

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

SARAH PALIN, GOVERNOR

333 W 7th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
FAX (907) 276-7542

ADMINISTRATIVE APPROVAL AREA INJECTION ORDER 1.009 (Revised)

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

RE: Duck Island Unit 1-05/O20 (PTD 1861060) Request for Administrative Approval
Endicott Oil Pool

Dear Mr. Rossberg:

BP Exploration (Alaska) Inc. (BPXA) requests a permanent revision to the anniversary date for mechanical integrity tests (MIT) for Duck Island Unit (DIU) 1-05. Area Injection Order 1.009 granted BPXA's request for administrative approval to continue gas injection in the subject well. The Alaska Oil and Gas Conservation Commission (AOGCC or Commission) now approves BPXA's request to change the anniversary date for MIT's.

DIU 1-05 exhibits inner annulus (IA) repressurization that is manageable with periodic pressure bleeds. The Commission finds that BPXA successfully completed a passing MIT in the tubing-casing annulus of DIU 1-05 on September 23, 2008 with a test pressure of 5,800 psi. The MIT demonstrates competent primary and secondary barriers to the release of wellbore fluids. The Commission further finds that outer annulus pressures do not indicate anomalous conditions or loss of pressure integrity. The Commission believes that neither the well's condition nor changing the MIT due date will compromise overall well integrity so as to threaten the environment or human safety, if the well's operation is subject to the constraints enumerated below.

AOGCC's administrative approval to continue gas injection in DIU 1-05 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 and injection rates, and shall flag the well's periodic pressure bleeds on the report;
3. BPXA shall perform an MIT-IA every 2 years to the maximum anticipated injection pressure;
4. BPXA shall maintain and operate existing automatic well shut-in equipment linked to the well's IA pressure. The actuation pressure shall not exceed 2,500 psi. Testing of the

- shut-in equipment shall be performed in conjunction with production well pilots and safety valves;
5. BPXA shall limit the IA pressures to 2,500 psi;
 6. BPXA shall immediately notify the AOGCC and shut in the well if there is any continued deterioration in well integrity, indicated by increased inner or outer annulus pressure, increased repressure rate, or increased bleed frequency;
 7. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
 8. The MIT anniversary date is revised to June 23; the first MIT is due June 23, 2010.

DONE at Anchorage, Alaska and dated June 12, 2009.


Daniel T. Seamount, Jr.
Chair


Cathy P. Foerster
Commissioner


John K. Norman
Commissioner



cc: BPXA Well Integrity Coordinator, PRB-20
P.O. Box 196612
Anchorage, AK 99519-6612

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.