

# STATE OF ALASKA

## ALASKA OIL AND GAS CONSERVATION COMMISSION

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### ADMINISTRATIVE APPROVAL NO. AIO 10B.008

Ms. Colleen Burgh  
Waste Management Compliance Authority  
BP Exploration (Alaska), Inc.  
P.O. Box 196612  
Anchorage, AK 99519-6612

Re: **The application from BP Exploration (Alaska), Inc.** to authorize soapy water used to clean a produced water pipeline for enhanced oil recovery injection into the Kuparuk River Oil Pool, Milne Point Unit, North Slope, Alaska.

Dear Ms. Burgh:

BP Exploration (Alaska), Inc. (BPXA) requested by letter dated June 15, 2009 approval to inject soapy water from cleaning a produced water pipeline as an enhanced oil recovery fluid. Area Injection Order 10B (AIO 10B), Rule 1 – Part A addresses fluids authorized for injection into the Milne Point Unit (MPU) Kuparuk River Oil Pool. BPXA's request to inject soapy water as described in the application is approved.

Fluids authorized for injection into the MPU Kuparuk River Oil Pool for purposes of enhanced oil recovery are limited to produced water and gas from MPU production for purposes of pressure maintenance and enhanced recovery; source water from the Prince Creek Formation; seawater to thermally fracture gas injection wells; tracer survey fluid to monitor reservoir performance; fluids injected for the purposes of stimulation per 20 AAC 24.280(2); miscible gas injectant (including NGLs imported from the Prudhoe Bay Unit) for purposes of pressure maintenance and enhanced recovery), and 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. AIO 10B provides for the approval of other fluids by administrative action.

BPXA plans to abandon approximately 5 miles of a produced water line at MPU. Pipeline abandonment operations will involve pumping a diesel slug and pipeline pig, with the diesel, sludge and solid wastes being caught and recycled. The final cleaning step involves the use of approximately 2000 barrels of fresh water with a small amount of a non-hazardous commercial cleaner/degreaser. The soapy water solution is not currently addressed in AIO 10B. Product information provided with BPXA's application confirms that the cleaner/degreaser is non-hazardous and that the soapy water will be compatible with the formation. BPXA also affirms

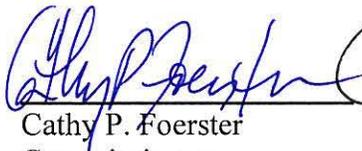
the soapy water is comparable with the already approved treated wastewater stream from the Milne Point Wastewater Treatment Plant.

The Commission agrees with BPXA's assessment that there is no reason to believe injecting the requested fluids – approximately 2000 barrels of soapy water resulting from cleaning the 5 miles of a produced water pipeline – will have a detrimental impact to enhanced oil recovery from the Kuparuk River Oil Pool at MPU. The Commission further finds that injecting the subject fluids will not promote waste or jeopardize correlative rights, and will not contribute to the potential for fluid movement outside of the authorized injection zone.

**DONE** at Anchorage, Alaska and dated June 24, 2009.



Daniel T. Seamount, Jr.  
Chair



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 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.