ADMINISTRATIVE APPROVAL 2B.004

Mr. Jerry Dethlefs
Problem Well Supervisor
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

RE: Kuparuk River Unit 2M-09A (196-090)
Request for Administrative Approval

Dear Mr. Dethlefs:

On November 5, 2005 ConocoPhillips Alaska, Inc ("CPAI") requested an administrative approval under Rule 9 of Area Injection Order ("AIO") 2A for service well Kuparuk River Unit ("KRU") 2M-09A (PTD 196-090). The specific request was to allow the continuation of water alternating gas ("WAG") injection. Please note that AIO 2B, effective December 12, 2002, superceded AIO 2A. Your request to employ the well in WAG service is denied. The Alaska Oil and Gas Conservation Commission ("Commission") has determined that CPAI may employ the well in WATER ONLY service, as detailed below.

2M-09A is a redrill of 2M-09. The new bottom-hole location was accessed by plugging the original well and exiting the production casing at about 4980' measured depth ("md") and drilling new hole to 9405' md. A 4-1-2" liner was set from total depth to 4717' md. The liner was cemented to provide required formation isolation. The well is equipped with a 3-1/2" tubing string that is sealed into the liner top. As constructed, 2M-09A does not meet the requirements of 20 AAC 25.412 (b) for an injection well which is required to be equipped with a packer set not more than 200' measured depth above the top of the perforations. The purpose of this requirement is to ensure that the injection string can be monitored throughout its length for possible leakage. As constructed, over 4000' of this wellbore cannot be monitored. Where fresh water is not affected, 20 AAC 25.450 gives the Commission authority to approve less stringent well construction and integrity requirements. For wells similarly constructed, the Commission has exercised this discretionary authority and approved injection operations with the fluid limited to water only.

CPAI has provided pressure test information using water that appears to demonstrate that the injection string (combination of tubing and liner) and the production casing (the 7" casing above the liner top) do have integrity. However, experience has shown that it is still possible for gaseous fluids to leak where water will not. Were a leak to develop

somewhere in the liner, it could not immediately be recognized so operations could be halted. Allowing gaseous hydrocarbon fluids to escape from a wellbore, regardless of those fluids still being isolated below ground, could constitute waste as well as result in a subsurface hazard. Neither is acceptable.

Per Rule 9 of Area Injection Order 2B, the Commission ("AOGCC") hereby grants, in part, CPAI's November 5, 2005 request for administrative approval to allow 2M-09A to remain in service.

The Commission's administrative approval allowing injection in KRU 2M-09A is conditioned upon the following:

1. Injection is limited to WATER ONLY;

2. CPAI shall monitor and record tubing, inner annulus, and outer annulus pressures and injection rate daily;

3. CPAI shall submit to the Commission a monthly report of well pressures and injection rates;

3. CPAI shall perform a mechanical integrity test of the tubing/liner string ("MIT-T") every 2 years by employing the nipple profile at 9017' md to demonstrate continued integrity of the injection string;

4. CPAI shall perform a mechanical integrity test of the inner annulus ("MIT-IA") every 2 years to demonstrate continued integrity of production casing;

5. CPAI shall immediately shut in the well and notify the Commission if there is any change in the well's mechanical condition; and

5. After well shut in due to a change in the well's mechanical condition, Commission approval shall be required to restart injection.

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 February 6, 2006.

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John K. Norman	Cathy P. Foerster
Chairman	Commissioner