



United States Department of the Interior
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT
Alaska OCS Region
3801 Centerpoint Drive, Suite 500
Anchorage, Alaska 99503-5823

DEC 3 1 2012

Mr. John Mingé
Regional President
BP Exploration (Alaska) Inc.
P.O. Box 196612
900 E. Benson Blvd.
Anchorage, AK 99519

Dear Mr. Mingé:

The U.S. Bureau of Safety and Environmental Enforcement (BSEE) has reviewed your November 20, 2012 request for a Suspension of Production (SOP) and associated revised Plan of Operation for the Liberty Unit leases OCS Y-1585 and Y-1650. Your revised Plan of Operation would require that BP Exploration (Alaska) Inc. (BPXA) receive two distinct SOPs in order to achieve commencement of Liberty Unit production by December 2020. The first SOP is intended to allow BPXA time for pre-application activities required for submission of a Development and Production Plan (DPP) and time for the U.S. Bureau of Ocean Energy Management (BOEM) to conduct its regulatory review and issue a Record of Decision (ROD) for that DPP. A second SOP is then proposed to provide BPXA time to complete final design, fabrication and construction in order to achieve Liberty Unit production by the December 2020 date.

After a review of prior BPXA project experience on Alaska's North Slope, as well as work previously conducted in investigating alternative Liberty development scenarios and associated BPXA DPP submittals to the Minerals Management Service (MMS), BSEE concludes that the activities described in the BPXA revised Plan of Operation allow an unreasonably long period of time for submittal of a new DPP for the Liberty Unit than would be necessary to satisfy the requirements of 30 CFR 250.174.

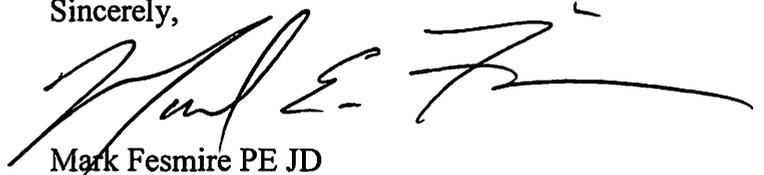
BSEE further finds that a reasonable period of time to develop a DPP is two years from the date of the end of the current suspension (December 31, 2014) and that approving an SOP that requires a completed DPP during that period would be in the national interest. BSEE has also determined that any further SOP approvals should be contingent on the submission of a complete, timely and actionable proposed DPP prior to that date.

Pursuant to these findings, BSEE hereby approves a two year SOP for Liberty Unit leases OCS Y-1585 and Y-1650, in accordance with 30 CFR 256.73, 250.171 and 250.174, for the purpose of allowing BPXA time to prepare and submit a new Liberty Unit DPP. This SOP is effective through December 31, 2014. Additionally, BPXA must provide BSEE with progress reviews every three months during the period of this SOP summarizing the status of work efforts leading to submission of the Liberty DPP. If BPXA fails to submit a progress report or to submit a

complete, timely and actionable DPP prior to December 31, 2014, the SOP will expire on that date.

Upon receipt of a complete, timely and actionable Liberty Unit DPP, BOEM will conduct a regulatory review in accordance with the requirements of 30 CFR 550 Subpart B – *Plans and Information*, and prepare appropriate National Environmental Policy Act (NEPA) documentation. BSEE will extend this SOP pursuant to 30 CFR 250.168 et seq. as necessary to accommodate the regulatory review, preparation and issuance of the ROD for the Liberty Unit DPP and the preparation of an application for a second SOP with an associated Plan of Operation depicting the work schedule and milestones necessary to achieve commencement of Liberty Unit production prior to December 31, 2020. This extended SOP will expire 30 days after the issuance of the ROD and the application for the second SOP must be submitted prior to that date.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark Fesmire PE JD
Regional Director
BSEE Alaska OCS Region