

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION
333 West 7th Avenue, Suite 100
Anchorage, Alaska 99501

Re: **THE APPLICATION OF**) Area Injection Order No. 30.005
CONOCOPHILLIPS ALASKA,)
INC. for Administrative Approval) Colville River Unit
allowing well CD3-123 (PTD) Colville River Field
2100310) to be online in water only) Fiord Oil Pool
injection service with tubing x inner)
annulus communication.) February 5, 2013
)

By letter dated January 31, 2013, ConocoPhillips Alaska, Inc. (CPAI) requested administrative approval to continue water only injection in the subject well.

In accordance with Rule 11 of Area Injection Order (AIO) 30, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** CPAI's request for administrative approval to continue water only injection in the subject well.

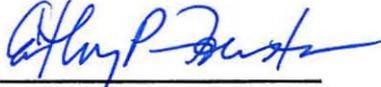
CPAI reported to AOGCC on January 9, 2013 that the well showed signs of tubing x inner annulus (TxIA) communication after being on miscible injectant (MI) since December 2012. AOGCC approved a 7 day water only injection test in order to confirm that the communication was only evident when on MI injection service. A passing mechanical integrity test Tubing x Inner Annulus (MITIA) on January 25, 2013 and subsequent diagnostics indicates that CD3-123 exhibits at least two competent barriers to the release of well pressure. The well was shut in and was observed to exhibit a very slow repressurization of the inner annulus. The AOGCC finds that CPAI does not intend to perform repairs at this time and plans to continue the service in water only injection. Accordingly, the AOGCC believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

AOGCC's approval to continue water injection only in CD3-123 is conditioned upon the following:

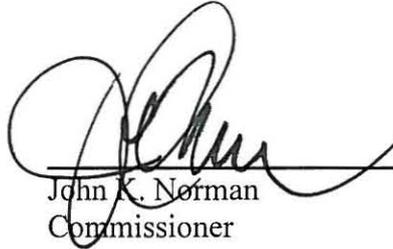
1. CPAI shall record wellhead pressures and injection rate daily;
2. CPAI shall submit to the AOGCC a monthly report of well pressures, injection rates, and pressure bleeds for all annuli. Bleeds to be flagged on the report;
3. CPAI shall perform a mechanical integrity test of the inner annulus every 2 years to the maximum anticipated injection pressure;
4. CPAI shall limit the well's IA operating pressure to 2000 psi and the OA operating pressure to 1000 psi;
5. CPAI 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 will be set as the date of the AOGCC witnessed MITIA that is to be completed once the well is returned to injection and stabilization is achieved. The Commission must be provided the opportunity to witness the MIT for the test that will establish the new MIT Anniversary date.

DONE at Anchorage, Alaska and dated February 5, 2012.



Cathy P. Foerster
Chair, Commissioner



John K. Norman
Commissioner



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 AOGCC grants for good cause shown, a person affected by it may file with the AOGCC 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 AOGCC 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 AOGCC 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 AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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 AOGCC, and it may be appealed to superior court. That appeal **MUST** be filed within **33** days after the date on which the AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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.