

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL AIO 4E.026

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

RE: PBU 04-10 (PTD 1760420) Request for Administrative Approval

Dear Mr. Rossberg:

In accordance with Rule 9 of Area Injection Order ("AIO") 04E.000, the Alaska Oil and Gas Conservation Commission ("AOGCC" or "Commission") hereby grants BP Exploration (Alaska) Inc. ("BPXA")'s request for administrative approval to continue water injection in the subject well.

PBU 04-10 exhibits tubing by inner annulus communication. Repairs were attempted in October 2007 by installing a patch to isolate leaks identified in the tubing at 6420 feet and 6435 feet measured depth. Subsequent mechanical integrity tests passed, including one witnessed by the Commission on November 19, 2007. The well still, however, exhibits pressure communication to the inner annulus indicating the tubing patch may not have resolved the pressure communication concerns. BPXA has deemed the tubing by inner annulus pressure manageable with periodic pressure bleeds.

AOGCC finds that BPXA has elected to perform no additional corrective action at this time on PBU 04-10. The Commission further finds that, based upon reported results of BPXA's diagnostic procedures and wellhead pressure trend plots, PBU 04-10 exhibits two competent barriers to the release of well pressure. Accordingly, the Commission believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

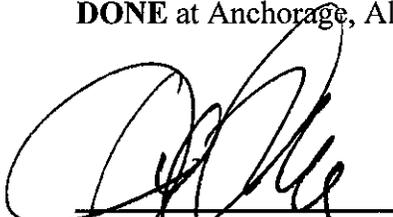
AOGCC's administrative approval to continue water injection only in PBU 04-10 is conditioned upon the following:

1. BPXA shall record wellhead pressures, injection rate, and pressure bleeds for all annuli daily;

2. BPXA shall submit to the AOGCC a monthly report of well pressures, injection rates, and pressure bleeds for all annuli;
3. BPXA shall perform an MIT-IA every 2 years to 1.2 times the maximum anticipated well pressure;
4. BPXA shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
5. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection, and
6. The MIT anniversary date is November 19, 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 December 13, 2007.



John K. Norman
Chairman



Daniel T. Seamount, Jr.
Commissioner



Cathy P. Foerster
Commissioner

