

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

SEAN PARNELL, GOVERNOR

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AMENDED ADMINISTRATIVE APPROVAL AREA INJECTION ORDER 2B.038

Ms. MJ Loveland
Well Integrity Project Supervisor
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

RE: KRU 3N-13 (PTD 1860810) Request for Administrative Approval
Kuparuk River Oil Pool

Dear Ms. Loveland:

In accordance with Rule 9 of Area Injection Order (AIO) 02B.000, the Alaska Oil and Gas Conservation Commission (AOGCC or Commission) granted ConocoPhillips Alaska Inc. (CPAI)'s request for an amended administrative approval to continue water injection in the subject well. **The Commission further amends this approval to clarify that testing of the well shut-in equipment linked to the well's outer annulus pressure includes both the shut-down valve and the mechanical or electrical pressure detection device.**

The Commission approved AIO 2B.038 for Kuparuk River Unit (KRU) 3N-13 on November 6, 2008. This well exhibits tubing by inner annulus (IA) communication. Diagnostic testing confirms a leak at the top of the packer. Testing also indicates the communication is one-way, from the IA to the tubing, and that the IA pressure will equalize with the tubing pressure. Reported results of CPAI's diagnostic procedures and wellhead pressure trend plots indicate that KRU 3N-13 exhibits at least two competent barriers to the release of well pressure. The Commission determined that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

On December 19, 2008 CPAI requested Commission approval to increase the inner annulus pressure maximum to 3,000 psi. CPAI's request is a precautionary move to cover the potential for the well to be opened to full choke, which would result in inner annulus pressure equalizing with the injection header pressure of 2,800 psi. CPAI notified the AOGCC on February 6, 2009 that automatic shut in equipment tied to the well's outer annulus pressure was installed in support of the amendment request.

AOGCC's administrative approval to continue water injection only in KRU 3N-13 is amended and 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 limit the inner annulus pressure to 3,000 psi and outer annulus pressure to 1,000 psi;
4. CPAI shall install, maintain and operate automatic well shut-in equipment linked to the well's outer annulus pressure. The actuation pressure shall not exceed 1,000 psi. **Testing of the shut-in equipment (shut-down valve and mechanical or electrical pressure detection device) shall be performed in conjunction with production well pilots and safety valves. CPAI shall provide to the Commission the testing procedure that will be used to verify the integrity of the well shut-in equipment linked to the outer annulus pressure;**
5. CPAI shall perform a mechanical integrity test of the tubing every 2 years to the maximum anticipated injection pressure;
6. CPAI shall perform a combination mechanical integrity test of the tubing and inner annulus every 2 years to the maximum anticipated injection pressure;
7. CPAI shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
8. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
9. The MIT anniversary date is July 6, 2008.

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



Daniel T. Seamount, 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.