

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

SEAN PARNELL, GOVERNOR

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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER 3.025 (CORRECTED)

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

RE: PBU N-08A (PTD 200-009) 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 (Commission) hereby grants BP Exploration (Alaska) Inc. (BPXA)'s request for administrative approval to continue water alternating gas (WAG) injection in the subject well. The purpose of this reissuance is to correct the anniversary date for determining the required 2-year mechanical integrity test.

The Commission was notified by BPXA of outer annulus (OA) repressurization while injecting in PBU N-08A. A rig workover in July 2005 replaced a section of the 7-inch production casing and the well's OA was cemented to surface to mitigate a leak in the 9-5/8-inch surface casing. Diagnostic mechanical integrity testing confirms the well exhibits competent tubing and production casing. Analysis of the gas sampled from the well's OA indicates the source is a shallow gas zone, not gas injected for enhanced oil recovery, and not Ivishak reservoir gas. BPXA has elected to perform no additional corrective action at this time on PBU N-08A.

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 certain constraints. BPXA's legitimate attempt to repair the surface casing leak is in part the basis for the Commission's administrative approval to continue WAG injection in PBU N-08A, conditioned upon the following:

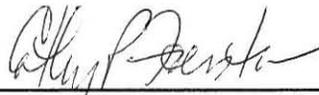
1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures and injection rates, and shall flag the well's periodic pressure bleeds on the report;

3. BPXA shall limit the well's outer annulus pressure to 1000 psi; inner annulus pressure shall be limited to 2000 psi;
4. BPXA shall perform an MIT of the tubing-casing annulus every 2 years to the maximum anticipated injection pressure;
5. Every 2 years, BPXA shall sample and analyze gas from the OA;
6. 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;
7. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
8. The MIT anniversary date is December 20, 2008.

DONE at Anchorage, Alaska and dated January 14, 2011.



Daniel T. Seamount, Jr.
Commissioner, 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 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 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.