

# STATE OF ALASKA

SEAN PARNELL, GOVERNOR

## ALASKA OIL AND GAS CONSERVATION COMMISSION

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ANCHORAGE, ALASKA 99501-3539  
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### ADMINISTRATIVE APPROVAL Area Injection Order 2B.057

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

RE: KRU 3N-16A (PTD 2100490) Request for Administrative Approval  
Kuparuk River Oil Pool

Dear Mr. Walters:

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 inject water in the subject well.

3N-16A is a redrill of 3N-16. The new bottom-hole location was accessed by plugging the original well and exiting the production casing at about 4932' measured depth ("md") and drilling new hole to 8190' md. Hole problems were encountered and it was not possible to set the 5-1/2" liner and a 3-1/2" liner was set from 8190' - 4666' md. The liner was cemented to provide required formation isolation. The well is equipped with a 3-1/2" tubing string that is stung into the liner top with a packer set at 4666' md. The formation is accessed via two horizontal wellbores subsequently drilled with coil tubing. The shallowest slotted liner top is at 8144' md. As constructed, 3N-16A 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 via the casing tubing annulus for possible leakage. As constructed, nearly 3500' 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.

AOGCC's administrative approval to continue **WATER INJECTION ONLY** in KRU 3N-16A is conditioned upon the following:

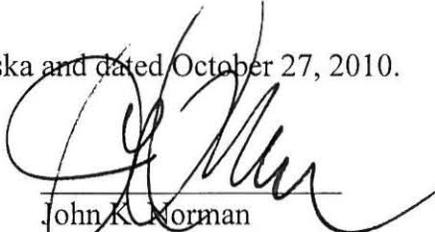
1. CPAI shall record wellhead pressures and injection rate daily;
2. CPAI shall submit to the AOGCC a monthly report of well pressures, injection rates and volumes;

3. CPAI shall perform a water flow log after injection is initiated and stabilized to verify isolation and shall submitted results and interpretation to the Commission;
4. CPAI shall demonstrate the continued integrity of the injection string every 2 years. An MIT-T employing a deep plug set within 200' md of the shallow liner top at 8144' md, or water flow and caliper logs may be performed;
5. CPAI shall perform a mechanical integrity test of the inner annulus ("MIT-IA") to a minimum of 1500 psi every 2 years to demonstrate continued integrity of production casing;
6. CPAI shall immediately shut in the well and notify the Commission if there is any change in the well's mechanical condition; and
7. After well shut in due to a change in the well's mechanical condition, Commission approval shall be required to restart injection;

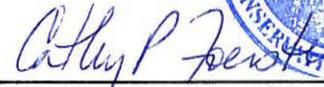
DONE at Anchorage, Alaska and dated October 27, 2010.



Daniel T. Seamount  
Chair, Commissioner



John K. Norman  
Commissioner



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.