

# STATE OF ALASKA

SARAH PALIN, GOVERNOR

## ALASKA OIL AND GAS CONSERVATION COMMISSION

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### ADMINISTRATIVE APPROVAL 3.022

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

RE: PBU GC-2E (PTD 1970180) Request for Administrative Approval  
Prudhoe Bay Oil Pool

Dear Mr. Rossberg:

Pursuant to Rule 9 of Area Injection Order (AIO) 3.000, the Alaska Oil and Gas Conservation Commission (AOGCC or Commission) hereby grants BP Exploration (Alaska) Inc. (BPXA)'s request for administrative approval to continue Class II waste disposal injection in the subject well.

The Commission was notified by BPXA of a casing leak in PBU GC-2E on March 6, 2008. Routine well surveillance involving temperature logging identified a leak in the production liner approximately 190 feet above the current perforated interval. The identified leak is below the production liner top packer and within the approved waste disposal injection interval as stated in AIO 3.000.<sup>1</sup> Portions of freshwater aquifers lying directly below the western operating area of PBU are exempted for Class II injection activities per Aquifer Exemption Order 1.

A passing MIT was performed on PBU GC-2E on January 8, 2008 demonstrating the well has mechanical integrity above the packer set at 3,432 feet measured depth. Tubing and inner annulus (IA) pressure data from required monitoring confirm that the well's primary and secondary barriers are competent.

AOGCC finds that BPXA has elected to perform no corrective action at this time on PBU GC-2E. Continued monitoring and periodic wellbore surveillance to assess fluid movement behind pipe is appropriate to assure injected fluids remain confined to the approved disposal interval.

The Commission believes that the well's condition does not compromise overall well integrity so as to threaten the environment or human safety, if the well's operation is subject to the constraints enumerated below. AOGCC's administrative approval to continue Class II waste disposal injection in PBU GC-2E is conditioned upon the following:

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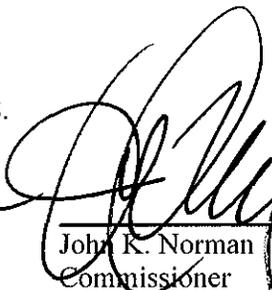
<sup>1</sup> AIO 3.000, Rule 2 allows the disposal injection of non-hazardous oilfield waste fluids into strata that correlate with PBU C-11 between 3,990 feet and 6,293 feet measured depth. For PBU GC-2E, the top of the approved disposal injection interval is 3,115 feet measured depth.

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, and shall flag the well's periodic pressure bleeds on the report;
3. BPXA shall perform an MIT - IA every 2 years to the maximum anticipated injection pressure;
4. BPXA shall evaluate the wellbore every 2 years with sufficient surveys (e.g., water flow log, temperature survey, or similar) to assess fluid movement behind pipe;
5. BPXA shall immediately notify the AOGCC and shut in the well if there is any continued deterioration in well integrity, indicated by increased inner or outer annulus pressure, increased repressure rate, or increased bleed frequency;
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 August 8, 2008.

**DONE** at Anchorage, Alaska and dated September 23, 2008.

  
Daniel T. Seamont, Jr.  
Chair

  
Cathy P. Foerster  
Commissioner

  
John K. Norman  
Commissioner



cc: BPXA Well Integrity Coordinator, PRB-20  
P.O. Box 196612  
Anchorage, AK 99519-6612

**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 Commission grants for good cause shown, a person affected by it may file with the Commission 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 Commission 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 Commission 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 Commission mails, OR 30 days if the Commission otherwise distributes, the order or decision denying reconsideration, UNLESS the denial is by in-action, in which case the appeal MUST be filed within 40 days after the date on which the application for reconsideration was filed.

If the Commission 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 Commission, and it may be appealed to superior court. That appeal MUST be filed within 33 days after the date on which the Commission mails, OR 30 days if the Commission 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 Commission 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.