

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

SEAN PARNELL, GOVERNOR

333 W. 7th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
FAX (907) 276-7542

CANCELLATION ADMINISTRATIVE APPROVAL NO. AIO 3.027

Mr. Doug Cismoski, P.E., Wells Intervention Manager
Attention: Well Integrity Engineer, PRB-20
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

RE: Cancellation of Administrative Approval AIO 3.027 (Well PBU W-35)

Dear Mr. Cismoski:

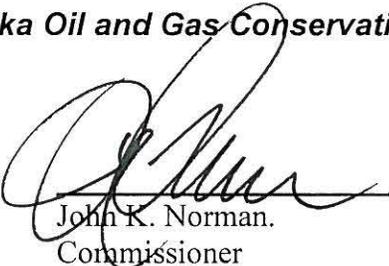
Pursuant to BP Exploration (Alaska) Inc. (BPXA)'s request dated December 16, 2010, the Alaska Oil and Gas Conservation Commission (Commission) hereby cancels Administrative Approval AIO 3.027, which allows continued water injection in Prudhoe Bay Unit ("PBU") well W-35. This WAG injection well exhibited inner annulus repressurization while injecting MI. BPXA did not at the time propose repairing the well to eliminate the problem. The Commission determined that water injection could safely continue in the well, but subject to a number of restrictive conditions set out in the administrative approval.

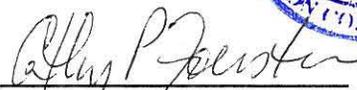
Not long after the Administrative Approval was issued, BPXA set a tubing patch that has, based on the required monthly pressure monitoring, repaired the well. The well successfully passed an MIT-IA on September 12, 2009. Consequently, Administrative Approval AIO 3.027 no longer applies to operation of this well. Instead, injection into PBU W-35 will be governed by provisions of the underlying AIO No. 3.

DONE at Anchorage, Alaska and dated January 3, 2011.

The Alaska Oil and Gas Conservation Commission


Daniel T. Seamont, Jr.
Commissioner, Chair


John K. Norman
Commissioner


Cathy P. Foerster
Commissioner

