



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Alaska Oil and Gas Conservation Commission

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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER NO. 34.006 CANCELLATION

Mr. Dave Hart
Sr. Operations Manager
Caelus Energy Alaska
700 G Street, Suite 600
Anchorage, AK 99501

Re: Docket Number: AIO-15-005
Request to cancel Area Injection Order (AIO) 34.006
Oooguruk Unit (OU) ODSN-27 (PTD 2120230)
Oooguruk Field
Nuiqsut Oil Pool

Dear Mr. Hart:

By letter dated January 22, 2015, Caelus Energy Alaska (Caelus) requested cancellation of administrative approval (AA) Area Injection Order (AIO) 34.006.

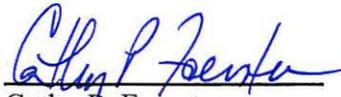
In accordance with Rule 10 of AIO 34.000, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** Caelus' request to cancel the AA.

On August 1, 2014 the AOGCC issued AIO 34.006 approving continued gas injection in ODSN-27. ODSN-27 had reported potential tubing by inner annulus (IA) pressure communication while on gas injection. The AOGCC determined that gas followed by water only injection could safely continue if Caelus complied with the restrictive conditions set out in AA AIO 34.006.

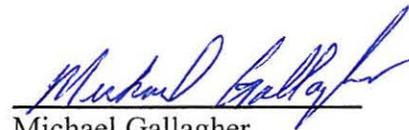
Water only injection was commenced on September 12, 2014 and on November 16, 2014 Caelus completed the isolation of the gas injection line from the well. Caelus has applied for and received approval on Sundry (315-042) to change the well status from Water Alternating Gas (WAG) to water only injection. TIO plots and a passing state witnessed Mechanical Integrity Test of the Inner Annulus (MITIA) on December 9, 2014 indicate that ODSN-27 exhibits at least two competent barriers to the release of well pressure. Accordingly, the AOGCC believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

AA AIO 34.006 is no longer necessary to the operation of ODSN-27 and is hereby **CANCELLED**. Injection into ODSN-27 will be governed by provisions of AIO No. 34.000.

DONE at Anchorage, Alaska and dated January 28, 2015.


Cathy P. Foerster
Chair, Commissioner


Daniel T. Seamount, Jr.
Commissioner


Michael Gallagher
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 decision, or such further time as the AOGCC grants for good cause shown, a person affected by it may file with the AOGCC 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 AOGCC 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 AOGCC 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 AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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 AOGCC, and it may be appealed to superior court. That appeal **MUST** be filed within 33 days after the date on which the AOGCC mails, **OR 30** days if the AOGCC otherwise distributes, the order or decision on 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.