

# STATE OF ALASKA

## ALASKA OIL AND GAS CONSERVATION COMMISSION

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### ADMINISTRATIVE APPROVAL AREA INJECTION ORDER 10B.009

Mr. Doug Cismoski, P.E., Wells Intervention Manager  
Attention: Well Integrity Engineer, PRB-20  
BP Exploration (Alaska) Inc.  
P.O. Box 196612  
Anchorage, AK 99519-6612

RE: Milne Point Unit, Kuparuk River Oil Pool MPF-13 (195-027)  
Request for Administrative Approval

Dear Mr. Cismoski:

On December 16, 2010 BP Exploration Alaska, Inc ("BPXA") requested an administrative approval under Rule 8 of Area Injection Order ("AIO") 10B to allow continued water injection in Milne Point Unit ("MPUU") well MPF-13. The Alaska Oil and Gas Conservation Commission ("Commission") **GRANTS** BPXA's request for WATER ONLY injection, as detailed below.

This well was recently worked over and a production casing leak was discovered over 4000' md above the Kuparuk interval. BPXA's remedy was to employ multiple packers with tubing straddling the leak. As constructed, MPF-13 does not meet the requirements of 20 AAC 25.412 (b) for an injection well which is required to be equipped with a packer set not more than 200' measured depth ("md") above the top of the perforations. The purpose of this requirement is to ensure that the tubing string can be monitored throughout its length for possible leakage. Some 4200' of this wellbore cannot be monitored. Where fresh water is not affected, 20 AAC 25.450 gives the Commission authority to approve less stringent well construction and integrity requirements. For wells similarly constructed, the Commission has exercised this discretionary authority and approved injection operations with the fluid limited to water only.

The well passed MIT-IA and MITT on October 3, 2010 during the workover and subsequently passed a witnessed MIT-IA on October 20, 2010 demonstrating integrity. Accordingly, the Commission believes that the well's condition will not result in an increased risk of movement of fluids outside the injection zone.

Per Rule 8 of AIO 10B, the Commission hereby grants BPXA's request to continue injection in well MPU MPF-13 on the following conditions:

1. Injection is limited to WATER ONLY;
2. BPXA shall monitor and record tubing, inner annulus pressures and injection rate daily;

3. BPXA shall submit to the Commission a monthly report of well pressures and injection rates including any pressure bleed events;
4. BPXA shall perform a mechanical integrity test of the tubing ("MIT-T") to 1.2 times the maximum injection pressure every 2 years with a plug set below the deep packer to demonstrate continued integrity of the injection string;
5. BPXA shall perform a mechanical integrity test of the inner annulus ("MIT-IA") to 1.2 times the maximum injection pressure every 2 years to demonstrate continued integrity of production casing;
6. BPXA shall run a tubing caliper log every 2 years;
7. BPXA shall immediately shut in the well and notify the Commission if there is any change in the well's mechanical condition; and
8. After well shut in due to a change in the well's mechanical condition, Commission approval shall be required to restart injection.
9. For administrative purposes, the MIT anniversary date is October 20, 2010.

DONE at Anchorage, Alaska and dated January 3, 2011.

  
Daniel T. Seamont, Jr.  
Chair, Commissioner

  
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.