

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL 4E.024

Mr. Steve Rossberg
Wells Manager
BP Exploration (Alaska) Inc.
900 East Benson Blvd.
P.O. Box 196612
Anchorage, AK 99519-6612

RE: PBU NGI-04 (PTD 175-069) Request for Administrative Approval

Dear Mr. Rossberg:

Pursuant to Rule 9 of Area Injection Order ("AIO") 04E.000, the Alaska Oil and Gas Conservation Commission ("AOGCC" or "Commission") hereby grants BP Exploration (Alaska) Inc. ("BPXA")'s request for administrative approval to continue gas injection in the subject well.

AOGCC finds that BPXA has elected to perform no corrective action at this time on PBU NGI-04. The Commission further finds that the well demonstrates IA repressurization up to 60 psi per day resulting from tubing by inner annulus communication. Inner annulus pressure can be safely managed with periodic pressure bleeds. Outer annulus pressures do not indicate anomalous conditions or loss of pressure integrity. The Commission believes that the well's condition does not compromise overall well integrity so as to threaten the environment or human safety, if the well's operation is subject to the constraints enumerated below.

AOGCC's administrative approval to continue gas injection in PBU NGI-04 is conditioned upon the following:

1. BPXA shall record wellhead pressures and injection rate daily;
2. BPXA shall submit to the AOGCC a monthly report of well pressures and injection rates, and shall flag the well's periodic pressure bleeds on the report;
3. BPXA shall perform an MIT - IA every 2 years to the maximum anticipated injection pressure;
4. BPXA shall limit the well's IA operating pressure to 2500 psi;

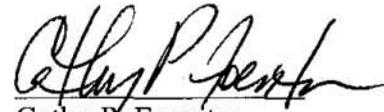
5. BPXA shall install, operate and maintain remote pressure monitoring equipment on the well's IA; an alarm set point of no higher than 2000 psi shall be maintained to allow for time to respond and bleed pressure from the IA;
6. BPXA shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
7. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
8. The MIT anniversary date is April 29, 2007.

As provided in AS 31.05.080, within 20 days after written notice of this 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 rehearing. A request for rehearing is considered timely if it is received by 4:30 PM on the 23rd day following the date of this letter, or the next working day if the 23rd day falls on a holiday or weekend. A person may not appeal a Commission decision to Superior Court unless rehearing has been requested.

Done at Anchorage, Alaska and dated July 20, 2007.



Dan T. Seamount
Commissioner



Cathy P. Foerster
Commissioner

