



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

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Mr. E. P. Zselezcky, Jr.
Land Manager, Alaska
British Petroleum Exploration
P.O. Box 196612
Anchorage, Alaska 99519-6612

MAY 22 1996

Dear Mr. Zselezcky;

I have received your April 30, 1996, status report for the Northstar Unit. This report satisfies obligations for an annual status report for the Northstar Unit pursuant to our approval for an extension of the unit issued on May 1, 1995, and the suspensions of operations for Federal leases OCS-Y 0181 and OCS-Y 0179.

The report reflects that current reservoir engineering efforts are focusing on optimum location of development wells and production models for optimal depletion planning. This office has interest in this effort, and would suggest that there be a meeting between MMS, the State of Alaska and BP in the near future to discuss this effort. I have talked with Mr. Francis Somner regarding arranging such a meeting.

If you have any questions, please feel free to contact me directly at (907) 271-6066.

Sincerely,

Jeffrey Walker

Jeff Walker
Regional Supervisor
Field Operations