

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100
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CANCELLATION ADMINISTRATIVE APPROVAL NO. AIO 4C.013

Mr. Steve Rossberg, Wells Manager
Attention: Well Integrity Engineer, PRB-24
BP Exploration (Alaska) Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

RE: Cancellation of Administrative Approval AIO 04C.013 (Well PBU 12-19)

Dear Mr. Rossberg:

Pursuant to BP Exploration (Alaska) Inc. ("BPXA")'s request dated August 28, 2007 Alaska Oil and Gas Conservation Commission ("Commission") hereby cancels Administrative Approval AIO 04C.013, which allows continued water injection. This well exhibited tubing by inner annulus pressure communication, and 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.

Since then, BPXA has shut in the well following a failed mechanical integrity test. BPXA states it does not intend to operate Well 12-19 without passing a mechanical integrity test of the inner annulus. Consequently, Administrative Approval AIO 04C.013 no longer applies to operation of this well. Instead, injection in well PBU 12-19 will be governed by provisions of the underlying AIO No. 4E which supersedes and replaces AIO 4C.

DONE at Anchorage, Alaska and dated September 14, 2007.

The Alaska Oil and Gas Conservation Commission



John K. Norman
Chairman

Daniel T. Seamount, Jr.
Commissioner

Cathy P. Foerster
Commissioner