

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL AIO 5.013

Mr. Ted Kramer
Chevron North America
Exploration and Production
909 W. 9th Avenue
Anchorage, AK 99501-3322

RE: TBU K-22 (PTD 175-014) Request for Administrative Approval

Dear Mr. Kramer:

Per Rule 9 of Area Injection Order 5, the Alaska Oil and Gas Conservation Commission ("Commission") hereby grants Chevron North America Exploration and Production ("Chevron") administrative approval to inject water in Trading Bay Unit ("TBU") K-22. This approval is based on Chevron's request and supplementary information provided by electronic mail dated September 10, 11, 13, 24, and October 2, 2007. This administrative approval replaces the canceled sundry approval (304-249).

On September 10, 2007 Chevron requested approval from the Commission to restart injection in shut in well TBU K-22. The well was shut in during March 2007 following repeat failed attempts to demonstrate the well's continued mechanical integrity with a temperature survey as required by Sundry 304-249. Chevron confirmed an obstruction in the well's tubing as the reason for not being able to run the temperature survey. The well has known tubing-casing pressure communication.

Chevron has elected to perform no corrective action at this time on TBU K-22, deferring to a possible rig workover during the spring of 2008. Allowing TBU K-22 to inject will enable the water flood to continue operating while other wells are shut down for their required temperature surveys which are due during the next 6 months. Temperature surveys run in TBU K-22 in conjunction with the most recent 4 years of rate and pressure trends indicate the injected fluids are exiting the well at the perforations and that pressures are contained within the wellbore. The Commission believes that the well's condition does not compromise overall well integrity so as to threaten the environment or human safety.

The Commission's administrative approval to inject water only in TBU K-22 is conditioned upon the following:

1. Injection authorization expires March 31, 2008 and is not renewable;
2. Chevron shall install, maintain and operate automatic well shut-in equipment on the outer annulus. The actuation pressure shall not exceed 800 psi. Testing of the shut-in equipment shall be performed in conjunction with production well pilots and safety valves;
3. Chevron shall limit injection pressure to 2500 psi measured at the surface.
4. Chevron shall monitor and record the tubing, inner annulus, and outer annulus pressures, injection rate, and any pressure bleeds at least once per day;
5. Chevron shall submit to the Commission a monthly report of daily well pressures, injection rates, and all pressure bleeds; and
6. Chevron shall immediately shut in the well and notify the Commission if there is any change in the well's mechanical condition.

As provided in AS 31.05.080, 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 rehearing. A request for rehearing 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 rehearing has been requested.

DONE at Anchorage, Alaska and dated October 4, 2007.



Daniel T. Seamount, Jr.
Commissioner



Cathy F. Foerster
Commissioner

