



**ADMINISTRATIVE APPROVAL  
AREA INJECTION ORDER 3B.004**

Mr. Ryan Daniel  
Well Integrity Engineering Team Leader  
BP Exploration (Alaska), Inc.  
P.O. Box 196612  
Anchorage, AK 99519-6612

Re: Docket Number: AIO-16-032  
Replacement Administrative Approval  
Prudhoe Bay Unit W-42 (PTD 1880570)  
Prudhoe Bay Field; Prudhoe Oil Pool

Dear Mr. Daniel:

On its own initiative, the Alaska Oil and Gas Conservation Commission (AOGCC) **RESCINDS** and **REPLACES** Administrative Approval AIO 3.026 which allows Prudhoe Bay Unit W-42 (PBU W-42) to continue injection of water only with known tubing by inner annulus communication. This replacement administrative approval clarifies the requirements for continued injection using PBU W-42.

By electronic mail dated November 13, 2015, BP Exploration (Alaska) Inc. (BPXA) requested approval to conduct the required mechanical integrity test (MIT) of the inner annulus to a test pressure of 1400 psi. According to BPXA, results of a 2013 caliper survey indicate the well's tubing has corrosion and mechanical damage with a maximum recorded pipe wall penetration of 72 percent. By email dated November 19, 2015, BPXA deemed PBU W-42 inoperable and shut the well in due to surface equipment issues. AOGCC review of the request to test to a lower pressure was suspended at that time. Surface equipment issues were resolved in July 2016 at which time BPXA returned the well to injection and performed a 1400 psi test.

AOGCC regulation at 20 AAC 25.412 establishes the minimum pressure for a required mechanical integrity test to be 1500 psi. BPXA notes that Administrative Approval AIO 3.026 – as corrected May 8, 2009 – requires testing to the maximum anticipated injection pressure. According to BPXA's November 13, 2015 email, historic records indicate the maximum injection pressure has been approximately 1200 psi. The requirements included in AIO 3.026 by AOGCC were not intended to establish a test pressure that contradicts the requirements in 20 AAC 25.412. The mechanical integrity limitations and BPXA's intent to test to a lower test pressure were not evident to AOGCC until November 2015.

The AOGCC finds that the well's deteriorating condition represents concern for continued injection into PBU W-42. BPXA is encouraged to initiate repairs to restore the well's tubing integrity. AOGCC also finds that BPXA has misinterpreted the requirements of AIO 3.026 by testing the inner annulus to 1400 psi on July 31, 2016.

The conditions of this replacement administrative approval are as follows:

1. BPXA is authorized to inject water only;
2. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures, injection rates, and pressure bleeds for all annuli. Pressure bleeds are to be flagged on the report;
3. BPXA shall perform a MIT of the tubing-casing annulus (MITIA) each July to 1500 psi;
4. BPXA shall limit the well's outer annulus pressure to 500 psi; the inner annulus pressure shall be limited to 1500 psi;
5. BPXA shall perform a caliper survey of the tubing annually beginning no later than September 30, 2016. Interpreted results, including any calculations that are used as a basis for derating the well's tubing and casing, shall be provided to AOGCC within 30 days after completing the caliper survey;
6. This administrative approval expires if pressure monitoring, tests or surveys show further deterioration of the well's mechanical integrity, and not later than December 31, 2018.

**DONE** at Anchorage, Alaska and dated August 16, 2016.

//signature on file//  
Cathy P. Foerster  
Chair, Commissioner

//signature on file//  
Daniel T. Seamount, Jr.  
Commissioner

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Hollis S. French  
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.

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.