

# STATE OF ALASKA

## ALASKA OIL AND GAS CONSERVATION COMMISSION

SARAH PALIN, GOVERNOR

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### ADMINISTRATIVE APPROVAL 3.026

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

RE: PBU W-42 (PTD 1880570) Request for Administrative Approval  
Prudhoe Bay Oil Pool

Dear Mr. Rossberg:

Pursuant to Rule 9 of Area Injection Order (AIO) 3.000, the Alaska Oil and Gas Conservation Commission (Commission) hereby grants BP Exploration (Alaska) Inc. (BPXA)'s request for administrative approval to resume water injection in the subject well.

Administrative approval AIO 3.009 authorized the continued injection of water only into PBU W-42. The Commission determined injection could continue with tubing by inner annulus communication subject to a number of restrictive conditions. Additional testing subsequent to approval of AIO 3.009 confirmed that PBU W-42 also had a casinghead leak. BPXA requested cancellation of the administrative approval, stating it did not intend to operate PBU W-42 without a passing mechanical integrity test of the outer annulus. The Commission canceled AIO 3.009 on September 14, 2007.

BPXA allegedly performed a sealant repair of the casinghead leak in November 2007. Work was performed without Commission approval and without BPXA submitting required paperwork closing out the sealant repair. Information provided by BPXA in response to Commission inquiries about the repairs – including a report of sundry well operations dated April 23, 2009 – indicates that the sealant repair was successful in mitigating the casinghead leak.

BPXA is reminded that most repairs to injection well mechanical integrity require at least a report of completed sundry well operations (Form 10-404) and some require prior approval. In the case of pumping a sealant, BPXA should have sought Commission approval, and followed up work with a report of sundry operations in a timelier manner. The attached document titled "*Well Work Operations and Sundry Notice/Reporting Requirements for Pools Subject to Sundry Waiver Rules*," ("sundry matrix") dated July

frequently performed well operations in the pools that have been defined in the Prudhoe Bay Field. **Please ensure all appropriate BPXA persons involved with planning and permitting of injection well mechanical integrity repairs have read and understood the sundry matrix.**

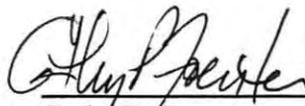
The current request for administrative approval indicates PBU W-42 exhibits manageable inner annulus repressurization as shown by wellhead pressure trends. Diagnostic mechanical integrity testing performed in March and April 2009 confirms the well exhibits competent tubing and production casing. BPXA has elected to perform no additional corrective action at this time on PBU W-42.

The Commission believes that the well's condition does not compromise overall well integrity so as to threaten the environment or human safety, if the well's operation is subject to the certain constraints. BPXA's legitimate attempt to repair the surface casing leak is in part the basis for the Commission's administrative approval to continue WAG injection in PBU N-08A, 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, and shall flag the well's periodic pressure bleeds on the report;
3. BPXA shall limit the well's outer annulus pressure to 500 psi; inner annulus pressure shall be limited to 2000 psi;
4. BPXA shall perform an MIT of the tubing-casing annulus every 2 years to the maximum anticipated injection pressure;
5. BPXA shall immediately notify the AOGCC and shut in the well if there is any continued deterioration in well integrity, indicated by increased inner or outer annulus pressure, increased repressure rate, or increased bleed frequency;
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 April 10, 2009.

**DONE** at Anchorage, Alaska and dated May 5, 2009.

  
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Daniel T. Seamont, Jr.  
Chair

  
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Cathy P. Foerster  
Commissioner

  
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John K. Norman  
Commissioner



cc: BPXA Well Integrity Coordinator, PRB-20  
P.O. Box 196612  
Anchorage, AK 99519-6612

**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.