

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.069

Mr. Travis Smith
Drillsite Petroleum Engineer
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

RE: KRU 3S-18 (PTD 2022060) Administrative Approval
Kuparuk River Oil Pool

Dear Mr. Smith:

In accordance with Rule 9 of Area Injection Order (“AIO”) 02B.000, the Alaska Oil and Gas Conservation Commission (“AOGCC” or “Commission”) hereby **GRANTS** an administrative approval to alternately operate KRU 3S-18 as a service [injection] well and a development [production] well.

ConocoPhillips Alaska, Inc. (CPAI) submitted an Application for Sundry Approval (Form 403) on December 15, 2011 requesting to alternately operate the subject well cyclically in service and development modes. The goal of the project is to determine if additional reserves can be recovered by injecting miscible injectant (MI), allowing a contact period with the well shut in, followed by a production period. Multiple cycles of this process are possible. After evaluation of the request, it was determined to treat the Sundry as an application for Administrative Approval under Rule 9 of AIO 02B.000 due to the multiple injection-production cycles that are likely. Administrative and operational efficiencies will be realized with an Administrative Approval for these activities.

CPAI intends to demonstrate that the well has mechanical integrity as required by 20 AAC 25.412 and Rule 6 of AIO 02B.000 prior to beginning the first injection cycle. This approval will not endanger correlative rights, is based on sound engineering and will not result in any risk to fresh water.

AOGCC’s administrative approval to conduct cyclic service and development operation of KRU 3S-18 is governed by the following:

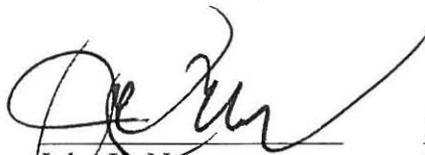
1. CPAI is authorized to conduct preliminary work including wellbore pressure testing and cement bond logging as outlined in the provided procedure and submit the results of this work to the Commission;

2. If the submitted integrity information is determined satisfactory, Application for Sundry Approval #311-386 will authorize CPAI to convert KRU 3S-18 from development to service and begin the first injection cycle;
3. CPAI shall submit Form 404, "Report of Sundry Operations" documenting the conversion;
4. CPAI shall notify the Commission Inspector and perform an MIT-IA to the maximum anticipated injection pressure when well conditions have stabilized;
5. Throughout the project, CPAI shall submit to the AOGCC a monthly report of well pressures regardless of well status and injection rates while injecting;
6. When it is determined to convert the well from service to development, CPAI shall provide electronic notification to the Commission and file Form 404 documenting the conversion;
7. When it is determined to begin the next injection cycle, CPAI shall provide electronic notification to the Commission and comply with Rules 3 – 6 for the duration of the project, however at the discretion of the Commission a new MIT-IA may not be necessary if pressure integrity continues to be demonstrated based on the monthly information required by Rule 5;
8. Within 60 days of the conclusion of each production cycle, CPAI shall provide an interim report of the well performance.
9. Within 60 days of the conclusion of the multiple cycle project, CPAI shall provide a final report for the project.

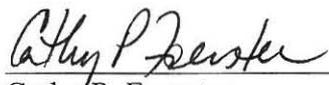
DONE at Anchorage, Alaska and dated January 4, 2012.



Daniel T. Seamount, Jr.
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 AOGCC grants for good cause shown, a person affected by it may file with the AOGCC 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 AOGCC 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 AOGCC 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 AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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 AOGCC, and it may be appealed to superior court. That appeal **MUST** be filed within **33** days after the date on which the AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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.