

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
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ADMINISTRATIVE APPROVAL

AREA INJECTION ORDER 1.011 AMENDED

Mr. Douglas Cismoski
Wells Intervention Manager
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

RE: Duck Island Unit 3-35/L36 (PTD 1870200) Request for Administrative Approval
Endicott Oil Pool

Dear Mr. Cismoski:

The commission has amended the Administrative Approval to reflect the increase of the inner annulus pressure to **2500 psi** instead of 2000 psi, and to update the MIT anniversary date to **May 7, 2011**.

In accordance with Rule 9 of Area Injection Order (AIO) 001.000, the Alaska Oil and Gas Conservation Commission (AOGCC or Commission) hereby grants BP Exploration (Alaska) Inc. (BPXA)'s request for administrative approval to continue water injection in the subject well.

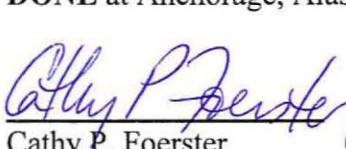
Wellhead pressure trend plots confirm that Duck Island Unit 3-35/L36 (DIU 3-35) exhibits inner annulus repressurization. The rate of repressurization is slow and confirmed to be manageable with periodic pressure bleeds. The Commission finds that BPXA does not intend to perform repairs at this time. Reported results of BPXA's diagnostic mechanical integrity tests indicate that DIU 3-35 exhibits at least two competent barriers to the release of well pressure. Accordingly, the Commission believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

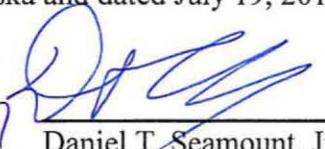
AOGCC's administrative approval to continue water injection only in DIU 3-35 is conditioned upon the following:

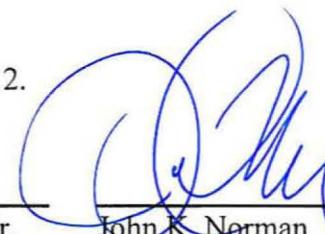
1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures, injection rates, and pressure bleeds for all annuli;
3. BPXA shall perform a mechanical integrity test of the inner annulus every 2 years to the maximum anticipated injection pressure;
4. BPXA shall limit the inner annulus pressure to **2500 psi**;

5. BPXA shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
6. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
7. The MIT anniversary date is **May 7, 2011**.

DONE at Anchorage, Alaska and dated July 19, 2012.


Cathy P. Foerster
Chair, Commissioner


Daniel T. Seamount, Jr.
Commissioner


John K. Norman
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.