

# STATE OF ALASKA

## **ALASKA OIL AND GAS CONSERVATION COMMISSION**

SARAH PALIN, GOVERNOR

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ANCHORAGE, ALASKA 99501-3539  
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### **ADMINISTRATIVE APPROVAL AIO 14A.002 (Amended)**

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

RE: PBU NK-16 (PTD 1940220) Request for Administrative Approval

Dear Mr. Rossberg:

In accordance with Rule 8 of Area Injection Order 14A.000, the Alaska Oil and Gas Conservation Commission ("AOGCC" or "Commission") hereby grants BP Exploration (Alaska) Inc. ("BPXA")'s request for administrative approval to inject water in the subject well.

Niakuk Oil Pool (part of the Prudhoe Bay Unit) well NK-16 exhibits inner annulus repressurization that can be managed by pressure bleeds. BPXA initiated diagnostic testing and notified the Commission regarding increased inner annulus pressure on October 8, 2007. Administrative approval was conditionally granted to BPXA on November 29, 2007 with specific operating limits, including maintaining inner annulus pressure at or below 2000 psi.

The Commission was advised on January 8, 2008 by BPXA of difficulties in maintaining inner annulus pressures below 2000 psi and requested an increase of the maximum allowable inner annulus pressure to 2500 psi. At the Commission's request, inner annulus pressure bleeds were suspended and BPXA was allowed to continue injecting with monitoring to determine where the increasing inner annulus pressure would stabilize. BPXA and the Commission hypothesized that pressures would equalize at or near the injection pressure at the surface. BPXA provided supplemental information on February 11, 2008 showing the equalization of inner annulus pressure with the injection tubing pressure at approximately 2200 psi.

The Commission finds that PBU NK-16 exhibits two competent barriers to the release of well pressure. AOGCC further finds that BPXA is able to manage the inner annulus pressure with periodic pressure bleeds. To minimize the bleed frequency, it is appropriate to revise the maximum allowable pressure for the inner annulus. The Commission

believes that well operation in water injection service only will not threaten the environment or human safety.

AOGCC's administrative approval to inject water in PBU NK-16 is conditioned upon the following:

1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures, injection rates, and IA pressure bleeds;
3. BPXA shall perform an MIT-IA every 2 years to 1.2 times the maximum anticipated well pressure;
4. BPXA shall limit the well's IA pressure to 2,500 psi;
5. BPXA shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
- ~~6. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection, and~~
7. The MIT anniversary date is October 28, 2007.

As provided in AS 31.05.080(a), 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 reconsideration. A request for reconsideration 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 reconsideration has been requested.

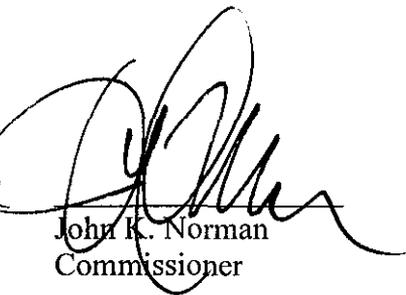
**DONE** at Anchorage, Alaska and dated February 11, 2008.



Daniel T. Seamont, Jr.  
Chair



Cathy F. Foerster  
Commissioner



John K. Norman  
Commissioner

