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Jody J. Colombie
Via electronic transmittal to jody.colombie@alaska.gov
Alaska Oil and Gas Conservation Commission
333 W. 7th Ave #100
Anchorage, Alaska, 99501-3539

RE: Questions Regarding AOGCC Proposed Regulation Changes

Dear Ms. Colombie:

ConocoPhillips Alaska, Inc. ("ConocoPhillips") respectfully submits the attached question list relating to the Notice of Proposed Changes in Regulations of the Alaska Oil and Gas Conservation Commission dated 7/20/16. We have sought to focus our questions on issues where the answers will inform our understanding of the Commission's goals. Our questions are also submitted with the intention to develop an understanding of the material impact of the proposed regulations. Better understanding the goals for and impact of the proposed changes will help us contribute constructive comments on how to achieve the goals while avoiding unnecessary burdens, costs, or complications and guide further engagement with the AOGCC. We may have further questions based on the AOGCC's response to the questions and the substance of the hearing scheduled for September 27.

Thank you for considering our request and allowing us this opportunity to gain further understanding of the proposed regulations.

Regards,

A handwritten signature in blue ink, appearing to read 'Erik Keskula'.

Erik Keskula
Manager, North Slope Development

Question List:

Regulation	Questions
20.030 Cementing	<p>Under (d)(5): By increasing the amount of cement pumped from 500' MD to 500' TVD, is there a technical objective that 500' TVD of cement above significant hydrocarbon zones will address?</p> <p>Under (d)(8): What purpose would be served by restating this requirement from the requirements that are currently in the Hydraulic Fracturing regulations, 20 AAC 25.283?</p> <p>Under (e): Is there a technical objective for this new requirement? For context, if 50% of the casing burst exceeds the BOP rating, this new regulation would require a higher rated BOP which would add unnecessary operational challenges. This discourages the use of higher strength casing. Casing test pressures need to be tied to MASP and included in the PTD.</p>
25.055 Well Spacing and Notification	<p>Why is the full wellbore path rather than the completed interval being proposed as the criteria for a spacing exception?</p> <p>In subsection (a), why does (3) differ from (1), (2) and (4) by restricting compliance to the 'interval' rather than the entire well path?</p>
25.071 Logs and Geologic Data	<p>What is the purpose for continuing to provide a reproduced copy (hard copy) when companies and other agencies (BLM and DNR) are using electronic image files only?</p>
25.270 Reservoir Properties(e)	<p>The Annual Reservoir Properties Report (Form 10-428) is listed in the proposed regulation changes. The attached form is listed as Form 10-412. Should the attached form be changed to Form 10-428?</p>
25.537(a)(3) Public Information	<p>Is there a purpose for this proposal other than clarification? Would this regulation change the Commission's existing practice? How is this new language fundamentally different than what is already in (6)?</p>

Question List (continued):

Regulation	Questions
25.556 Orders Expiration	<p>Is there a gap in AOGCC's existing authority (e.g., 20 AAC 25.520) to request a review of orders that necessitates this new regulation?</p> <p>What is the intended scope of this proposal? Would administrative orders, such as area injection order administrative approvals allowing conditional exceptions for individual wells, be included?</p> <p>What is AOGCC's plan for scheduling the 5-year reviews in a way that avoids a backlog?</p> <p>Are conservation order and area injection order rules generally durable, or does the AOGCC foresee frequent significant changes in the future?</p> <p>What is the purpose for proposing a hard five-year expiry instead of less onerous alternatives for protecting existing orders from being outdated?</p> <p>Under (b):</p> <ul style="list-style-type: none">• Does the Commission foresee having orders with an explicit exception to this regulation? <p>Under (d):</p> <ul style="list-style-type: none">• When would the commission reauthorize orders on its own motion?• Is there some criteria for determining if a review is warranted?• Describe a 'proper' application?• What is 'timely'?• What will happen if an order expires during the application review process? For example, would production from a pool need to stop?• What would necessitate a public hearing in this context? Would there need to be evidence of a change in circumstances in order to justify a public hearing on an existing order? <p>Under (d)(1):</p> <ul style="list-style-type: none">• What level of detail would be required in the analysis?• Would existing rules need to be fully revisited and justified, or just with respect to changed circumstances? How is an operator to know what changes are material and require review and approval by the Commission?