

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL AIO 3.014

Mr. Steve Rossberg, Wells Manager
BP Exploration (Alaska) Inc.
900 East Benson Blvd.
P.O. Box 196612
Anchorage, AK 99519-6612

RE: PBU S-11B (PTD 1990530) Request for Administrative Approval

Dear Mr. Rossberg:

In accordance with Rule 9 of Area Injection Order 003.000, the Alaska Oil and Gas Conservation Commission ("AOGCC" or "Commission") hereby grants BP Exploration (Alaska) Inc. ("BPXA")'s request for administrative approval to inject water in the subject well. The Commission hereby denies BPXA's request for administrative approval to inject gas in the subject well.

PBU S-11B exhibits surface casing repressurization. AOGCC finds that BPXA has elected to perform no corrective action at this time on PBU S-11B and is able to manage the surface casing pressure with pressure bleeds. The Commission further finds that, based upon reported results of BPXA's diagnostic procedures, PBU S-11B exhibits two competent barriers to the release of well pressure. Accordingly, the Commission believes that well operation in water injection service will not threaten the environment or human safety. However, the Commission believes that PBU S-11B's condition does not conform to the relatively more stringent standards of well integrity necessary to ensure safe gas injection.

AOGCC's administrative approval to inject water only in PBU S-11B is conditioned upon the following:

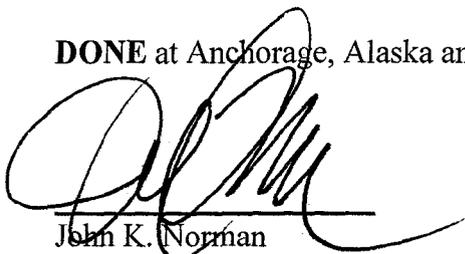
1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures and injection rates;
3. BPXA shall perform a MIT-IA every 2 years to 1.2 times the maximum anticipated well pressure;

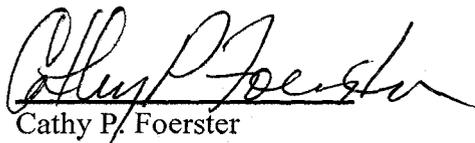
4. BPXA shall limit the well's IA pressure to 1000 psi;
5. BPXA shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
6. after well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
7. The MIT anniversary date is December 26, 2006.

Please note that PBU S-11B's status is changed from WAGIN to 1WINJ.

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 January 30, 2007.


John K. Norman
Chairman


Cathy P. Foerster
Commissioner

