

SURFACE USE PROGRAM

NORTH SLOPE NATIONAL PETROLEUM RESERVE ALASKA 2008/2009 EXPLORATION DRILLING PROGRAM

PIONEER 1 AND GRANDVIEW 1 (EAST)



**ConocoPhillips Alaska, Inc.
700 G Street
Anchorage, AK, 99501**

November 2008

Table of Contents

1.0	INTRODUCTION.....	1
2.0	Existing Roads	1
3.0	Access Roads to be Constructed and Reconstructed	2
4.0	Location of Existing Wells	2
5.0	Location of Existing and/or Proposed Facilities if Well is Productive.....	2
6.0	Location and Type of Water Supply	2
7.0	Construction Materials	3
8.0	Methods for Handling Waste Disposal.....	3
8.1	Non-Drilling Wastes.....	3
8.2	Drilling Wastes	3
8.3	Disposal of Produced Fluids.....	3
9.0	Ancillary Facilities.....	4
10.0	Well Site Layout	4
11.0	Plans for Reclamation of the Surface	4
12.0	Surface Ownership	5
13.0	Other Information.....	5
14.0	Operator’s Representative and Certification.....	6

Tables

Table 1 - Well Locations	1
--------------------------------	---

PLAN OF EXPLORATION/OPERATIONAL OVERVIEW

NORTH SLOPE EXPLORATION PROGRAM

Pioneer #1 and Grandview #1 (East) Exploration Sites

ConocoPhillips Alaska, Inc.

1.0 INTRODUCTION

This Surface Use Program is a component of the Application for Permit to Drill required by the Bureau of Land Management (BLM) for drilling of oil and gas wells in the National Petroleum Reserve-Alaska (NPR-A). The sections contained in this document follow the "Guidelines for Preparing Surface Use Program" in 43 CFR 3160, Onshore Oil and Gas Order No. 1; Approval of Operations on Onshore Federal and Indian Oil and Gas Leases, Section III.G.4(b). This Surface Use Program is applicable to ConocoPhillips Alaska, Inc.'s (CPAI) NPR-A exploration drilling locations planned for the winter exploration seasons 2008-2009.

Well locations are shown in the figures in Table 1 and in the Plans of Exploration. All locations listed were staked and inspected by the BLM during summer 2008. The drilling locations are:

Table 1 - Well Locations

Name	Section	
Grandview 1 (East)	5, T9N, R1E	1077' FNL & 904' FEL
Pioneer 1	7, T9N, R3E	131' FSL & 873' FWL

2.0 Existing Roads

There are no existing roads in the vicinity of the well locations. The locations will be accessed via an ice road or a rolligon winter trail. If constructed, the ice road will connect with the gravel road system in the Kuparuk Oil Field.

3.0 Access Roads to be Constructed and Reconstructed

No permanent roads will be constructed for the winter exploration wells. The rig and equipment for the initial well will cross the Colville East channel and Nigliq channel into the NE NPR-A via ice roads. Initial ice road construction will begin from a base camp within the NPR-A near our Clover A location. The contract crew responsible for the ice road and ice pad construction will be mobilized from the Kuparuk 2P pad (Meltwater pad) and travel into NPR-A via rolligon transports. The rolligon transportation may begin as early as mid-December if authorized.

CPAI will construct up to 22 miles of ice roads to access the well locations addressed in this document. The majority of the ice road construction will occur in previously permitted areas by BLM. Rig mats or similar material may be used on or in the construction of ice roads and/or ice bridges at selected locations as required by field conditions. Such equipment will be removed prior to the end of the operating season each year. The ice road/rolligon routes are shown in Exhibit A of the attached Plan of Exploration.

4.0 Location of Existing Wells

There are no existing wells in the area. Pioneer #1 is approximately 11 miles east of Grandview #1 (East).

5.0 Location of Existing and/or Proposed Facilities if Well is Productive

The exploration drilling program is a continuation of previous drilling efforts. The location of production facilities cannot be determined until the results of additional wells are available.

6.0 Location and Type of Water Supply

Fresh water is needed for ice road and ice pad construction, maintenance, drilling operations, and camp use. The primary source of water will be freshwater lakes. CPAI has existing Temporary Water Use Permits (TWUPs) which will be used for this exploration program. Water may also be hauled from additional approved sources (Kuparuk, Alpine or Prudhoe Bay) to supply potable water. In addition to the existing TWUP's, CPAI will apply to renew permits for water use in some lakes near the projects. Water for ice road construction and drilling operations will be pumped from lakes and transported by trucks or rolligons. Drilling camp contractors may use their own water purification systems as approved by their own camp permit.

7.0 Construction Materials

No sand, gravel, stone or soil will be used for the winter exploration wells. All roads and well pads will be constructed of ice. Ice surfaces may be scarified by hand or with equipment (e.g. loaders/graders equipped with scarifying devices, etc.) to provide a non-uniform surface for safety purposes (increased traction for vehicle and foot traffic).

8.0 Methods for Handling Waste Disposal

All waste will be handled in accordance with CPAI's Waste Management Plan.

8.1 Non-Drilling Wastes

Solid, non-burnable waste will be deposited in large dumpsters located at each site. These containers will be back-hauled to the North Slope Borough (NSB) landfill at Prudhoe Bay. The food waste that could attract wildlife will either be stored in enclosed metal containers awaiting periodic hauling or such wastes will be hauled each day to a secured disposal site for pickup. While waiting for pickup, such wastes will be in secure wildlife-proof containers.

Camp wastewater either will be processed through the drilling contractor's wastewater treatment system and discharged in accordance with North Slope General NPDES permit No. AKG-31-0000, or hauled to an approved disposal facility at Prudhoe Bay, Kuparuk or Alpine. The treatment system used will meet the requirements of the Alaska Department of Environmental Conservation (ADEC).

8.2 Drilling Wastes

Drill cuttings and drilling muds from the wells will be disposed by annular disposal or hauled to Prudhoe Bay, Kuparuk or Alpine where they will be disposed at an approved facility. Prior to hauling, the cuttings will be temporarily stored in an ice-bermed drilling storage cell on each ice pad. The volume of wastes placed in each storage cell will be minimized as will snow accumulation in the cell. Upon completion of activities at the well sites, the ice-bermed drilling waste storage cells will be broken up and hauled to Alpine, Prudhoe Bay or Kuparuk for disposal at an injection well. Drilling waste liquids also will be annular injected or hauled to Alpine, Kuparuk or Prudhoe for injection in an approved Class II disposal well.

8.3 Disposal of Produced Fluids

Production tests will be performed as needed after production casing is set and cemented. Testing may include extended flow periods to determine the productivity of the well. Produced fluids will pass through an adequately sized separator system to prevent oil carryover into the gas stream. Oil from testing will be held in tanks until the testing is completed. After testing, the oil will either be injected back into the formation from which it was produced or hauled to

Kuparuk or Alpine and processed through their facilities. Produced gas will be flared in accordance with ADEC air permit requirements.

9.0 Ancillary Facilities

All equipment necessary for drilling and formation evaluation (except for possibly vibroseis units for vertical seismic profiling) will stay on the ice pads. The ice pad locations have been staked. The camp facilities will have the capability to accommodate a maximum of 70 people. Additionally, small camps (house up to 30 men) may be utilized on well sites where well testing operations are conducted with the drilling rig off site.

Remote camp pads for ice road construction will be built along the main ice road route at several locations in needed.

Up to 75,000 gallons of diesel fuel and up to 317,000 gallons of crude oil (for well that are tested) will be stored at each well site in lined, bermed fuel storage areas. All fuel transfers will follow CPAI's best management practices associated with pollution prevention, and will be conducted in accordance with CPAI's Flammable and Combustible Fluid Transfer Policy. A spill technician with Alaska Clean Seas will be on site at each drilling location.

CPAI may erect a communications tower on any pad within the NPR-A. The tower locations will be determined by the actual rig locations in the NPR-A, proximity to existing communications stations, and other similar factors. These towers, which are about 70 feet tall, will be guyed by concrete deadmen with dimensions of about 4 feet by 4 feet by 4 feet. Depending on the actual site configurations, deadmen may be placed on small ice pads (e.g. about 5' by 5') located just off the edge of the drilling pad. The preferred location of is shown in the Plan of Exploration, Exhibit A. The actual siting of this tower will depend on pad orientation and other factors.

10.0 Well Site Layout

The drill pads will be constructed of ice with no cut and fill (i.e., no physical change to the surface topography). Ice roads and ice pads may be scarified with equipment to reduce slickness for safety purposes. The ice road or rolligon access point to each pad will not be determined until the road and pads are constructed (local topographic features may affect ice road/rolligon routing; the routes shown in the figures are approximate). No reserve pits will be constructed.

11.0 Plans for Reclamation of the Surface

Upon completion of drilling and evaluation operations, all debris will be hauled to an approved disposal site outside of NPR-A. The dirty or stained areas of each ice pad will be cleaned up and the dirty ice will be melted for disposal. The scrapings will be hauled to an approved

disposal well. Depending on the results of each well they may be temporarily suspended if all testing is not completed by the end of tundra travel. The well will be plugged and abandoned or temporarily suspended according to BLM and AOGCC regulations. Final site closure will be approved by all appropriate agencies. After the ice road and ice pads melt in the summer, CPAI will perform an inspection of each location to pick up any remaining debris and to look for potential tundra damage. If tundra damage exists, CPAI will work with the BLM and the North Slope Borough to re-vegetate or otherwise repair the damage.

12.0 Surface Ownership

All well locations within the NPR-A are located on tracts leased by CPAI and Anadarko Petroleum Corporation from the BLM.

13.0 Other Information

Additional information about CPAI's NPR-A exploration drilling program can be found in documents included on our permit website, www.conocophillipsalaska.com/permits/

14.0 Operator's Representative and Certification

Representative:

Name: Tom Brassfield

Address: 700 G Street

Anchorage, Alaska, 99516

Telephone: (907) 265-6377

I certify that I, or persons under my direct supervision, have inspected the proposed drill site(s) and access route(s); that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by ConocoPhillips Alaska, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: _____

Name and Title: _____