

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ANCHORAGE, ALASKA 99501-3539
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ADMINISTRATIVE APPROVAL DIO 22.005

Re: **The application of Forest Oil Corporation** to Inject Fluids from Alternate Sources into Redoubt Unit Disposal Well RU D-1, Redoubt Unit, Redoubt Shoal Undefined Waste Disposal Pool, Cook Inlet Area, Alaska.

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

Dear Mr. Elder:

Forest Oil Corporation ("Forest") has requested by letter dated April 5, 2007 an amendment to Disposal Injection Order 22 Administrative Approval No. 4 ("DIO 22.004"). Specifically, Forest requests authorization to inject produced water from the West Foreland gas field into disposal well Redoubt Unit Well D-1 ("RU D1").

As provided by DIO 22, Rule 6 – "Administrative Action", the Commission hereby **approves** Forest's request.

Well RU D1 was authorized for Class II waste disposal by DIO 22 (August 9, 2001) but injection was limited to Class II fluids generated in conjunction with the Osprey platform operation. Administrative approvals since the issuance of DIO 22 expanded the types of fluids authorized for waste injection but had not authorized sources outside of Osprey Platform-generated Class II wastes. Administrative Approval DIO 22.004 expanded the fluid sources by authorizing the disposal injection of appropriate Class II oilfield wastes from West McArthur River Unit ("WMRU"), Kustatan Production Facility ("KPF"), and permitted exploration wells. Produced water from the West Foreland gas field is currently commingled with produced water from WMRU and transported to RU 6 (located on Osprey platform) as part of the pilot injection project authorized by Enhanced Recovery Order 2 ("ERO 2") and as administratively amended by ERO 2.002.

Forest reports that injection pressure limitations at RU 6 prevent the entire commingled WMRU and West Foreland produced water stream from being injected for enhanced recovery, requiring

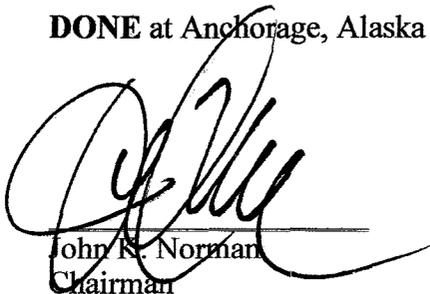
excess water to be stored at KPF. Forest previously has indicated RU D1 can provide necessary optional disposal capacity in support of Forest's operations on the west side of Cook Inlet.

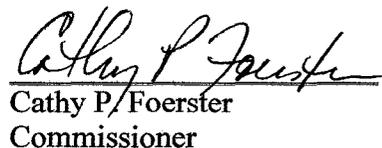
The Commission agrees with Forest's assessment that injecting excess produced water into RU 6 will simplify the handling of Class II-eligible wastes from the Forest operated fields on the west side of Cook Inlet and will provide additional flexibility in operating these fields. Further, the inclusion of West Foreland produced water does not affect the Class II disposal status of RU D1.

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. Commingling alternate sources of wastes that are similar to the disposal waste stream already being injected into RU D1 will have no impact on the mechanical integrity and will not promote waste, jeopardize correlative rights, or contribute to the potential for fluid movement outside of the injection zone.

This administrative approval amends and replaces DIO 22.004, authorizing Forest to dispose of commingled Class II waste streams from the WMRU, KPF, West Foreland gas field, and permitted exploration wells into Redoubt Unit Well D-1.

DONE at Anchorage, Alaska and dated April 16, 2007.


John K. Norman
Chairman


Cathy P. Foerster
Commissioner

