

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
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CANCELLATION

ADMINISTRATIVE APPROVAL NO. AIO 24B.001

Mr. Steve Rossberg, Wells Manager
Attention: Well Integrity Engineer, PRB-20
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

RE: Cancellation of Administrative Approval AIO 24B.001
Prudhoe Bay Unit Well V-112 (PTD 2060200)
Borealis Oil Pool

Dear Mr. Rossberg:

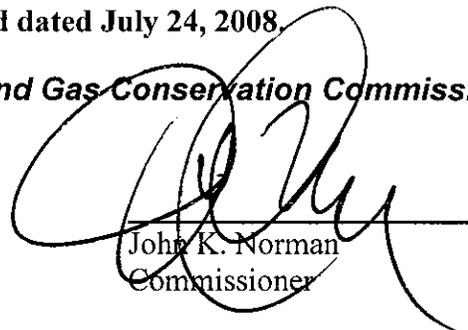
Pursuant to BP Exploration (Alaska) Inc. (BPXA)'s request dated July 15, 2008 Alaska Oil and Gas Conservation Commission (AOGCC) hereby cancels Administrative Approval AIO 24B.001, which allows continued water injection in Prudhoe Bay Unit (PBU) well V-112. This well exhibited tubing by inner annulus communication and BPXA did not at the time propose repairing the well to eliminate the problem. The Commission determined that water injection could safely continue in the well, but subject to a number of restrictive conditions set out in the administrative approval.

BPXA has since performed a well intervention to install new dummy gas lift valves with extended packing in PBU V-112. BPXA provided wellhead pressure data demonstrating the elimination of tubing by inner annulus pressure communication while injecting miscible gas. Consequently, Administrative Approval AIO 24B.001 no longer applies to operation of this well. Instead, injection into PBU V-112 will be governed by provisions of the underlying AIO No. 24B.

DONE at Anchorage, Alaska and dated July 24, 2008.

The Alaska Oil and Gas Conservation Commission


Cathy F. Foerster
Commissioner


John K. Norman
Commissioner

