

# STATE OF ALASKA

SARAH PALIN, GOVERNOR

## **ALASKA OIL AND GAS CONSERVATION COMMISSION**

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**ADMINISTRATIVE APPROVAL NO. AIO 3.018**  
**ADMINISTRATIVE APPROVAL NO. AIO 4E.023**  
**ADMINISTRATIVE APPROVAL NO. AIO 20.001**  
**ADMINISTRATIVE APPROVAL NO. AIO 24A.001**  
**ADMINISTRATIVE APPROVAL NO. AIO 25A.001**  
**ADMINISTRATIVE APPROVAL NO. AIO 26A.001**

Ms. Colleen Burgh  
Waste Technical Authority  
BP Exploration (Alaska), Inc.  
P.O. Box 196612  
Anchorage, AK 99519-6612

RE: Request for Administrative Approval to Inject Hydrotest Water  
Prudhoe Bay Unit Oil Pools

Dear Ms. Burgh:

BP Exploration (Alaska), Inc. ("BPXA") has notified the Commission of ongoing and planned construction of replacement oil transit pipeline segments throughout the Prudhoe Bay Unit fields. The pipeline segments must undergo pressure testing (referred to as "hydrotesting") to verify integrity. Filtered lake water that is chemically treated with a corrosion inhibitor and an oxygen scavenger will be used for hydrotesting the pipeline segments. The Commission has previously approved the injection of filtered and treated lake water used to hydrotest a pipeline segment between Lisburne L1 production pad and the Lisburne Production Center ("LPC"), part of the Greater Point McIntyre development area. Administrative approval under Area Injection Order ("AIO") 4E authorized, as an enhanced recovery injection fluid, hydrotest water consisting of treated and filtered lake water stored for fire fighting purposes (refer to AIO 4E.22).

The Commission approves BPXA's June 20, 2007 written request for authorization to inject hydrotest water as an enhanced recovery fluid.

The composition of hydrotest water referred to in BPXA's current request appears to be no different than that used to test the Lisburne replacement pipeline segment. BPXA has demonstrated to the satisfaction of the Commission that the hydrotest water, as described in the June 20, 2007 request, is consistent and compatible with fluids used in routine enhanced recovery operations in the Prudhoe Bay Unit oil pools and will not adversely impact the reservoir or production equipment.

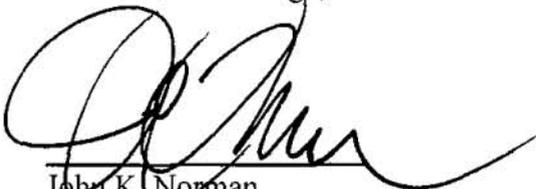
The following AIO rules governing injection operations in Prudhoe Bay Unit oil pools are amended to include filtered and chemically treated lake water used for hydrotesting replacement pipeline segments to the list of fluids authorized for enhanced oil recovery injection:

- AIO 3 (Prudhoe Oil Pool), Rule 1
- AIO 4E (Prudhoe Oil Pool), Rule 1
- AIO 20 (Midnight Sun Oil Pool), Rule 1
- AIO 24A (Borealis Oil Pool), Rule 2
- AIO 25A (Polaris Oil Pool), Rule 3
- AIO 26A (Orion Oil Pool), Rule 3

Any change in the composition of the hydrotest water that has the potential to affect its compatibility with formation fluid or the normal enhanced recovery injection fluid will require additional review by the Commission before injection occurs. Similarly, any change in treating chemical use that results in the hydrotest fluid exhibiting hazardous characteristics will require additional review.

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 June 21, 2007.

  
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John K. Norman  
Chairman

  
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Cathy F. Foerster  
Commissioner

