

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

SEAN PARNELL, GOVERNOR

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ADMINISTRATIVE APPROVAL AIO 28.003

Mr. Martin Walters
Problem Wells Supervisor
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

RE: CRU CD4-209 (PTD 2060650) Request for Administrative Approval

Dear Mr. Walters:

An application to continue water injection in CRU well CD4-209 with a known communication was received on October 19, 2010. The injection order and rule citation are incorrect. Injection into the Nanuq Oil Pool is governed by Area Injection Order (AIO) 28, rather than AIO 18 which applies to the Alpine Oil Pool.

In accordance with Rule 11 of AIO 28.000, the Alaska Oil and Gas Conservation Commission (AOGCC or Commission) hereby **GRANTS** ConocoPhillips Alaska Inc. (CPAI)'s request for administrative approval to continue water injection in the subject well.

Colville River Unit (CRU) CD4-209 exhibits pressure communication between the production and surface casings (outer annulus or OA). The Commission was notified of the communication in November 2009. Positive pressure tests performed on the well's inner annulus (IA), OA, have identified a leak at 36' below pad level. Although the flow rate through the leak is small, the IA and OA pressures tend to equalize over time. The Commission finds that CPAI does not intend to perform repairs at this time, deferring until a rig workover can be justified. Reported results of CPAI's diagnostic procedures and wellhead pressure trend plots indicate that CRU CD4-209 exhibits at least two competent barriers to the release of well pressure. 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 water injection only in CRU CD4-209 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;
3. CPAI shall perform an MIT-IA every 2 years to 1.2 times the maximum anticipated injection pressure;
4. CPAI shall perform an MIT-OA or IA x OA CMIT every 2 years to 1800 psi;
5. CPAI shall limit IA pressure to 2000 psi and OA pressure to 1000 psi;
6. CPAI shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
7. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection, and
8. The MIT anniversary date is November 28, 2009.



DONE at Anchorage, Alaska and dated November 1, 2010.

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.