

ADMINISTRATIVE APPROVAL NO. DIO 17.005

Ms. Marta Czarnecki
Environmental Coordinator
ConocoPhillips
P.O. Box 66
Kenai, Alaska 99611

Re: Disposal Injection of Canola Oil

Dear Ms. Czarnecki:

Disposal Injection Order (“DIO”) 17 approved the injection of Class II waste fluids into North Cook Inlet Unit (“NCIU”) Well A-12, located on the Tyonek Platform. There have been four administrative approvals granted since DIO 17 was issued clarifying fluids eligible for injection into this Class II disposal well. On June 15 and clarified June 19-20, 2006, Conoco Phillips Alaska, Inc (“CPAI”) requested approval to dispose of canola oil (vegetable oil) in NCIU Well A-12. CPAI’s request is approved.

The Tyonek Platform is the sole facility developing the North Cook Inlet Unit gas field. Well A-12 is both a gas production well and a periodic Class II disposal injector, completed with dedicated production and injection tubing strings. ConocoPhillips has scheduled workovers for several Tyonek Platform wells using a concentric coil tubing to clean and unplug the wells (restore production). Canola oil will be used as a lubricant to assist running the concentric coil tubing in the wells, being applied to the coil tubing within a spill containment area. Nearly 100 percent of the canola oil will be recovered from the coil when returned from downhole. According to ConocoPhillips, the possibility of drips outside containment and flooding of the spill containment area due to heavy rains could allow used and unused canola oil to mix with deck drainage. Per DIO 17.002, deck drainage is currently authorized for injection into Well A-12. The fluid noted in CPAI’s request is generated during well maintenance operations directly associated with oil and gas development. The Commission agrees that underground injection into this Class II well represents the environmentally preferable option for managing non-hazardous drilling and service fluid on the Tyonek platform.

Confinement of fluids to the intended injection zone in Well A-12 has been demonstrated by historical injection performance data provided by ConocoPhillips. Well integrity has been demonstrated by successful mechanical integrity testing and monitoring the well’s annular pressures. The disposal of canola oil will have no detrimental effect on the confinement of fluids. Well integrity, correlative rights, and waste will not occur from canola oil disposal into Well A-12.

The Commission has determined that the canola oil is suitable for disposal in the NCIU Well A-12 as proposed.

Done at Anchorage, Alaska and dated June 21, 2006.

John K. Norman
Chairman

Dan T. Seamount
Commissioner

Cathy P. Foerster
Commissioner