

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

SEAN PARNELL, GOVERNOR

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ADMINISTRATIVE APPROVAL AIO2B.060

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

RE: KRU 1B-11 (PTD 1811360) Request for Administrative Approval

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 continue water injection in the subject well.

In March 2011, CPAI reported Kuparuk River Unit (KRU) 1B-11 was exhibiting communication between the surface casing and conductor via a thread leak. Since that report, the well's tubing, inner annulus (IA) and wellhead seals have passed all positive pressure tests. A diagnostic MIT-IA was successfully accomplished on March 27, 2011. The Commission finds, based upon reported results of CPAI's diagnostic procedures and wellhead pressure trend plots, that KRU 1B-11 exhibits at least two competent barriers to the release of well pressure. Accordingly, the Commission finds the well's condition does not compromise overall well integrity so as to threaten human safety or the environment. CPAI intends to pursue repair options and will make appropriate application if a viable option is available.

AOGCC's administrative approval to continue water injection in KRU 1B-11 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. IA pressure not to exceed 2000 psi;

5. Outer Annulus pressure to be maintained as low as reasonably 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 remains July 06, 2009. An MIT-IA according to Condition 3, above, should be conducted prior to July 06, 2011.

DONE at Anchorage, Alaska and dated July 6, 2011.



Daniel T. Seamount, Jr.
Chair, Commissioner



John K. Norman
Commissioner



Cathy P. Royster
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.