

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
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CANCELLATION ADMINISTRATIVE APPROVAL NO. AIO 2B.006

Mr. Perry Klein
Well Integrity Project Supervisor
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

RE: Cancellation of Administrative Approval AIO 2B.006 (Well KRU 1H-07)

Dear Mr. Klein:

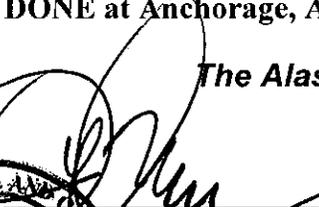
Pursuant to ConocoPhillips (Alaska), Inc. ("CPAI")'s request dated January 7, 2008 Alaska Oil and Gas Conservation Commission ("AOGCC" or "Commission") hereby cancels Administrative Approval AIO 2B.006, which allows continued water injection in Kuparuk River Unit ("KRU") well 1H-07. This well exhibited tubing by inner annulus communication, and several attempts to repair the communication without rig intervention were unsuccessful. The Commission determined that water injection could safely continue in the well, but subject to a number of restrictive conditions set out in the administrative approval.

CPAI has since completed rig workover operations to replace the tubing in KRU 1H-07. A passing mechanical integrity test was witnessed by an AOGCC Inspector on December 29, 2007. Consequently, Administrative Approval AIO 2B.006 no longer applies to operation of this well. Instead, injection into KRU 1H-07 will be governed by provisions of the underlying AIO No. 2B.

DONE at Anchorage, Alaska and dated January 15, 2008.

The Alaska Oil and Gas Conservation Commission




John E. Norman
Chairman


Daniel T. Seamount, Jr.
Commissioner


Cathy P. Foerster
Commissioner