

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

## ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL NO. AIO 4C.02

ADMINISTRATIVE APPROVAL NO. AIO 3.03

Mr. Geoffrey S. Kany  
Waste and Release Reporting Technical Authority  
BP Exploration (Alaska), Inc.  
P.O. Box 196612  
Anchorage, AK 99519-6612

Dear Mr. Kany:

By letter dated May 26, 2004, BP Exploration (Alaska), Inc. ("BPXA") requested authorization for the underground injection of the waste stream generated from the external cleaning of aerial gas coolers at Flow Stations 1 and 2 within the Eastern Operating Area of Prudhoe Bay Unit. The request specifically requests the beneficial reuse of the rinsate as an enhanced oil recovery injection fluid, and the disposal of the resultant slurry (after settlement) into the Grind and Inject Facility under Area Injection Order 4C. Clarification provided to the Alaska Oil and Gas Conservation Commission ("Commission") on June 2, 2004, notes the cleaning campaign may extend in the future to other areas of the Prudhoe Bay Unit (the gathering centers in the Western Operating Area) and possibly the Endicott facilities. Included with the letter were material safety data sheets, sample analyses, and justifications (compatibility of fluids with existing enhanced recovery efforts, benefits of cleaning, environmental preference).

The Commission may authorize the injection of fluids for enhanced recovery of oil and gas if the fluid is appropriate for enhanced recovery, sound engineering practices are maintained and the amendment will not result in an increased risk of fluid movement into an underground source of drinking water. Disposal under Area Injection Order 4C is limited to "Class II waste fluids."

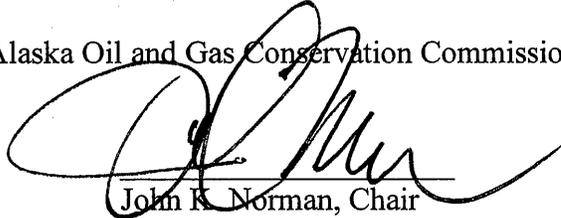
Exploration and production wastes associated with oil and gas development are exempt from the requirements of Section 3001(b)(2) of the Resource Conservation and Recovery Act (RCRA). The exemption does not apply to gas plant cooling tower cleaning wastes, waste solvents, used equipment lube oils, and used hydraulic fluids. It is likely that the fouling experienced within the gas cooler "fin-fans" is the result of a combination of the dust generated from the traffic on or near the facilities, and lube and seal oils that historically have vented near the fin-fan bays. The solids that settle out from fin-fan cleaning are not a Class II eligible fluid and therefore cannot be processed and injected as a Class II waste stream at the Grind and Inject facility.

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BPXA has demonstrated to the satisfaction of the Commission that the rinsate (minus solids) are compatible with the produced water used in routine enhanced recovery operations and will not adversely impact the reservoir or production equipment. Therefore, injection of the rinsate (minus solids) is approved as a substitute for produced water or seawater in enhanced oil recovery at the Prudhoe Bay Unit.

**DONE** at Anchorage, Alaska and dated June 7, 2004.

The Alaska Oil and Gas Conservation Commission



John K. Norman, Chair  
Commissioner



Daniel T. Seamount, Jr.  
Commissioner