

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL AIO 4E.015

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

RE: PBU 09-16 (PTD 1770370)
Request for Revision of Administrative Approval

Dear Mr. Rossberg:

Administrative approval AIO 4E.015 was granted to BP Exploration (Alaska) Inc. ("BPXA")'s for the continued injection of water in Prudhoe Bay Unit ("PBU") 09-16 subject to certain conditions. By letter dated October 30, 2007 (received November 20, 2007) BPXA requested a revision to the maximum allowable surface pressure on the inner annulus. The Alaska Oil and Gas Conservation Commission ("AOGCC" or "Commission") **DENIES** BPXA's request for revision.

PBU 09-16 exhibits outer annulus re-pressurization following pressure bleeds. The pressure source is unknown. BPXA provides no new information in support of reconsidering the maximum allowable inner annulus pressure except the statement that 2000 psi is "the standard for operable wells". The Commission has not established standard pressure limits for annuli pressures in injection wells. It appears BPXA is incorrectly seeking similar regulatory triggers as defined in Conservation Order 492 which covers allowable annuli pressures in development (production) wells only. Further, the information provided with the original application for administrative approval and the current request for reconsideration indicate BPXA has no problem maintaining annuli pressures under the maximum allowable surface pressure "with infrequent bleeds."

AOGCC's administrative approval to inject water only in PBU 09-16 remains as issued on January 30, 2007 with the following conditions:

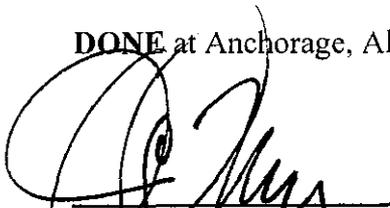
1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures and injection rates;
3. BPXA shall perform a MIT - IA every 2 years to 1.2 times the maximum anticipated well

pressure;

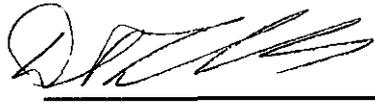
4. BPXA shall limit the well's IA pressure to 1000 psi;
5. BPXA shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
6. after well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
7. The MIT anniversary date is January 13, 2007.

As provided in AS 31.05.080(a), within 20 days after written notice of this 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. A request for reconsideration is considered timely if it is received by 4:30 PM on the 23rd day following the date of this letter, or the next working day if the 23rd day falls on a holiday or weekend. A person may not appeal a Commission decision to Superior Court unless reconsideration has been requested.

DONE at Anchorage, Alaska and dated November 28, 2007.



John K. Norman
Chairman



Daniel T. Seamont, Jr.
Commissioner



Cathy F. Foerster
Commissioner

