

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER 4E.039

Mr. Douglas Cismoski, P.E.
Wells Intervention Manager
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

RE: PBU 03-37 (PTD 2091390) Request for Administrative Approval
Prudhoe Bay Oil Pool

Dear Mr. Cismoski:

Pursuant to Rule 9 of Area Injection Order (AIO) 4E.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.

BPXA notified the Commission of inner annulus (IA) repressurization affecting PBU 03-37 while injecting miscible injectant (MI). Diagnostic mechanical integrity testing confirms the well exhibits competent tubing and production casing. Attempts to locate the source of pressure communication using a leak detect log and a tubing caliper survey were unsuccessful. BPXA has elected to perform no corrective action at this time on PBU 03-37.

The Commission believes that the well's condition does not compromise overall well integrity so as to threaten the environment or human safety, if the well's operation is subject to certain constraints. AOGCC's administrative approval to continue water injection only in PBU 03-37 is conditioned upon the following:

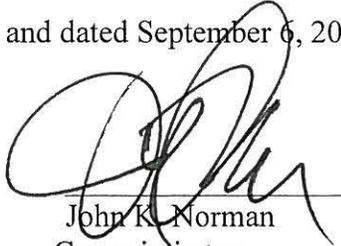
1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures and injection rates, and shall flag the well's periodic pressure bleeds on the report;
3. BPXA shall limit the well's IA pressure to 2000 psi.
4. BPXA shall perform an MIT - IA every 2 years to 1.2 times the maximum anticipated injection pressure;

5. BPXA shall immediately notify the AOGCC and shut in the well if there is any continued deterioration in well integrity, indicated by increased inner or outer annulus pressure, increased repressure rate, or increased bleed frequency;
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 August 02, 2011.

DONE at Anchorage, Alaska and dated September 6, 2011.



Daniel T. Seamount, Jr.
Chair



John K. Norman
Commissioner



Cathy P. Foerster
Commissioner

cc: BPXA Well Integrity Coordinator, PRB-20
P.O. Box 196612
Anchorage, AK 99519-6612



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.