



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Alaska Oil and Gas Conservation Commission

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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER NO. 5.019

Mr. Jim Young
Reservoir Engineer – Cook Inlet Offset Asset
Hilcorp Alaska, LLC.
P.O. Box 244027
Anchorage, AK 99524-4027

Re: Request to allow water only injection for one year to determine the longer term economic benefit for EOR in the Middle Kenai G Oil Pool
Trading Bay Unit G-03RD2 (PTD 1830100)
McArthur River Field
Middle Kenai G Oil Pool

Dear Mr. Young:

By letter dated May 29, 2014, Hilcorp Alaska, LLC (Hilcorp) requested administrative approval to continue water only injection in the subject well.

In accordance with Rule 9 of Area Injection Order (AIO) 05.000, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** Hilcorp's request for administrative approval to continue water only injection in the subject well.

This well has been on production and is proposed to be converted to injection with Sundry 314-353. The well has a corroded 7" casing that has been isolated by straddle packers at 5,390 ft and 9,485 ft. The upper and bottom packer are approximately 4,386 ft and 291 ft respectively above the top of the proposed injection interval. Regulation 20 AAC 25.412 (b) Casing, cementing, and tubing of injection wells for enhanced recovery, disposal, and storage, states "The packer must be placed within 200 feet measured depth above the top of perforations, unless the commission approves a different placement depth". Hilcorp requests injection for an initial one year period to evaluate the economic benefits to workover the well for long-term injection in the Middle Kenai G pool. 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 water injection only in Trading Bay Unit G-03RD2 is conditioned upon the following:

1. Hilcorp shall record wellhead pressures and injection rate daily;

2. Hilcorp shall submit to the AOGCC a monthly report of well pressures, injection rates, and pressure bleeds for all annuli with any bleeds flagged on the report;
3. Hilcorp shall perform a mechanical integrity test of the inner annulus as per 20 AAC 25.402 and AOGCC Industry Guidance Bulletin No. 10-02A;
4. Hilcorp shall perform baseline temperature surveys to verify containment of wellbore fluids to the desired intervals;
5. Hilcorp shall limit the well's injection operating pressure to 2500 psi;
6. Hilcorp 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. This administrative approval shall expire 12 months after initial injection commences.

DONE at Anchorage, Alaska and dated June 10, 2014.

for 
Cathy P. Foerster
Chair, Commissioner


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. Com

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.