

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

Re: AN ORDER rescinding those rules within) Docket Number: CO-10-21
existing Conservation Orders relating to) Other Order No. 66
well safety valve systems.)
) Statewide, Alaska
)
) January 11, 2011
)
)

IT APPEARING THAT:

1. On October 13, 2010 the Alaska Oil and Gas Conservation Commission (AOGCC or Commission) formally adopted new regulations relating to well safety valve systems, at 20 AAC 25.265.
2. The newly adopted well safety valve system regulations underwent final review by the Regulations Section of the Alaska Attorney General's Office and were forwarded to the Alaska Lieutenant Governor's Office on October 28, 2010.
3. The new regulations were signed by the Lieutenant Governor and took legal effect on December 3, 2010.
4. To ensure consistency with the new regulations, the AOGCC, on its own motion, proposed to rescind part or all of the outdated rules within existing Commission Orders relating to well safety valve systems.
5. On November 4, 2010, pursuant to 20 AAC 25.540, the Commission published in the Alaska Daily News notice of opportunity for public hearing on December 6, 2010.
6. The Commission received written comments in response to its public notice, and held a public hearing on December 7, 2010.
7. Oral testimony and written comments were provided at the December 7, 2010 hearing.

FINDINGS:

1. Well safety valve systems are regulated under newly-adopted 20 AAC 25.265, which consolidates the requirements previously established in legacy documents, policies, and statewide guidelines relating to safety valve systems.
2. Thirty-four existing Commission Orders contain rules governing well safety valve systems. Twenty of those Orders contain broad regulatory requirements for safety valve systems that are now covered by the newly-adopted regulations. The remaining fourteen Orders include field- or pool-specific safety valve system requirements.

3. Within existing Commission Orders are rules unrelated to well safety valve systems; these rules will continue in effect, unmodified.
4. Existing Commission Orders containing individual rules relating to well safety valve systems are enumerated in the attached Table.

CONCLUSIONS:

1. Eliminating redundant requirements and standardizing wording for those field- and pool-specific safety valve system requirements deemed appropriate to retain will improve regulatory clarity.
2. Twenty existing Commission Orders that include rules relating to well safety valve systems are rendered unnecessary, and can be replaced by newly-adopted 20 AAC 25.265. As more fully set forth in the attached Table, those Orders are Conservation Orders 98A, 207A, 300, 311B, 317B, 329A, 341E, 345, 402B, 432D, 452, 457B, 471, 477, 484A, 505B, 553, 559, 570, and a Commission unnumbered Order signed March 30, 1994 (policy dictating SVS performance testing requirements).
3. Fourteen existing Commission Orders include field- or pool-specific safety valve system requirements that the Commission considers appropriate for retention. Wording for the same safety valve system requirements existing in different Commission Orders has been standardized. As more fully set forth in the attached Table, those Orders are Conservation Orders 406B, 423, 430A, 435A, 443B, 449, 456A, 458A, 562, 563, 569, 596, 597, and 605.

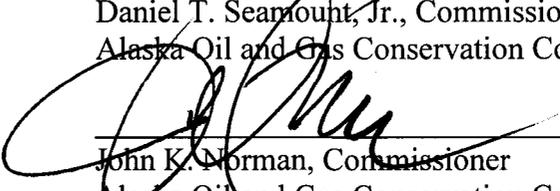
NOW, THEREFORE, IT IS ORDERED THAT individual rules in thirty-four existing Commission Orders that relate to well safety valve systems are hereby rescinded or revised as enumerated in the Table. Remaining rules unrelated to safety valve systems within affected Commission Orders remain in effect, unmodified.

DONE at Anchorage, Alaska, and dated January 11, 2011.

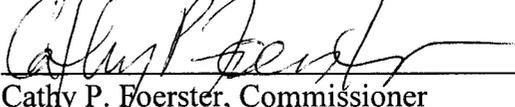




Daniel T. Seamount, Jr., Commissioner, Chair
Alaska Oil and Gas Conservation Commission



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. 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.