

# STATE OF ALASKA

## ALASKA OIL AND GAS CONSERVATION COMMISSION

SEAN PARNELL, GOVERNOR

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### ADMINISTRATIVE APPROVAL AREA INJECTION ORDER 4E.036

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 04-10 (PTD 1760420) 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 04-10 has a history of tubing by inner annulus communication which BPXA has deemed manageable by periodic pressure bleeds. Repairs employing tubing patches were attempted in October 2007 and again in April 2010. Subsequent mechanical integrity tests have passed, including Commission witnessed tests on November 19, 2007 and May 07, 2010. The well still, however, exhibits pressure communication to the inner annulus. Following the 2010 MIT, BPXA requested that the then effective administrative approval (AIO 4E.026) be cancelled.

AOGCC finds that although BPXA has performed corrective action on PBU 04-10 that the well continues to exhibit tubing x inner annulus communication. 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;

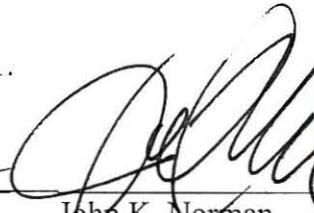
3. BPXA shall perform an MIT-IA every 2 years to 1.2 times the maximum anticipated well pressure;
4. BPXA shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
5. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection, and
6. The MIT anniversary date is April 29, 2010.

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 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.