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**Kevin M. Hostler**  
President & Chief Executive Officer

March 12, 2009

Ms. Renee Orr  
5-Year Program Manager  
Minerals Management Service  
381 Elden Street, MS-4010  
Herndon, VA 20170

Dear Ms. Orr:

I am writing to support the Draft Proposed Leasing Program for 2010-2015, and to urge that the Proposed Program include as many areas as possible for leasing consideration. In particular, it is vitally important that the plan provide for a schedule of regular sales in the Beaufort and Chukchi Seas.

The Trans Alaska Pipeline System – or TAPS – has safely delivered crude oil to meet our nation's energy needs for more than 30 years, while operated and maintained by Alyeska Pipeline Service Company on behalf of five owner companies. The ongoing success of this iconic pipeline and its role in the nation's energy infrastructure is directly tied to healthy levels of Alaska crude oil production. At the peak of Alaska's production in 1988, TAPS delivered 2.1 million barrels of oil a day, transporting some 24 percent of the nation's crude oil production.

Times have changed. In February, the pipeline averaged 739,523 barrels a day, now 14 percent of the nation's crude oil production. These lower throughput levels create serious challenges for the long-term operations of TAPS. Lower throughput means lower crude temperatures likely requiring large amounts of new investment for heaters as well as increases in the frequency of maintenance pigging and other activities to assure TAPS continued safe operation. The changing hydraulic profile on TAPS has already triggered the replacement of our mainline pumps so that lower throughputs can be transported.

While we are confident in our handling of these and other issues, they have required significant attention and considerable resources and investment. As we focus on ensuring that the nation continue to benefit from the investment in this critical energy infrastructure over the next 30 years of operation, we support responsible exploration efforts that could result in increased throughput on TAPS, and in turn, see more product delivered to the Lower 48. Offshore areas in the Chukchi and Beaufort seas are to date just sparsely explored, yet are forecast to yield robust oil production, as found in a recent study by the Minerals Management Service.

Alyeska enthusiastically supports including regular oil and gas lease sales in the Beaufort and Chukchi Seas as part of the new five-year leasing program. We believe that inclusion of these areas in the plan will allow the Secretary to receive a full assessment of these areas, including a complete environmental and public review. And, we are confident that the analyses will lead to the conclusion that the energy in these areas must be developed in an environmentally responsible manner and delivered to the American people through the existing infrastructure of TAPS.

Ms. Renee Orr, Minerals Management Service  
March 11, 2009  
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Thank you for the opportunity to comment on the Draft Proposed Program. If you have any questions or need additional information, please contact Kim Harb of my staff at (202) 466-3866.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin M. Houtle". The signature is written in a cursive style with a large initial "K" and "H".

cc: Senator Mark Begich  
Senator Lisa Murkowski  
Governor Sarah Palin  
Congressman Don Young