



OCS-Y-1650 3(b)



Darryl Luoma

Liberty Development Manager  
Alaska Consolidated Team

RECEIVED  
Anchorage, Alaska

APR 13 2006

REGIONAL SUPERVISOR  
FIELD OPERATION  
MINERALS MANAGEMENT SERVICE

BP Exploration (Alaska) Inc.  
900 East Benson Boulevard  
P.O. Box 196612  
Anchorage, Alaska 99519-6612  
(907) 561-5111

Phone: (907) 564-4042  
Fax: (907) 564-5290  
Email: Darryl.Luoma@bp.com  
Web: www.bp.com

April 13, 2006

Mr. Jeff Walker  
Regional Supervisor – Field Operations  
U.S. Minerals Management Service  
3801 Centerpoint Drive Suite 500  
Anchorage, AK 99503

RE: Submission of Revised Plan of Operations (POO) for the Liberty Unit  
and Request for Continuance of the Suspension of Production (SOP)  
for The Liberty Unit Leases OCS Y-1650 and OCS Y-1585

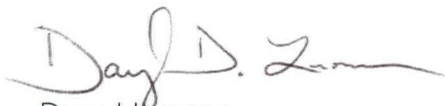
Dear Mr. Walker:

BP Exploration (Alaska) Inc. (BP), as the Operator and Working Interest Owner of the Liberty Unit, hereby submits a revised POO and requests that the Regional Supervisor, Field Operations, grant a continuance of the Suspension of Production for the Liberty Unit leases OCS Y-1650 and OCS-Y 1585. The basis for the requested continuance of the SOP is contained within the attached revised Plan of Operations.

BP requests a continuance of the SOP to be granted for a period, ending January 1, 2009. This requested continuance pursuant to CFR 30 251.171 will allow the time necessary for the pre-application activities required for submission of a Development and Production Plan, final SEIS and Record of Decision, which satisfies the requirements of 30 CFR 250.204 for the Liberty Project.

Should you have any questions or require additional information, please contact R. L. Skillern at (907) 564-5567 or myself at (907) 564-4042.

Sincerely,



4/13/06

Darryl Luoma

Attachment

cc: Liberty File  
R. L. Skillern

## Liberty Unit Plan of Operations

BP's initial Plan of Operations for the Liberty Unit covered the period from June 2003 to June 2006. BP's revised Plan of Operations will cover the period from March 1, 2006 to January 1, 2009, which represents the MMS view on the approximate completion of the SEIS process.

During 2003, BP evaluated development options and secured internal approval and funding to continue maturing the most robust options. Development options evaluated included a stand-alone offshore facility, an offshore Satellite drilling island, and a drill-from-shore satellite option. The offshore satellite drilling island option was the preferred option at this time. Satellite development scenarios considered the use of Badami or Endicott as the host processing facility and either an elevated or a buried 3-phase pipeline to transport produced fluids to shore.

In 2004, two scoping studies were conducted – one about means and costs of elevated pipeline conveyance (bridges and causeways) and another on buried 3-phase pipelines. These studies focused on cost, constructability in Arctic conditions, and leak detection. A Memorandum of Understanding (MOU) was executed on September 27, 2004, which supported the timeline for the completion of the SEIS process associated with the offshore Satellite drilling island development option.

During 2005, BP made a decision to progress the Liberty project as an onshore development using Extended Reach Drilling (ERD) technology. Accordingly, BP discontinued evaluation of offshore development options.

In 2006, BP is evaluating options for developing Liberty from shore with ERD technology. Key decisions to be made in 2006 include selecting the ERD well and completion design basis, selecting a drilling rig concept, and selecting a host facility, well pad location, and routes for related infrastructure. If a viable development option is confirmed in the 2006 work program, BP will submit a project description document (serving as an initial draft of the DPP) to the MMS by Dec. 31, 2006.

BP, pursuant to an MOU executed on February 2, 2006 consistent with the onshore development scenario using ERD technology, plans to complete and submit the permit applications with a final draft DPP by May 1, 2007 and seek a determination of completeness to initiate the NEPA process. The MOU anticipates preparation of a final SEIS and issuance of a Record of Decision (ROD) by January 1, 2009. In the event of a favorable ROD and upon issuance of all required permits, BP will seek to secure full sanction of the Liberty Development Project within 30 days of the issuance of required permits.



# United States Department of the Interior



MINERALS MANAGEMENT SERVICE  
Alaska Outer Continental Shelf Region  
3801 Centerpoint Drive, Suite 500  
Anchorage, Alaska 99503-5823

APR 25 2006

Mr. Daryl Luoma, Liberty Development Manager  
BP Exploration (Alaska) Inc. – Alaska Consolidated Team  
PO Box 196612  
Anchorage, Alaska 99519-6612

Dear Mr. Luoma:

The Minerals Management Service (MMS) has reviewed your April 13, 2006 request for a continuance to the Suspension of Production (SOP) for the Liberty Unit leases OCS-Y-1650 and OCS-Y-1585. In support of the SOP request, BP Exploration (Alaska) Inc. (BPXA) submitted a revised Liberty Unit Plan of Operations that reaffirms work commitments, along with a schedule of activities established under a Memorandum of Understanding (MOU) dated February 2, 2006, between the MMS, U.S Army Corps of Engineers, and BPXA. BPXA requested continuance of the SOP through January 1, 2009, to allow time for pre-application activities required for submission of a Development and Production Plan (DPP), completion of a Supplemental Environmental Impact Statement, and issuance of an agency record of decision.

The MMS hereby approves the revised Liberty Unit Plan of Operations and the SOP for leases OCS Y-1650 and OCS Y-1585 through January 1, 2009. The MMS concludes that the activities described in the new Liberty Unit Plan of Operations provides a reasonable schedule leading to development and production of the Liberty reservoir in accordance with 30 CFR 250.171(b).

Continuation of this SOP is subject to BPXA submitting the initial-draft (December 2006), final draft (May 2007) and revised DPP (June 2007) in accordance with the schedule outlined in the February 2, 2006 MOU, unless changes to the schedule for submissions have been approved by the MMS.

Sincerely,

Jeff Walker  
Regional Supervisor  
Field Operations

cc: R.L. Skillern, BPXA  
Wendy Campbell, MRM



bcc: Official File: OCS-Y-1585  
OCS-Y-1650

Liberty ERD  
Chrons (cc/rd)

Author

TIMS - STEVE FLIPPEN  
POI WALKER - ENRIQUE LEWIS

JWalker: G: FO \ Liberty Project \ Liberty SOP 04-20-2006\_Approval.doc