



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Alaska Oil and Gas Conservation Commission

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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER NO. 2C.007

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

Re: Docket Number: AIO-14-044
Request for Administrative Approval allowing well 2T-32A (PTD 2140470) to be online in water only injection service with a known surface casing leak.
Kuparuk River Unit (KRU) 2T-32A (PTD 2140470)
Kuparuk River Field
Kuparuk River Oil Pool

Dear Mr. Walters:

By letter dated November 18, 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.

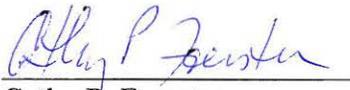
KRU 2T-32 (PTD 195049) developed a subsidence related surface casing leak in 2013. The well has been on water alternating gas injection since the well was placed into service in 1995. However, the Commission determined that water injection could safely continue if CPAI complied with the restrictive conditions set out in AA AIO 2B.079.

CPAI has performed a P&A of 2T-32 and a coil tubing sidetrack creating 2T-32A. AA AIO 2B.079 is no longer necessary to the operation of 2T-32 or 2T-32A and will be cancelled. The surface casing leak is still present in the new well 2T-32A. The passing state witnessed mechanical integrity test of the Inner Annulus (MITIA) on November 9, 2014 indicates that 2T-32A 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 2T-32A 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 as low as reasonably possible not to exceed 300 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 November 9, 2014.

DONE at Anchorage, Alaska and dated November 24, 2014.


Cathy P. Foerster
Chair, 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.