



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Alaska Oil and Gas Conservation Commission

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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER NO. 2C.030

Mr. Randall Kanady
Staff Drilling Engineer
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

Re: Docket Number: AIO-15-053
Request for administrative approval to allow for drill cuttings disposal as long as the bottom hole injection pressure stays below a pressure gradient of 0.87 psi/ft.
Kuparuk River Unit (KRU)
Kuparuk River Field

Dear Mr. Kanady:

By letter dated December 16, 2015, ConocoPhillips Alaska, Inc. (CPAI) requested administrative approval to allow for drill cuttings disposal as long as the bottom hole injection pressure stays below a pressure gradient of 0.87 psi/ft.

In support of its application, CPAI has identified the Ugnu confining zone strength via two established methods 1) Leak Off Test (LOT) and Formation Integrity Test (FIT) data in the Kuparuk River Unit and 2) Calculated Overburden Stress from Density Logs from wells in the Kuparuk River Unit. Both methods indicate that a bottom hole injection pressure of 0.87 psi/ft will be less than the confining zone strength and that injected fluids will be confined to the permitted interval.

In accordance with Rule 11 of Area Injection Order (AIO) 2C.000, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** CPAI's request for administrative approval to allow for drill cuttings disposal as long as the bottom hole injection pressure stays below a pressure gradient of 0.87 psi/ft.

NOW THEREFORE IT IS ORDERED THAT:

Rule 2 of AIO 2C.000 is repealed and replaced by the following:

Rule 2. Authorized Injection Strata for Disposal

Within the affected area, Class II oil field fluids may be injected in conformance with 20 AAC 25 for the purpose of fluid disposal into strata defined as those strata which correlate with the strata found in ARCO West Sak River State Well No. 1 between the measured depths of 3390 feet and 3640 feet; and with the strata found in ARCO/BP Ugnu Well No. 1 between the measured depths of 8370 feet and 8800 feet; within tract ADL 25648 (Sections 3, 4, 9, and 10, T11N, R10E, UM) into the zone which correlates with the strata found in ARCO West Sak River State Well No. 1 between the measured depths of 3145 feet and 3390 feet; within portions of tracts ADL 355023, ADL 355024, and ADL 373301 (Sections 3, 4, 5, 8, 9 and 10, T13N, R9E) into the non-hydrocarbon bearing portions of the zone which correlates with the strata found in ARCO Oliktok Point Well No. 2 between the measured depths of 2937 feet and 3544 feet; and within portions of tracts ADL 25660 and ADL 25661 (Sections 26,27,34 and 35, T11N, R10E) into the non-hydrocarbon bearing portions of the zone which correlates with the strata found in ARCO West Sak River State Well No.1 between the measured depths of 3145 feet and 3390 feet. **Disposal well bottom hole injection pressures must be maintained at or below a pressure gradient of 0.87 psi/ft.**

Rule 6 of AIO 2C.000 is repealed and replaced by the following:

Rule 6. Demonstration of Tubing/Casing Annulus Mechanical Integrity

A schedule must be developed and coordinated with the AOGCC, which ensures that the tubing/casing annulus for each injection well is pressure tested prior to initiating injection and at least once every four years thereafter. A test surface pressure of 1500 psi or 0.25 psi/ft multiplied by the vertical depth of the packer, whichever is greater, but not to exceed a hoop stress greater than 70% of the casing's minimum yield strength, must be held for 30 minutes with no more than a 10 percent decline. Alternative EPA methods may also be used with AOGCC approval, including but not limited to timed-run radioactive tracer survey (RTS), oxygen activation logs, temperature logs and noise logs. Wells with tubing-to-casing communication must be surveyed or logged every other year and wells which demonstrate mechanical integrity every fourth year. **Class II disposal wells injecting solid slurries (used muds, cuttings, produced sand, etc.) require an MIT once every two years.** The AOGCC must be notified at least 24 hours in advance to enable a representative to witness pressure tests or the application of alternative methods.



DONE at Anchorage, Alaska and dated January 20, 2016.

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.