

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL NO. AIO 28.001

Mr. Jack Walker
ConocoPhillips Alaska Inc.
P.O. Box 196860
Anchorage, AK 99519-0105

Re: **The application from ConocoPhillips Alaska, Inc.** to inject produced water from the Colville River Field, Alpine Oil Pool, into the Nanuq Oil Pool, North Slope, Alaska.

Dear Mr. Walker:

ConocoPhillips Alaska, Inc. ("CPAI") requested by letter dated March 28, 2007 authorization to inject produced water from the Alpine Oil Pool into the Nanuq Oil Pool. Injection of produced water will be an integral part of freeze protection that is necessary when the seawater injection system is not operating. CPAI has scheduled seawater injection system maintenance beginning March 31, 2007. CPAI's request is approved.

Enhanced oil recovery by injecting seawater was authorized by Area Injection Order ("AIO") 28 dated April 24, 2006. The Commission's findings in AIO 28 concluded that CPAI had not demonstrated the compatibility of produced water from other Colville River Unit ("CRU") oil pools. Future approval of produced water from other CRU oil pools was however identified as an option upon demonstration of fluid compatibility with the Nanuq reservoir. CPAI provided fluid compatibility analysis for Alpine Oil Pool produced water by electronic mail dated March 29, 2007.

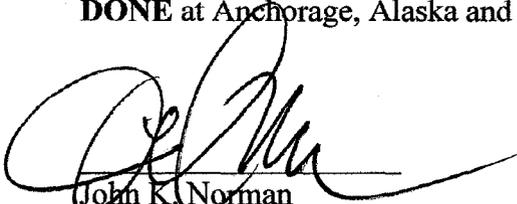
A common seawater injection system provides water for enhanced recovery in all CRU oil pools. According to CPAI, maintenance and repairs are periodically necessary for the proper operation of the seawater injection system. Freeze protection of the surface facilities and wells is necessary if seawater injection is shut down, involving the pumping of small volumes of produced water (roughly 200 barrels) into each seawater injection line daily during the shut down. The water placed into the injection line(s) would eventually be injected into the Nanuq Oil Pool.

The Commission agrees with CPAI's analysis and assessment that injecting produced water from the Alpine Oil Pool will not be detrimental to the Nanuq Oil Pool. The Commission further finds that injecting produced water from the Alpine Oil Pool will not promote waste or jeopardize correlative rights, and will not contribute to the potential for fluid movement outside of the injection zone.

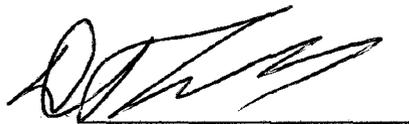
This approval applies to the small volume injection produced water from the Alpine Oil Pool only for the purpose of freeze protection when necessitated by maintenance or repairs to the seawater injection system. Larger scale injection of produced water from other CRU oil pools into the Nanuq Oil Pool will require additional review by the Commission prior to injection should CPAI plan such injection in the future.

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 March 30, 2007.



John K. Norman
Chairman



Daniel T. Seamount
Commissioner

