

ADMINISTRATIVE ACTION NO. DIO 22.003

Mr. Bob Elder
HSE Manager
Forest Oil Corporation
310 K Street
Anchorage, AK 99501

Re: **Denial of Forest Oil Corporation's application** to inject non-hazardous fluid into Class II Disposal Well RU D-1, Redoubt Unit, Redoubt Shoal Undefined Oil Pool, Cook Inlet, Alaska.

Dear Mr. Elder:

Forest Oil Corporation ("Forest") has requested by letter dated November 19, 2004 authorization to inject non-hazardous gray water into RU Well D-1. The gray water originates from platform living and camp facilities located on the Osprey Platform in the Cook Inlet. Other sources of non-hazardous gray water are camp facilities from the West McArthur River Unit and Kustatan Production Facilities. Forest identified problems with meeting overboard discharge permit limits as the primary reason for the request and that transportation to shore has been studied and determined economically non-feasible. Forest prefers to reduce discharges under its NPDES permit to near zero to reduce risk of exceeding discharge limits.

The Commission may authorize the injection of appropriate Class II oilfield wastes into an approved and permitted disposal well. Disposal Injection Order 22 was approved August 9, 2001 for disposal of Class II fluids: produced water, drilling, completion and workover fluids, rig wash, drilling mud slurries, NORM scale, tank bottoms, and other fluids brought to the surface in connection with oil and gas development activity on the Osprey platform. RU D1 has demonstrated mechanical integrity based on pressure surveillance and testing as required by DIO 22. All injected fluids have been confined to the intended injection zone.

The Commission has determined that the gray water from the Osprey Platform and other Forest operated sources is not included in the array of approved and appropriate Class II fluids that are generally "fluids brought to the surface" as a result of oil and gas operations. While it can be argued that gray water is associated with oil and gas operations it has not been brought to the

surface. Non-hazardous non-exempt oil and gas operations waste is best disposed into a Class I disposal according to the UIC regulations as administered by EPA.

Therefore, the Commission denies Forest's request for authorization to dispose gray water in Redoubt Unit Well D-1.

DONE at Anchorage, Alaska and dated November 8, 2005.

John K. Norman
Chairman

Daniel T. Seamount
Commissioner

Cathy P. Foerster
Commissioner