

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

## ALASKA OIL AND GAS CONSERVATION COMMISSION

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### ADMINISTRATIVE APPROVAL NO. DIO 3.002

Ms. Marta Czarnecki  
Environmental Coordinator  
ConocoPhillips  
P.O. Box 66  
Kenai, Alaska 99611

Re: Disposal Injection of Canola Oil  
Beluga River Unit

Dear Ms. Czarnecki:

Disposal Injection Order ("DIO") 3 approved the injection of Class II waste fluids into Beluga River Unit Well BRWD-1. There has been one administrative approval granted since DIO 3 was issued clarifying fluids eligible for injection into this Class II disposal well. On September 8, 2006 you requested approval to dispose of canola oil and potentially small quantities of diesel in Well BRWD-1. Your request is approved.

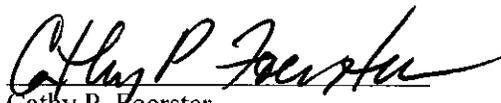
ConocoPhillips has scheduled a well cleanout for mid-September using concentric coil tubing ("CCT") technology. The equipment includes an inner coil tubing string connected to a down hole jet pump used to force fluid up through the CCT annulus to surface production equipment. Canola oil will be used as a lubricant to assist running the concentric coil tubing in the well, being applied to the coil tubing within a spill containment area. The addition of a small amount of diesel may be required to maintain a low level viscosity and prevent congealing of the canola oil during the cleanout. ConocoPhillips estimates 1 barrel of canola oil and up to 1 barrel of diesel will be required for the cleanout. Similar work was performed on the North Cook Inlet Tyonek Platform, and canola oil was authorized for injection in a Class II disposal well by DIO 17.005.

Confinement of fluids to the intended injection zone in Well BRWD-1 has been demonstrated by historical injection performance data available in Commission records. Well integrity has been demonstrated by successful mechanical integrity testing (most recent June 27, 2005) and monitoring the well's annular pressures. The disposal of canola oil (vegetable oil) and potentially up to 1 barrel of diesel will have no detrimental effect on the confinement of fluids. Well integrity, correlative rights, and waste will not occur from canola oil and diesel disposal into Well BRWD-1.

Done at Anchorage, Alaska and dated September 11, 2006.



Daniel T. Seamont  
Commissioner



Cathy P. Foerster  
Commissioner