

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL 2B.021

Mr. Brent Rogers
Problem Well Supervisor
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

RE: KRU 3B-01 (PTD 1850560) Request for Administrative Approval

Dear Mr. Rogers:

In accordance with Rule 9 of Area Injection Order ("AIO") 02B.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.

Kuparuk River Unit ("KRU") 3B-01 exhibits communication between the surface casing and conductor at approximately 50 inches below the annulus valve. Mechanical integrity tests performed on the well's inner annulus ("IA") demonstrate the well has competent tubing and production casing. The Commission finds that CPAI does not intend to perform repairs at this time, but does intend to patch the surface casing within 24 months. The Commission further finds, based upon reported results of CPAI's diagnostic procedures and wellhead pressure trend plots, that KRU 3B-01 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.

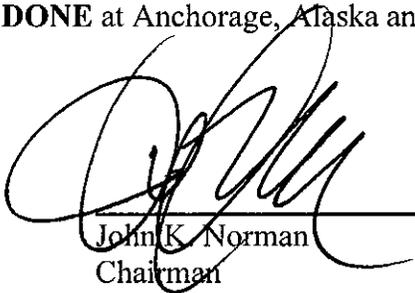
AOGCC's administrative approval to continue water injection in KRU 3B-01 is conditioned upon the following:

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 immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;

5. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection, and
6. The MIT anniversary date is June 8, 2007.

As provided in AS 31.05.080, within 20 days after written notice of this 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 rehearing. A request for rehearing is considered timely if it is received by 4:30 PM on the 23rd day following the date of this letter, or the next working day if the 23rd day falls on a holiday or weekend. A person may not appeal a Commission decision to Superior Court unless rehearing has been requested.

DONE at Anchorage, Alaska and dated November 5, 2007.



John K. Norman
Chairman



Daniel T. Seamount, Jr.
Commissioner

