

State of Alaska



Water Rights

CERTIFICATE OF APPROPRIATION

LAS 23869

The State of Alaska, acting by and through the Department of Natural Resources, Division of Mining, Land and Water, 550 West 7th Avenue, Suite 1020, Anchorage, Alaska 99501-3562, hereinafter referred to as the grantor, under AS 46.15, the Alaska Water Use Act, and the regulations adopted under it, grants to:

BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, Alaska 99519-6612

The right to the following use of water:

SOURCE:	Sagavanirktok Mine Site C
QUANTITY:	39.67 acre-feet per year
MAXIMUM WITHDRAWAL RATE:	800,000 gallons per day
PERIOD:	June 1 st through September 30 th
QUANTITY:	122.73 acre-feet per year
MAXIMUM WITHDRAWAL RATE:	800,000 gallons per day
PERIOD:	October 1 st through May 31 st
USE:	Oil and Gas Industry

With a PRIORITY DATE of December 20, 2001.

The location of this water source:

Screened water withdrawal structure within that portion of the Sagavanirktok Mine Site C located within SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 2, Township 10 North, Range 15 East, Umat Meridian.

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The location to which this water right is appurtenant:

Screened water withdrawal structure within that portion of the Sagavanirktok Mine Site C located within SW¼SW¼ Section 2, Township 10 North, Range 15, East, Umiat Meridian within the Greater Prudhoe Bay Unit, (as defined by the unit agreement), Barrow Recording District, Fourth Judicial District, State of Alaska.

The area where the water will be used:

Truck-haul and other water distribution systems for the Greater Prudhoe Bay Unit (as defined by the unit agreement or any future amendments thereof) and other oil and gas units, non-unitized leases, and other lands both onshore and offshore within a thirty (30) mile radius from the water take point.

BP Exploration (Alaska) Inc., its sublessees, or successors in interest in the leased land shall have the right to the use of the water in accordance with AS 46.15.160 (a) and 11 AAC 93.060. Upon termination of the leases or termination of any extensions of those leases, the right to the use of the water shall revert to the State of Alaska, unless a preference right to purchase the land is granted.

The holder of this Certificate of Appropriation shall:

1. Follow acceptable engineering standards in exercising the water right granted by this certificate.
2. Except for claims or losses arising from negligence of the State, defend and indemnify the State against and hold it harmless from any and all claims, demands, legal actions, loss, liability, and expense for injury to or death of persons and damages to or loss of property arising out of or connected with the exercise of the water right granted by this certificate.
3. Comply with all applicable laws, regulations, and conditions.
4. Notify the grantor of any change of address, transfer of any real property identified in this certificate, or proposed change in the water appropriation.
5. If the grantor determines that this appropriation unduly affects a prior appropriator's ability to obtain water in accordance with his or her permit or certificate, this appropriation may be amended or water use may be curtailed until the prior appropriator can again obtain water under his or her prior right. Those individuals within the same area that do not have water rights may also be required to curtail taking water.
6. Measure water use. Submit monthly water use records to this office and to the Department of Fish and Game on a quarterly basis.

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7. Any water intake structure in fish-bearing waters, including a screened enclosure, must be designed, operated and maintained to prevent fish entrainment, impingement or injury at the maximum diversion rate.
8. Water pump intakes shall be screened with a maximum of 0.25 inch mesh. Water velocity at any given point along the intake structure shall not exceed 0.5 feet per second.
9. Intake screens shall be inspected for damage (torn screen, crushed screen, screen separated from intake ends, etc.) after each use and prior to each deployment. Any damage observed must be repaired prior to use of the structure. The structure must always conform to the original design specifications while in use.
10. Water trucks will not be fueled or serviced within 100 feet of a water body. Gas fueled pumps will not be fueled or serviced within 100 feet of a water body, unless the pumps are situated within a catch basin designed to contain any spills. Equipment shall not be stored or serviced within 100 feet of the subject water body.
11. Pumping operations shall be conducted in such a way as to prevent any petroleum products or hazardous substances contaminating surface or ground water. In case of accidental spills, absorbent pads will be readily available at the water collection point.
12. The suction hose at the water extraction site must be clean and free from contamination at all times to prevent introduction of contamination to the water body.
13. Water used by one person on another person's property is not appurtenant to the property unless the parties so intend.
14. Pursuant to AS 46.15.160 (b), appropriation may not be severed from the land to which it is appurtenant without filing for a transfer and change of appropriation and without obtaining permission from this office.
15. This appropriation is subject to an annual administrative service fee.

The water right is granted subject to the pertinent statutory provisions in AS 46.15 and Administrative Regulations in 11 AAC 93.

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This Certificate of Appropriation is issued by authority of AS 46.15.120 and 11 AAC 93.130
on March 3, 2009.

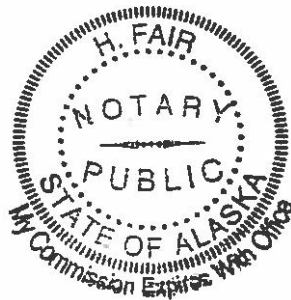
APPROVED Kellie Westphal
TITLE Natural Resource Manager

STATE OF ALASKA)
) ss.
3rd JUDICIAL DISTRICT)

This is to certify that on March 4, 2009 before me appeared
Kellie Westphal known by me to be the director or authorized representative of the Division
of Mining, Land and Water, Department of Natural Resources, and acknowledged to me that this
Certificate of Appropriation was voluntarily executed on behalf of the State of Alaska.

H. Fair
Notary Public in and for the State of Alaska

With Office
My Commission Expires



After recording return to the Grantor:

Department of Natural Resources
Division of Mining, Land and Water
550 West 7th Avenue, Suite 1020
Anchorage, Alaska 99501-3562

State Business-No Charge