

# 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 3.017 (Amended)

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

RE: PBU Z-19A (PTD 2061050) Request for Administrative Approval

Dear Mr. Rossberg:

In accordance with Rule 9 of Area Injection Order 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 inject water and gas in the subject well.

PBU Z-19A exhibits outer annulus pressure that stabilizes at 900 to 1100 psi and is consistently higher than the inner annulus pressure. BPXA provided supplemental information on April 8, 2007 demonstrating by gas sample analysis that the outer annulus pressure is likely from a know gas hydrate deposit penetrated by PBU Z-19A. The Commission was advised on May 16, 2007 by BPXA of difficulties in maintaining outer annulus pressures below 1000 psi as required in the administrative approval granted April 13, 2007. The Commission finds that, based upon reported results of BPXA's diagnostic procedures, PBU Z-19A exhibits two competent barriers to the release of well pressure. AOGCC further finds that BPXA is able to manage the outer annulus pressure with pressure bleeds and a maximum allowable pressure of 1500 psi. Accordingly, the Commission believes that well operation in water and gas injection service will not threaten the environment or human safety.

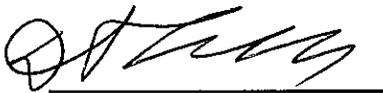
AOGCC's administrative approval to inject water and gas in PBU Z-19A is conditioned upon the following:

1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures and injection rates;

3. BPXA shall perform a MIT - IA every 2 years to 1.2 times the maximum anticipated well pressure;
4. BPXA shall limit the well's outer annulus pressure to 1500 psi;
5. BPXA 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 December 11, 2006.

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 May 17, 2007.



Daniel T. Seamont, Jr.  
Commissioner



Cathy P. Foerster  
Commissioner

