

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
FAX (907) 276-7542

ADMINISTRATIVE APPROVAL 2B.027

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

RE: KRU 30-12 (PTD 1880410) Request for Administrative Approval
Kuparuk River Oil Pool

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-alternating-gas injection with shortened gas injection cycles in the subject well.

Kuparuk River Unit ("KRU") 30-12 exhibits inner annulus re-pressurization which has been attributed to the wellhead seals and thread seals drying out after the well has injected gas for several months. The Commission approved a trial involving a shortened gas injection cycle on September 5, 2007 following CPAI's completion of successful diagnostic testing in Well 30-12. The trial commenced in mid-December 2007. No sign of tubing by inner annulus communication was evident during the shortened gas injection cycle (10-week trial) based on information provided by CPAI.

Reported results of CPAI's diagnostic procedures and wellhead pressure trend plots indicate that KRU 30-12 exhibits at least two competent barriers to the release of well pressure. The Commission finds that CPAI does not intend to perform repairs at this time based on the well's passing all positive and negative pressure tests, and the encouraging results of the shortened gas injection cycle trial.

AOGCC's administrative approval to continue water-alternating-gas injection in KRU 30-12 is conditioned upon the following:

1. Each gas injection cycle shall not exceed 12 weeks;
2. CPAI shall record wellhead pressures and injection rate daily;
3. CPAI shall submit to the AOGCC a monthly report of well pressures, injection rates, and pressure bleeds for all annuli;

4. Maximum allowable inner annulus pressure is 2000 psi; maximum allowable outer annulus pressure is 1000 psi;
5. CPAI shall immediately swap the well to water injection if tubing by inner annulus communication is evident during a gas injection cycle, and AOGCC approval shall be required to restart gas injection;
6. CPAI shall immediately notify the AOGCC if there is any change in the well's mechanical condition;
7. CPAI shall perform an MIT-IA every 2 years to the maximum anticipated injection pressure; the MIT anniversary date is February 19, 2008.

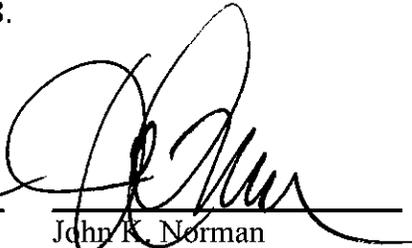
DONE at Anchorage, Alaska and dated March 20, 2008.



Daniel T. Seamount, Jr.
Chairman



Cathy P. Foerster
Commissioner



John K. Norman
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 such further time as the Commission grants for good cause shown, a person affected by it may file with the Commission an application for reconsideration of the matter determined by the order. If the notice was mailed, then the period of time shall be 23 days. The application for reconsideration must set out the respect in which the order is believed to be erroneous. The Commission shall grant or refuse the application for reconsideration in whole or in part within 10 days after it is filed. The failure to act on it within the 10-day period is a denial of it. If the Commission denies an application for reconsideration by order or inaction, upon denial, this order and the order denying reconsideration or inaction become **FINAL** and may be appealed to superior court. The appeal **MUST** be filed within 33 days after the date on which the Commission mails, **OR** 30 days if the Commission otherwise distributes, the order denying reconsideration, **UNLESS** the denial results from inaction, in which case the appeal **MUST** be filed within 40 days after the date on which the application for reconsideration is filed. If the Commission grants an application for reconsideration, this order does not become final. Rather, the order on reconsideration will be the **FINAL** order of the Commission, and it may be appealed to superior court. That appeal **MUST** be filed within 33 days after the date on which the Commission mails, **OR** 30 days if the Commission otherwise distributes, the order on reconsideration. As provided in AS 31.05.080(b), "[t]he questions reviewed on appeal are limited to the questions presented to the commission by the application for 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.