

# 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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### ADMINISTRATIVE APPROVAL AIO 3.017

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

RE: PBU Z-19A (PTD 2061050) 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 and gas in the subject well.

PBU Z-19A exhibits outer annulus pressure that stabilizes at 900 to 1100 psi and is consistently higher than the inner annulus pressure. BPXA provided supplemental information on April 8, 2007 demonstrating by gas sample analysis that the outer annulus pressure is likely from a know gas hydrate deposit penetrated by PBU Z-19A. AOGCC finds that BPXA is able to manage the outer annulus pressure with pressure bleeds. The Commission further finds that, based upon reported results of BPXA's diagnostic procedures, PBU Z-19A exhibits two competent barriers to the release of well pressure. Accordingly, the Commission believes that well operation in water and gas injection service will not threaten the environment or human safety.

AOGCC's administrative approval to inject water and gas in PBU Z-19A is conditioned upon the following:

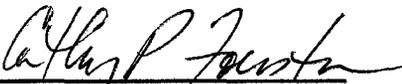
1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures and injection rates;
3. BPXA shall perform a MIT - IA every 2 years to 1.2 times the maximum anticipated well pressure;
4. BPXA shall limit the well's outer annulus pressure 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 11, 2006.

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 April 13, 2007.

  
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Daniel T. Seamount, Jr.  
Commissioner

  
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Cathy P. Foerster  
Commissioner

