

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION
3001 Porcupine Drive
Anchorage Alaska 99501-3192

Re: THE APPLICATION OF BP) Conservation Order No. 320
EXPLORATION (ALASKA))
INC. for an order granting)
an exception to spacing) BP Exploration (Alaska), Inc.
requirements of Title) Niakuk No. 22.
20 AAC 25.055 to provide)
for the drilling of the BP)
Niakuk No. 22 development)
oil well.) September 23, 1993

IT APPEARING THAT:

1. BP Exploration (Alaska), Inc. submitted an application dated August 30, 1993 requesting exception to 20 AAC 25.055(a)(3) to allow drilling the BP Niakuk No. 22 development oil well to a bottom-hole location that is 1) closer than 500 feet to a drilling unit boundary, 2) the second well to a single pool within a governmental quarter section, and 3) within 1000 feet of another well capable of producing from a common pool.
2. Notice of hearing was published in the Anchorage Daily News on September 3, 1993 pursuant to 20 AAC 25.540.
3. No protests to the application were received.

FINDINGS:

1. The BP Niakuk No. 22 well as proposed will be a deviated hole drilled from a surface location 1436' from the south line and 694' from the east line of Section 36, T12N, R15E, Umiat Meridian (UM) to a proposed bottom-hole location 128' from the north line and 1936' from the west line of Section 32, T12N, R16E UM.
2. BP Exploration (Alaska) Inc. is the owner and operator of all governmental quarter sections directly and diagonally offsetting the proposed bottom-hole location of the well.

4. An exception to 20 AAC 25.055(a)(3) is necessary to allow drilling of this well.

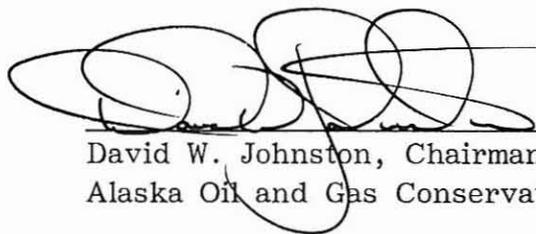
CONCLUSION:

Granting a spacing exception to allow drilling of the BP Niakuk No. 22 well as proposed will not result in waste nor jeopardize correlative rights.

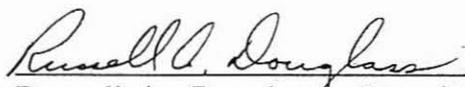
NOW, THEREFORE, IT IS ORDERED:

BP Exploration (Alaska), Inc.'s application for exception to 20 AAC 25.055 for the purpose of drilling the Niakuk No. 22 well is approved as proposed.

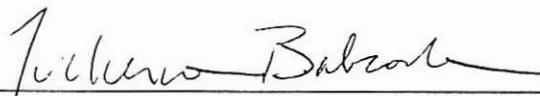
DONE at Anchorage, Alaska and dated September 23, 1993.



David W. Johnston, Chairman
Alaska Oil and Gas Conservation Commission



Russell A. Douglass, Commissioner
Alaska Oil and Gas Conservation Commission



Tuckerman A. Babcock, Commissioner
Alaska Oil and Gas Conservation Commission