STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS
CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
FAX (907) 276-7542

ADMINISTRATIVE APPROVAL AIO 3.012

Mr. Steve Rossberg
Wells Manager
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

RE: PBU B-34 (PTD 193-037) Request for Administrative Approval

Dear Mr. Rossberg:

In accordance with Rule 9 of Area Injection Order ("AIO") 003.000, the Alaska Oil and Gas Conservation Commission ("AOGCC" or "Commission") hereby grants BP Exploration (Alaska) Inc. ("BPXA")'s request for administrative approval to continue water injection in the subject well.

PBU B-34 exhibits slow T x IA pressure communication when injecting MI. AOGCC finds that BPXA has elected to perform no corrective action at this time on PBU B-34. The Commission further finds that, based upon reported results of BPXA's diagnostic procedures, PBU B-34 exhibits two competent barriers to release of well pressure. Accordingly, the Commission believes that the well's condition does not compromise overall well integrity so as to threaten the environment or human safety.

AOGCC's administrative approval to continue water injection in PBU B-34 is conditioned upon the following:

1. Injection is limited to water only.

2. BPXA shall record wellhead pressures and injection rate daily;

3. BPXA shall submit to the AOGCC a monthly report of well pressures and injection rates;

4. BPXA shall perform a 4-year MIT - IA to 1.2 times the maximum anticipated well pressure, the anniversary date of which shall be this approval's effective date;

5. BPXA shall limit the well's OA pressure to 1000 psi;

6. BPXA shall immediately shut in the well and notify the AOGCC 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, AOGCC approval shall be required to restart injection.

Please note that PBU B-34's state should be change to 1WINJ.

As provided in AS 31.05.080, within 20 days after written notice of this 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 rehearing. A request for rehearing is considered timely if it is received by 4:30 PM on the 23rd day following the date of this letter, or the next working day if the 23rd day falls on a holiday or weekend. A person may not appeal a Commission decision to Superior Court unless rehearing has been requested.

DONE at Anchorage, Alaska and dated December 18, 2006.

John K. Norman
Chairman

Daniel T. Seamount, Jr.
Commissioner

ALASKA OIL AND GAS CONSERVATION COMMISSION