

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

Re: THE APPLICATION OF ConocoPhillips ) Docket Number: CO-10-05  
Alaska, Inc. for an order granting an exception ) Conservation Order No. 629  
to the well spacing provisions of 20 AAC )  
25.055 (a)(4) to provide for the drilling and ) Beluga River Unit No. 212-24  
completion of the proposed Beluga River Unit ) Gas Development Well  
212-24 Twin development gas well within 3000 ) Beluga River Undefined Gas Pool  
feet of other wells in the Beluga River Unit that ) Beluga River Unit  
are producing from, or may be capable of ) Kenai Peninsula Borough, Alaska  
producing from, the same pool. )  
) April 23, 2010

**IT APPEARING THAT:**

1. On February 26, 2010, ConocoPhillips Alaska, Inc. (CPAI) requested the Alaska Oil and Gas Conservation Commission (Commission) grant an exception to the spacing provisions of 20 AAC 25.055(a)(4) to allow drilling and completion of the Beluga River Unit (BRU) 212-24 Twin (BRU 212-24 Twin) development gas well within 3000 feet of other BRU wells that are, or may be, capable of producing from the same pool (the Beluga River Undefined Gas Pool), in the Kenai Peninsula and Matanuska-Susitna Boroughs, Alaska.
2. Pursuant to 20 AAC 25.540, on March 3, 2010 the Commission published in the ANCHORAGE DAILY NEWS notice of the opportunity for a public hearing on April 6, 2010.
3. By certified mail, CPAI sent notice of the application to all owners, landowners, and operators of all properties within 3000 feet of the anticipated productive pool of the proposed BRU 212-24 Twin well. CPAI provided the Commission the notice, date of mailing, addresses to which the notice was sent, and proof of mailing.
4. No protest to the application or request for hearing was received.
5. Because CPAI provided sufficient information upon which to make an informed decision, the request can be resolved without a hearing.
6. The public hearing was vacated on March 22, 2010.

**FINDINGS:**

1. CPAI is the operator of the BRU and will be the operator of the proposed BRU 212-24 Twin development gas well that will be located within the BRU, Beluga River Undefined Gas Pool, Kenai Peninsula Borough, Alaska.
2. The proposed BRU 212-24 Twin will be an onshore, deviated gas development well with a surface location 2054' from the north line (FNL) and 142.5' from the west line (FWL) of Section 24, T13N, R10W, Seward Meridian (S.M.), and a projected bottom hole location 1800' FNL and 121' FWL of Section 24, T13N, R10W, S.M.
3. The proposed BRU 212-24 Twin well is designed to recover Beluga River Undefined Gas Pool reserves that are not accessible with existing wells because of the thin and

discontinuous nature of the reservoir sands. However, this well may open reservoirs from which other wells (i.e., the active BRU 232-23 and the inactive BRU 212-24) are, or may be, capable of producing.

**CONCLUSIONS:**

1. An exception to 20 AAC 25.055(a)(4) is necessary to allow drilling and completion of the BRU 212-24 Twin well in order to evaluate and recover Beluga River Unidentified Gas Pool reserves that are not accessible with existing wells.
2. A spacing exception to allow drilling and completion of the BRU 212-24 Twin well is consistent with sound engineering and geoscience principles and will not result in waste or jeopardize correlative rights of adjoining or nearby owners.

**NOW, THEREFORE, IT IS ORDERED:**

Pursuant to the Commission's authority under AS 31.05.030 and 20 AAC 25.055, the Commission approves CPAI's application for an order granting exception to the well spacing provisions of 20 AAC 25.055(a)(4) to allow drilling and completion of the BRU 212-24 Twin well. CPAI may proceed with regular production as long as it complies with the terms of the Beluga River Unit agreement, applicable Alaska laws, and all other legal requirements.

**DONE at Anchorage, Alaska and dated April 23, 2010.**



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

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

John R. Norman, 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. An 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. Failure to act on it within 10-days 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.