STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION
333 West 7th Avenue, Suite 100
Anchorage Alaska 99501

Re: THE APPLICATION OF PIONEER ALASKA, INC. for an order for classification of a new oil pool and to prescribe pool rules for development of the Oooguruk-Nuiqsut Oil Pool within the Oooguruk Field, Oooguruk Unit, Beaufort Sea, Alaska	))))))))	**Conservation Order No. 597** **Oooguruk Field** **Oooguruk Unit** **Oooguruk-Nuiqsut Oil Pool** **March 25, 2008**

IT APPEARING THAT:

1. By letter and application dated October 31, 2007, and received by the Alaska Oil and Gas Conservation Commission (Commission) that same day, Pioneer Natural Resources Alaska, Inc. (Pioneer) in its capacity as unit operator and on behalf of the working interest owners of the Oooguruk Unit (OU) requests an order to define two new oil pools, the Oooguruk-Kuparuk and Oooguruk-Nuiqsut Oil Pools, within the OU, and to prescribe rules governing the development and operation of these pools. Pioneer's request regarding the Oooguruk-Kuparuk Oil Pool is addressed in Conservation Order No. 596.
2. Notice of a public hearing was published in the ANCHORAGE DAILY NEWS on November 8, 2007.
3. On November 27, 2007, in response to a request from the Commission, Pioneer submitted enlarged versions of the figures in its application.
4. The Commission received no protests, comments or requests for public hearing.
5. A public hearing was held at the Commission's office on December 18, 2007. During the hearing, the Commission requested additional information from Pioneer and left the hearing record open.
6. Pioneer submitted written responses to the Commission's request on January 7, 2008, and the hearing record closed.
7. On March 19, 2008, the Commission received a letter from Pioneer correcting clerical errors in the legal description of the proposed Oooguruk-Nuiqsut Oil Pool.

FINDINGS:

1. Operator: Pioneer is the operator of the leases in the Affected Area, which is defined below.

2. Development Area: The Affected Area lies in the Beaufort Sea, northeast of the Colville River Delta within the OU, approximately 5 miles north of the northern coastline of Alaska (see Figure 1, below). The Oooguruk-Nuiqsut Oil Pool will be developed from a single, manmade-island drill site named the Oooguruk Drill Site (ODS), which is located in Section 11, Township (T) 13N, Range (R) 07E, Umiat Meridian (UM).

3. Owners and Landowners: All lands within the Affected Area are leased and lie within the OU. Two companies hold working interests in the proposed Oooguruk-Nuiqsut Oil Pool: Pioneer and Eni Petroleum US LLC (Eni). The only landowner is the State of Alaska.

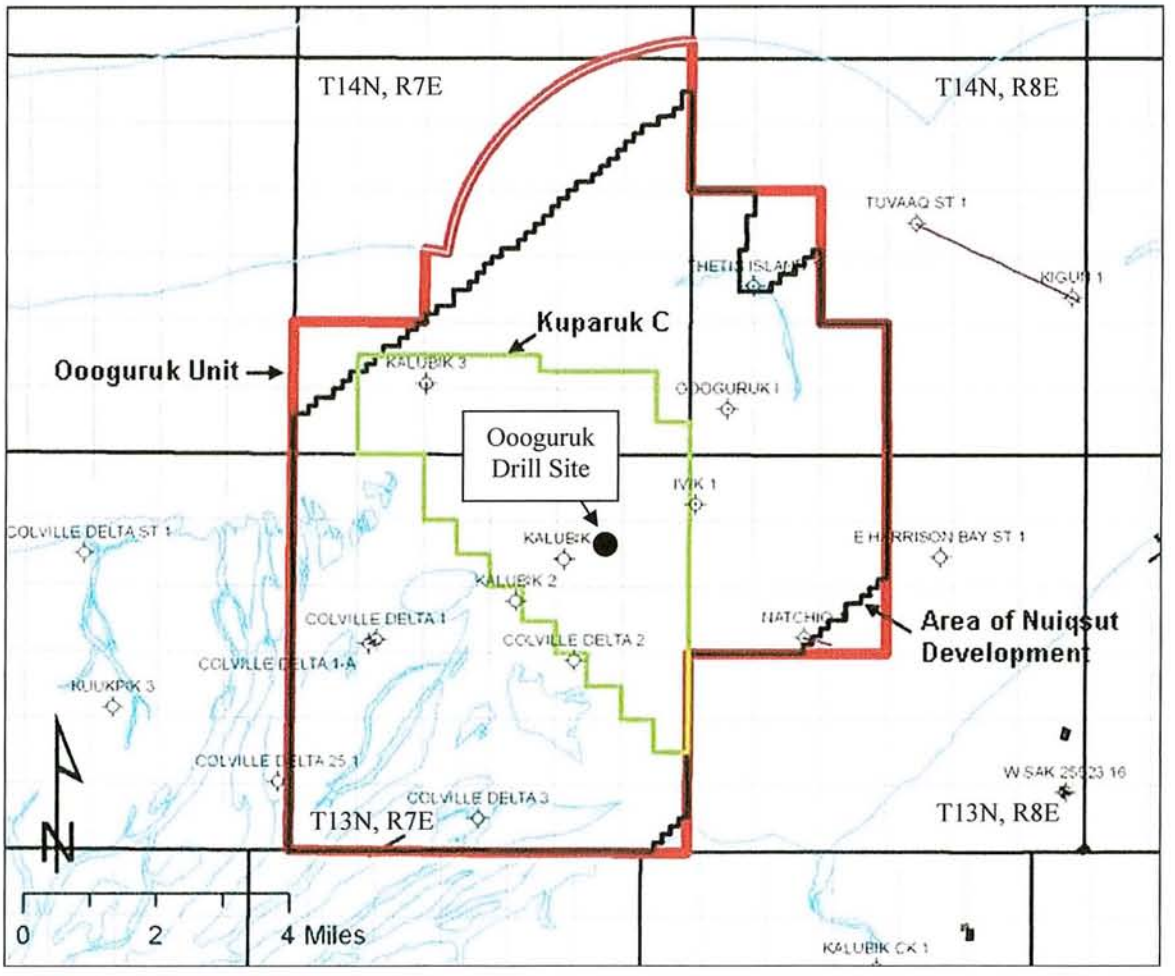

Figure 1. Proposed Affected Area for Oooguruk-Nuiqsut Oil Pool[1] (outlined in black)

4. Exploration and Delineation History: In 1985, Texaco Inc. (Texaco) drilled the Colville Delta No. 1 and Colville Delta No. 1A wells in Section 17, T13N, R07E, UM. These

[1] This map, provided by Pioneer, is for illustration purposes only. Refer to the legal description for the precise representation of the Oooguruk-Nuiqsut Oil Pool.

wells tested the Jurassic-aged Nuiqsut and Nechelik sands. In 1986, Texaco drilled the Colville Delta No. 2 well in Section 23, T13N, R07E, UM, and tested these same sands. In 1992, ARCO Alaska, Inc. (ARCO) drilled the Kalubik No. 1 well in Section 11, T12N, R07E, UM, and tested the Nuiqsut and Kuparuk sands. In 1993, Exxon Exploration Company drilled and tested the Thetis Island No. 1 well in Section 19, T14N, R08E, UM. In 1998, ARCO drilled the Kalubik No.2 well in Section 15, T13N, R07E, UM, but hole problems prevented the well from reaching the Kuparuk Formation. In 1998, ARCO also drilled the Kalubik No. 3 well in Section 33, T14N, R07E, UM, and found that erosion had truncated the Jurassic sands. In 2002, Pioneer drilled Oooguruk No. 1 in Section 31, T14N, R08E, UM; drilled and tested the Ivik No. 1 well in Section 6, T13N, R08E, UM; and drilled the Natchiq No. 1 well in Section 16, T13N, R08E, UM.

Two overlapping, three-dimensional seismic surveys and well data have been used to determine the geologic structure and reservoir distribution of the proposed Oooguruk-Nuiqsut Oil Pool. Production test data, conventional and sidewall core data, well log data, Repeat Formation Tester data and Modular Formation Dynamics Tester data have been used to establish the reservoir and fluid properties of the proposed Oooguruk-Nuiqsut Oil Pool.

5. Pool Identification: The proposed Oooguruk-Nuiqsut Oil Pool is the accumulation of hydrocarbons common to, and correlating with, the interval between the measured depths of 6,354' and 6,472' on the Dual Laterolog/Micro Laterolog recorded in the Kalubik No. 1 exploration well (see Figure 2, below).

6. Geology:
   a. Stratigraphy: The Oooguruk-Nuiqsut Oil Pool encompasses a late Jurassic-aged interval of reservoir sandstone beds that were deposited within the inner portion of a marine shelf environment, possibly as offshore sandbars. In general, the Nuiqsut reservoir interval thickens from 20' in the northeast, near Thetis Island to about 170' at the southern boundary of the OU, but it has been removed by erosion from the northwestern portion of the unit. Net sand ranges from 40' to 110' in the Affected Area. The Oooguruk-Nuiqsut Oil Pool is not in hydraulic communication with the overlying Kuparuk reservoir sandstone.

      Within the OU, the Nuiqsut consists of very fine- to fine-grained, quartz-rich reservoir sandstone with up to 15% siderite and glauconite. Evidence of burrowing and bioturbation is abundant, suggesting relatively low rates of sedimentation. Nuiqsut zone porosity ranges from 10% to 20% and averages about 15%. Permeability ranges from 0.1 millidarcies to 50 millidarcies and averages approximately 15 millidarcies. Estimated water saturations for 1 and 10 millidarcy rock are 60% and 40%, respectively.

   b. Structure: Within the Oooguruk-Nuiqsut development area, the structure at Nuiqsut level is a portion of a broad, southeast-plunging anticline nose centered in the southeastern portion of the OU, between the Colville Delta No. 1 and the Kalubik

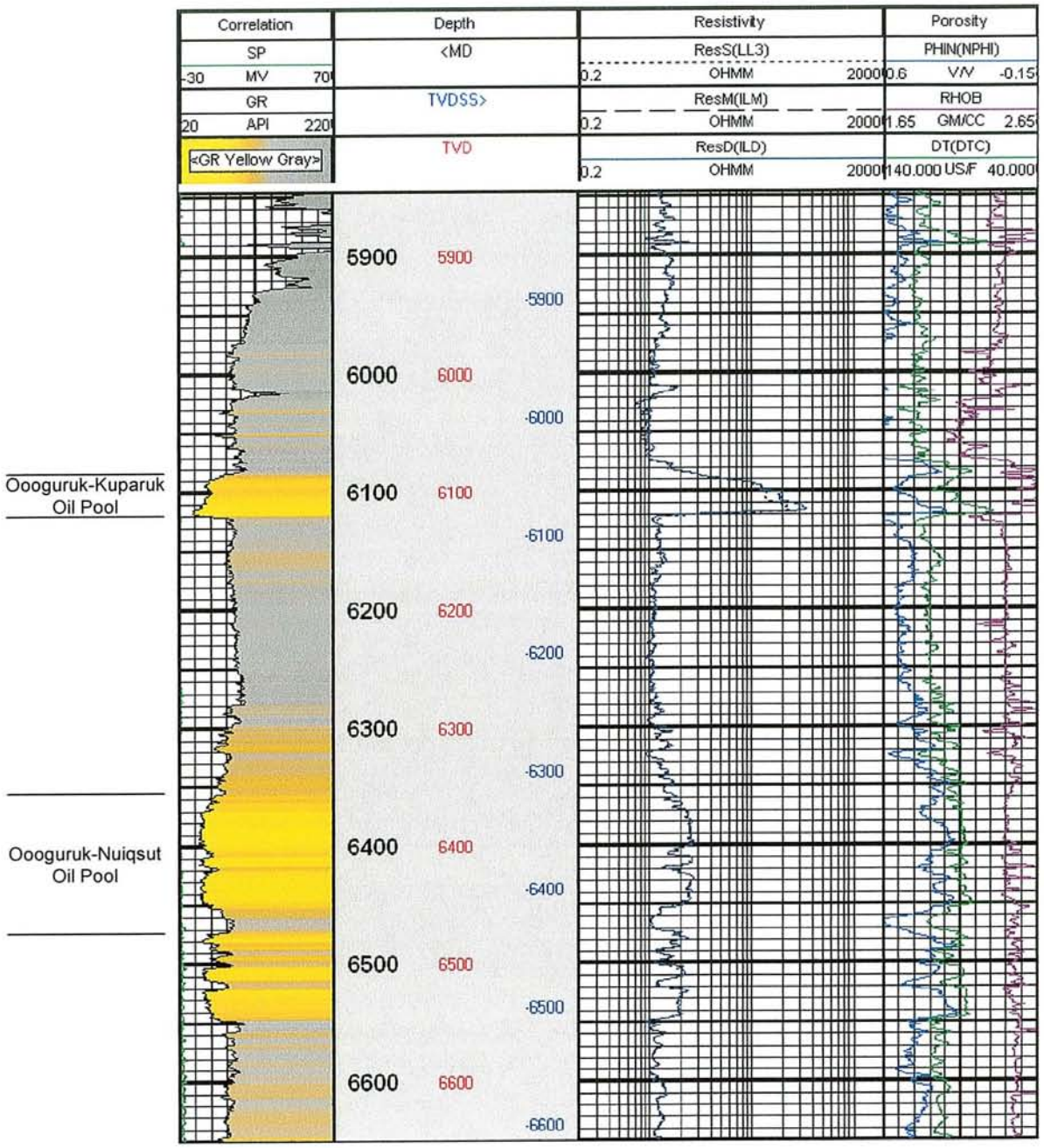

Figure 2. Kalubik No. 1 – Type Well Log for the Oooguruk-Nuiqsut Oil Pool[2]

[2] Figure 2 is for illustration purposes only. Refer to the Dual Laterolog/Micro Laterolog recorded in Kalubik No. 1 for the precise representation of the Oooguruk-Nuiqsut Oil Pool.

No.1. The crest and flanks of this structure are cut by northwest-trending, syndepositional, normal faults that are generally downthrown to the northeast. These faults range up to 200' in vertical displacement.

c. Trap Configuration: Well log and seismic data indicate that the oil in the proposed pool is trapped by both structural and stratigraphic elements. The trapping mechanisms for oil within the Nuiqsut reservoir are erosional truncation to the west, northwest, and north; structural dip to the east; and stratigraphic pinch-outs into very fine-grained, non-reservoir rock to the east, southeast, south, and southwest.

7. Reservoir Fluid Properties: Analyses of reservoir fluid samples recovered from the Ivik No. 1 and Oooguruk No. 1 exploratory wells indicate that the trapped oil measures between 19° and 24° API gravity, has viscosity in the reservoir ranging from 4.5 centipoise to 6.5 centipoise, has a solution gas-oil ratio ranging from 250 to 400 standard cubic feet per stock tank barrel, contains 2% to 4% wax by weight, and may contain asphaltenes. Reservoir pressure is 3,250 psi at 6,400' true vertical depth subsea (TVDSS), and the bubble point pressure is about 1,900 psi.

The fluids in the overlying Oooguruk-Kuparuk Oil Pool differ in API gravity, viscosity, GOR, and saturation pressure, indicating that the Nuiqsut and Kuparuk reservoirs are not in communication.

8. In-Place and Recoverable Hydrocarbon Volumes:

Hydrocarbon Volume	Low Estimate (MMSTB[2])	High Estimate (MMSTB)
Original Oil in Place ("OOIP")	250	300
Primary Recovery (4% to 10% of OOIP)	10	30
Primary + Waterflood (16% to 30% of OOIP)	40	90
Primary + Waterflood + US-WAG (18% to 34% of OOIP)	45	102

The annualized peak production rate for the proposed Oooguruk-Nuiqsut Oil Pool is expected to be between 9,000 barrels of oil per day (BOPD) and 20,000 BOPD. Annualized waterflood injection rates are expected to peak between 15,000 barrels of water per day (BWPD) and 30,000 BWPD, and miscible hydrocarbon gas injection rates are expected to peak between 3 million standard cubic feet of gas per day (MMSCFPD) and 20 MMSCFPD.

9. Reservoir Development Drilling Plan: The proposed Oooguruk-Nuiqsut Oil Pool will be developed with 30 to 39 horizontal wells, with a producer-to-injector ratio of about 1:1. The production and injection wells will range up to 9000' in length within the proposed

[2] MMSTB means "million stock tanks barrels".

pool. Production and injection wells will be oriented parallel to one another in an alternating arrangement to form a line-drive flood pattern. The wells will be spaced 1,500' to 1,700' apart. A formulated, drill-in-fluid will be employed during drilling to minimize formation damage, and slotted liners will be placed across the reservoir interval.

Pioneer plans to develop the proposed Oooguruk-Nuiqsut and Oooguruk-Kuparuk Oil Pools separately without subsurface commingling.

10. Reservoir Management: Pioneer proposes to develop this oil pool ultimately as an under saturated water-alternating-gas ("US-WAG") enhanced oil recovery project. Cyclic injection of immiscible gas and water will be employed to enhance recovery. Laboratory results suggest that when gas contacts the under-saturated Nuiqsut oil, the oil swells, its in-situ viscosity lowers, and waterflood recovery should improve. Water injection is planned to begin in June 2008. Gas injection is planned when gas is commercially available. Production and injection will be balanced to maintain reservoir pressure at or near the original measured pressure.

11. Reservoir surveillance plans: Pioneer proposes to meet bottomhole pressure survey requirements by conducting stabilized, static pressure measurements at bottomhole or extrapolating from surface pressure fall-off measurements, pressure build-up measurements, multi-rate test results, drill-stem test results, or formation test results.

    Pioneer proposes meeting the annual bottom hole pressure measurement requirement by conducting at least one bottomhole pressure survey per year; pressures will be referenced to a datum of 6,350' TVDSS. Pioneer proposes to report the data and results from the pressure survey(s) annually. All data necessary to analyze each pressure survey will be made available to the Commission upon request.

12. Wellbore Construction: Pioneer proposes that the surface casing of wells drilled in the Oooguruk-Nuiqsut Oil Pool be set at approximately 2,750' TVDSS and cemented to surface. Leak-off or formation integrity tests will be conducted and significant hydrocarbon zones encountered in the boreholes outside of the reservoir intervals will be protected in conformance with Commission regulations.

    The proposed Oooguruk-Nuiqsut Oil Pool will be developed using undulating horizontal wells of up to 9,000' length and open-hole (barefoot) completions. Production will be conveyed to the surface using 2-7/8 inch tubing. Injectors will be equipped with 3-1/2 inch tubing.

    Pioneer proposes that all production wells within the Oooguruk-Nuiqsut Oil Pool be equipped with a fail-safe automatic surface safety valve (SSV) and a surface-controlled sub-surface safety valve (SCSSSV) or an alternate, but equally effective, device placed below the electric submersible pumps (ESPs). Pioneer proposes that all injection wells be equipped with (i) a double check valve arrangement or (ii) single check valve combined with a SSV and that a SCSSSV be considered as a single check valve.

13. Waivers: Pioneer requests that the Commission grant the following waivers:

a. Directional Wellbore Plans: Pioneer proposes to provide a plan view well plat, vertical section diagram, close approach data and description of the proposed directional program in lieu of meeting the requirements of 20 AAC 25.050(b).

b. Well Spacing: Pioneer propose eliminating the wellbore spacing restrictions to accommodate horizontal, line-drive wells and maximize ultimate recovery.

c. Gas-Oil Ratio Limits: Pioneer seeks an exemption from the GOR limits of 20 AAC 25.240(b) given its development plans for the proposed Oooguruk-Nuiqsut Oil Pool. The proposed development will incorporate waterflooding and producers equipped with ESPs. These pumps could produce wells with bottom hole flowing pressures below the bubble point, which may increase the producing GOR for short periods of time.

14. Sustained Casing Pressure Rules: The wells in the proposed pool will be operated in compliance with previous Commission orders addressing sustained casing pressures for active wells.

CONCLUSIONS:

1. Pool Rules for the development of the Oooguruk-Nuiqsut Oil Pool are appropriate.

2. The Oooguruk-Nuiqsut Oil Pool is hydraulically isolated from all other oil pools, including the overlying Oooguruk-Kuparuk Oil Pool.

3. Monitoring reservoir performance will ensure proper management of the pool. Annual reports and technical review meetings will keep the Commission apprised of reservoir performance and ensure that future development plans promote greater ultimate recovery and prevent the waste of resources.

4. Proper annular pressure management is necessary to prevent the failure of well integrity and uncontrolled release of fluids or pressure, and to minimize threats to human safety and the environment.

5. Filing the proposed submittals, rather than those required by 20 AAC 25.050(b), will, as required by 20 AAC 25.050(h), at least equally ensure "accurate surveying of the wellbore to prevent intersection, to comply with spacing requirements, and to ensure protection of correlative rights.

6. 20 AAC 25.071(c) allows the Commission to waive the requirements of 20 AAC 25.071(a) if adherence to that regulation would not significantly add to the geologic knowledge of the area. So long as one well drilled from the ODS is logged with a complete suite of wireline or logging-while-drilling tools from the base of the conductor through the Oooguruk-Nuiqsut Oil Pool requiring adherence to 20 AAC 25.071(a) for all wells would not significantly add to the geologic knowledge in this area.

7. Eliminating spacing restrictions on wellbores interior to the Affected Area, which is defined below, will allow the operator greater flexibility in placing wells as the pool is developed, and it will not affect recovery from the reservoir, promote waste, jeopardize

correlative rights, or result in an increased risk of fluid movement into freshwater. Correlative rights will be protected by requiring a 500-foot set back from external property lines where the owners and landowners are not the same on both sides of the line.

8. A gas-oil ratio limitation waiver is appropriate under 20 AAC 25.240(b)(1) because the Oooguruk-Nuiqsut Oil Pool will be developed as an enhanced recovery project.

9. Surface-controlled subsurface safety valves are appropriate for all producing wells that will flow hydrocarbons to the surface. Requests for the approval of alternate types of subsurface safety valves should be addressed through the administrative action rule, Rule 11 (below).

NOW, THEREFORE, IT IS ORDERED:

The development and operation of the Oooguruk-Nuiqsut Oil Pool is subject to the following rules and the statewide requirements under 20 AAC 25 to the extent not superseded by these rules:

Affected Area:

Umiat Meridian

Township, Range	Sections
T13N, R07E	01 to 35: ALL 36: NE/4; NW/4 NE/4 SE/4; NW/4 SW/4 SE/4; NW/4 SE/4; W/2
T13N, R08E	04 to 08: ALL 09: NE/4; N/2 SE/4; N/2 S/2 SE/4; SW/4 SE/4 SE/4; S/2 SW/4 SE/4; W/2 16: W/2 NW/4 NE/4; NE/4 NW/4 NE/4; NW/4 NW/4 SW/4; N/2 NW/4; W/2 SE/4 NW/4; SW/4 NW/4 17: N/2; N/2 SE/4; NW/4 SE/4 SE/4; SW/4 SE/4; SW/4 18: ALL

T14N, R07E	01: E/2 NE/4 SE/4; SE/4 SE/4; S/2 SW/4 SE/4 11: SE/4 SE/4 NE/4; E/2 SE/4; SW/4 SE/4; SE/4 NW/4 SE/4; S/2 SE/4 SW/4 12: E/2; SW/4; E/2 NW/4; SW/4 NW/4; SE/4 NW/4 NW/4; 13: ALL 14: E/2; SW/4; E/2 NW/4; SW/4 NW/4; E/2 NW/4 NW/4; SW/4 NW/4 NW/4 15: NE/4 SE/4 NE/4; S/2 SE/4 NE/4; E/2 SE/4; SW/4 SE/4; S/2 NW/4 SE/4; NE/4 NW/4 SE/4; E/2 SE/4 SW/4 SW/4 SE/4 SW/4; SE/4 SW/4 SW/4 21: SE/4 NE/4 NE/4; SE/4 NE/4; SE/4 SW/4 NE/4; SE/4; E/2 NE/4 SW/4; SE/4 SW/4; E/2 SW/4 SW/4; SW/4 SW/4 SW/4 22 to 28: ALL 29: E/2 NE/4 NE/4; SW/4 NE/4 NE/4; SE/4 NE/4; E/2 SW/4 NE/4; SW/4 SE/4 NE/4; SE/4; E/2 SW/4;SW/4 SW/4; SE/4 NW/4 SW/4; SE/4 SE/4 NW/4 30: E/2 SE/4 SE/4; SW/4 SE/4 SE/4 31: E/2 NE/4; SW/4 NE/4; S/2 NW/4 NE/4; NE/4 NW/4 NE/4; S/2; SE/4 NE/4 NW/4; SE/4 NW/4; S/2 SW/4 NW/4 32 to 36: ALL
T14N, R08E	17: SE/4 SE/4SE/4 18: N/2 NE/4; N/2 S/2 NE/4; SW/4 SE/4 NE/4; S/2 SW/4 NE/4;W/2 NE/4 SE/4; NW/4 SE/4 SE/4; W/2 SE/4; W/2 19: W/2 NE/4; SE/4; W/2 20: E/2 NE/4; SW/4 NE/4; SE/4 NW/4 NE/4; S/2; E/2 SE/4 NW/4; SW/4 SE/4 NW/4 28 to 33: ALL

Rule 1 Field and Pool Name

The field is the Oooguruk Field. Hydrocarbons underlying the Affected Area and within the interval of the Nuiqsut Formation identified in Rule 2 (below) constitute the oil reservoir named the Oooguruk-Nuiqsut Oil Pool.

Rule 2 Pool Definition

The Oooguruk-Nuiqsut Oil Pool is the accumulation of hydrocarbons common to, and correlating with, the interval between the measured depths of 6,354' and 6,472' on the Dual Laterolog/Micro Laterolog recorded in the Kalubik No. 1 exploration well.

Rule 3 Well Spacing

There shall be no restrictions as to well spacing except that no pay shall be opened in a well within 500' of an external property line where the owners and landowners are not the same on both sides of the line.

Rule 4 Drilling Waivers

All permits to drill deviated wells within the Oooguruk-Nuiqsut Oil Pool shall include a plat with a plan view, vertical section, close approach data and a directional program description in lieu of the requirements of 20 AAC 25.050(b).

Rule 5 Well Logging and Sampling Requirements

a. A suite of petrophysical well logs including, at a minimum, gamma ray, resistivity, neutron porosity, and density porosity logs shall be acquired across the Oooguruk-Nuiqsut Oil Pool in one well from the ODS. The Commission may, in its discretion, require additional wells to be logged using one or more petrophysical logging tools.

b. A mud log and cuttings samples shall be obtained from the base of the conductor through the Oooguruk-Nuiqsut Oil Pool in at least one well drilled from the ODS.

Rule 6 Automatic Shut-in Equipment

a. All production wells must be equipped with a fail-safe automatic SSV and a SCSSSV.

b. Injection wells, including water injection service wells, must be equipped with (i) a double check valve arrangement or (ii) a single check valve and a SSV. A subsurface-controlled injection valve or SCSSSV satisfies the requirement of a single check valve.

c. Safety valve systems must be maintained in good working order at all times and must be tested at six-month intervals or on a schedule prescribed by the Commission.

Rule 7 Reservoir Pressure Monitoring

a. A bottom-hole pressure survey shall be taken on each well prior to initial production or injection.

b. The operator shall obtain the pressure surveys needed to manage the hydrocarbon recovery processes effectively subject to the annual plan outlined in Rule 9 (below).

c. The reservoir pressure datum will be 6,350' TVDSS.

d. Pressure surveys may consist of stabilized static pressure measurements at bottomhole or be extrapolated from surface measurements (single phase fluid conditions), pressure fall-off measurements, pressure buildup measurements, multi-rate test results, drill stem test results, and open-hole formation tests or other appropriate technical pressure transient or static tests.

e. A Reservoir Pressure Report, Form 10-412, shall be utilized for all surveys; all relevant data shall be attached to the report. The data submitted shall include, at a minimum, rate, pressure, depth, fluid gradient, temperature, and all other well conditions necessary for a complete analysis of each survey being conducted.

f. The results and data from any special reservoir pressure monitoring tests or surveys shall also be submitted in accordance with paragraph (e) of this rule.

Rule 8 Gas-Oil Ratio Exemption

Wells producing from the Oooguruk-Nuiqsut Oil Pool are exempt from the GOR limits of 20 AAC 25.240(a) as long as 20 AAC 25.240(b)(1) applies.

Rule 9 Annual Reservoir Review

a. An annual reservoir surveillance report must be filed by April 1st of each year. The report must include future development plans, reservoir depletion plans, and surveillance information for the prior calendar year, including:

   i. The voidage balance, by month, of produced fluids and injected fluids and the cumulative status for each producing interval;

   ii. A reservoir pressure map at datum, and a summary and analysis of the reservoir pressure surveys within the pool;

   iii. The results and, where appropriate, an analysis of production and injection log surveys, tracer surveys, observation well surveys, and any other special monitoring;

   iv. A review of pool production allocation factors and issues over the prior year.

   v. A review of the progress of the enhanced recovery project; and

   vi. A reservoir management summary, including the results of any reservoir simulation studies.

b. By June 1st of each year, the operator shall schedule and conduct a technical review meeting with the Commission to discuss the annual reservoir surveillance report and items that may require action within the coming year by the Commission. The Commission may audit the technical data and analyses relating to the surveillance report's conclusions and reservoir depletion plans.

Rule 10 Annular Pressures

a. At the time of installation or replacement, the operator shall conduct and document a pressure test of tubulars and completion equipment in each development well that is sufficient to demonstrate that planned well operations will not result in failure of well integrity, uncontrolled release of fluid or pressure, or threat to human safety.

b. The operator shall monitor each development well daily to check for sustained pressure, except if prevented by extreme weather conditions, emergency situations, or similar unavoidable circumstances. Monitoring results shall be made available for Commission inspection.

c. The operator shall notify the Commission within three working days after the operator identifies a well as having (i) sustained inner annulus pressure that exceeds 2,000 psig for all development wells, or (ii) sustained outer annulus pressure that exceeds 1,000 psig.

d. The Commission may require the operator to submit in an Application for Sundry Approvals (Form 10-403) a proposal for corrective action or increased surveillance for any development well having sustained pressure that exceeds a limit set out in paragraph (c) of this rule. The Commission may approve the operator's proposal or may require other corrective action or surveillance. The Commission may require that corrective action be verified by mechanical integrity testing or other Commission approved diagnostic tests. The operator shall give the Commission sufficient notice of the testing schedule to allow the Commission to witness the tests.

e. If the operator identifies sustained pressure in the inner annulus of a development well that

exceeds 45% of the burst pressure rating of the well's production casing for inner annulus pressure, or sustained pressure in the outer annulus that exceeds 45% of the burst pressure rating of the well's surface casing for outer annulus pressure, the operator shall notify the Commission within three working days and take corrective action. Unless well conditions require the operator to take emergency corrective action before Commission approval can be obtained, the operator shall submit in an Application for Sundry Approvals (Form 10-403) a proposal for corrective action. The Commission may approve the operator's proposal or may require other corrective action. The Commission may also require that corrective action be verified by mechanical integrity testing or other Commission approved diagnostic tests. The operator shall give the Commission sufficient notice of the testing schedule to allow the Commission to witness the tests.

f. Except as otherwise approved by the Commission under (d) or (e) of this rule, before a shut-in well is placed in service, any annulus pressure must be relieved to a sufficient degree (1) that the inner annulus pressure at operating temperature will be below 2000 psig, and (2) that the outer annulus pressure at operating temperature will be below 1000 psig. However, a well that is subject to (c) but not (e) of this rule may reach an annulus pressure at operating temperature that is described in the operator's notification to the Commission under (c) of this rule, unless the Commission prescribes a different limit.

g. For purposes of this rule,

   a. "inner annulus" means the space in a well between tubing and production casing;

   b. "outer annulus" means the space in a well between production casing and surface casing

   c. "sustained pressure" means pressure that (A) is measurable at the casing head of an annulus, (B) is not caused solely by temperature fluctuations, and (C) is not pressure that has been applied intentionally.

Rule 11 Administrative Action

Upon proper application, or its own motion, and unless notice and public hearing is otherwise required, the Commission may administratively waive the requirements of any rule stated herein or administratively amend this order as long as the change does not promote waste or jeopardize correlative rights, is based on sound engineering and geoscience principles, and will not result in an increased risk of fluid movement into freshwater.

ENTERED at Anchorage, Alaska and dated March 25, 2008.

Daniel T. Seamount, Jr., Chair
Alaska Oil and Gas Conservation Commission

John K. Norman, Commissioner
Alaska Oil and Gas Conservation Commission

Cathy P. Foerster, Commissioner
Alaska Oil and Gas Conservation Commission

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 Commission grants for good cause shown, a person affected by it may file with the Commission an application for reconsideration of the matter determined by it. If the notice was mailed, then the period of time shall be **23** days. The application for reconsideration must set out the respect in which the order or decision is believed to be erroneous. The Commission shall grant or refuse the application for reconsideration in whole or in part within 10 days after it is filed. The failure to act on it within the 10-day period is a denial of reconsideration. If the Commission 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 Commission mails, **OR 30** days if the Commission 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 Commission 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 Commission, and it may be appealed to superior court. That appeal **MUST** be filed within **33** days after the date on which the Commission mails, **OR 30** days if the Commission otherwise distributes, the order or decision on reconsideration. As provided in AS 31.05.080(b), "[t]he questions reviewed on appeal are limited to the questions presented to the commission by the application for 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.