



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Alaska Oil and Gas Conservation Commission

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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER NO. 23.003

Mr. Wyatt Rivard
Well Integrity Engineer
Hilcorp Alaska, LLC.
P.O. Box 244027
Anchorage, AK 99524-4027

Re: Docket Number: AIO-16-017
Request for administrative approval to allow well Northstar Unit NS-28 (PTD 2050160) to continue gas injection service with a known inner annulus repressurization.
Northstar Unit (NSU) NS-28 (PTD 2050160)
Northstar Field
Northstar Oil Pool

Dear Mr. Rivard:

By letter dated April 21, 2016, Hilcorp Alaska, LLC. (Hilcorp) requested administrative approval to continue gas injection in the subject well.

In accordance with Rule 9 of Area Injection Order (AIO) 23.000, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** Hilcorp's request for administrative approval to continue gas injection in the subject well.

Hilcorp reported a potential Inner Annulus repressurization to AOGCC and initiated additional diagnostics and monitoring. Hilcorp completed a passing non-state witnessed Mechanical Integrity Test of the Inner Annulus (MITIA) on January 27, 2016 which indicates that NS-28 exhibits at least two competent barriers to the release of well pressure. The well has a recorded IA build up rate of approximately 15 psi/day and AOGCC finds that Hilcorp is able to manage the IA pressure with periodic pressure bleeds. 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-28 is conditioned upon the following:

1. Hilcorp shall record wellhead pressures and injection rate daily;
2. Hilcorp 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. Hilcorp shall perform a mechanical integrity test of the inner annulus (MITIA) annually to 3500 psi;
4. Hilcorp shall limit the well's IA operating pressure to 2000 psi;
5. Hilcorp shall install, maintain and operate automatic alarms and well shut-in equipment linked to the well's inner annulus pressure and wellhead pressure. The actuation pressure for the inner annulus shall not exceed 2000 psi, and the actuation pressure for the wellhead shall not exceed 5250 psi. Testing of the shut-in equipment (surface safety valve, shutdown valve, and mechanical or electrical pressure detection devices) shall be performed in conjunction with production well pilots and safety valves;
6. Hilcorp 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 is January 27, 2016.

DONE at Anchorage, Alaska and dated April 28, 2016.

//signature on file//
Cathy P. Foerster
Chair, Commissioner

//signature on file//
Daniel T. Seamount, Jr.
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.

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.