

ADMINISTRATIVE APPROVAL NO. AIO 14.001

Re: Request for interim authorization to inject in Niakuk well NK-28.

Anne L Shaw
BP Exploration Alaska, Inc.
900 East Benson Boulevard
PO Box 196612
Anchorage, Alaska 99519-6612

Dear Ms. Shaw:

BP Exploration (Alaska) Inc., ("BPXA") by letter dated August 13, 2001 requested authorization for interim injection into well NK-28 to allow for water injection while gathering data and information to update the administrative record in support of the expansion of AIO 14. Expansion of AIO 14 is necessary for long-term allowance of water injection to recover greater volumes of oil from the Western Area of the Niakuk Oil Pool.

Voidage replacement by waterflood in Segment 3/5 of the western portion of the Niakuk Pool is not being maintained. BPXA proposes to convert well NK-28 to injection status. The well had produced 2 MMBO, but has watered out. Increase in water injection will improve pressure support in this area and will increase overall production and reserves. In addition, the conversion allows better utilization of water production into the LPC, and in the near term, will alleviate production impacts associated with planned workover of Cretaceous water disposal well LPC-02.

BPXA has assured the commission that additional information in support of the request to expand AIO 14 is forthcoming. However, in the interim, the commission authorizes the use of NK-28 for injection for enhanced recovery operations consistent with AIO 14. This administrative approval will expire on November 1, 2001.

DONE in Anchorage, Alaska and dated August 20, 2001.

Cammy Oechsli Taylor
Chair

Daniel T. Seamount, Jr.
Commissioner

BY ORDER OF THE COMMISSION