



IN REPLY REFER TO:

United States Department of the Interior

MINERALS MANAGEMENT SERVICE

Alaska Outer Continental Shelf Region
949 E. 36th Avenue, Room 603
Anchorage, Alaska 99508-4302



APR 20 1993

Mr. C. R. Richard
Manager, Engineering and
Technical Services
Amerada Hess Corporation
P.O. Box 2040
Tulsa, Oklahoma 74102

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Dear Mr. Richard:

We have reviewed your January 25, 1993, progress report for activities conducted for the Northstar Unit. This summary report reflects that activities are proceeding in accordance with the approved Northstar Unit Plan of Development.

Under the approved unit plan of development, the next work obligation is completion of the reservoir engineering study including 3-D modeling. The January 25, 1993, annual report indicates that the model has already been updated using the mapping from the 1991 marine seismic surveys and that additional mapping based on the 1992 data and reprocessed Western and Sefel data is in progress. The final study is to be completed in 1994 and will include modeling of different development scenarios and estimated recoverable reserves.

The reservoir engineering study will represent the final phase of the Northstar activities and, as reflected in the unit plan of development, will be fundamental to future decisions on Northstar development. We propose that a meeting between Amerada Hess, the State of Alaska, and the Minerals Management Service (MMS) be held when the reservoir study is completed to present and review the cumulative results of the Northstar Unit work. Although the Northstar Unit is approved through January 1995, we suggest that this meeting be anticipated and scheduled in advance of the end of the Unit term to allow the opportunity to discuss future plans related to the Unit and associated suspensions of operations.

In addition to the work described in the January 25, 1993, letter, we note that Amerada Hess also participated in the shoreline sandbag monitoring and cleanup efforts in 1992. Amerada Hess should continue this effort in 1993 by coordinating with the other artificial island owners in the area.

Mr. C. R. Richard

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We appreciate the efforts of Jeff Ready in providing MMS with the seismic data for the Northstar Unit and look forward to receiving the Sefel data.

Please contact Mr. Jeff Walker at 907-271-6188 if you have any questions.

Sincerely,

*Orig. Sgd. by
Barry A. Boudreau*

**Regional Supervisor
Field Operations**