



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Alaska Oil and Gas Conservation Commission

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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER NO. 2C.025

Mr. Jan Byrne
Problem Wells Supervisor
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

Re: Docket Number: AIO-15-029
Request for administrative approval to allow well 3B-12 (PTD 1851160) to be online in water only injection service with a known inner annulus by formation communication.
Kuparuk River Unit (KRU) 3B-12 (PTD 1851160)
Kuparuk River Field
Kuparuk River Oil Pool

Dear Mr. Byrne:

By letter dated June 30, 2015, ConocoPhillips Alaska, Inc. (CPAI) requested administrative approval to continue water only injection in the subject well.

In accordance with Rule 11 of Area Injection Order (AIO) 02C.000, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** CPAI's request for administrative approval to continue water only injection in the subject well.

CPAI reported a potential Inner Annulus pressure communication to AOGCC on June 19, 2015. CPAI performed diagnostics and determined a production casing leak to formation is present at approximately 5644 ft TVD. The surface casing shoe is 3235 ft TVD. CPAI completed a passing non-state witnessed Mechanical Integrity Test of the Tubing (MITT) on June 27, 2015 and Mechanical Integrity Test of the Outer Annulus (MITOA) on June 18, 2015 which indicates that 3B-12 exhibits at least two competent barriers to the release of well pressure. Accordingly, the AOGCC believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

Rule 11 of AIO 2C.000 allows administrative amendment of any rule stated as long as the operator demonstrates to the AOGCC's satisfaction that sound engineering practices are maintained and the amendment will not result in an increased risk of fluid movement into an underground source of drinking water.

Finding 5 of AIO 2B.000 states that the Kuparuk River Oil pool is within the area covered by an aquifer exemption granted by the U.S Environmental Protection Agency in 40 CFR 147.102(b)(3).

AOGCC's approval to continue water injection only in KRU 3B-12 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. Bleeds to be flagged on the report;
3. CPAI shall perform a mechanical integrity test of the tubing every 2 years;
4. CPAI shall perform a mechanical integrity test of the outer annulus every 2 years;
5. CPAI shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
6. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
7. The MIT anniversary date is June 27, 2015.

DONE at Anchorage, Alaska and dated July 8, 2015.


Cathy P. Foerster
Chair, Commissioner


Daniel T. Seamont, Jr.
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 AOGCC grants for good cause shown, a person affected by it may file with the AOGCC 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 AOGCC 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 AOGCC 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 AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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 AOGCC, and it may be appealed to superior court. That appeal **MUST** be filed within **33** days after the date on which the AOGCC mails, **OR 30** days if the AOGCC otherwise distributes, the order or decision on 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.