



**ADMINISTRATIVE APPROVAL
AREA INJECTION ORDER NO. 4F.008**

Mr. Douglas A. Cismoski
Well Intervention Manager
BP Exploration (Alaska), Inc.
P.O. Box 196612
Anchorage, AK 99519-6612

Re: Docket Number: AIO-16-019
Request for administrative approval to allow well 14-27 (PTD 1831700) to be online in water alternating gas (WAG) injection service with a shallow packer depth (cemented inner annulus).
Prudhoe Bay Unit (PBU) 14-27 (PTD 1831700)
Prudhoe Bay Field
Prudhoe Oil Pool

Dear Mr. Cismoski:

By letter dated April 25, 2016, BP Exploration (Alaska), Inc. (BPXA) requested administrative approval to continue WAG injection in the subject well.

In accordance with Rule 9 of Area Injection Order (AIO) 4F.000, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** BPXA's request for administrative approval to continue WAG injection in the subject well.

BPXA reported a potential production casing leak at 5714 ft and a tubing leak at 8170 ft with the well being shut in since 2004. BPXA performed diagnostics and performed a tubing punch (9043 to 9048 ft) and cement squeeze of the inner annulus under Sundry 315-536 in December 2015. The cement top was estimated at 3064 ft, with the upper injection perforation located at 9534 ft. BPXA performed a passing waterflow log on April 23, 2016 which indicates no upward movement of fluid in the IA across the cemented interval. However, since the inner annulus is cemented leaving only approximately 3064 ft of inner annulus available for monitoring, this annulus does not meet the requirement that an injection well be equipped with a packer set not more than 200' measured depth above the top of the perforations.

If injection does not occur into, through, or above freshwater, 20 AAC 25.450 authorizes less stringent well construction and integrity requirements if AOGCC determines the reduction in requirements will not result in an increased risk of movement of fluids into freshwater.

BPXA completed a passing non-state witnessed Mechanical Integrity Test of the Tubing (MITT) on February 24, 2016 and a passing non-state witnessed Mechanical Integrity Test of the Inner Annulus (MITIA) on December 14, 2015 which indicates that 14-27 exhibits at least two competent barriers to the release of well pressure. Accordingly, the AOGCC believes that the well's condition does not compromise overall well integrity so as to threaten human safety or the environment.

AOGCC's approval to continue WAG injection in PBU 14-27 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, injection rates, and pressure bleeds for all annuli. Bleeds to be flagged on the report;
3. BPXA shall perform a mechanical integrity test of the inner annulus every 2 years to the maximum anticipated injection pressure;
4. BPXA shall perform a mechanical integrity test of the tubing every 2 years to the maximum anticipated injection pressure;
5. BPXA shall limit the well's IA operating pressure to 2000 psi;
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 will be set as the date of the AOGCC witnessed MITIA that is to be completed once the well is returned to injection and stabilization is achieved. AOGCC must be provided the opportunity to witness the MIT for the test that will establish the new MIT anniversary date.

DONE at Anchorage, Alaska and dated May 23, 2016.

//signature on file//
Cathy P. Foerster
Chair, Commissioner

//signature on file//
Daniel T. Seamount, Jr.
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 AOGCC grants for good cause shown, a person affected by it may file with the AOGCC 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 AOGCC 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 AOGCC 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 AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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 AOGCC, and it may be appealed to superior court. That appeal **MUST** be filed within **33** days after the date on which the AOGCC mails, **OR 30** days if the AOGCC otherwise distributes, the order or decision on 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.