

STATE OF ALASKA

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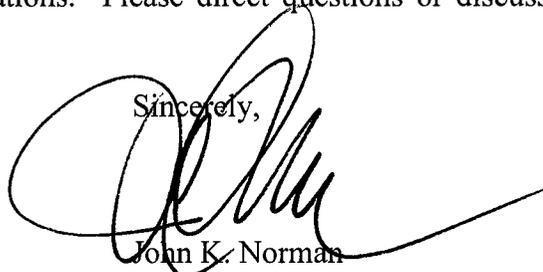
AOGCC Industry Guidance Bulletin No. 06-04 Subsurface Safety Valves

Alaska Oil and Gas Conservation Commission ("Commission") regulations governing automatic shut in equipment are contained in 20 AAC 25.265. Where required, subsurface safety valves are to be fail-safe automatic surface controlled devices unless the Commission approves another type of subsurface valve. Recent installations of alternate subsurface valves have resulted in some confusion about the approval requirements. The Commission provides the following guidance on subsurface safety valves.

Pre-approval is required for all alternative subsurface valves other than those that are surface controlled. A request for approval must include information about the mechanical configuration of the valve and specifications, fluid flow composition, pressures, model used to size the valve, trip pressure and any other information that establishes the suitability of the valve as an alternate to a surface controlled subsurface safety valve. All installed subsurface controlled valves must be flow tested at least every 6 months. The operator shall maintain an inventory list of all wells with alternate subsurface safety valves installed showing well, date of installation, type of valve, last test date and test result.

In order to ensure regulatory compliance, please share this guidance with all appropriate members of your organizations. Please direct questions or discussion to Jim Regg at (907) 793-1236.

Sincerely,



John K. Norman
Chairman