

ADMINISTRATIVE APPROVAL AIO 10B.003

Ms. Janice L. Vosika
Delivery Manager, Milne Point
BP Exploration (Alaska) Inc.
900 East Benson Boulevard
P.O. Box 196612
Anchorage, AK 99519-6612

RE: Application to Administratively Add an Additional Authorized Fluid for Injection into the Schrader Bluff Oil Pool (Rule 1 Part B Section 2, AIO 10B)

Dear Ms. Vosika:

The Alaska Oil and Gas Conservation Commission (“Commission”) has received your correspondence, dated August 19, 2005, requesting an amendment to Area Injection Order No. 10-B (“AIO 10B”) to include source water from the Ivishak Formation as an authorized fluid for injection into the Schrader Bluff Oil Pool. Such an amendment is allowed under Rule 8 of AIO 10B.

BP Exploration (Alaska) Inc. (“BPX”) is proposing to supplement existing injection source water with water from the Ivishak Formation, which is of much higher temperature than the fluids currently used for purposes of pressure maintenance and enhanced recovery. Higher temperature source water may improve recovery efficiency.

The Commission has reviewed laboratory analytical results for Ivishak water samples from several nearby wells. Those results indicate the Ivishak source water will be compatible with fluids found within the Schrader Bluff Formation and with other source waters currently injected into the Schrader Bluff Formation.

The addition of Ivishak source water as an allowed injection fluid is based on sound engineering and geoscience principles, and it will not promote waste or jeopardize correlative rights and will not result in an increased risk of fluid movement into freshwater.

Accordingly, Rule 1 Part B of AIO 10B shall be amended to read as follows:

PART B – Schrader Bluff Oil Pool

1. Schrader Bluff Oil Pool Authorized Injection Stratum:
Authorized fluids may be injected into the stratum that correlates with the interval between the measured depths of 4,174 feet and 4,800 feet in the Conoco MPU Well No. A-1.

2. Schrader Bluff Oil Pool Authorized fluids:
Fluids authorized for injection for the SBOP are:
 - a) produced water from MPU production for purposes of pressure maintenance and enhanced recovery;
 - b) source water from the Prince Creek Formation;
 - c) tracer survey fluid to monitor reservoir performance
 - d) the fluids injected for the purposes of stimulation per 20AAC24.280(2) ;
 - e) non-hazardous treated wastewater from the Milne Point Wastewater Treatment Plant and non-hazardous water collected from MPU reserve pits well house cellars and standing ponds; and
 - f) **source water from the Ivishak Formation.**

DONE at Anchorage, Alaska and dated September 12, 2005.

John K. Norman
Chairman

Daniel T. Seamount, Jr.
Commissioner

Cathy P. Foerster
Commissioner