

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
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CANCELLATION ADMINISTRATIVE APPROVAL NO. AIO 4C.003

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 4C.003 (Well PBU 12-23)

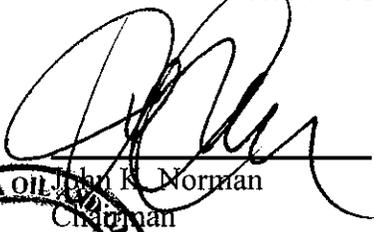
Dear Mr. Rossberg:

Pursuant to BP Exploration (Alaska) Inc. ("BPXA")'s request dated November 20, 2007 Alaska Oil and Gas Conservation Commission ("Commission") hereby cancels Administrative Approval AIO 4C.003, which allows continued water injection in Prudhoe Bay Unit ("PBU") well 12-23. This well exhibited a production casing leak, 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.

BPXA has since shut in PBU 12-23 and will not operate the injection well until repaired. Consequently, Administrative Approval AIO 4C.003 no longer applies to operation of this well. Instead, injection into PBU 12-23 will be governed by provisions of the underlying AIO No. 4E which supersedes and replaces AIO 4C.

DONE at Anchorage, Alaska and dated December 5, 2007.

The Alaska Oil and Gas Conservation Commission


John K. Norman
Chairman


Daniel T. Seamount, Jr.
Commissioner


Cathy P. Foerster
Commissioner

