

ADMINISTRATIVE APPROVAL AIO 10B.005

Mr. Steve Rossberg
Wells Manager
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

RE: Request for Administrative Approval
Milne Point Unit F-73A (PTD 200-198)
Sag River Oil Pool

Dear Mr. Rossberg:

By letter application received May 18, 2006 BP Exploration (Alaska) Inc. ("BPXA") requested administrative approval to resume water injection into MPF-73. MPF-73 (197-030) was plugged and abandoned effective November 30, 2000 and MPF-73A was drilled. Based on an evaluation of the submitted information and review of the well file, the Alaska Oil and Gas Conservation Commission grants BPXA's request for administrative approval to resume water injection in the subject well.

AOGCC finds that BPXA has performed diagnostic well work on Milne Point Unit F-73A and based upon reported results of that work, the well exhibits two competent barriers to release of well pressure. Accordingly, the Commission believes that the well's condition does not compromise overall well integrity so as to threaten the environment or human safety.

AOGCC's administrative approval to resume water injection in Milne Point Unit F-73A is conditioned upon the following:

1. Injection is limited to WATER ONLY;
2. BPXA shall record wellhead pressures and injection rates daily as well as any pressure bleed events;

3. BPXA shall submit to the AOGCC a monthly report of well pressures and injection rates with any pressure bleed events annotated in the record;
4. BPXA shall perform a MIT - IA annually to 1.2 times the maximum anticipated injection pressure;
5. BPXA shall limit the well's IA operating pressure to 2000 psi;
6. BPXA shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition; and
7. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection.

As provided in AS 31.05.080, within 20 days after written notice of this 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 rehearing. A request for rehearing is considered timely if it is received by 4:30 PM on the 23rd day following the date of this letter, or the next working day if the 23rd day falls on a holiday or weekend. A person may not appeal a Commission decision to Superior Court unless rehearing has been requested.

DONE at Anchorage, Alaska and dated June 5, 2006.

John K. Norman
Chairman

Cathy P. Foerster
Commissioner