

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL NO. AIO 01.012

Mr. Emeka Emembolu
Head of Base Management
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

Re: AIO 01 (Amended), Rule 2, Authorized Injection Strata for Disposal
Depth Reference Correction

Dear Mr. Emembolu:

The Alaska Oil and Gas Conservation Commission (Commission) **GRANTS** BP Exploration (Alaska) Inc.'s (BPXA's) May 2, 2011 request to correct the depth reference in Rule 2 regarding the authorized injection strata for disposal.

In the original application for the Area Injection Order (AIO), the description of the requested waste disposal interval was confusing. Both "measured depth" and "subsea" descriptors were included referencing the same numerical interval in exploration well Sag Delta No. 4 (177-015). Since Sag Delta #4 was directionally drilled, measured depths and subsea depths cannot numerically be the same. When AIO 01 was originally issued (May 30, 1986) the authorized interval was specified as "measured depth". The record does not indicate that the Commission requested any clarification regarding what description for the numerical interval was correct. There is also no correspondence from BPXA requesting any correction similar to the current request.

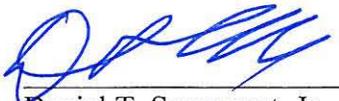
Injection of non-hazardous oil field fluids is currently taking place in well MPI 2-2/P-18 (186-063) between the depths of 7260' to 7470' TVDSS (7316'-7516' measured depth). The well was drilled as a straight hole. The logs for this well and the equivalent interval in the Sag Delta No. 4 display no indications of liquid hydrocarbons or fresh water through the injection interval. The lithologies and porosities are sufficient to provide for an adequate disposal zone. Extending the permissible injection interval deeper to 8710' equivalent measured depth in the Sag Delta No. 4 should not pose any adverse effects on the Endicott reservoir.

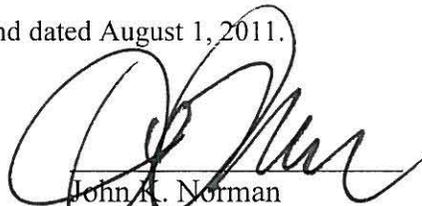
Now therefore, as provided by Rule 9 of DIO 01, Rule 2 is revised as follows:

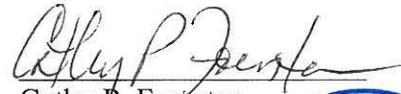
RULE 2: Authorized Injection Strata for Disposal

Within the affected area, non-hazardous fluids may be injected into strata which correlate with strata found in BP Exploration (Alaska) Inc. well Sag Delta No. 4 between the measured depths of 3525 and 8710 feet, for purposes of fluid disposal.

DONE at Anchorage, Alaska and dated August 1, 2011.


Daniel T. Seamount, Jr.
Chair, Commissioner


John K. Norman
Commissioner


Cathy P. Foerster
Commissioner



RECONSIDERATION AND APPEAL NOTICE

As provided in AS 31.05.080(a), within **20** days after written notice of the entry of this order or decision, or such further time as the Commission grants for good cause shown, a person affected by it may file with the Commission an application for reconsideration of the matter determined by it. If the notice was mailed, then the period of time shall be **23** days. An application for reconsideration must set out the respect in which the order or decision is believed to be erroneous.

The Commission shall grant or refuse the application for reconsideration in whole or in part within 10 days after it is filed. Failure to act on it within 10-days is a denial of reconsideration. If the Commission denies reconsideration, upon denial, this order or decision and the denial of reconsideration are **FINAL** and may be appealed to superior court. The appeal **MUST** be filed within **33** days after the date on which the Commission mails, **OR 30** days if the Commission otherwise distributes, the order or decision denying reconsideration, **UNLESS** the denial is by inaction, in which case the appeal **MUST** be filed within **40** days after the date on which the application for reconsideration was filed.

If the Commission grants an application for reconsideration, this order or decision does not become final. Rather, the order or decision on reconsideration will be the **FINAL** order or decision of the Commission, and it may be appealed to superior court. That appeal **MUST** be filed within **33** days after the date on which the Commission mails, **OR 30** days if the Commission otherwise distributes, the order or decision on reconsideration. As provided in AS 31.05.080(b), "[t]he questions reviewed on appeal are limited to the questions presented to the Commission by the application for reconsideration."

In computing a period of time above, the date of the event or default after which the designated period begins to run is not included in the period; the last day of the period is included, unless it falls on a weekend or state holiday, in which event the period runs until 5:00 p.m. on the next day that does not fall on a weekend or state holiday.