



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

JUN 29 2017

Teresa Imm, President  
ASRC Exploration, LLC  
3900 C Street, Suite 1000  
Anchorage, Alaska 99503

Dear Ms. Imm:

The Bureau of Safety and Environmental Enforcement (BSEE) is in receipt of the voluntary unitization request submitted by ASRC Exploration, LLC (AEX) on February 10, 2017, as well as: the supporting “Geologic, Geophysical, and Engineering Data” report; the seismic lines provided on March 20, 2017, in response to BSEE’s request for additional supporting data; and the materials presented by AEX during our technical meeting of March 17, 2017. Your request proposed unitization of the 21 leases held by AEX in the Beaufort Sea (OCS leases Y-1804, Y-1805, Y-1806, Y-1807, Y-1808, Y-1809, Y-1812, Y-1813, Y-1912, Y-1913, Y-1921, Y-1929, Y-1935, Y-1936, Y-1937, Y-1940, Y-1941, Y-1942, Y-1943, Y-1944, and Y-1945). We have completed our review of your proposal to form the Taktuk Unit, and we agree unitization is appropriate for the majority of these leases. Therefore, pursuant to 30 CFR 250.1301(a), and consistent with the procedures set forth in 30 CFR 250.1303(c) and the principles set forth in 30 CFR 250.1301(c), we accept your unitization proposal for 20 of the subject leases as listed above, with the exception of lease Y-1945. AEX did not submit sufficient seismic data to support inclusion of lease Y-1945 into the unit.

We have also completed our review of the Unit Agreement (UA) and initial Plan of Unit Operations submitted by AEX on February 10, 2017. Our review yielded the following comments that need to be addressed by AEX.

1. UA Article 6.1: Select either (a) or (b).
2. Amend UA Article 9.2 to say 1 year instead of 180 days. BSEE changed our regulations at 30 CFR 250.180 (effective June 9, 2017) relating to maintaining a lease beyond its primary term.
3. UA Article 12.1: Select method of allocation (a or b).
4. UA Article 13.1: Select automatic contraction period (fifth or tenth).
5. UA Article 16.1: Change effective date to be February 10, 2017.
6. Provide a revised Exhibit A to the UA, reflecting the exclusion of lease Y-1945 from the unit.

To complete formation of the 20-lease Taktuk Unit, please revise the UA to address the preceding comments, then submit a signed version of the UA to BSEE for final approval.

You may contact me with any questions at (907) 334-5300 or via e-mail at [kevin.pendergast@bsee.gov](mailto:kevin.pendergast@bsee.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin J. Pendergast". The signature is fluid and cursive, with a large, stylized initial "K".

Kevin J Pendergast, PE CPG  
Regional Supervisor, Field Operations

cc: David Johnston, BOEM Regional Supervisor, Leasing and Plans  
Patricia LaFramboise, BOEM Chief, Leasing Section  
R. Scott Nuzum, Of Counsel, Van Ness Feldman LLP