

ADMINISTRATIVE APPROVAL NO. AIO 18B.002

Mr. Matt Elmer
Alpine Operations Superintendent
ConocoPhillips Alaska Inc.
ALP 15
P.O. Box 196860
Anchorage, AK 99519-0105

Re: **The application from ConocoPhillips Alaska, Inc.** to inject non-hazardous fluids for Class II enhanced oil recovery in the Colville River Field, Alpine Oil Pool, North Slope, Alaska.

Dear Mr. Elmer:

ConocoPhillips Alaska, Inc. ("CPAI") has requested by letter dated April 21, 2005 authorization to inject non-hazardous fluids from several sources into Class II enhanced oil recovery ("EOR") wells in the Alpine Oil Pool. These fluids would normally be injected into the Class I disposal well (WD-02), however, there is no option for fluid disposal when the well is unavailable due to compliance testing or diagnostics when there are indications of possible mechanical integrity concerns. The Commission may authorize the injection of non-hazardous fluids for EOR purposes if it is appropriate for enhanced recovery. The non-hazardous fluid sources are: sump fluid, hydrotest fluid, rinsate, and excess well work fluids (brine, freshwater, etc.). Additional clarification about the characteristics and sources of rinsate was provided by CPAI on May 20, 2005.

Area Injection Order ("AIO") 18A authorized the injection of water and miscible gas for EOR into the Alpine Oil Pool and wastes generated from exploration and production-related activities for disposal purposes into the Ivishak and Sag River formations. On August 1, 2002 the Commission administratively approved CPAI's request to blend treated camp wastewater effluent with seawater for EOR when WD-02 is unavailable. On October 7, 2004 the Commission issued amended AIO 18B, expanding the area authorized for injection and clarifying well integrity requirements.

According to CPAI, the fluid streams would be blended with Alpine manifold CD1B water injection and would account for 0.02 percent of the weekly total EOR fluid injection volume based on current water injection rates. The

maximum volume of the non-hazardous fluids injected per week would be 10,000 gallons. In addition to documentation confirming the non-hazardous status of these fluid streams under Resource Conservation and Recovery Act provisions, CPAI provided the results of fluid compatibility studies that demonstrate the proposed fluid/seawater mix would not be detrimental to the Alpine reservoir.

The Commission agrees with CPAI's analysis and assessment that blending seawater, treated camp wastewater and the small volume of these additional fluid streams prior to injection is unlikely to impact the EOR efficiency negatively. The Commission further finds that the blended EOR fluid will not promote waste or jeopardize correlative rights, and will not contribute to the potential for fluid movement outside of the injection zone.

Therefore, in accordance with the provisions of Area Injection Order 18B, Rule 11 the Commission approves the injection of the following non-hazardous fluids by blending with existing Class II fluids used for EOR: sump fluid, hydrotest fluid, rinsate generated from washing mud hauling trucks, and excess well work fluids. The Commission further incorporates the previously approved blending of treated camp effluent with the seawater for EOR purposes as described in AIO 18A.01. As a condition of this approval CPAI must continue to collect and analyze representative samples of the mixed fluid stream at Alpine manifold CD1B to demonstrate its non-hazardous characteristics and its continued suitability for EOR injection. Analysis results shall be retained according to the provisions of 20 AAC 25.310. Volumes shall be incorporated into the monthly (Form 10-406) and annual (Form 10-413) injection reports.

DONE at Anchorage, Alaska and dated June 1, 2005.

John K. Norman
Chairman

Daniel T. Seamount
Commissioner

Cathy P. Foerster
Commissioner