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Date: April 19, 2005

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Pages: 2

From: Frank H. Murkowski
Governor of Alaska

Subject: Agrium Task Force

As a follow up to our meeting in Kenai on Friday, we agreed to the following:

1. A memo from DNR on the status of Royalty Gas on the Kenai by each holder, contract expiration and renewal date, and cancellation procedure.
2. Evaluation of distribution pipeline changes, reversing pipelines, and accommodating regulatory review. May 13 is crucial date at which time Agrium's solicitations for more gas are due. (One train needs 24 mcf per day).
3. Solicitation of jack up rig.
4. Swanson River availability for gas storage BLM and USFW. Provide certainty.
5. Status of Unocal with Chevron/Texaco acquisition. Would state have opportunity for intervention similar to intervention on BP takeover of ARCO which was rejected in it's entirety and opened up ConocoPhillips opportunity.
6. Tariff structure. Need to get RCA to establish tariff on Kasilof 4-mile pipeline with Marathon.

Agrium Memo, cont.

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7. Borough indicated willingness to provide resolution supporting Healy Clean Coal.

8. Consideration of incentive from Borough to allow Agrium to reduce tax load and be more competitive and able to purchase higher priced gas.

We are going to have to coordinate our thoughts on this PDQ.

cc: Bill Popp, Co-Chair, Agrium Task Force (fax: 907-262-6762)
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