

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
Alaska Oil and Gas Conservation Committee

3001 Porcupine Drive
Anchorage, Alaska 99504

Re: THE APPLICATION OF UNION) Conservation Order No. 80
OIL COMPANY OF CALIFORNIA for) McArthur River Field
an order defining additional) McArthur River Middle Kenai Gas Pool
pools within the area covered) McArthur River Middle Kenai "G" Oil Pool
by Conservation Order No. 71) McArthur River Hemlock Oil Pool
and to establish rules to) McArthur River West Foreland Oil Pool
govern the regulation of)
these pools.) September 30, 1969

IT APPEARING THAT:

1. Union Oil Company of California submitted a petition dated August 22, 1969 requesting the referenced order pursuant to Title 11, Alaska Administrative Code, Section 2004.
2. Notice of the hearing was published in the Anchorage Daily News on September 5, 1969. Notice of the re-scheduling of the hearing was published in the Anchorage Daily News on September 16, 1969.
3. A public hearing was held in the Ben Crawford Memorial Building, Anchorage, Alaska, on September 23, 1969. Testimony was presented in support of the petition.
4. Oil in commercial quantities has been found in the Middle Kenai "G" section and in the West Foreland Formation of the Kenai Group in the McArthur River Field.

AND IT FURTHER APPEARING THAT additional pools in the McArthur River Field should be defined, the rules prescribed in Conservation Order No. 71 should apply to the additional pools, and Conservation Order No. 71 consolidated herein.

NOW, THEREFORE, IT IS ORDERED THAT the rules hereinafter set forth apply to the following described area:

Township 8 North, Range 13 West, Seward Meridian

Sections 4 through 8:	All
Section 9:	W $\frac{1}{2}$, NE $\frac{1}{4}$
Section 16:	W $\frac{1}{2}$
Sections 17 through 20:	All
Section 29:	NW $\frac{1}{4}$
Section 30:	NE $\frac{1}{4}$

Vote: Amended in part by C.O. 95

Township 8 North, Range 14 West, Seward Meridian

Section 1: All
Section 12: E $\frac{1}{2}$, NW $\frac{1}{4}$

Township 9 North, Range 13 West, Seward Meridian

Section 9: S $\frac{1}{2}$
Section 14: SW $\frac{1}{4}$
Sections 15 through 17: All
Section 18: S $\frac{1}{2}$
Sections 19 through 22: All
Section 23: W $\frac{1}{2}$
Section 26: W $\frac{1}{2}$
Sections 27 through 34: All
Section 35: NW $\frac{1}{4}$

Township 9 North, Range 14 West, Seward Meridian

Section 24: E $\frac{1}{2}$
Section 25: E $\frac{1}{2}$
Section 36: NE $\frac{1}{4}$

Rule 1. Definition of Pools.

(a) The McArthur River Hemlock Oil Pool is defined as the accumulation of oil common to and which correlates with the accumulation found in the Union Grayling No. 1A well between the depths of 9,372 feet and 9,897 feet.

(b) The McArthur River Middle Kenai Gas Pool is defined as the accumulation of gas common to and which correlates with the accumulation found in the Union Trading Bay Unit No. G-18 well between the depths of 5,360 feet and 6,010 feet.

(c) The McArthur River Middle Kenai "G" Oil Pool is defined as the accumulation of oil common to and which correlates with the accumulation found in the Union Oil Company of California Trading Bay Unit State No. G-7 well between the drilled depths of 9,116 feet and 9,695 feet.

(d) The McArthur River West Foreland Oil Pool is defined as the accumulation of oil common to and which correlates with the accumulation found in the Union Oil Company of California Trading Bay Unit State No. G-7 well between the drilled depths of 10,208 feet and 11,208 feet.

Rule 2. Casing and Cementing Requirements.

(a) Surface casing shall be landed at not less than 2,000 feet and cement shall be circulated to the sea floor. Casing and control equipment shall be hydrostatically tested to not less than 1,000 pounds per square inch pressure before drilling the shoe.

(b) Production casing shall be landed through the completion zone and cement shall cover and extend to at least 500 feet above each potentially productive sand interval. The use of multi-stage cementing procedures shall be permitted. Alternatively, a casing string shall be adequately cemented at an intermediate point and a liner landed through the completion zone. If a liner is run, the annular space behind the liner shall be filled with cement to at least 100 feet above the casing shoe or the top of the liner shall be squeezed with sufficient cement to provide at least 100 feet of cement between the liner and casing annulus. Cement must cover all potentially productive intervals behind the liner. Casing and well head equipment shall be hydrostatically tested to not less than 2,000 pounds per square inch pressure.

Rule 3. Bottom Hole Pressure Surveys.

A key well bottom hole pressure survey shall be made in the McArthur River Hemlock Oil Pool, the McArthur River Middle Kenai Gas Pool, the McArthur River Middle Kenai "G" Oil Pool and the McArthur River West Foreland Oil Pool upon Committee request; provided, however, such surveys shall not be required more often than twice in any calendar year. The time and length of survey, number and locations of wells, datum and other details will be determined by the Committee upon consultation with the operators.

Rule 4. Pressure Maintenance Project.

The injection of water for the purpose of pressure maintenance, secondary recovery or of conducting injectivity tests is hereby permitted in the McArthur River Hemlock Oil Pool. A semiannual progress report detailing project operations and results shall be submitted to the Committee in January and July of each year.

Rule 5. Administrative Approval.

Upon request of the applicant and a showing that the affected parties have been notified of such request, the Committee may authorize the conversion or drilling of any well at any location, the termination or suspension of the project, or any operation reasonably designed to further the purposes of the project.

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Rule 6. Other Conservation Orders.

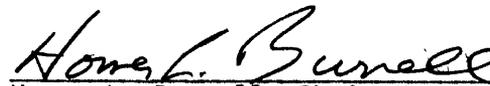
Conservation Order No. 71 is hereby revoked. All other conservation orders affecting the referenced pools in the McArthur River Field shall remain in full force and effect, except as modified hereby.

DONE at Anchorage, Alaska, and dated September 30, 1969.



Thomas R. Marshall, Jr., Executive Secretary
Alaska Oil and Gas Conservation Committee

Concurrence:



Homer L. Burrell, Chairman
Alaska Oil and Gas Conservation Committee



O. K. Gilbreth, Jr., Member
Alaska Oil and Gas Conservation Committee