

# STATE OF ALASKA

SARAH PALIN, GOVERNOR

## ALASKA OIL AND GAS CONSERVATION COMMISSION

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### ADMINISTRATIVE APPROVAL NO. ERIO 3.001

Mr. Jim Arlington  
Vice President, Land & Government Affairs  
Pacific Energy Resources Ltd.  
310 K Street, Suite 700  
Anchorage, AK 99501

Re: Extension of Enhanced Recovery Injection Order No. 3  
West McArthur River Unit; West McArthur River Oil Pool;  
Well West McArthur River Unit No. 2A

Dear Mr. Arlington:

By letter dated and received November 5, 2008, Pacific Energy Resources Ltd. (PERL) requests that the Alaska Oil and Gas Conservation Commission (Commission) approve a 24-month extension of the November 6, 2008, expiration date for the pilot waterflood project in the West McArthur River Oil Pool (WMROP), West McArthur River Unit (WMRU); the pilot waterflood project is authorized by Enhanced Recovery Injection Order No. 3 (ERIO 3).

**In accordance with Rule 11, Administrative Actions, of ERIO 3, PERL's request is approved: the expiration date specified in Rule 1 of ERIO 3 is extended from November 6, 2008 to November 6, 2010. All other conditions of ERIO 3 remain in effect.**

The Commission issued ERIO 3 to Forest Oil Corporation (Forest) on November 6, 2006. Under Rule 1 of ERIO 3, the order expired 24 months later: *i.e.*, on November 6, 2008. The pilot waterflood authorized by ERIO 3 has not been initiated, but PERL, which succeeded Forest as operator of the WMRU, stated in the extension request that it intends to initiate the pilot waterflood after well WMRU No. 2A is worked over to repair tubing and restore the well's mechanical integrity. PERL anticipates that this work will occur in the spring of 2009, and then PERL intends to commence injection and gather the data necessary to determine whether waterflooding is an effective means of enhancing recovery in the WMROP.

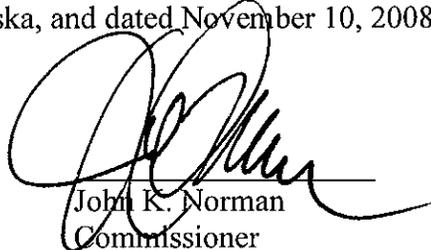
Amending the expiration date of ERIO 3 will allow PERL adequate time to conduct and analyze the results of the pilot waterflood project and decide whether to apply to make the project permanent or expand the project to the entire pool or both. Approving the extension request will not promote waste or jeopardize correlative rights, is based on sound engineering and geoscience principles, and will not result in fluid movement outside of the authorized injection zone. Therefore, the Commission is

authorized, under Rule 11 of ERIO 3, to administratively amend Rule 1 of ERIO 3 to extend the expiration date to November 6, 2010.

**ENTERED** at Anchorage, Alaska, and dated November 10, 2008.



Daniel T. Seamount, Jr.  
Chair



John K. Norman  
Commissioner



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 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.