

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION
333 West 7th Avenue, Suite 100
Anchorage, Alaska 99501

Re: **THE APPLICATION OF BP**) Area Injection Order No. 23.002
EXPLORATION (ALASKA) INC.)
for Administrative Approval allowing) Northstar Unit
well Northstar Unit NS-25 (PTD) Northstar Field
2031660) to continue gas injection) Northstar Oil Pool
service with a known outer annulus x)
conductor pressure communication.) September 11, 2013
)

By letter dated September 5, 2013, BP Exploration (Alaska) Inc. (BPXA) requested administrative approval to continue gas injection in the subject well.

In accordance with Rule 9 of Area Injection Order (AIO) 023.000, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** BPXA's request for administrative approval to continue gas injection in the subject well.

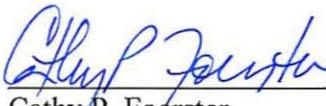
BPXA discovered the surface casing leak on May 16, 2012 and the well was shut in. BPXA has now completed well diagnostics and confirmed a leak below the OA valve flange. The passing mechanical integrity test of the Inner Annulus (MITIA) on August 25, 2013 indicates that the well exhibits at least two competent barriers to the release of well pressure. Accordingly, the AOGCC believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

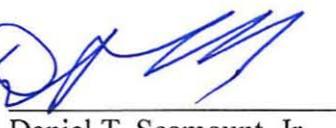
AOGCC's approval to continue gas injection in NS-25 is conditioned upon the following:

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 pressure bleeds for all annuli. Bleeds to be flagged on the report;
3. BPXA shall perform a mechanical integrity test of the inner annulus annually to 1.1 times the maximum anticipated injection pressure;
4. BPXA shall limit the well's IA operating pressure to 1500 psi and the OA operating pressure to as low as reasonably possible not to exceed 50 psi;
5. BPXA shall install, maintain and operate automatic alarms and well shut-in equipment linked to the well's outer annulus pressure and wellhead pressure. The actuation pressure for the outer annulus shall not exceed 50 psi, and the actuation pressure for the wellhead shall not exceed 5250 psi. Testing of the shut-in equipment (surface safety valve, shut-down valve, and mechanical or electrical pressure detection devices) shall be performed in conjunction with production well pilots and safety valves;
6. BPXA shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
7. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and

8. The MIT anniversary date will be set as the date of the AOGCC witnessed MITIA that is to be completed once the well is returned to injection and stabilization is achieved. The Commission must be provided the opportunity to witness the MIT for a test to establish a new test due date.

DONE at Anchorage, Alaska and dated September 10, 2013.


Cathy P. Foerster
Chair, Commissioner


Daniel T. Seamount, Jr.
Commissioner


John K. Norman
Commissioner



RECONSIDERATION AND APPEAL NOTICE

As provided in AS 31.05.080(a), within 20 days after written notice of the entry of this order or decision, or such further time as the AOGCC grants for good cause shown, a person affected by it may file with the AOGCC an application for reconsideration of the matter determined by it. If the notice was mailed, then the period of time shall be 23 days. An application for reconsideration must set out the respect in which the order or decision is believed to be erroneous.

The AOGCC shall grant or refuse the application for reconsideration in whole or in part within 10 days after it is filed. Failure to act on it within 10-days is a denial of reconsideration. If the AOGCC denies reconsideration, upon denial, this order or decision and the denial of reconsideration are **FINAL** and may be appealed to superior court. The appeal **MUST** be filed within 33 days after the date on which the AOGCC mails, **OR 30** days if the AOGCC otherwise distributes, the order or decision denying reconsideration, **UNLESS** the denial is by inaction, in which case the appeal **MUST** be filed within 40 days after the date on which the application for reconsideration was filed.

If the AOGCC grants an application for reconsideration, this order or decision does not become final. Rather, the order or decision on reconsideration will be the **FINAL** order or decision of the AOGCC, and it may be appealed to superior court. That appeal **MUST** be filed within 33 days after the date on which the AOGCC mails, **OR 30** days if the AOGCC otherwise distributes, the order or decision on reconsideration. As provided in AS 31.05.080(b), "[t]he questions reviewed on appeal are limited to the questions presented to the AOGCC by the application for reconsideration."

In computing a period of time above, the date of the event or default after which the designated period begins to run is not included in the period; the last day of the period is included, unless it falls on a weekend or state holiday, in which event the period runs until 5:00 p.m. on the next day that does not fall on a weekend or state holiday.