

# 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 AIO 8.004

Mr. Larry Greenstein  
Union Oil Company of California  
P.O. Box 196427  
Anchorage, AK 99519-6247

Re: South Middle Ground Shoal (S MGS) Unit 14 (PTD 1750660) Request for Administrative Approval  
Middle Ground Shoal Oil Pool, Dillon Platform

Dear Mr. Greenstein:

In accordance with Rule 9 of Area Injection Order (AIO) 008.000, the Alaska Oil and Gas Conservation Commission (AOGCC or Commission) hereby approves Union Oil Company of California (Union)'s request for administrative approval to inject non-hazardous oil field fluids into the subject well.

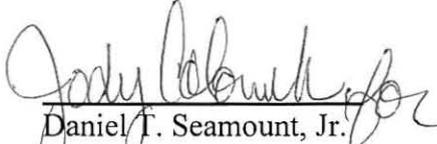
A wellbore temperature survey indicates that well S MGS Unit 14 exhibits a production casing / liner leak, and thus does not meet the mechanical integrity requirement of AIO 008.000. The Commission finds that Union does not intend to repair the well at this time. However, injected fluid appears to be confined to subsurface strata that are approved by AIO 008.000 to receive injected fluids. Accordingly, the Commission believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

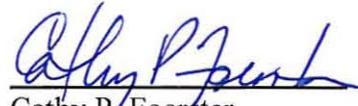
AOGCC's administrative approval to inject non-hazardous oil field fluids in S MGS Unit 14 is conditioned upon the following:

1. Union shall monitor wellhead pressures and injection rate continuously during injection;
2. Union shall submit to the AOGCC a post-injection report of injected fluid source, type, and volume;
3. Union shall limit the inner annulus pressure to 2000 psi;
4. Union 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. Union shall perform and submit to the AOGCC a post-injection wellbore temperature survey.

**DONE** at Anchorage, Alaska and dated September 15, 2009.

  
Daniel T. Seamount, Jr.  
Chairman

  
Cathy P. Foerster  
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 in-action, 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.