

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION
333 West 7th Avenue, Suite 100
Anchorage, Alaska 99501

Re: **THE APPLICATION OF**) Area Injection Order No. 18C.002
CONOCOPHILLIPS ALASKA,)
INC. for Administrative Approval) Colville River Unit
allowing well CD4-321 (PTD) Colville River Field
2061420) to be online in water only) Nanuq Oil Pool
injection service with outer annulus x)
outer outer annulus pressure) April 25, 2013
communication.)

By letter dated April 13, 2013, ConocoPhillips Alaska, Inc. (CPAI) requested administrative approval to continue water only injection in the subject well.

In accordance with Rule 11 of Area Injection Order (AIO) 18C.000, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** ConocoPhillips Alaska Inc. (CPAI)'s request for administrative approval to continue water only injection in the subject well.

CPAI reported to AOGCC on March 18, 2013 that well CD4-321 showed signs of a surface casing leak to atmosphere via the surface casing by conductor annulus. A surface casing leak detect log (SCLD) was performed on March 17, 2013 indicating a suspected leak at 54 ft.

The AOGCC finds that CPAI does not intend to perform repairs at this time. A passing non-witnessed mechanical integrity test of the Inner Annulus (MITIA) on March 17, 2013 indicates that CRU CD4-321 exhibits at least two competent barriers to the release of well pressure. Accordingly, the AOGCC believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

AOGCC's approval to continue water injection only in CRU CD4-321 is conditioned upon the following:

1. CPAI shall record wellhead pressures and injection rate daily;
2. CPAI shall submit to the AOGCC a monthly report of well pressures, injection rates, and pressure bleeds for all annuli. Bleeds to be flagged on the report;
3. CPAI shall perform a mechanical integrity test of the inner annulus (MITIA) every 2 years to the maximum anticipated injection pressure;
4. CPAI shall limit the well's IA operating pressure to 2000 psi and the OA operating pressure to as low as reasonably possible not to exceed 100 psi;
5. CPAI 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 will be set as the date of the AOGCC witnessed MITIA that is to be completed once the well is returned to injection and stabilization is achieved. The Commission must be provided the opportunity to witness the MIT for the test that will establish the new MIT Anniversary date.

DONE at Anchorage, Alaska and dated April 25, 2013.

for Jody J. Colomich
Cathy P. Foerster
Chair, Commissioner

[Signature]
Daniel T. Seamount, Jr.
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 AOGCC grants for good cause shown, a person affected by it may file with the AOGCC 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 AOGCC 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 AOGCC 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 AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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 AOGCC, and it may be appealed to superior court. That appeal **MUST** be filed within **33** days after the date on which the AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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.

