

LAW OFFICES  
**KEESAL, YOUNG & LOGAN**  
 A CORPORATION

SUITE 680  
 1029 WEST THIRD AVENUE  
 ANCHORAGE, ALASKA 99501-  
 1954  
 (907) 279-9696  
 FACSIMILE:  
 (907) 279-6489  
 WWW.KYL.COM

RAMON A. KERRAL, JR.  
 STEPHEN YOUNG  
 ROBERT M. LOGAN  
 MICHAEL M. OLESON  
 PETER R. HOUTEN  
 SCOTT T. PRATT  
 TERRY KUSH  
 JOHN D. OFFER  
 WILLIAM H. COLLIER, JR.  
 PHILIP A. McLEOD  
 KEAL SCOTT CROSS  
 BEN HUTER  
 ALBERT E. BRADOCK III  
 CAMERON STOUT  
 ROBERT J. STEHLER  
 LISA M. HESTER  
 JANET SIMMONS STEWART  
 ROBERT J. BOCKOY

ROCHELLE E. FECH  
 KEARNEY P. REARICK  
 JOSEPH A. WALVE II  
 HERBERT H. RAY, JR.  
 JESSI B. WENSH  
 PHILIP E. LEFFERTS  
 JULIE L. TAYLOR  
 GINNET MYERS SAWYER  
 JON W. SMITH  
 DOUGLAS E. DAVIS  
 GORDON C. YOUNG  
 ELIZABETH K. LINDSEY  
 KELLY J. BEVENDIAN  
 ERIC T. SANDERS  
 DENA L. MURPHY  
 SARAH TOMO SANDERSON  
 CAROL L. MCCORMY  
 ESTHER S. CHOI

MAURICIO J. BAULI  
 JULIE A. HOLE  
 GUY R. FIFFE  
 DARRELL C. MARTIN  
 DAVID D. PIPER  
 THOMAS M. ADKINSON  
 CATHERINE M. WOODS  
 CHRISTOPHER A. STEINER  
 ANDRÉS PAUL MORALES  
 DIANA J. COOPER  
 VOTY WELDMAN  
 KEVIN J. WOODS  
 SCOTT E. FROSCOR  
 DEAN D. MURPHY  
 SCOTT B. RASH  
 MELANIE L. ROSEN

BENJAMIN W. WHITE  
 KATHLEEN S. ADAMS  
 JOANNE N. JACOBA  
 TAMARA LARANCE FENBACH  
 ELIZABETH A. LOGAN  
 BERTLEY P. STANBURY III  
 CAET D. SULLIVAN  
 KIP ALLENBERG  
 ATLANTA TRUMAN LANGOWSKI  
 JOHN D. KIMBERLIN  
 KRISTY L. FISCHER  
 EVYETTE A. CHRISTENSEN  
 JASON W. CROWELL  
 MARGARET A. BUCKLEY  
 ABBEY YOUNG ADAMS  
 TRAVIS K. A. KODA

RICHARD A. APPELBAUM  
 KEAL ADRIAL S.C.O. (EST.)  
 MARGARET A. BRIDGEMAN  
 RICHARD L. LAWRENCE

OF COUNSEL:  
 GREGORY S. COPELAND  
 SANDOR K. MATYJKA  
 MARC R. GREENBERG

January 3, 2005

\* ADMITTED IN ALASKA  
 † ADMITTED IN WASHINGTON  
 ‡ ADMITTED IN WASHINGTON & CALIFORNIA  
 § ADMITTED IN ALASKA & CALIFORNIA  
 ¶ ADMITTED IN DISTRICT OF COLUMBIA & FLORIDA  
 \*\* REGISTERED FOREIGN LAWYER WITH THE LAW SOCIETY  
 OF HONG KONG & ADMITTED IN NEW YORK  
 †† ADMITTED IN NEW YORK

ALL OTHERS ADMITTED IN CALIFORNIA

Via Facsimile - 278-7022

Alex Swiderski  
 Attorney General's Office  
 Department of Law  
 1031 W. 4th Avenue, Suite 200  
 Anchorage, AK 99501

Via Facsimile - 271-4143

Lisa Toussaint  
 U.S. Department of the Interior  
 4230 University Drive, Suite 300  
 Anchorage, AK 99508

Re: M/V SELENDANG AYU  
 Our File No.: 4404-56

Dear Counsel:

We are writing concerning the RP's continued interest in participating in a cooperative NRDA with the trustee agencies. As you know, we have previously expressed our interest in participating in a cooperative NRDA. We continue to believe that a cooperative NRDA is in the interests of both the RP and the federal and state trustees.

Our goal is to work with the trustees to ensure that the level of natural resource injury is determined in a prompt and appropriate manner, and to move as quickly as possible to restoration projects to compensate for the natural resource damages caused by the oil released from the SELENDANG AYU. We believe that working cooperatively is the best way for the trustees and the RP to achieve those goals.

LONG BEACH OFFICE  
 400 OCEANBLVD  
 P.O. BOX 1790  
 LONG BEACH, CA 90801-1790  
 (562) 436-2000  
 FACSIMILE: (562) 436-7410

SAN FRANCISCO OFFICE  
 SUITE 1500  
 FOUR EMBARCADERO CENTER  
 SAN FRANCISCO, CA 94111  
 (415) 398-6990  
 FACSIMILE:  
 (415) 961-6136 • (415) 981-7729

SEATTLE OFFICE  
 SUITE 1515  
 1201 FIFTH AVENUE  
 SEATTLE, WA 98101  
 (206) 622-5790  
 FACSIMILE: (206) 648-9128

HONG KONG OFFICE  
 1603 THE CENTRAL  
 187 QUEEN'S ROAD CENTRAL  
 HONG KONG  
 (852) 254-1715  
 FACSIMILE: (852) 254-16189

Alex Swiderski  
Regina Belt  
Lisa Toussaint  
January 3, 2005  
Page 2

Re: M/V SELENDANG AYU  
Our File No.: 4404-56

We would propose a cooperative approach based on the following principles:

1. Funding of the cooperative NRDA by the RP
2. Collaboration in designing and executing studies and means of assessing injury
3. Sharing a common database
4. Selecting mutual agreeable labs for any analytical work, the results of which will be available to all parties
5. Working together to assess the level of injury
6. Assessing restoration options together
7. Work together to implement restoration projects

These are goals that we believe have been achieved in NRDA from other spills. As you know, Polaris Applied Sciences are our NRDA consultants. Polaris has worked cooperatively with NRDA trustees across the country. We believe the trustees will find that Polaris staff are well-trained, professional, and will work with the trustees in a cooperative fashion.

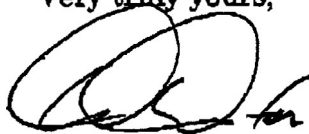
I hope we can reach agreement on working cooperatively quickly. My sense is that the trustees are already starting to gather data in the field, but there is very little information being shared with Polaris by the trustees representatives in Dutch Harbor. Getting Polaris involved in discussions about studies or data sampling now will avoid possible disagreements down the road concerning the design or appropriateness of studies or data gathering techniques. I know the trustees are scrambling to try and gather data quickly, but feel it would be worth everyone's while to try and work cooperatively as soon as possible.

Alex Swiderski  
Regina Belt  
Lisa Toussaint  
January 3, 2005  
Page 3

Re: M/V SELENDANG AYU  
Our File No.: 4404-56

I look forward to discussing these issues with you in more detail on  
Tuesday afternoon.

Very truly yours,



Herbert H. Ray, Jr.

HHR:kj (AA132023)