

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ANCHORAGE, ALASKA 99501-3539
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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER 4E.040

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

RE: PBU 11-38A (PTD 1982160) Administrative Approval
Prudhoe Bay Oil Pool

Dear Mr. Cismoski:

On its own motion, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** an administrative approval to continue water injection in the subject well pursuant to Rule 9 of Area Injection Order (AIO) 4E.000.

PBU 11-38A is a redrill of 11-38 that was drilled and completed in December 1998 and converted to a service well in January 2006. A workover was conducted in association with the conversion to replace leaking tubing and to investigate the possibility of a Cretaceous casing leak. The tubing string was recovered and a long "scab" liner was set to isolate damaged casing. The new 4-1/2" liner top was established at 5029' md and a new packer was set at 4956' md.

As constructed, 11-38A does not meet the requirements of 20 AAC 25.412 (b) for an injection well which is required to be equipped with a packer set not more than 200' measured depth above the top of the perforations. The purpose of this requirement is to ensure that the injection string can be monitored throughout its length via the casing tubing annulus for possible leakage. As constructed, in excess of 6000' of this wellbore cannot be monitored. Where fresh water is not affected, 20 AAC 25.450 gives the Commission authority to approve less stringent well construction and integrity requirements. For wells similarly constructed, the Commission has exercised this discretionary authority and approved injection operations with the fluid limited to water only.

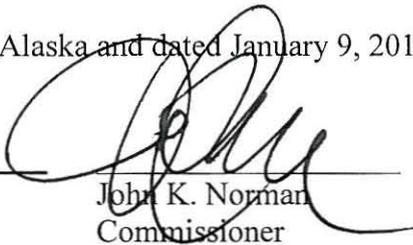
AOGCC's administrative approval to continue **WATER INJECTION ONLY** in PBU 11-38A is conditioned upon the following:

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 volumes;
3. BPXA shall demonstrate the continued integrity of the injection string every 2 years. An MIT-T employing a deep plug set within 200' md of the 2-7/8" liner top at 10802' md or by performing a diagnostic log such as water flow or temperature logs may be performed;
4. BPXA shall perform a mechanical integrity test of the inner annulus ("MIT-IA") to a minimum of 1500 psi every 2 years to demonstrate continued integrity of production casing;
5. BPXA shall immediately shut in the well and notify the Commission if there is any change in the well's mechanical condition; and
6. After well shut in due to a change in the well's mechanical condition, Commission approval shall be required to restart injection;

DONE at Anchorage, Alaska and dated January 9, 2012.


Daniel T. Seamount
Chair, Commissioner


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.