

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL AIO 18B.004

Ms. MJ Loveland
Well Integrity Project Supervisor
ConocoPhillips Alaska Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

RE: Surveillance Frequency – Request for Administrative Approval

Dear Ms. Loveland:

Pursuant to Rule 11 of Area Injection Order (“AIO”) 18B.000, the Alaska Oil and Gas Conservation Commission (“AOGCC” or “Commission”) hereby grants ConocoPhillips Alaska Inc. (“CPAI”)’s request for administrative approval to reduce the frequency of surveillance logging and fill depth tag requirements to not less than once every two years.

By electronic mail dated May 10, 2007 CPAI requested the Commission reduce the required frequency of fill depth tags to a biennial cycle for Colville River Unit disposal wells. AIO 18, Rule 9 currently requires fill depth tags “at least once annually or as warranted following consultation with the Commission.”

The Commission findings based on a review of this request and Commission well files include the following:

1. CPAI operates two Class II disposal injection wells in support of the Alpine field development within the Colville River Unit: Wells WD-02 and CD1-19A. Well WD-02 is the subject of a recent Commission administrative approval as outlined below;
2. Sound well integrity and confinement of injected wastes has consistently been demonstrated in all Class II disposal wells operated under DIO 18 using daily well performance monitoring, well integrity testing, and surveillance logging;
3. The Environmental Protection Agency modified its UIC Class I permit (No. AK-11003-A) for Colville River Unit Well WD-02 based on historical mechanical integrity demonstrations, reducing the frequency of surveillance logging and fill depth tag requirements from an annual cycle to a biennial cycle;

4. The Commission issued Administrative Approval DIO 18.001 (August 3, 2007) for Well WD-02, reducing the frequency of surveillance logging and fill depth tag requirements from an annual cycle to a biennial cycle;
5. The risk of damage to the wellbore and resulting operational problems may be reduced with less frequent well interventions;
6. Consistency among all disposal wells will minimize both confusion and duplication of effort regarding surveillance requirements; and
7. There are no underground sources of drinking water underlying the Colville River Unit.

Performance monitoring of injection operations associated with Colville River Unit Class II disposal wells provides an accurate and timely assessment of any potential well integrity problems. Reducing the frequency of surveillance logging and fill depth tags will not compromise overall well integrity so as to threaten the environment or human safety.

Accordingly, AIO 18B, Rule 9 is hereby amended to provide as follows:

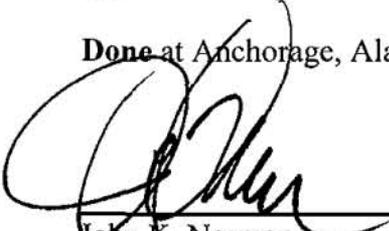
Rule 9, Surveillance (Modified from AIO 18A)

For grind and inject slurry injection wells, a baseline temperature survey from surface to total depth, initial step rate test to pressures equal or exceeding maximum injection pressure and pressure falloff are required prior to sustained disposal injection. Regular fill depth tags are required at least once every two years or as warranted following consultation with the Commission. Operating parameters including disposal rate, disposal pressure, annuli pressures and volume of slurry pumped must be monitored and reported according to requirements of 20 AAC 25.432.

For slurry injection wells, submittal of an annual performance report will be required on or about April 1 of each year in conjunction with the Alpine Pool Annual Reservoir Report. The report shall include rate and pressure performance, a volumetric analysis of the disposal storage interval, an estimate of fracture growth, if any, and updates of operational plans. If completed, results of logging, fill depth, or other surveillance surveys designed to document disposal injection performance and confinement of injected fluids shall also be included in the annual report.

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 August 3, 2007.



John K. Norman
Chairman

Daniel T. Seamont, Jr.
Commissioner

Cathy P. Foerster
Commissioner