

**ALASKA OIL AND GAS
CONSERVATION COMMISSION**

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ADMINISTRATIVE APPROVAL AIO 10B.006

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

RE: MPU E-03 (PTD 1890170) Request for Administrative Approval
Kuparuk River Oil Pool

Dear Mr. Rossberg:

In accordance with Rule 8 of Area Injection Order ("AIO") 10B.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 gas injection in the subject well. This administrative approval replaces the canceled sundry approval (304-007).

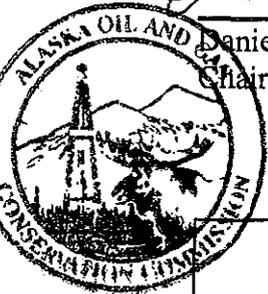
Milne Point Unit ("MPU") E-03 exhibits outer annulus repressurization that stabilizes with formation pressure below 1000 psi. AOGCC finds that BPXA has elected to perform no corrective action at this time on MPU E-03. The Commission further finds that, based upon reported results of BPXA's diagnostic procedures and wellhead pressure trend plots, MPU E-03 exhibits two competent barriers to the release of well pressure. Gas sampling and analysis performed in May 1999 supports the diagnostic test results indicating that outer annulus pressure appears due to hydrates or a shallow water aquifer, and not a result of internal well mechanical integrity failure. 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 gas injection in MPU E-03 is conditioned upon the following:

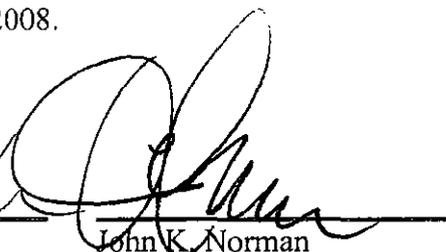
1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures, injection rates, and annulus pressure bleeds;

3. BPXA shall perform an MIT-IA every 2 years to 1.2 times the maximum anticipated well pressure;
4. BPXA shall limit the well's OA pressure to 1,500 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 December 12, 2007.

DONE at Anchorage, Alaska and dated March 12, 2008.

Daniel T. Seamount, Jr.
Chairman


Cathy P. Foerster
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 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 the order. If the notice was mailed, then the period of time shall be 23 days. The application for reconsideration must set out the respect in which the order 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. The failure to act on it within the 10-day period is a denial of it. If the Commission denies an application for reconsideration by order or inaction, upon denial, this order and the order denying reconsideration or inaction become **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 denying reconsideration, **UNLESS** the denial results from inaction, in which case the appeal **MUST** be filed within 40 days after the date on which the application for reconsideration is filed. If the Commission grants an application for reconsideration, this order does not become final. Rather, the order on reconsideration will be the **FINAL** order 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 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.