

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

SEAN PARNELL, GOVERNOR

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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER 4E.035

Mr. Doug Cismoski, P.E., Wells Intervention Manager
Attention: Well Integrity Engineer, PRB-20
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

RE: PBU 09-32 (PTD 1851180) Request for Administrative Approval

Dear Mr. Cismoski:

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 09-32 exhibits outer annulus repressurization that is being managed by periodic pressure bleeds. AOGCC finds that BPXA has elected to perform no corrective action at this time on PBU 09-32. The Commission further finds that, based upon reported results of BPXA's diagnostic procedures and wellhead pressure trend plots, PBU 09-32 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 in PBU 09-32 is conditioned upon the following:

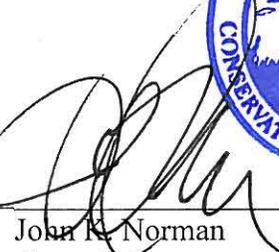
1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures, injection rates, and OA pressure bleeds;
3. BPXA shall perform an MIT-IA every 2 years to 1.2 times the maximum anticipated well pressure;
4. BPXA shall limit the well's OA pressure to 1,000 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 May 8, 2010.

DONE at Anchorage, Alaska and dated January 3, 2011.


Daniel T. Seamount, Jr.
Chair, Commissioner


Cathy P. Foerster
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 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.