

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL Area Injection Order 2B.054

Ms. M J Loveland
Well Integrity Project Supervisor
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

RE: KRU 1L-05 (PTD 1841230) 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 injection in the subject well.

Kuparuk River Unit (KRU) 1L-05 exhibits a subsidence related surface casing leak at about 90’ below pad surface. The Commission finds that CPAI does not intend to perform repairs at this time, deferring until a rig workover can be justified. Reported results of CPAI’s diagnostic procedures and wellhead pressure trend plots indicate that KRU 1L-05 exhibits at least two competent barriers to the release of well pressure.

AOGCC’s administrative approval to continue **WATER INJECTION ONLY** in KRU 1L-05 is conditioned upon the following:

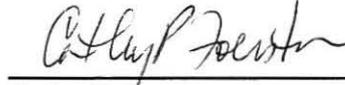
1. CPAI shall record wellhead pressures and injection rate daily;
2. CPAI shall submit to the AOGCC a monthly report of well pressures, injection rates, and pressure bleeds for all annuli;
3. CPAI shall perform an CMIT T-IA every 2 years to the maximum anticipated injection pressure;
4. IA pressure not to exceed 2000 psi.
5. OA pressure should be maintained as low as practicable.
6. CPAI shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;

7. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
8. The MIT anniversary date is August 11, 2010 unless CPAI performs new MITs when the well is returned to operation.

DONE at Anchorage, Alaska and dated October 1, 2010.



Daniel T. Seamount
Chair, Commission



Cathy P. Foerster
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 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 reconsideration of the matter determined by it. If the notice was mailed, then the period of time shall be **23** days. An application for reconsideration must set out the respect in which the order or decision 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. Failure to act on it within 10-days is a denial of reconsideration. If the Commission denies reconsideration, upon denial, this order or decision and the denial of reconsideration are **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 or decision denying reconsideration, **UNLESS** the denial is by inaction, in which case the appeal **MUST** be filed within **40** days after the date on which the application for reconsideration was filed.

If the Commission grants an application for reconsideration, this order or decision does not become final. Rather, the order or decision on reconsideration will be the **FINAL** order or decision 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 or decision 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.