

STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL NO. AIO 30.002

Mr. Jack Walker
ConocoPhillips Alaska Inc.
P.O. Box 196860
Anchorage, AK 99519-0105

Re: **The application of ConocoPhillips Alaska, Inc.** to inject commingled produced water from the Colville River Field into the Fiord Oil Pool, North Slope, Alaska.

Dear Mr. Walker:

ConocoPhillips Alaska, Inc. (CPAI) has requested, by letter dated January 3, 2008, authorization to inject commingled produced water from the Colville River Field (CRF) into the Fiord Oil Pool for enhanced recovery purposes ("January 3 Application"). **CPAI's request is approved.**

Enhanced oil recovery by injecting seawater was authorized by Area Injection Order (AIO) 30 dated July 25, 2006. In AIO 30, the Commission concluded that CPAI had not demonstrated the compatibility of injecting produced water from other oil pools in the CRF into the Fiord Oil Pool. The possibility of injecting produced water into the Fiord Oil Pool from other pools was identified as an option upon the demonstration of fluid compatibility. CPAI provided a fluid compatibility analysis for produced water from the Alpine Oil Pool by electronic mail, dated March 29, 2007. Administrative approval AIO 30.001, issued on March 30, 2007, authorized injecting produced water from the Alpine Oil Pool.

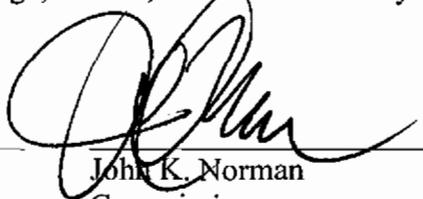
CPAI's January 3, 2008 Application presents the results of laboratory analyses of water injection compatibility for core samples taken from the Fiord Oil Pool. Compared with seawater injection, which the Commission approved in AIO 30, the analyses show no adverse impacts on permeability from the injection of commingled produced water from the CRF. This demonstrates that commingled produced water from the CRF is compatible with the Fiord Oil Pool.

Accordingly, the Commission agrees with CPAI's analysis and assessment that injecting commingled produced water from the CRF will not be detrimental to the Fiord Oil Pool. The Commission finds that injecting commingled produced water from the CRF is based on sound engineering and geoscience principles, will not promote waste or jeopardize correlative rights, and will not result in an increased risk for fluid movement into freshwater.

ENTERED at Anchorage, Alaska, and dated February 28, 2008.



Daniel T. Seamont
Chair



John K. Norman
Commissioner



Cathy P. Foerster
Commissioner

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 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 the order. If the notice was mailed, then the period of time shall be 23 days. The application for reconsideration must set out the respect in which the order 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. The failure to act on it within the 10-day period is a denial of it. If the Commission denies an application for reconsideration by order or inaction, upon denial, this order and the order denying reconsideration or inaction become **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 denying reconsideration, **UNLESS** the denial results from inaction, in which case the appeal **MUST** be filed within 40 days after the date on which the application for reconsideration is filed. If the Commission grants an application for reconsideration, this order does not become final. Rather, the order on reconsideration will be the **FINAL** order 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 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.

