



Marathon Petroleum Norge AS

Ministry of Petroleum and Energy
Einar Gerhardsens plass 1
Postboks 8148 Dep
0033 OSLO

Att: Gunnar Hognestad

Your Ref.:
08/03391-1

Our Ref.:
MPC(N)-Out-0413

Date:
16 January 2009

Subject: Consultation submission – the APA system

Marathon endorses the current APA system and fully supports the OLF in its recent letter to you on this subject. The five main points made by the OLF provide a broad and convincing set of reasons to continue with the APA licensing regime.

Marathon would emphasize one point made by the OLF concerning the effective use of current infrastructure. This infrastructure is, in many cases, ageing and realizing its full benefit depends on the continued availability of the APA system. Incremental resources from APA rounds are often only viable given infrastructure but, once developed, may also be an important contributor to maintaining the infrastructure. Ultimately, incremental resources from APA rounds may result in longer economic lives for the primary fields and higher ultimate recoveries. The APA system is a most effective process for maximizing the resource recovery in the mature areas.

The APA system, although very effective, might benefit from a few changes.

- One suggestion would be to have the APA rounds only in years when numbered rounds are not held. This would allow a greater focus on each application, a fuller understanding of the potential and risk of the prospects and leads being applied for, and perhaps a more rapid drilling program once licensed.
- The APA process would be enhanced if there was a more rapid turnaround of older dormant acreage. The new area fees regime will ultimately go some way towards this but perhaps it is time for the Ministry to request status updates on “older licenses” held largely by the majors.
- While the Ministry have supported improved access to data from previously held licenses there remain issues. In particular the reports written and commissioned by previous operators are generally not available. Could these be made available to new license holders? Also there is a need for improved information on facilities availability and transport capacity for planning purposes – particularly for APA areas. Perhaps a central system could be setup for this purpose.

Isiting Address
Bjergstedveien 1
4007 Stavanger, Norway
Tel: (+47) 51 50 63 00
Fax:(+47) 51 50 63 01

Postal Address
P.O. Box 480 Sentrum
4002 Stavanger, Norway
NO 933 977 978

Account
7050.05.83914
Den Norske Bank
Stranden 21, 0021 Oslo
SWIFT: DNBANOKK



In summary, Marathon is a strong supporter of the current APA system. While we would suggest a few changes to the current regime we most definitely want to see it continue. We believe the OLF letter clearly defines the benefits to society from continued oil activities, the progress made with coexistence with other industries such as fishing and the world leading environmental standards set by the industry in Norway.

Yours Sincerely,
Marathon Petroleum Company (Norway)

A handwritten signature in black ink, appearing to read 'Tom Evans'.

Tom Evans
Exploration Manager