

ADMINISTRATIVE APPROVAL NO. DIO 3.001

Re: Request for Disposal of Cement Rinsate and Approved Non-Hazardous Fluids in Beluga River Unit Well BRWD-1

Ms. Shannon Donnelly
Environmental Coordinator
ConocoPhillips Alaska Inc.
P.O. Box 66
Kenai, AK 99611

Dear Ms. Donnelly:

By letter dated August 15, 2005 ConocoPhillips Alaska Inc., (“ConocoPhillips”) requested authorization to dispose of non-hazardous wastes, including wastes returned from downhole and small amounts of unused fluids directly associated with well operations into Beluga River Unit Well BRWD-1. The well is a dedicated Class II disposal well supporting production operations at the Beluga River gas field located on the west side of Cook Inlet. The fluids identified by ConocoPhillips would be generated during well maintenance and drilling activities include nonhazardous wastes that have not been down hole, and include excess cement slurry, cement rinsate, and small quantities of excess fluids associated with the proposed activities such as completions, well workover, testing and drilling.

Provided with ConocoPhillips’ request were test results of cement rinsate, and the Material Safety Data Sheet (MSDS) for each proposed fluid to be injected. Data provided by ConocoPhillips demonstrates that the fluids proposed for injection do not exhibit any hazardous characteristics as defined in 40 CFR 261. Additional correspondence dated August 22, 2005 notes that fluid wastes generated during well work will be minimized and fluids will be reused where possible. ConocoPhillips provided the results of feasibility reviews that indicate the cost of offsite management of fluids would be prohibitive and transport represents an additional risk that is unnecessary for environmental protection.

The fluids noted in ConocoPhillips’ August 15, 2005 request are generated in primary field operations intrinsic to development activities intended to improve the ultimate recovery of oil and natural gas from the reservoir, to repair well integrity, or properly abandon those development wells that have no future utility. These fluids are consistent in composition with materials already authorized under Disposal Injection Order No. 3. The AOGCC also agrees with the assessment that underground injection into this Class II disposal well represents the environmentally preferable option for managing non-hazardous drilling and well service fluid at the Beluga River field.

Our records indicate that Beluga River Well BRWD-1 passed a Commission-witnessed mechanical integrity test on June 27, 2005, as required in 20 AAC 25.252(d). Evidence available to the Commission

indicates well fluids are confined to the intended injection zone. The proposed fluids pose no additional risk of fluid movement into non-exempt aquifers.¹

The Commission has determined that the fluids, as represented in ConocoPhillips' request for administrative approval, namely excess cement slurry, cement rinsate, KCL water, CaCl₂ brine, and excess water based mud are suitable for disposal in Beluga River BRWD-1 as proposed. Approval applies only to this specific request and is not intended to provide for a blanket authorization to inject these or similar non-hazardous fluids down other Class II disposal wells.

DATED at Anchorage, Alaska and dated August 23, 2005.

John K. Norman
Chairman

Daniel T. Seamount, Jr.
Commissioner

Cathy P. Foerster
Commissioner

BY ORDER OF THE COMMISSION

¹ All aquifers below 3,030 feet within a one-mile radius around BRWD-1 are exempted (EPA Permit AK-2D0001-I) for Class 2 injection activities