lands.

(d) "Coastal plain" means that portion of the Arctic National Wildlife Refuge defined by § 1002(b)(1) of ANILCA and 50 C.F.R. § 37.2(d) or as amended.

(e) "Cultural resource" means any district, site, building, structure, or object significant in American history, architecture, archeology, engineering or culture included on or eligible for inclusion on the National Register of Historic Places.

(f) "Department" means the Department of the Interior and any of its component bureaus and offices.

(g) "Exploration activities" means geological exploration or geophysical exploration or both, including exploratory drilling, and all related activities and logistics associated with either or both.

(h) "Exploratory drilling" means the drilling of any well to a sufficient depth to measure the geologic, geophysical and engineering parameters used for determining an area's oil and gas potential.

(i) "Gas" means any fluid, either combustible or noncombustible, which is produced in a natural state from the earth and which maintains a gaseous or rarefied state at normal temperature and atmospheric pressure conditions.

(j) "Harass" means to pursue, hunt, take, capture, molest, collect, harm, shoot or kill or attempt to engage in any of the preceding by either intentional or negligent act or omission.

(k) "Hazardous substances" means petroleum, petroleum products, toxic materials, chemical effluent,

explosives, or other materials which are likely to cause significant adverse effects to the wildlife, its habitat, or the environment of the ASRC Lands or the Refuge lands.

(l) "Oil" means any viscous combustible liquid hydrocarbons or solid hydrocarbon substance easily liquifiable on warming which occurs naturally in the earth, including drip gasoline or other natural condensates recovered from gas, without resort to manufacturing process.

(m) "Operator" means a person, designated by ASRC, who conducts or proposes to conduct exploration activities pursuant to a plan of operations.

(n) "Person" means any individual, firm, partnership, corporation, association, organization or agency.

(o) "Plan of operations" means detailed procedures proposed for conducting exploration activities.

(p) "Reclamation" means the act of restoring the landform and vegetation as nearly as practicable to its preconveyance shape and condition.

(q) "Refuge" means the Arctic National Wildlife Refuge.

(r) "Regional Director" means the director of that region of the U.S. Fish and Wildlife Service responsible for overseeing the administration of the Refuge, or his authorized representative.

(s) "Waste" means all material for discard from exploration activities, including, but not limited to, human waste, trash, garbage, refuse, fuel drums, shot wire, survey stakes, explosives boxes, ashes, and functional and nonfunctional equipment.

(t) "Wildlife" means fish or wildlife or both.

3. Activities Covered by Stipulations.

These stipulations shall apply to uses of, and all activities conducted with respect to, ASRC Lands.

B. OIL AND GAS EXPLORATION

1. Exploratory Drilling.

Exploratory drilling conducted on ASRC Lands by the operator shall be conducted in accordance with these stipulations, but in no event shall exploratory drilling be conducted on the surface of lands the subsurface estate of which is conveyed to ASRC pursuant to subparagraph 3(b) or (c) of the Agreement or pursuant to subparagraph 3(d) or (e)(ii) of the Agreement to the extent that the subsurface estate conveyed pursuant to subparagraph 3(d) or (e)(ii) is beneath the coastal plain until Congress hereafter enacts legislation that permits exploratory drilling within the coastal plain or that permits production, or leasing or other development leading to production, of oil and gas from the coastal plain or the ASRC Lands, or both.

2. Prohibition on Development.

Production of oil and gas from ASRC Lands is prohibited and no leasing or other development leading to production of oil and gas from ASRC Lands shall be undertaken until Congress authorizes such activities on Refuge lands within the coastal plain or on ASRC Lands, or both.

3. Plan of Operations.

(a) No oil and gas exploration activities shall be conducted by an operator on ASRC Lands in the absence of a plan of operations covering the activities to be carried out thereunder which shall be reviewed by the Regional Director.

(b) The plan of operations shall include information necessary for the Regional Director to determine that the operations will not significantly adversely affect the wildlife, its habitat, or the environment of the ASRC Lands and Refuge lands. The information shall include, as appropriate, the following:

(1) The names and legal addresses of the following persons: the operator, contractors, subcontractors and the owner(s) or lessee(s) other than the operator;

(2) A copy of the instrument by which the operator's right to conduct operations was granted;

(3) A map or maps showing: (i) the location of a point of reference selected by the operator within the area covered by the plan of operations showing, in relation to that

point, existing and proposed access routes or roads within the area, the boundaries of proposed surface disturbance and location of all survey lines; (ii) the location of proposed drilling sites, wellsite layout and all surface facilities including but not limited to sumps, reserve pits and ponds; (iii) sources of construction materials within the area including but not limited to gravel; and (iv) the location of ancillary facilities including but not limited to camps, sanitary facilities, water supply, disposal facilities, pipelines, fuel storage facilities, storage facilities, base of operations and airstrips. A point of reference selected by the operator within the area of operations shall be marked with a ground monument;

(4) A description of (i) all surface facilities, including but not limited to sumps, reserve pits and ponds, and ancillary facilities, including but not limited to camps, sanitary facilities, water supply, disposal facilities, pipelines, fuel storage facilities, storage facilities, base of operations and airstrips, and (ii) the major equipment to be used in the operations, including but not limited to equipment and methods for the transport of all waters used in or produced by operations, and of the proposed method of transporting such equipment within the area covered by the plan of operations, including to and from the site;

(5) An estimated schedule for any phase of operations of which review by the Regional Director is sought and the anticipated date of operation completion;

(6) The geological name of the surface formation;

(7) The proposed drilling depth, and the estimated tops of important geological markers:

(8) The estimated depths at which anticipated water, brines, oil, gas, or other mineral bearing formations are expected to be encountered;

(9) The nature and extent of proposed operations including:

(i) The proposed casing program, including the site, grade, and weight of each string, and whether it is new or used;

(ii) The proposed setting depth of each casing string, and the amount and type of cement, including additives, to be used;

(iii) The operator's minimum specifications for pressure control equipment which is to be used, a schematic diagram thereof showing sizes, pressure ratings, and the testing procedures and testing frequency;

(iv) The type and characteristics of the proposed circulating medium or mediums to be employed for rotary drilling and the quantities and types of mud and weighting material to be maintained;

(v) The testing, logging, and coring programs to be followed; and

(vi) Anticipated abnormal pressure or temperatures or potential hazards to the environment, such as hydrogen sulfide gas or oil spills, along with plans for mitigation of such hazards;

(10) Provisions for proposed reclamation;

(11) A detailed estimate of the various cost elements to be incurred during implementation of the proposed reclamation plan;

(12) Methods for disposal of all wastes and hazardous substances;

(13) An affidavit stating that the operations planned will be in compliance with these stipulations and all applicable Federal, State, and local laws and regulations; and

(14) Contingency plans in case of spills, leaks or other accidents.

(c) The Regional Director shall complete his review and provide any comments that he may have on the plan submitted by the operator promptly, but in any event within forty-five (45) days from the date of submission of the plan. If the Regional Director notifies ASRC and the operator that the proposed plan complies with the Agreement and these stipulations, the operator may commence operations under the plan immediately. If the Regional Director believes that any

provision of a proposed plan would significantly adversely affect the wildlife, its habitat, or the environment of the ASRC Lands or Refuge lands or would otherwise be inconsistent with any provision of the Agreement or these stipulations, he shall immediately (but not later than the 45th day following submission) notify ASRC and the operator in writing of the basis for his belief and recommend those technically and economically feasible alternatives and modifications, if any, that would make the plan acceptable.

(d) ASRC and the operator shall adopt all recommendations received from the Regional Director unless ASRC or the operator responds to the Regional Director, within forty-five (45) days of the receipt of his recommendations, explaining in writing either: (i) why the plan of operations as submitted or modified by ASRC or the operator will not significantly adversely affect the wildlife, its habitat, or the environment of the ASRC Lands or Refuge lands or otherwise will not be inconsistent with the Agreement and these stipulations; or (ii) why the Regional Director's recommended alternatives and modifications are based on erroneous information, are technically or economically infeasible, or are inconsistent with recognized safety standards or legal requirements. The response may propose alternatives to the Regional Director's recommendations. The Regional Director shall accept any proposed alternatives that are consistent with

the Agreement and these stipulations. The response shall state how ASRC or the operator intends to proceed in implementing the plan of operations as originally proposed or subsequently modified.

(e) Following the Regional Director's receipt of the response of ASRC or the operator, the parties shall, if requested by ASRC, the operator or the Regional Director, enter immediately into good faith negotiations to arrive at a plan of operations acceptable to the parties. However, unless the United States obtains an order from a court of competent jurisdiction restraining implementation of the plan of operations, ASRC and the operator shall have the right to implement the plan of operations, as originally proposed or as subsequently modified as a result of review and comment by the Regional Director, provided that the Regional Director has been notified of such modifications.

(f) ASRC or the operator shall not commence operations prior to the earliest of: (1) the expiration of forty-five (45) days from the submission of the plan of operations, if the Regional Director fails to provide any comments or recommendations on the plan to ASRC or the operator; (2) the adoption by ASRC and the operator of the Regional Director's recommendations; or (3) the expiration of thirty (30) days from the receipt of the written response of ASRC or the operator to the Regional Director's

recommendations. Notwithstanding the time periods set forth in the preceding sentence, in no event shall ASRC or the operator commence operations for five (5) days following the receipt of notification to the Regional Director that ASRC or the operator proposes to modify the plan of operations as a result of review and comment by the Regional Director.

(g) Any judicial proceeding initiated by the United States in accordance with the procedures of subparagraph (e) of this Paragraph B.3 to restrain implementation of a plan of operations shall be de novo and the burden shall be on the United States to establish that the planned operations would significantly adversely affect, or are significantly adversely affecting, the wildlife, its habitat or the environment of the ASRC Lands or Refuge lands, or would be or are otherwise inconsistent with the provisions of the Agreement or these stipulations.

(h) The Regional Director shall have such reasonable access to the area of operations as is necessary to properly monitor and ensure compliance with the plan of operations.

(i) Upon the completion of exploration activities, the operator shall submit a reclamation plan for approval of the Regional Director, acting in consultation with ASRC, and shall implement the plan according to its terms.

(j) A proposal to supplement or revise a plan of operations may be made by ASRC, the operator or the Regional

Director to adjust the plan to changed conditions or to address conditions not previously contemplated by notifying the appropriate party in writing of the proposed alteration and the justification therefor. The parties shall negotiate in good faith concerning any proposed revision. ASRC and the operator shall accept any proposed revision that will not jeopardize the overall success of the plan of operations or unreasonably increase the cost of completing the plan. The Regional Director shall accept any proposed revisions that will not significantly adversely affect the wildlife, its habitat, or the environment of the ASRC Lands and Refuge lands and are otherwise consistent with these stipulations and the Agreement.

(k) To the extent necessary to allow the Regional Director to determine compliance with the plan of operations and these stipulations and consistent with Paragraph B.7 of these stipulations, technical data gathered during the drilling of any well, including daily drilling reports and geological reports which are submitted to the State of Alaska pursuant to State regulations or to any other bureau or agency of the Federal government, shall be made available by ASRC and the operator for inspection by the Regional Director upon his request.

(l) If an operator violates its plan of operations, and if the violation does not pose an immediate threat of significant adverse effect on the wildlife, its habitat, or the

environment of the ASRC Lands or Refuge lands, the Regional Director may notify the operator in writing to correct the violation in the shortest practicable time, not to exceed thirty (30) days. If the violation is not corrected within thirty (30) days, the Regional Director may suspend operations until the violation is corrected; provided, however, that upon a showing of good cause why the violation cannot reasonably be corrected within a thirty (30) day period, the Regional Director may extend this period for an additional time not to exceed ninety (90) days.

(m) If a violation poses an immediate threat of significant adverse effect on the wildlife, its habitat, or the environment of the ASRC Lands or Refuge lands, the Regional Director may immediately suspend operations until such time as the violation is corrected.

4. Environmental Protection.

All oil and gas exploration activities shall be conducted so as not to significantly adversely affect the wildlife, its habitat, or the environment of the ASRC Lands or Refuge lands, so as not to unnecessarily duplicate exploration activities, and shall be subject to the following stipulations for environmental protection of the ASRC Lands and Refuge lands:

(a) Terrestrial Environment.

(1) Vehicles shall be operated in a manner such that the vegetative mat or soil is not significantly damaged or displaced. Blading of snow on trails or campsites shall be limited so as to maintain an adequate protective cover.

(2) Ground vehicles shall be of the type causing the least practicable harm to the surface, such as track type vehicles, Rolligon type vehicles, mobile camps on flexible tracks or skids, vibrator units on flexible tracks or wheels, D-7 tractors, or their equivalent. They shall be operated only in the winter and where there is adequate protective cover.

(3) Exploration activities will be supported only by ice roads, winter trails, existing road systems and air service.

(4) Except for stream crossings identified in the plan of operations, movement of equipment through riparian willow stands in, or adjacent to, streams is prohibited, except where no feasible and prudent alternatives exist and prior approval of the Regional Director has been given.

(5) Above ground explosive charges shall be utilized in a manner to minimize damage to the vegetative mat.

(6) Campsites may be located on lakes which are frozen throughout, including bottom sediments, on durable ground, and on lagoons which are frozen to sufficient depth to

ensure safety of personnel, but shall not be located on river ice. Durable ground can include gravel or sand bars or vegetated frozen ground with adequate protective cover.

(7) Campsites and trails shall be kept clean of waste.

(8) Gray water may be discharged to the surface provided it is filtered, disinfected, and not discharged directly into lakes and rivers.

(9) All precautionary measures shall be taken to prevent and suppress man-caused tundra fires.

(10) Reclamation of disturbed surface areas shall be accomplished by the operator, in accordance with schedules and a plan approved by the Regional Director in consultation with ASRC.

(11) Wildlife shall not be harassed in any manner, including, but not limited to, close approach by surface vehicles or aircraft. Aircraft should maintain an altitude of 1,500 feet above ground level whenever practicable.

(12) No explosives shall be detonated within 1/2 mile of any known denning brown or polar bear or any muskoxen or caribou herd.

(13) The operations shall be conducted in such a manner as not to impede or restrict the free passage and movement of large mammals, including caribou, muskoxen, moose, polar bear, and brown bear.

(14) Feeding of wildlife is prohibited. This includes the leaving of garbage or edibles in a place which would attract wildlife. Garbage shall be kept in covered animal-proof containers while awaiting incineration.

(15) Hunting, fishing, and trapping by the operator and its employees on ASRC Lands and Refuge lands are prohibited during the conduct of exploration activities except this prohibition shall not apply to local residents engaged in subsistence uses. As a condition of employment, the operator shall advise employees of the foregoing prohibition. Use of firearms in defense of life and property is allowed.

(b) Aquatic Environment.

(1) The operator shall not significantly alter the banks of streams, rivers, or lakes while conducting exploration activities. Crossings of stream, river, or lake banks shall utilize a low angle approach or, if appropriate, snow bridges. If snow bridges are utilized for bank protection, they shall be free of dirt and debris and shall be removed after use or prior to breakup each year, whichever occurs first.

(2) No water shall be removed from any stream, lake, river or subsurface source except in accordance with a plan of operations. No water may be removed from any lake or stream identified by the Regional Director as necessary for the support of overwintering fish.

(3) To protect fish and other aquatic fauna, high explosives shall not be detonated within, beneath, on or in close proximity to fish-bearing waters unless prior drilling indicates that the water body, including its substrate, is solidly frozen. The minimum acceptable offset from fish-bearing waters for various size charges is:

1 pound charge	--	50 feet
2 pound charge	--	75 feet
5 pound charge	--	125 feet
10 pound charge	--	150 feet
25 pound charge	--	250 feet
100 pound charge	--	500 feet

No charge in excess of 100 pounds shall be detonated unless approved by ASRC after consultation with the Regional Director.

(4) All operations shall be conducted in a manner that will not impede the passage of fish, disrupt fish spawning, overwintering or nursery areas identified by the Regional Director or block or change the character or course of, or cause significant siltation or pollution of, any stream, river, pond, pothole, lake, lagoon, or drainage system.

(5) Operation of equipment in unfrozen water areas of water bodies shall be prohibited during the winter, provided, that this subparagraph (5) shall not be construed as precluding appropriation of water from any water body in accordance with a plan of operations consistent with the environmental safeguards of these stipulations.

(c) Human Environment.

(1) Prior to implementing any plan of operations, the operator shall obtain from the Regional Director copies of pertinent cultural resource reconnaissance reports, maps and other available documents. Exploration activities shall be conducted in a manner to mitigate, minimize or avoid any adverse effects on known cultural resource sites and areas of predicted high probability of containing cultural resources. The following prohibitions shall be in effect:

(i) No land vehicle of any type shall pass over or through a known cultural resource site; and

(ii) No seismic train shall camp, nor shall a drill pad and associated facilities be located, on a known cultural resource site.

(2) If any exploration activities require entry into areas known to contain historic or archeological resources, high probability areas, or areas previously unsurveyed for cultural resources, prior to the initiation of such activities, the operator shall so advise ASRC and, if ordered by ASRC in consultation with the Regional Director and the State Historic Preservation Officer, locate, identify and evaluate properties for eligibility to the National Register of Historic Places and take appropriate measures to avoid or mitigate adverse effects to eligible properties. Pads, wells, structures, or other facilities may be established within 250

yards of the seacoast, on banks and stabilized gravel bars of major streams, high eminences with a view or stabilized areas at the deltas of major rivers only after a field examination conducted under snow- and ice-free conditions. Such efforts shall be without expense or liability to the Department.

(d) General.

(1) All spills or leakages of any hazardous substance, fires and any other conditions which threaten the resources or the environment of ASRC Lands or Refuge lands shall be reported by the operator to ASRC and the Regional Director. Other notifications shall be made by the operator as required by applicable laws.

(2) All combustible solid waste shall be incinerated or returned to the operator's base of operations for disposal in accordance with applicable Federal, State and local standards. All non-combustible solid waste, including, but not limited to, fuel drums and shot wire, shall be returned to the operator's base of operations for disposal in accordance with applicable federal, state and local standards.

(3) No discharge of petroleum, petroleum products, or toxic materials shall be made on ASRC Lands or Refuge lands. Changing oil in, and refueling of, vehicles shall be performed in such locations and by such methods, and maintenance personnel shall be appropriately trained, to prevent such discharges. All hazardous substances utilized or

generated in conducting exploration activities shall be contained, controlled, and cleaned up in accordance with the operator's hazardous substances control and contingency plan, as reviewed by the Regional Director. Such measures shall take precedence over all other matters except human safety.

(4) No fuel storage facilities shall be placed within the annual floodplain of fish-bearing watercourses or within 100 feet of any other water body, and no vehicle refueling shall occur within such areas. Fuel containers shall be properly stored and marked with the operator's name, type of fuel, and last date of filling. All fuel containers with a storage capacity greater than 55 gallons shall be of double-wall or equivalent construction. All fuel containers, including those emptied, shall be capped when not in actual use. All fuel containers placed within the annual floodplain of fish-bearing watercourses shall be removed prior to breakup.

(5) The operator shall not disturb or damage any geodetic or cadastral land survey monuments. If any monument is disturbed or damaged, the operator shall re-establish it in a manner acceptable to the Secretary or other competent authority.

(6) The type and location of all structures and facilities, permanent and temporary, including but not limited to drill pads, camp pads, ice roads and ice airstrips, for use in support of exploration activities shall not significantly

adversely affect the wildlife, its habitat, or the environment of ASRC Lands or of Refuge lands.

(e) Exploratory Drilling--Environmental Protection.

In addition to the environmental safeguards set forth in subparagraphs B.4(a) through (d) of these stipulations, exploratory drilling activities shall be subject to the following special environmental safeguards:

(1) A minimum distance of 200 feet shall be maintained between the toe of the gravel pads used for housing, or for storage of materials other than vehicles, hydrocarbons or toxic compounds, and any adjacent lake or stream bank;

(2) A minimum distance of 300 feet, except 600 feet from anadromous fish streams, shall be maintained between the toe of the gravel pads used for drilling, pits, and storage of vehicles, fuels and hydrocarbons or other toxic compounds and any adjacent lake or stream bank;

(3) If natural surface drainage is disrupted by any non-natural surface disturbance, drainage structures shall be installed and maintained that are adequate to maintain natural surface drainage and fish passage, and culverts shall be maintained in good repair, replaced or upgraded during the same thaw season in which inadequate drainage occurs;

(4) Reserve pits shall be designed to hold 150 percent of design discharge and anticipated snow melt or the well head shall be equipped with an annulus to allow for

subsurface discharge of drilling fluids in an environmentally acceptable manner;

(5) Reserve pits shall be rendered impermeable by a design of the operator's choice, other than reliance upon permafrost;

(6) All hydrocarbons discharged into flare and relief pits shall be removed and properly disposed of as soon as practicable during the winter but prior to spring breakup, except that during periods of thaw such removal shall occur within 72 hours of discovery;

(7) Fuel pits shall be designed to hold 110 percent of the maximum anticipated volume of stored fuel and shall be lined with an impermeable membrane;

(8) Fuel lines shall not be buried unless all joints are exposed for daily inspection;

(9) Snow removed from pads shall not be pushed more than 100 feet from the toe of the pad;

(10) When natural spits and islands are used as drilling structures, vehicle engines and gear housing shall be equipped with sorbent diapers, and drilling cuttings shall be bagged and shall not be discharged in the adjacent natural waters or used as a berm to protect drilling structures;

(11) When an exploratory well bottom hole depth will not exceed 10,000 feet true vertical depth, the well shall be drilled from an ice pad with piling support for the drill rig; and

(12) Drill pads, roads and other facilities must be sited outside of productive Class IV, VI and VIII wetlands (as defined in Bergman, et al, Water Birds and Their Wetlands Resources in Relation to Oil Development at Storkerson Point, Alaska, USFWS Resource Publication 129, 1977) when feasible. If facilities are sited within or in close proximity to productive Class IV, VI and VIII wetlands, such facilities must be sited, designed, constructed and operated so as to maintain natural hydrological patterns and to prevent oil contamination.

(13) After testing, exploratory wells shall be shut in, capped and marked as on State of Alaska lands, except abandoned wells shall be cut off below the surface and the drill pad, if any, shall be subject to the reclamation requirement of these stipulations.

5. Special Areas.

(a) Caribou Calving and Post-Calving.

The Regional Director is authorized to designate within ASRC Lands specific caribou calving and post-calving special areas that will be closed to all exploration activities for such periods from May 1 through August 31 of each year as are designated by the Regional Director to ensure that exploration activities do not significantly adversely affect caribou calving and post-calving activities, including but not limited to relief from insects. The Regional Director may

shorten the period of closure or reduce the area closed if it is determined that caribou are not using the area.

(b) Snow Goose Staging.

The Regional Director is authorized to designate within ASRC Lands specific snow goose staging special areas that will be closed to all exploration activities for such periods from August 20 through September 10 of each year as are designated by the Regional Director to ensure that exploration activities do not significantly adversely affect snow goose staging. The Regional Director may shorten the period of closure or reduce the area closed if it is determined that snow geese are not using the area.

(c) Waterfowl Nesting Habitat.

The Regional Director is authorized to designate within ASRC Lands specific waterfowl nesting habitat special areas that will be closed to all exploration activities for such periods from May 25 through August 1 of each year as are designated by the Regional Director to ensure that exploration activities do not significantly adversely affect waterfowl nesting habitat. The Regional Director may shorten the period of closure or reduce the area closed if it is determined that waterfowl nesting is not occurring within the area.

6. Damages.

The operator agrees that it will save and hold harmless the United States and its employees from any damages

or claims for injury or death of persons and damage or loss of property by any person or persons arising out of any acts or omissions by the operator, its agents, employees or subcontractors done in the course of operations.

7. Document Non-Disclosure.

Any document or information provided to, or otherwise acquired by, the Regional Director with respect to operations or proposed operations on ASRC Lands shall not be made available to the public if such document or information may be withheld from the public under the Freedom of Information Act or other federal law unless ASRC consents to such disclosure.

8. Seismic Data Inspection.

For the sole purpose of verifying and enhancing the geologic interpretations and conclusions drawn from the seismic data submitted to the Regional Director by permittees under 50 C.F.R. §§ 37.51 et seq. with respect to lands within the coastal plain, not more than two representatives of the Department of the Interior shall be entitled on a date between March 1, 1984 and June 1, 1984, if such data is available, and on a date between September 1, 1985 and November 1, 1985, to inspect, at a place and location designated by ASRC, any seismic data acquired prior to the respective dates of inspection by ASRC or its operator with respect to the lands conveyed pursuant to paragraph 3 of the Agreement and necessary to verify and enhance the geologic interpretations and

conclusions drawn from the seismic data submitted to the Regional Director. No notes, maps or other written documentation with respect to the seismic data of ASRC or its operator or with respect to ASRC Lands, as distinct from Refuge lands, may be made at the time of inspection or prepared subsequent thereto. For purposes of this paragraph, "seismic data" means any data or information which results from the initial processing of raw data and information. For purposes of this paragraph, "raw data and information" means all original observations and recordings in written or electronic form and samples obtained during field operations. Neither the report submitted by the Secretary of the Interior to Congress pursuant to § 1002(h) of ANILCA, nor any other material provided to Congress therewith, nor any material otherwise made available to the public shall contain references or implications concerning the ASRC Lands drawn from the information obtained pursuant to this paragraph or provide any inferences drawn from the inspection of the seismic data of ASRC or its operator concerning the ASRC Lands. All information inspected pursuant to this paragraph shall be treated as confidential and proprietary business data, and shall be withheld from public disclosure.

9. Subsequent Event.

If hereafter Congress enacts legislation that permits exploratory drilling within the coastal plain or that permits

production, or leasing or other development leading to production, of oil and gas from the coastal plain, or the ASRC Lands, or both, Paragraphs B.1 through B.5 of these stipulations shall remain in effect until superseded by self-executing provisions of such Act or by rules and regulations governing oil and gas exploration, including exploratory drilling, leasing or other development leading to production, or production, and thereafter Paragraphs B.1 through B.5 of these stipulations shall no longer have any force or effect, except as otherwise provided in this Paragraph B.9, and any oil and gas exploration or development and production activities undertaken by ASRC, its successors and assigns, on ASRC Lands shall be in accordance with the substantive statutory and regulatory requirements governing oil and gas exploration, including exploratory drilling, and development and production that are designed to protect the wildlife, its habitat, and the environment of the coastal plain, or the ASRC Lands, or both. At such time as Paragraphs B.1 through B.5 of these stipulations are superseded as provided in the preceding sentence of this paragraph, an operator shall submit a plan of operations to the Regional Director prior to conducting any exploration activities (other than exploration pursuant to a plan of operations under which operations have been commenced in accordance with these stipulations), production or leasing or other development

leading to production. Notwithstanding the first sentence of this Paragraph B.9, the provisions of Paragraph B.3(c)-(m) of these stipulations shall remain in effect and shall apply to any such plan and to any plan submitted pursuant to Paragraph C.1 of these stipulations. Nothing in this Paragraph B.9 shall be construed to affect the continued operation of the provisions of Paragraphs A, B.6-B.8, C, D, E and F of these stipulations.

C. SAND AND GRAVEL

The extraction, processing, transportation and storage of sand and gravel on ASRC Lands shall be conducted so as not to significantly adversely affect the wildlife, its habitat, or the environment of ASRC Lands or of Refuge lands, shall be conducted in accordance with the provisions of Paragraph B.3(c)-(m) of these stipulations, and shall be subject to the following special stipulations for environmental protection of ASRC Lands and Refuge lands:

(1) Sand and gravel extraction, processing or storage sites shall be located a minimum distance of 300 feet from all water bodies containing anadromous fish, arctic grayling or white fish.

(2) Sand and gravel extraction, processing or storage sites and overburden removed from such sites shall not interrupt natural drainages.

(3) Sand and gravel extraction, processing or storage sites shall not be located within the active floodplains of water courses as defined in the Gravel Removal Guidelines Manual for Arctic and SubArctic Floodplains (USFWS 1980), unless there are no feasible and prudent alternatives. In the event that there is no feasible and prudent alternative to sand and gravel extraction, processing or storage within the active floodplain of water courses, and in the event that such sand and gravel extraction, processing or storage otherwise satisfies the environmental protection safeguards of these stipulations, sand and gravel extraction, processing or storage in active floodplains shall be undertaken in accordance with the provisions of the above-referenced Guidelines, to the extent practicable.

(4) Sand and gravel and associated overburden shall not be extracted from, processed in or stored on productive coastal wetlands Class VIII (as defined in Bergman, et al, Water Birds and Their Wetland Resources in Relation to Oil Development at Storkerson Point, Alaska, USFWS Resource Publication 129, 1977).

(5) Sand and gravel extraction from barrier islands shall be prohibited unless it is demonstrated to the satisfaction of the Regional Director, after consultation with the State of Alaska Departments of Fish and Game and Environmental Conservation, that sand and gravel extraction

from barrier islands will not adversely affect the environment and there are no feasible and prudent alternatives.

(6) The preferred method of transport of sand and gravel is on ice roads. If sand and gravel will be hauled from the same site over a period of years, permanent roads may be constructed, but must adhere to the following conditions:

(a) roads shall be sited to avoid, to the maximum extent practicable, all spring areas, streams and river systems (except for crossings) and productive wetlands Classes IV and VIII (as defined in Bergman, et al, Water Birds and Their Wetlands Resources in Relation to Oil Development at Storkerson Point, Alaska, USFWS Resource Publication 129, 1977); and

(b) if natural surface drainage is disrupted by any roadway, drainage structures shall be installed during construction and maintenance to provide natural surface drainage and fish passage, and culverts shall be maintained in good repair or replaced or upgraded during the same thaw season in which inadequate drainage occurs.

(7) The authority of the Regional Director to designate within ASRC Lands special areas pursuant to Paragraph B.5(a), (b) and (c) of these stipulations shall also apply to sand and gravel extraction, processing, transportation and storage.

D. OTHER EXPLORATION AND DEVELOPMENT

No exploration, development or use of subsurface resources, other than oil and gas exploration, oil and gas development consistent with the provisions of Paragraph B.9 of these stipulations, and the extraction, processing, transportation and storage of sand and gravel, shall be undertaken by ASRC, its successors and assigns, without first securing the written approval of the Regional Director. Should ASRC desire to undertake any such exploration, development or use, the proposed exploration, development or use shall be subject to stipulations to be negotiated by the parties to ensure that any such exploration, development or use does not significantly adversely affect the wildlife, its habitat, or the environment of the ASRC Lands or Refuge lands.

E. COORDINATION WITH STATE OF ALASKA

1. At such time as ASRC or any person authorized to conduct activities on the ASRC Lands acquired pursuant to the Agreement is required to submit a plan of operations to the Regional Director for oil and gas exploration, development or production, or the extraction, processing, transportation and storage of sand and gravel, it shall simultaneously submit to the Office of the Management and Budget of the State of Alaska ("the Alaska OMB") copies of all Federal and State permit applications required for operations under the proposed plan for the ensuing operating season, together with a copy of the

plan of operations. In the event that the plan of operations covers more than one operating season, ASRC or the operator shall identify in its submission those permits it reasonably believes will be necessary for operating in subsequent seasons. Thereafter, ASRC or the operator shall submit all Federal and State permit applications for each ensuing season in a single submission prior to September 1 of the season in question. Within 45 days of receipt of the submission, the Alaska OMB shall forward its comments to ASRC or the operator and within 60 days of receipt of the submission the Alaska OMB shall render a single, conclusive consistency determination, as provided in Sec. 20, Chapter 63 SLA 1983 amending AS 44.19.145(a)(13), with respect to any such Federal and State permits. The Alaska OMB shall supply ASRC or the operator with a mailing list of public entities to receive copies of the submission and ASRC or the operator shall promptly distribute copies of the submission to all listed entities at no expense to the Alaska OMB. The time deadline set forth herein shall not commence until three days from the date on which ASRC or the operator mails the submission to listed entities.

2. In the event litigation is necessary to interpret the scope of consistency review under the terms of the agreement between the State of Alaska and ASRC dated August 1, 1983, as incorporated in the Agreement, ASRC, its successors and assigns, and all takers of future interests in ASRC property,

in whole or in part, shall have the burden of establishing that the scope of any State review for consistency is outside of the scope of review allowable under the Alaska Coastal Management Program, regulations promulgated thereunder, the Coastal Zone Management Act (16 U.S.C. §§ 1451 et seq.) and relevant Alaskan judicial determinations.

3. This Paragraph E is pursuant to an agreement dated August 1, 1983, between ASRC and the State of Alaska. Nothing herein shall be deemed to impose any additional obligations upon the United States. To the extent relevant to any State or Federal permit applied for by ASRC or its operator, the State may request incorporation of any such relevant stipulations, and ASRC agrees to the inclusion of any such stipulations in the permit, and the State may seek enforcement of such stipulations.

F. WAIVER

For good cause shown, the Regional Director in his discretion may waive in writing any provision of these stipulations, except for the provisions of Paragraphs B.2, B.6, B.7, B.8 and E. and the provisions of Paragraph B.1, insofar as Paragraph B.1 relates to exploratory drilling conducted on the surface of lands the subsurface estate of which is conveyed to ASRC pursuant to subparagraph 3(b), (c), (d) or (e)(ii) of the Agreement. Any such waiver shall be limited to the express waiver provided therein and shall not be construed to provide a

waiver of any provision of these stipulations not specifically set forth therein.

APPENDIX 3

EXCEPTING TO ARCTIC SLOPE REGIONAL CORPORATION from the lands so granted:

1. The following easements, referenced by an easement identification code (ASRC-) on the attached map depicting the easements for illustrative purposes only, except that with respect to the Kollutarak Pass portion of Easement ASRC-A, the map shall be the controlling evidence of the location of that portion of the easement. The easements described below: (i) are solely for access by Arctic Slope Regional Corporation, its shareholders and invitees, to lands, or interests therein, owned by Arctic Slope Regional Corporation or for subsistence uses (as herein used, the phrase "subsistence uses" refers to the term defined in § 803 of the Alaska National Interest Lands Conservation Act, 94 Stat. 2371, 2423) on such lands and the above-granted lands by the local rural residents of the Village of Anaktuvuk Pass, or both; (ii) shall be deemed appurtenant to lands, or interests therein, owned by Arctic Slope Regional Corporation and described in Interim Conveyance Nos. 048, 068 and 070, and lands, or interests therein, owned by Nunamiut Corporation and described in Interim Conveyance No. 069; (iii) shall not be transferred in whole or in part to any party other than Nunamiut Corporation, and if transferred to Nunamiut

Corporation shall remain appurtenant to lands, or interests therein, described in (ii) above and shall not be deemed to increase the burden upon the above-granted lands; (iv) shall remain as an unimproved trail and shall not be used by any vehicle that causes substantial harm to the terrain, provided, however, that off road vehicles as defined in 36 C.F.R.

§ 13.1(1), 46 Fed. Reg. 31854 (June 17, 1981), other than those having metal lug tracks, or those exceeding a gross weight of 2,000 pounds or an empty vehicle weight of 1,200 pounds, may use the easements; (v) shall be limited to an area between the outermost banks of the river or creeks identified below, except that (1) the Kollutarak Pass portion of Easement ASRC-A shall be fifty (50) feet in width; (2) the portion of Easement ASRC-A connecting the westerly flowing creek referred to in such easement and the shore of Chandler Lake shall be one hundred (100) feet in width; and, (3) the shore of Chandler Lake portion of Easement ASRC-A shall extend from the line of ordinary high water of Chandler Lake to a line fifty (50) feet inland therefrom and parallel thereto; (vi) shall include the right of departure from the easements: (1) for the purposes of protecting life or property in a manner, if possible, not destructive of vegetation adjacent to the easements, (2) if authorized by the National Park Service, (3) by mutual agreement of the National Park Service and Arctic Slope Regional Corporation or Nunamiut Corporation, or (4) when

conditions in the area of the easement hinder the free passage of the above-described vehicles, or render passage hazardous to equipment or safety of the operator, provided, that departure from the easement may extend no greater distance than minimally necessary to avoid the obstruction or hazardous condition, and shall use existing trails to the maximum extent practicable, and provided further, that the operator shall return to the easement at the earliest possible opportunity consistent with the nature of the obstruction or hazard as appropriate; and (vii) shall include the right of temporary cessation of travel and parking of the above-described vehicles within the easements for the purpose of engaging in subsistence uses. The United States, as owner of the servient estate, shall have jurisdiction over lands and waters within the easements and the easements shall not preclude uses of such lands and waters for authorized Park purposes, provided, however, that such jurisdiction and uses shall not interfere with the rights heretofore set forth. The easements are defined as follows:

- a. (ASRC-A) An easement along Kollutarak Creek to its headwaters, thence westerly across the pass designated herein as Kollutarak Pass, thence westerly to the headwaters of, and along, the creek flowing toward Chandler Lake to the point of intersection of such creek and the westerly boundary of Township 14 south, range 3 west, section 19 (Umiat Meridian), thence northerly to the shore of Chandler Lake, and thence easterly along the shore of Chandler Lake, terminating in Township 14 south, range 3 west, section 18 (Umiat Meridian);
- b. (ASRC-B) An easement along the three tributaries of Kollutarak Creek limited to those tributaries

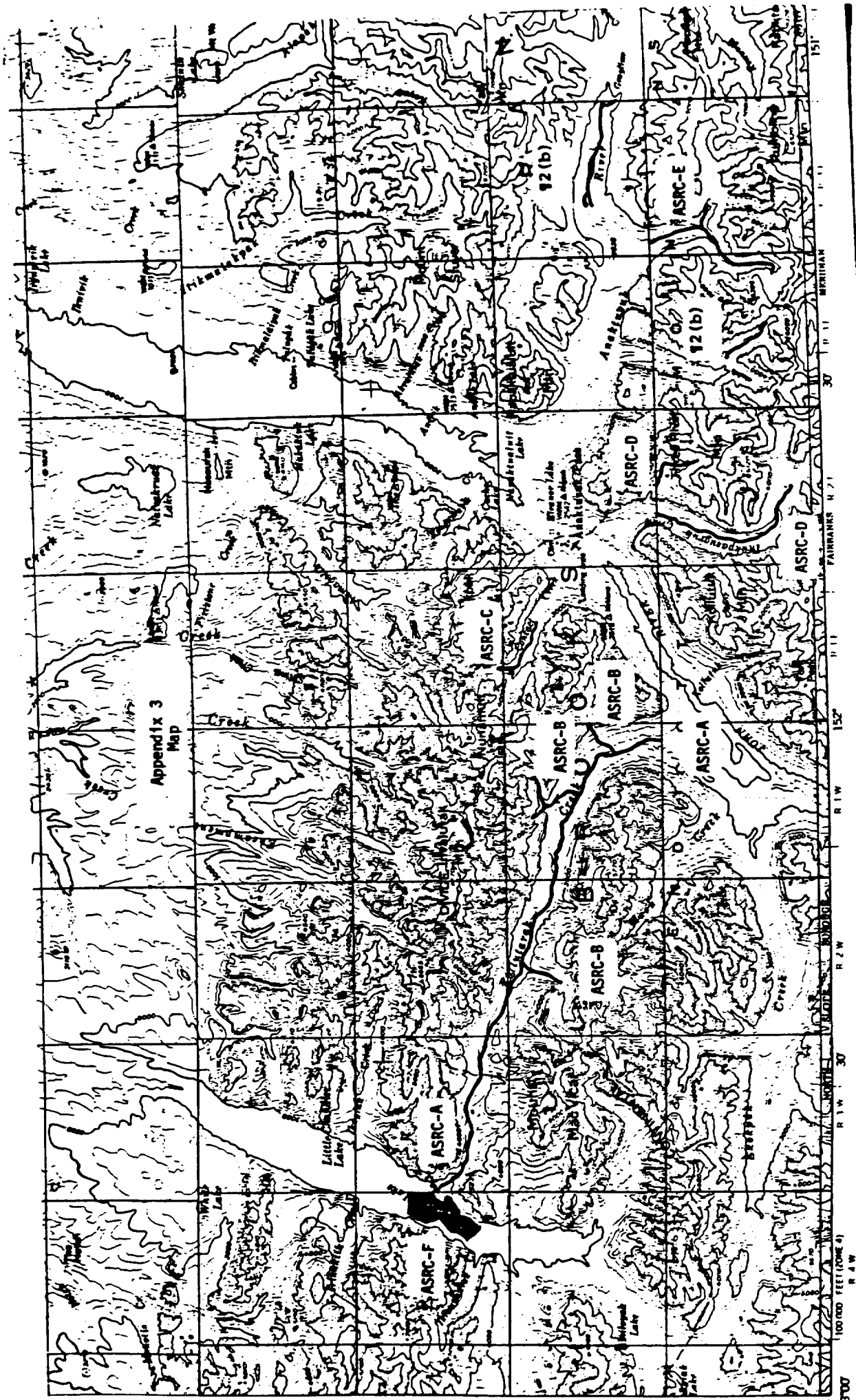
entering such creek in Township 15 south, range 2 west, section 4 (Umiat Meridian), and Township 15 south, range 1 west, sections 15 and 26 (Umiat Meridian);

- c. (ASRC-C) An easement along Contact Creek and the tributaries thereto;
- d. (ASRC-D) An easement along Inukpasugruk Creek and the tributary thereto;
- e. (ASRC-E) An easement along Anaktuvuk River and the tributaries thereto.

2. The following easement, referenced by an easement identification code (ASRC-) on the attached map depicting the easement for illustrative purposes only. The easement described below: (i) is solely for float or ski plane access to Chandler Lake by the local rural residents of the Village of Anaktuvuk Pass for subsistence uses on such land and the above-granted lands; (ii) shall be deemed appurtenant to lands, or interests therein, owned by Arctic Slope Regional Corporation and described in Interim Conveyance No. 048 and lands, or interests therein, owned by Nunamiut Corporation and described in Interim Conveyance No. 069; (iii) shall not be transferred in whole or in part to any party other than Nunamiut Corporation, and if transferred to Nunamiut Corporation shall remain appurtenant to lands, or interests therein, described in (ii) above and shall not be deemed to increase the burden upon the above-granted lands; and (iv) shall include the right of a float or ski plane to land or take off upon, and to taxi upon, Chandler Lake, and to beach such float or ski plane upon the

shore of Chandler Lake. The United States, as owner of the servient estate, shall have jurisdiction over lands and waters within the easement and the easement shall not preclude uses of such lands and waters for authorized Park purposes, provided, however, that such jurisdiction shall not interfere with the rights heretofore set forth. The easement is defined as follows:

(ASRC-F) An easement for float or ski plane access to that portion of Chandler Lake and its shoreline that is within the above-granted lands.



APPENDIX 4

1. An easement for recreational purposes, including, without limitation, boating, hiking, fishing and camping, but expressly excluding hunting, on and over the bed of the Killik River and to provide access between the Killik River and Udrivik Lake and Imiaknikpak Lake, respectively.

2. A linear streamside easement for recreational purposes as defined in Paragraph 1 hereof, extending one hundred (100) feet upland of and parallel to the ordinary high watermark on both banks of the Killik River, including any lakes that are an integral part thereof.

3. An easement for float plane access to Lake Udrivik, Imiaknikpak Lake and the Killik River within one mile of its confluence with the Colville River for recreational purposes as defined in Paragraph 1 hereof, including the right of float planes to land or takeoff upon, and to taxi upon, the aforementioned lakes and river and to beach float planes upon their shores.

4. The easements granted herein shall not be construed as restricting the right of Arctic Slope Regional Corporation, its successors and assigns, to use or develop any resources in or under the bed of the Killik River, upon or under its banks within the area of the easements, under the beds of Lake

Udrivik or Imiaknikpak Lake, or upon or under the shores of the lakes within the area of the easements, including, without limitation, oil and gas, valuable minerals and sand and gravel, provided, however, that Arctic Slope Regional Corporation will ensure adequate access around any obstructions placed upon the beds or banks.

5. The easements granted herein shall be for the benefit of the public.

6. With respect to Township 5 south, range 3 west, section 13 (Umiat Meridian), Arctic Slope Regional Corporation warrants only that it has validly selected said section, believes that it is entitled to receive a conveyance to same, will not relinquish or otherwise dispose of said selection prior to conveyance, and when the said section is conveyed this warranty deed shall operate to convey to the United States of America the above-described easements with respect to such section of land.

AMENDMENT TO THE AGREEMENT
BETWEEN ARCTIC SLOPE REGIONAL CORPORATION
AND THE UNITED STATES OF AMERICA,
DATED AUGUST 9, 1983

THIS AMENDMENT entered into this 30th day of April, 1985, is by ARCTIC SLOPE REGIONAL CORPORATION (hereinafter "ASRC"), a corporation authorized pursuant to the Alaska Native Claims Settlement Act, 85 Stat. 688, as amended, 43 U.S.C. § 1601, et seq., and duly organized under the laws of the State of Alaska, and the UNITED STATES OF AMERICA, acting through the Directors of the National Park Service and the United States Fish and Wildlife Service, for and on behalf of the Secretary of the Interior (hereinafter "Secretary"). ASRC and the Secretary are collectively referred to as "the parties."

Pursuant to paragraph 26 of an Agreement between Arctic Slope Regional Corporation and the United States of America, dated August 9, 1983 (hereinafter "Agreement"), the parties mutually agree to amend the Agreement as follows:

1. Subparagraph (c) of paragraph 19 of the Agreement is amended to read as follows:

"(c) At its sole option, ASRC may rescind this exchange if, as a result of judicial, legislative or administrative action beyond the control of ASRC, ASRC is denied the necessary permits or authorizations to drill, or is otherwise prohibited from completing, up to three exploratory wells on the lands conveyed to it under this Agreement at locations of

its own choosing, or within one mile of the location selected by ASRC, notwithstanding timely applications and vigorous good faith efforts on the part of ASRC to obtain the necessary permits and authorizations to drill such wells. For purposes of this subparagraph (c), an application for the first exploratory well shall be deemed timely only if filed on or before May 1, 1985; an application for a second exploratory well shall be deemed timely only if filed on or before September 15, 1985; and an application for a third exploratory well shall be deemed timely only if filed on or before September 15, 1986. The first and second exploratory wells, the drilling of which ASRC is not prohibited from completing by judicial, legislative or administrative action prior to July 1, 1986, shall, for purposes of this subparagraph (c), be deemed to have been completed on July 1, 1986, even if such drilling is not actually completed by that date. A third exploratory well, the drilling of which is commenced by March 1, 1987, and which ASRC is not prohibited from completing by judicial, legislative or administrative action prior to March 1, 1988, shall, for purposes of this subparagraph (c), be deemed to have been completed on March 1, 1988, even if such drilling is not actually completed by that date. If ASRC is not prohibited by judicial, legislative or administrative action from commencing the drilling of a third exploratory well by

March 1, 1987, but ASRC nevertheless fails to commence drilling of a third exploratory well by that date, such third exploratory well shall, for purposes of this subparagraph (c), be deemed to have been completed on March 1, 1987. In the event of rescission of this exchange by ASRC pursuant to the provisions of this subparagraph (c), the parties shall take all steps and execute all documents necessary to restore the status quo ante the exchange, except that:

- (i) the United States may retain title to the following described lands if frustration occurs prior to completion of the first well:

Umiat Meridian

Township 16 south, range 2 east,
sections 31-33; and

Township 17 south, range 1 west,
sections 3, 4 (partials).

- (ii) the United States may retain title to the following described lands if frustration occurs prior to completion of the second well:

Township 16 south, range 2 east,
sections 31-33;

Township 17 south, range 1 west,
sections 3, 4 (partials); and

Township 15 south, range 4 east,
sections 22-27, 34-36.

- (iii) the United States may retain title to the following described lands if frustration occurs prior to completion of the third well:

Umiat Meridian

Township 16 south, range 2 east,
sections 1-12, 16-21, 28-33;

Township 16 south, range 3 east,
sections 1-3, 6, 7, 9-16, 18-30;

Township 16 south, range 4 east,
sections 5-8, 17, 18; and

Township 15 south, range 4 east,
sections 6, 7, 18, 21-28, 33-36.

The option of ASRC to rescind pursuant to this subparagraph (c) shall terminate upon completion of the third exploratory well on the lands conveyed to ASRC pursuant to paragraph 3 of this Agreement. ASRC shall notify the Secretary of its decision to elect to rescind the exchange pursuant to this subparagraph (c) within six (6) months of the occurrence of any event constituting frustration under this subparagraph (c). For purposes of this subparagraph (c), frustration will not exist if it results from the failure of ASRC to comply with any term or condition of this Agreement."

2. Paragraph B.8. of Appendix 2, entitled "Land Use Stipulations, ASRC Lands, Kaktovik, Alaska", attached to the Agreement and incorporated as a part of the Agreement pursuant to paragraph 4 of the Agreement, is amended as follows:

The phrase "September 1, 1985 and November 1, 1985" is deleted from paragraph B.8., and the following is substituted therefor:

"November 1, 1985 and January 1, 1986".

3. For purposes of expediting execution of this Amendment, it may be signed in separate counterparts, which, when all have so signed, shall be deemed a single Amendment to the Agreement. This Amendment shall be effective upon the signature of both parties.

IN WITNESS WHEREOF, the parties set their hands and seals as of the date herein written.

ARCTIC SLOPE REGIONAL CORPORATION

Date: _____

By: _____
Jacob Adams
President

UNITED STATES OF AMERICA

Date: APR 26 1985

By: Mary Lou Grier
Mary Lou Grier
Acting Director
National Park Service

Date: APR 26 1985

By: Robert A. Jantzen
Robert A. Jantzen
Director
United States Fish
and Wildlife Service

DISTRICT OF COLUMBIA) ss.
)

THIS IS TO CERTIFY that on the 26th day of APRIL, 1985, before me, a Notary Public in and for the District of Columbia, duly commissioned and sworn as such, personally appeared Mary Lou Grier, who declared to me that she is the Acting Director of the National Park Service, who is known to me to be the person who executed the within instrument on behalf of the agency herein named, and who acknowledged to me that the same was signed as a free act and deed of the agency for the uses and purposes therein stated pursuant to the laws and regulations of the United States.

WITNESS my hand and notarial seal the day and year first above written in this certificate.

SEAL

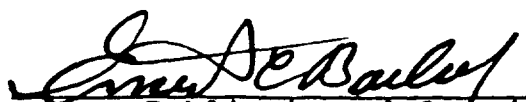

Notary Public in and for the
District of Columbia
My commission expires: 12-15-85

DISTRICT OF COLUMBIA) ss.
)

THIS IS TO CERTIFY that on the 26th day of APRIL, 1985, before me, a Notary Public in and for the District of Columbia, duly commissioned and sworn as such, personally appeared Robert A. Jantzen, who declared to me that he is the Director of the United States Fish and Wildlife Service, who is known to me to be the person who executed the within instrument on behalf of the agency herein named, and who acknowledged to me that the same was signed as a free act and deed of the agency for the uses and purposes therein stated pursuant to the laws and regulations of the United States.

WITNESS my hand and notarial seal the day and year first above written in this certificate.

SEAL


Notary Public in and for the
District of Columbia
My commission expires: 12-15-85

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 198_, before me, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Jacob Adams, who declared to me that he is the President of ARCTIC SLOPE REGIONAL CORPORATION, a corporation, who is known to me to be the person who executed the within instrument on behalf of the corporation herein named, and who acknowledged to me that the same was signed as a free act and deed of the said corporation for the uses and purposes therein stated pursuant to its Bylaws or a resolution of its Board of Directors.

WITNESS my hand and notarial seal the day and year first above written in this certificate.

Notary Public in and for Alaska
My Commission expires: _____

AMENDMENT TO THE AGREEMENT
BETWEEN ARCTIC SLOPE REGIONAL CORPORATION
AND THE UNITED STATES OF AMERICA,
DATED AUGUST 9, 1983

THIS AMENDMENT entered into this 29th day of April, 1985, is by ARCTIC SLOPE REGIONAL CORPORATION (hereinafter "ASRC"), a corporation authorized pursuant to the Alaska Native Claims Settlement Act, 85 Stat. 688, as amended, 43 U.S.C. § 1601, et seq., and duly organized under the laws of the State of Alaska, and the UNITED STATES OF AMERICA, acting through the Directors of the National Park Service and the United States Fish and Wildlife Service, for and on behalf of the Secretary of the Interior (hereinafter "Secretary"). ASRC and the Secretary are collectively referred to as "the parties."

Pursuant to paragraph 26 of an Agreement between Arctic Slope Regional Corporation and the United States of America, dated August 9, 1983 (hereinafter "Agreement"), the parties mutually agree to amend the Agreement as follows:

1. Subparagraph (c) of paragraph 19 of the Agreement is amended to read as follows:

"(c) At its sole option, ASRC may rescind this exchange if, as a result of judicial, legislative or administrative action beyond the control of ASRC, ASRC is denied the necessary permits or authorizations to drill, or is otherwise prohibited from completing, up to three exploratory wells on the lands conveyed to it under this Agreement at locations of

its own choosing, or within one mile of the location selected by ASRC, notwithstanding timely applications and vigorous good faith efforts on the part of ASRC to obtain the necessary permits and authorizations to drill such wells. For purposes of this subparagraph (c), an application for the first exploratory well shall be deemed timely only if filed on or before May 1, 1985; an application for a second exploratory well shall be deemed timely only if filed on or before September 15, 1985; and an application for a third exploratory well shall be deemed timely only if filed on or before September 15, 1986. The first and second exploratory wells, the drilling of which ASRC is not prohibited from completing by judicial, legislative or administrative action prior to July 1, 1986, shall, for purposes of this subparagraph (c), be deemed to have been completed on July 1, 1986, even if such drilling is not actually completed by that date. A third exploratory well, the drilling of which is commenced by March 1, 1987, and which ASRC is not prohibited from completing by judicial, legislative or administrative action prior to March 1, 1988, shall, for purposes of this subparagraph (c), be deemed to have been completed on March 1, 1988, even if such drilling is not actually completed by that date. If ASRC is not prohibited by judicial, legislative or administrative action from commencing the drilling of a third exploratory well by

March 1, 1987, but ASRC nevertheless fails to commence drilling of a third exploratory well by that date, such third exploratory well shall, for purposes of this subparagraph (c), be deemed to have been completed on March 1, 1987. In the event of rescission of this exchange by ASRC pursuant to the provisions of this subparagraph (c), the parties shall take all steps and execute all documents necessary to restore the status quo ante the exchange, except that:

- (i) the United States may retain title to the following described lands if frustration occurs prior to completion of the first well:

Umiat Meridian

Township 16 south, range 2 east,
sections 31-33; and

Township 17 south, range 1 west,
sections 3, 4 (partials).

- (ii) the United States may retain title to the following described lands if frustration occurs prior to completion of the second well:

Township 16 south, range 2 east,
sections 31-33;

Township 17 south, range 1 west,
sections 3, 4 (partials); and

Township 15 south, range 4 east,
sections 22-27, 34-36.

- (iii) the United States may retain title to the following described lands if frustration occurs prior to completion of the third well:

Umiat Meridian

Township 16 south, range 2 east,
sections 1-12, 16-21, 28-33;

Township 16 south, range 3 east,
sections 1-3, 6, 7, 9-16, 18-30;

Township 16 south, range 4 east,
sections 5-8, 17, 18; and

Township 15 south, range 4 east,
sections 6, 7, 18, 21-28, 33-36.

The option of ASRC to rescind pursuant to this subparagraph (c) shall terminate upon completion of the third exploratory well on the lands conveyed to ASRC pursuant to paragraph 3 of this Agreement. ASRC shall notify the Secretary of its decision to elect to rescind the exchange pursuant to this subparagraph (c) within six (6) months of the occurrence of any event constituting frustration under this subparagraph (c). For purposes of this subparagraph (c), frustration will not exist if it results from the failure of ASRC to comply with any term or condition of this Agreement."

2. Paragraph B.8. of Appendix 2, entitled "Land Use Stipulations, ASRC Lands, Kaktovik, Alaska", attached to the Agreement and incorporated as a part of the Agreement pursuant to paragraph 4 of the Agreement, is amended as follows:

The phrase "September 1, 1985 and November 1, 1985" is deleted from paragraph B.8., and the following is substituted therefor:

"November 1, 1985 and January 1, 1986".

3. For purposes of expediting execution of this Amendment, it may be signed in separate counterparts, which, when all have so signed, shall be deemed a single Amendment to the Agreement. This Amendment shall be effective upon the signature of both parties.

IN WITNESS WHEREOF, the parties set their hands and seals as of the date herein written.

ARCTIC SLOPE REGIONAL CORPORATION

Date: April 29, 1985

By: _____

Jacob Adams
Jacob Adams
President

UNITED STATES OF AMERICA

Date: _____

By: _____

Mary Lou Grier
Acting Director
National Park Service

Date: _____

By: _____

Robert A. Jantzen
Director
United States Fish
and Wildlife Service

STATE OF ALASKA)
) ss.
SECOND JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 29th day of April,
1985, before me, a Notary Public in and for the State of Alaska,
duly commissioned and sworn as such, personally appeared Jacob
Adams, who declared to me that he is the President of ARCTIC SLOPE
REGIONAL CORPORATION, a corporation, who is known to me to be the
person who executed the within instrument on behalf of the cor-
poration herein named, and who acknowledged to me that the same was
signed as a free act and deed of the said corporation for the uses
and purposes therein stated pursuant to its Bylaws or a resolution of
its Board of Directors.

WITNESS my hand and notarial seal the day and year first above
written in this certificate.

Conrad Bayne
Notary Public in and for Alaska
My Commission expires: 9/1/86

DISTRICT OF COLUMBIA

)
) ss.
)

THIS IS TO CERTIFY that on the _____ day of _____, 1985, before me, a Notary Public in and for the District of Columbia, duly commissioned and sworn as such, personally appeared Robert A. Jantzen, who declared to me that he is the Director of the United States Fish and Wildlife Service, who is known to me to be the person who executed the within instrument on behalf of the agency herein named, and who acknowledged to me that the same was signed as a free act and deed of the agency for the uses and purposes therein stated pursuant to the laws and regulations of the United States.

WITNESS my hand and notarial seal the day and year first above written in this certificate.

Notary Public in and for the
District of Columbia
My Commission expires: _____

DISTRICT OF COLUMBIA

)
) ss.

THIS IS TO CERTIFY that on the _____ day of _____, 1985, before me, a Notary Public in and for the District of Columbia, duly commissioned and sworn as such, personally appeared Mary Lou Grier, who declared to me that she is the Acting Director of the National Park Service, who is known to me to be the person who executed the within instrument on behalf of the agency herein named, and who acknowledged to me that the same was signed as a free act and deed of the agency for the uses and purposes therein stated pursuant to the laws and regulations of the United States.

WITNESS my hand and notarial seal the day and year first above written in this certificate.

Notary Public in and for the
District of Columbia
My commission expires: _____