

# STATE OF ALASKA

SEAN PARNELL, GOVERNOR

## ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7th AVENUE, SUITE 100  
ANCHORAGE, ALASKA 99501-3539  
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### STORAGE INJECTION ORDER NO. 6-001

Mr. Kevin A. Tabler  
Manager, Land and Government Affairs  
Chevron North America Expl and Prod Company  
3800 Centerpoint Dr., Ste. 100  
Anchorage, AK 99503

RE: Denial of Request for Administrative Approval  
Storage Injection Order 006.000 - Swanson River Field

Dear Mr. Tabler:

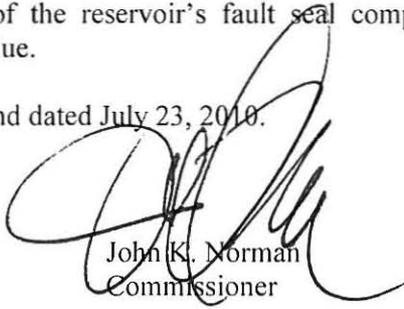
The Alaska Oil and Gas Conservation Commission (AOGCC or Commission) hereby **DENIES** Chevron North America (Chevron)'s request for administrative approval to amend Rule 4 of Storage Injection Order (SIO) 006.000 without prejudice. By correspondence dated June 17, 2010 Chevron requested this administrative approval to inject gas into the Tyonek 77-3 Sand within the Swanson River Field, up to an average reservoir pressure gradient equal to 0.676 psi per foot.

AOGCC finds that Chevron's requested Tyonek 77-3 gas storage pressure gradient is equivalent to an average storage reservoir pressure of 5265 psi at 7788' true vertical depth. The Commission also finds that this requested average reservoir pressure of 5265 psi is approximately 10 percent greater than the Tyonek 77-3's original average pressure of 4774 psi. Chevron has provided no direct evidence of the reservoir's fault seal competency in the event reservoir pressure exceeds its original value.

**DONE** at Anchorage, Alaska and dated July 23, 2010.



Daniel T. Seamont  
Chair, Commissioner



John K. Norman  
Commissioner



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