

ADMINISTRATIVE APPROVAL 2B.005

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

RE: Kuparuk River Unit 3Q-21 (195-193)
Request for Administrative Approval

Dear Ms. McConnell:

On April 27, 2006 ConocoPhillips Alaska, Inc ("CPAI") requested an administrative approval under Rule 9 of Area Injection Order ("AIO") 2A to allow continued water injection in service well Kuparuk River Unit ("KRU") 3Q-21. The Alaska Oil and Gas Conservation Commission ("Commission") GRANTS your request for WATER ONLY service, as detailed below.

As constructed, KRU 3Q-21 does not meet the requirements of 20 AAC 25.412 (b) for an injection well which is required to be equipped with a packer set not more than 200' measured depth above the top of the perforations. The purpose of this requirement is to ensure that the injection string can be monitored throughout its length for possible leakage. Some 3600' of this wellbore cannot be monitored. Where fresh water is not affected, 20 AAC 25.450 gives the Commission authority to approve less stringent well construction and integrity requirements. For wells similarly constructed, the Commission has exercised this discretionary authority and approved injection operations with the fluid limited to water only.

CPAI has provided pressure test information, dated April 25, 2006, using water that demonstrates that the injection string (combination of tubing and liner) and the surface casing (the 7-5/8" casing above the packer) do have integrity. Per Rule 9 of Area Injection Order 2B, the Commission hereby grants CPAI's April 27, 2006 request for administrative approval to allow the well to remain in service.

The Commission's administrative approval allowing injection in KRU 3Q-21 is conditioned upon the following:

1. Injection is limited to WATER ONLY;

2. CPAI shall monitor and record tubing, inner annulus pressures and injection rate daily;
3. CPAI shall submit to the Commission a monthly report of well pressures and injection rates;
3. CPAI shall perform a mechanical integrity test of the tubing ("MIT-T") every 2 years with a plug set in the nipple profile at 7158' measured depth to demonstrate continued integrity of the injection string;
4. CPAI shall perform a mechanical integrity test of the inner annulus ("MIT-IA") every 2 years to demonstrate continued integrity of production casing;
5. CPAI shall immediately shut in the well and notify the Commission if there is any change in the well's mechanical condition; and
5. After well shut in due to a change in the well's mechanical condition, Commission approval shall be required to restart injection.
6. For administrative purposes, the MIT anniversary date is April 25, 2006.

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 May 8, 2006.

John K. Norman
Chairman

Daniel T. Seamount, Jr.
Commissioner

Cathy P. Foerster
Commissioner