

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL NO. AIO 2B.004 (Amended)

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

RE: Kuparuk River Unit 2M-09A (196-090)
Revised Administrative Approval

Dear Ms. Loveland:

Administrative Approval AIO 2B.004 issued February 6, 2006 set forth conditions for operating Kuparuk River Unit ("KRU") 2M-09A (PTD 196-090) including biennial mechanical integrity tests of the tubing and inner annulus. The specific tests were required by the Alaska Oil and Gas Conservation Commission ("Commission") to demonstrate integrity of the injection string (combination of tubing and liner) and the production casing (the 7" casing above the liner top). By electronic mail dated August 31, 2007 ConocoPhillips Alaska, Inc ("CPAI") advised of apparent damage to the nipple profile preventing installation of the plug for the injection string mechanical integrity test ("MIT-T"). Caliper and water flow logs were suggested by CPAI as alternatives to the required test.

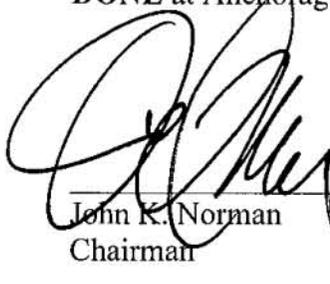
The Commission concurs with CPAI's recommendation to substitute caliper and water flow logs for the MIT-T. This revised administrative approval allowing injection in KRU 2M-09A is conditioned upon the following:

1. Injection is limited to WATER ONLY;
2. CPAI shall monitor and record tubing, inner annulus, and outer annulus pressures and injection rate daily;
3. CPAI shall submit to the Commission a monthly report of well pressures and injection rates;
4. CPAI shall demonstrate the continued integrity of the injection string every 2 years. A MIT-T employing the nipple profile at 9017' md, or water flow and caliper logs may be performed;
5. CPAI shall perform a mechanical integrity test of the inner annulus ("MIT-IA") every 2 years to demonstrate continued integrity of production casing;
6. CPAI shall immediately shut in the well and notify the Commission if there is any change in the well's mechanical condition;

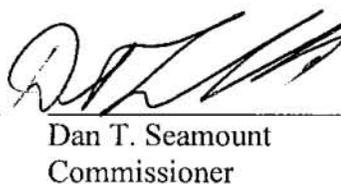
7. After well shut in due to a change in the well's mechanical condition, Commission approval shall be required to restart injection.

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.

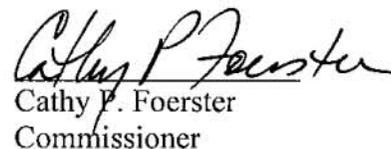
DONE at Anchorage, Alaska and dated September 5, 2007.



John K. Norman
Chairman



Dan T. Seamont
Commissioner



Cathy P. Foerster
Commissioner

