

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

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ADMINISTRATIVE APPROVAL DISPOSAL INJECTION ORDER 37.001

Mr. Bill Van Dyke
Petroleum Engineer
PRA
3601 C Street, Suit 822
Anchorage, AK 99503

Re: Request for Disposal of Cement Rinsate and Approved Non-Hazardous Fluids in South Barrow Well No. 15

Dear Mr. Van Dyke:

By letter dated November 14, 2011, PRA, acting on behalf of the North Slope Borough (NSB), requested authorization to dispose of non-hazardous wastes, other than those wastes returned from downhole, into the South Barrow Well No. 15 (SB 15) Class II disposal well. This well is located in the Barrow Gas Field on the North Slope. The wastes identified by PRA would be generated during well work and drilling programs, and include excess cement slurry, cement rinsate, and small quantities of excess fluids associated with the proposed activities such as completions, well workover, testing, drilling and well abandonment. The AOGCC **GRANTS** your request.

Our records indicate that SB 15 passed the mechanical integrity demonstrations required by Disposal Injection Order No. (DIO) 37 during September 2011 and Sundry Approval 311-301 was issued September 28, 2011 authorizing injection into the well.

The fluids noted in your request are generated in primary field operations intrinsic to development activities intended to improve the ultimate recovery of 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 DIO 37 and pose no risk of fluid movement into an USDW. 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 fluids in the Barrow Gas Field.

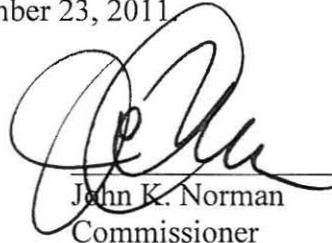
The Commission has determined that the fluids, as represented in PRA's request for administrative approval, namely excess cement slurry, cement rinsate, precipitation from impounded areas, small volumes of unused brine, excess water based mud, small volumes of unused completion fluids and drum rinsates from materials used to prepare the listed fluids are

suitable for disposal in the SB-15 as proposed. No authorization is given to dispose of excess materials in unopened containers. This approval applies only to this specific request and is not blanket authorization to inject these or similar non-hazardous fluids down other Class II disposal wells.

DONE at Anchorage, Alaska and dated November 23, 2011



Daniel T. Seamount, Jr.
Chair, Commissioner



John K. Norman
Commissioner



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 AOGCC grants for good cause shown, a person affected by it may file with the AOGCC 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 AOGCC 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 AOGCC 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 AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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 AOGCC, and it may be appealed to superior court. That appeal **MUST** be filed within **33** days after the date on which the AOGCC mails, **OR 30** days if the AOGCC 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 AOGCC 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.