

ADMINISTRATIVE APPROVAL 4E.006

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

RE: PBU NGI-10 (PTD 176-069) 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-10. The Commission further finds that the well exhibits slow IA x OA pressure communication that can be safely managed with infrequent pressure bleeds. However, the Commission acknowledges that events such as SSSV control line failures may allow the well's tubing pressure to communicate with the IA. Accordingly, 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-10 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 four years to the maximum anticipated injection pressure, the anniversary date of which shall be this approval's effective date;

4. BPXA shall limit the well's OA pressure to 1000 psi;
5. BPXA shall install and operate remote pressure monitoring equipment on the well's OA;
6. BPXA shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition; and
7. after well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection.

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 May 31, 2006.

John K. Norman
Chairman

Dan T. Seamount
Commissioner

Cathy P. Foerster
Commissioner