

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100
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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER 3.026

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

RE: PBU W-42 (PTD 1880570) Request for Revision
Prudhoe Bay Oil Pool

Dear Mr. Rossberg:

By letter dated August 11, 2009 BP Exploration (Alaska) Inc. (BPXA) requested a revision to the administrative approval granted under Area Injection Order (AIO) 3.000 for Prudhoe Bay Unit (PBU) W-42. BPXA's request to increase the pressure limit for the well's outer annulus (OA) from 500 psi to 1000 psi is DENIED.

Administrative Approval AIO 3.026 authorizes BPXA to inject water only in PBU W-42 subject to several conditions including a 500-psi pressure limit for the well's OA. BPXA suggests that the conditions attached to the Commission's approval were based on confusing information provided with the report of completed sundry well operations. The Commission appreciates BPXA clarifying the source of pressure communication and type of repair in the revision request.

The pressure limit imposed on the OA by the Commission was based on two factors. First, the Commission believes a 500-psi pressure limit provides an early warning for failure of a non-permanent sealant repair. Second, the Commission finds clear historical evidence of OA repressurization that stabilizes at a pressure of approximately 300 psi according to monthly reports of well pressures provided to the Commission by BPXA.

Limiting the well's OA pressure to 500 psi pressure does not appear to have a negative impact on BPXA'S continued injection of water into PBU W-42.

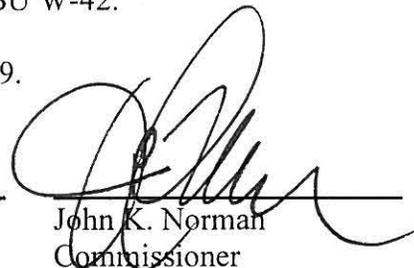
DONE at Anchorage, Alaska and dated August 25, 2009.



Daniel T. Seamount, 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 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.

