STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL NO. AIO 35.001

Mr. Scott Reed
ConocoPhillips Alaska Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

Re: **The application from ConocoPhillips Alaska, Inc.** to amend the fluids authorized for enhanced oil recovery injection into the Qannik Oil Pool, Colville River Unit, North Slope, Alaska.

Dear Mr. Reeder:

ConocoPhillips Alaska, Inc. ("CPAI") requested by letter dated February 27, 2009 an amendment to Area Injection Order (AIO) 35, Rule 3 ("Authorized Fluids for Enhanced Recovery") for the Qannik Oil Pool. CPAI's specific request is the inclusion of small amounts of fluids collected from sumps, hydrotests, rinsate from washing mud hauling trucks, excess well work fluids, and treated camp waste water for injection into the Qannik Oil Pool for enhanced oil recovery. The requested amendment will make consistent the fluids authorized for injection in the other AIO's associated with Colville River Unit oil pools. CPAI's request is approved.

Fluids authorized for injection into the Qannik Oil Pool for purposes of enhanced oil recovery are limited to source water from the Kuparuk seawater treatment plant and produced water from the Colville River Field. AIO 35 provides for the approval of other fluids by administrative action. The Commission was notified on December 15, 2008 of a misinjection of treated waste water originating from the Alpine camp. Dates of the misinjection were December 8-12, 2008. CPAI stated that 27 barrels of treated waste water were injected into 3 Qannik wells – CD2-404, CD2-466, and CD2-467. CPAI reasoned that the misinjection was in part an oversight, noting that they inadvertently missed including a broader list of fluids including treated waste water in its injection order application for the Qannik Oil Pool. CPAI further cites as evidence the inclusion of these additional fluids for injection in all other approved enhanced oil recovery projects within Colville River Unit oil pools. This misinjection is addressed by separate correspondence.

The Commission agrees with CPAI's assessment that there is no reason to believe that including the requested fluids – namely small amounts of fluids collected from sumps, hydrotests, rinsate from washing mud hauling trucks, excess well work fluids, and treated camp waste water – in the fluids authorized for injection in AIO 35, Rule 3 will have a detrimental impact to enhanced oil

recovery from the Qannik Oil Pool. The Commission further finds that injecting the subject fluids will not promote waste or jeopardize correlative rights, and will not contribute to the potential for fluid movement outside of the injection zone.

DONE at Anchorage, Alaska and dated March 11, 2009.

Daniel T. Seamount, Jr. Chair	Cathy P. Foerster Commissioner	John K. Norman 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 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.