

ADMINISTRATIVE APPROVAL NUMBERS
CO457A.004 and AIO22B.002

Mr. Gil Beuhler
GPB Waterflood Resource Manager
BP Exploration (Alaska) Inc.
P. O. Box 196612
Anchorage, AK 99519-6612

Dear Mr. Beuhler:

By letter dated December 6, 2004, BP Exploration (Alaska), Inc. ("BPXA") requested authorization to extend current pilot miscible injection (MI) operations in Aurora Oil Pool ("AOP") Wells S-112, S-110 and S-116. Approval was given by the Commission on May 11 for pilot operations through December 31, 2004. Due to operational delays and low injection rates, only S-110 has been on miscible gas injection, and only 1/3 of the total miscible injectant volume planned for the pilot has been injected. You've stated that, with favorable conclusive results from the pilot, you will apply for a larger scale project.

The Commission finds that the requested change will not promote waste or jeopardize correlative rights, is based on sound engineering and geoscience principles, and will not result in an increased risk of fluid movement into freshwater

The Commission approves continuation of MI injection through September 30, 2005 into AOP Wells S-112, S-110 and S-116, subject to the conditions, limitations, and requirements set out in AIO 22B and CO 457A and statewide regulations under 20 AAC 25 (to the extent not otherwise superseded by AIO 22B and Conservation Order 457A). It is a condition of this approval that BPXA provide written documentation of the results of the pilot no later than October 31, 2004.

DONE at Anchorage, Alaska and dated December 22, 2004

John K. Norman
Chairman

Daniel T. Seamount, Jr.
Commissioner