

Administrative Approval DIO 19.01

Re: The application from Unocal Inc. to perforate additional interval in GP State 17587 No. 3 for disposal of Class II fluids.

August 12, 1999

C.A. Ruff
Unocal North American Oil and Gas Division
P.O. Box 196427
Anchorage, Alaska 99519-6247

Dear Mr. Ruff:

We have received your application to add perforations above the defined disposal interval pursuant to DIO 19. The interval requested represents the "C1" sand within the Lower Tyonek Formation between 9015 feet and 9240 feet measured depth in the Granite Point State 17587 #3 well.

The Commission has reviewed your application to expand the defined disposal interval up to 9015 feet measured depth. Initial development of the well as a producer and then as an injector utilized perforated intervals up to 9240 feet measured depth. The initial disposal intervals only considered developed sands and did not address non-developed sands. The additional interval does not come within a quarter mile of any other wells in the area. Cement isolation appears to be adequate for containment of disposal fluids and the operator has demonstrated mechanical integrity of the well. Additional perforations will not affect the amount of impermeable lithologies in the Upper Tyonek Formation, which serve as barriers to disposal fluid migration.

The Alaska Oil and Gas Conservation Commission has reviewed the evidence available and finds that adding perforations to the GP 17587 #3 well will not affect containment of disposal fluids. The additional perforations will allow flexibility in conducting waste disposal operation, will not jeopardize correlative rights nor cause waste.

Therefore, the Commission approves the addition of perforations to the GP 17587 #3 well and expansion of the disposal zone up 9015 feet measured depth.

Sincerely,

Robert N. Christenson, P.E.
Chairman

David W. Johnston
Commissioner

BY ORDER OF THE COMMISSION