



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Alaska Oil and Gas Conservation Commission

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ADMINISTRATIVE APPROVAL AREA INJECTION ORDER NO. 6.013

Mr. Daniel Taylor
Operations Engineer
Hilcorp Alaska, LLC.
P.O. Box 244027
Anchorage, AK 99524-4027

Re: Docket Number: AIO-14-039
Request for administrative approval to allow Granite Point State 18742 13RD (PTD 1870440) to be online in water only injection service with a known tubing by inner annulus communication
Granite PT ST 18742 13RD (aka An-13RD) (PTD 1870440)
Granite Point Field
Middle Kenai Oil Pool

Dear Mr. Taylor:

By email dated September 4, 2014, Hilcorp Alaska, LLC (Hilcorp) requested administrative approval to continue water only injection in the subject well.

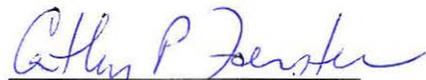
In accordance with Rule 9 of Area Injection Order (AIO) 06.000, the Alaska Oil and Gas Conservation Commission (AOGCC) hereby **GRANTS** Hilcorp's request for administrative approval to continue water only injection in the subject well.

This well has been shut in since January 2008. It has communication between the tubing and 9 5/8" casing that was not resolved by a tubing patch intervention performed in August 2014. Hilcorp requested on September 4, 2014 approval to perform a baseline temperature survey, perform a 30 day injection test, then run a follow up temperature survey to determine fluid entry. AOGCC granted that request and these were completed October 18, 2014. Testing indicates fluid entry is below the packer and to the existing perforations. The AOGCC finds that Hilcorp does intend to perform repairs before Q4 2016 with a new completion, and operation of this well is critical to continued field production at this time. 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 water injection only in Granite Point State 18742 13RD 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 install, maintain and operate automatic well shut-in equipment linked to the well's inner annulus (IA) and outer annulus (OA) pressure. The actuation pressure shall not exceed 2,150 psi for the inner annulus. The actuation pressure shall not exceed 750 psi for the outer annulus. Testing of the shut in equipment shut-down valve and mechanical or electrical pressure devices shall be performed upon install, and every 6 months thereafter, ideally in conjunction with production well pilots and safety valves. Hilcorp shall provide to the commission the testing procedure that will be used to verify integrity of the well shut-in equipment linked to the inner and outer annulus pressures;
4. Hilcorp shall limit the well's IA operating pressure to 2,150 psi;
5. Hilcorp shall limit the well's OA operating pressure to 750 psi;
6. Hilcorp shall perform a temperature survey every two years;
7. Hilcorp shall immediately shut in the well and notify the AOGCC if there is any change in the well's mechanical condition;
8. After well shut in due to a change in the well's mechanical condition, AOGCC approval shall be required to restart injection; and
9. This administrative approval shall expire on December 31, 2016.

DONE at Anchorage, Alaska and dated October 24, 2014.


Cathy P. Foerster
Chair, Commissioner


David J. Mayberry
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.