

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

SEAN PARNELL, GOVERNOR

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ADMINISTRATIVE APPROVAL NUMBERS AIO 22C.002 (Amended) and AIO 3.010 (Amended)

Mr. Scott Digert
WF Subsurface Resource Manager
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

Ms. Diane Richmond
GPB West Subsurface Resource Manager
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

Re: Request to Amend AIO 22C.002 and AIO 3.010 to allow for commingled WAG injection within the Aurora and Prudhoe (Western Operating Area) Oil Pools

Dear Mr. Digert and Ms. Richmond:

On December 7, 2006 the Alaska Oil and Gas Conservation Commission (Commission) issued Area Injection Order (AIO) 22C.002 and AIO 3.010 approving comingled water injection in Prudhoe Bay Unit (PBU) S-31A. By letter dated January 22, 2010, BP Exploration (Alaska) Inc. (BP) requested approval to amend AIO 22C.002 to allow field-wide, comingled Water-Alternating Gas (WAG) injection into both the Aurora and Prudhoe Oil Pools. In accordance with Rule 9 of AIO 003.000, and Rule 8 of AIO 22C the Commission hereby denies BP's request authorizing pool wide WAG injection and grants BP's request specifically for PBU S-31A.

WAG injection is authorized by the individual injection orders and commingling for water was allowed by the cited administrative approvals. BP Exploration Alaska has complied with the rules established that allowed commingled injection into Well S-31A and proposes to determine the necessary allocation to the pools using techniques similar to those employed while injecting water only. Since administrative approvals were issued for both oil pools, any modifications need to be made to both approvals. However, since the original approvals only applied to PBU S-31A, the requested amendment is not appropriate for pool wide application.

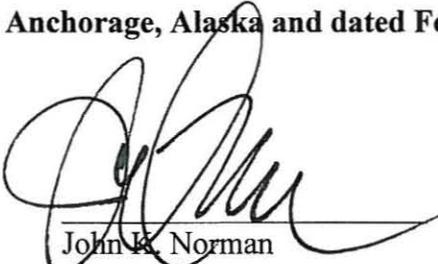
The following conditions apply:

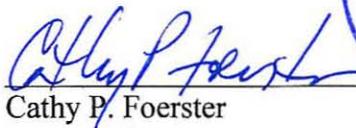
1. An approved Application for Sundry Approval (Form 10-403) is required prior to commencement of comingled injection.
2. A downhole injection survey for purposes of allocation of injection by pool is required within 60 days of sustained injection and at least once per year thereafter so long as

commingled injection continues.

3. Monthly reports of injected volumes by pool must be submitted on the Monthly Injection Report (Form 10-406)
4. Annual and total cumulative volumes injected by pool and results of logs or surveys used for determining the allocation of water injection between pools must be supplied in the annual reservoir surveillance report.

DONE at Anchorage, Alaska and dated February 2, 2010


John K. Norman
Commissioner


Cathy P. Foerster
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 Commission grants for good cause shown, a person affected by it may file with the Commission 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 Commission 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 Commission 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 Commission mails, **OR 30** days if the Commission 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 Commission 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 Commission, and it may be appealed to superior court. That appeal **MUST** be filed within **33** days after the date on which the Commission mails, **OR 30** days if the Commission otherwise distributes, the order or decision on reconsideration. As provided in AS 31.05.080(b), "[t]he questions reviewed on appeal are limited to the questions presented to the Commission by the application for 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.