

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
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ADMINISTRATIVE APPROVAL 2B.016

Ms. MJ Loveland
Problem Well Supervisor
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

RE: KRU 2K-03 (PTD 1881200) Request for Administrative Approval

Dear Ms. Loveland:

In accordance with Rule 9 of Area Injection Order ("AIO") 02B.000, the Alaska Oil and Gas Conservation Commission ("AOGCC" or "Commission") hereby grants ConocoPhillips Alaska Inc. ("CPAI")'s request for administrative approval to continue water injection in the subject well.

Kuparuk River Unit ("KRU") 2K-03 exhibits inner annulus ("IA") by outer annulus ("OA") communication. Tests confirm the presence of a minor leak through the inner casing packoff assembly. Repair attempts to date have been unsuccessful. CPAI indicates it intends to continue to pursue casing packoff repair options. The Commission finds that, based upon reported results of CPAI's diagnostic procedures and wellhead pressure trend plots, KRU 2K-03 exhibits competent barriers to the release of well pressure. Accordingly, the Commission believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

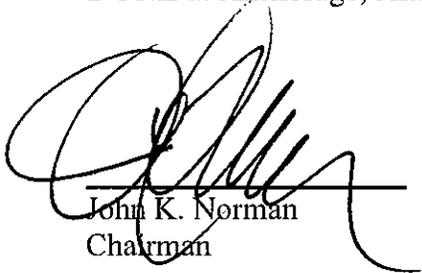
AOGCC's administrative approval to continue water injection in KRU 2K-03 is conditioned upon the following:

1. CPAI shall record wellhead pressures and injection rate daily;
2. CPAI shall submit to the AOGCC a monthly report of well pressures, injection rates, and pressure bleeds for all annuli;
3. CPAI shall perform an MIT-IA every 2 years to 1.2 times the maximum anticipated injection pressure;
4. CPAI shall limit the well's OA pressure to 1,500 psi;
5. CPAI shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;

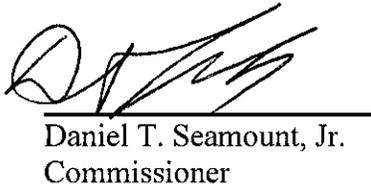
6. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection, and
7. The MIT anniversary date is June 1, 2007.

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.

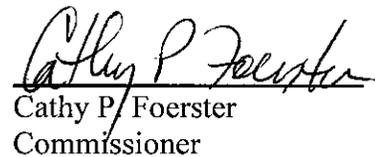
DONE at Anchorage, Alaska and dated October 17, 2007.



John K. Norman
Chairman



Daniel T. Seamont, Jr.
Commissioner



Cathy P. Foerster
Commissioner

