



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Alaska Oil and Gas Conservation Commission

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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER NO. 2C.003

Mr. Jan Byrne
Problem Wells Supervisor
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

Re: Docket Number: AIO-14-036
Request for administrative approval to allow well 3H-06 (PTD 1870780) to be online in water only injection service with a known tubing by inner annulus communication.
Kuparuk River Unit (KRU) 3H-06 (PTD 1870780)
Kuparuk River Field
Kuparuk River Oil Pool

Dear Mr. Byrne:

By letter dated October 16, 2014, ConocoPhillips Alaska, Inc. (CPAI) requested administrative approval to continue water only injection in the subject well.

In accordance with Rule 11 of Area Injection Order (AIO) 02C.000, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** CPAI's request for administrative approval to continue water only injection in the subject well.

CPAI reported a potential Tubing x Inner Annulus pressure communication to AOGCC on July 6, 2014 while the well was on miscible injectant (MI). Diagnostics were performed and CPAI WAG'ed the well to water after receiving permission from AOGCC. The well does not exhibit signs of pressure communication while on water injection. The passing non-state witnessed Mechanical Integrity Test of the Inner Annulus (MITIA) on July 12, 2014 indicates that 3H-06 exhibits at least two competent barriers to the release of well pressure. Accordingly, the AOGCC believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

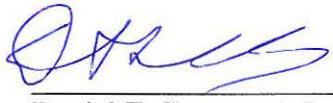
AOGCC's approval to continue water injection only in KRU 3H-06 is conditioned upon the following:

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. Bleeds to be flagged on the report;

3. CPAI shall perform a mechanical integrity test of the inner annulus every 2 years to the maximum anticipated injection pressure;
4. CPAI shall limit the well's IA operating pressure to 2000 psi and the OA operating pressure to 1000 psi;
5. CPAI shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
6. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
7. The MIT anniversary date is July 12, 2014.

DONE at Anchorage, Alaska and dated October 23, 2014.


Cathy P. Foerster
Chair, Commissioner


Daniel T. Seamount, Jr.
Commissioner


David J. Mayberry
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.

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.