

BEFORE THE STATE OIL AND GAS BOARD OF ALABAMA

PURSUANT TO A DECISION RENDERED DURING
A REGULAR SESSION OF THE STATE OIL AND
GAS BOARD OF ALABAMA ON JULY 27, 2001, THE
FOLLOWING ORDER IS HEREBY PROMULGATED:

IN RE: ORDER NO. 2001-94

DOCKET NO. 7-25-01-3

THIS CAUSE came on for hearing before the State Oil and Gas Board of Alabama on the petition of ENERGEN RESOURCES CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for certain coal degasification wells located in Oak Grove Coal Degasification Field, Tuscaloosa and Jefferson Counties, Alabama. The State Oil and Gas Board finds that due and proper notice of the hearing of said cause has been given in the manner and form and for the time required by law and the rules and regulations of this Board, and that the Board has full jurisdiction of this cause, and the Board being fully advised in the premises finds:

FINDINGS OF FACT

I.

That Petitioner is the Operator of the following wells:

OAK GROVE COAL DEGASIFICATION FIELD

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>LOCATION</u>
5963-C	USX-TAURUS-88-18-7-30-02-755	S30,T18S,R7W
5977-C	USX-TAURUS-88-18-8-24-13-735	S24, 18S, R8W
6067-C	USX-TAURUS-88-18-7-27-12-745	S27,T18S,R7W
6068-C	USX-TAURUS-88-18-7-27-2-743	S27,T18S,R7W
6070-C	USX-TAURUS-88-18-7-27-03-744	S27,T18S,R7W
6071-C	USX-TAURUS-88-18-7-34-05-778	S34,T18S,R7W
6072-C	USX-TAURUS-88-18-7-34-11-781	S34,T18S,R7W
6073-C	USX-TAURUS-88-18-7-34-09-780	S34,T18S,R7W
6099-C	USX-TAURUS-89-18-7-33-07-775	S33,T18S,R7W
6492-C	USX-TAURUS-89-19-8-16-8-879	S16,T19S,R8W
6493-C	USX-TAURUS-89-19-8-16-09-880	S16,T19S,R8W
6496-C	USX-TAURUS-89-19-8-02-15-798	S2, T19S,R8W
6614-C	USX-TAURUS-89-19-8-10-10-815	S10,T19S,R8W
6937-C	USX-TAURUS-89-18-8-26-08-756	S26,T18S,R8W
6941-C	USX-TAURUS-89-19-8-15-06-876	S15,T19S,R8W
7010-C	USX-TAURUS-89-19-7-14-07-848	S14,T19S,R7W
9569-C	UA-TAURUS-90-19-7-14-05-847	S14,T19S,R7W
9570-C	UA-TAURUS-90-19-7-14-11-849	S14,T19S,R7W
9571-C	UA-TAURUS-90-19-7-14-16-850	S14,T19S,R7W

II.

That all of said wells have previously been placed in the status of temporarily abandoned wells in accordance with Rule 400-3-4-.17(1) of the *State Oil and Gas Board of Alabama Administrative Code* for a period of one year and said one-year period will expire on July 27, 2001.

III.

That an expert witness for Petitioner testified that the 19 subject wells were a part of an original acquisition wells from Amoco Production Company. The witness testified that at the time of the acquisition, 264 wells aquired from Amoco Production Company were in a temporarily abandoned status. Under Energen's operation, the 19 subject wells in Oak Grove and 2 wells in Big Sandy Creek remain in said temporarily abandoned status. The expert witness further stated that current royalty owners of the wells are satisfied with Energen's operations in the Oak Grove Coal Degasification Field.

IV.

That Petitioner submits that it does not currently plan to plug and abandon these coal degasification wells because they may have future utility in that Petitioner may complete some or all of the aforementioned wells and, when completed, some or all of the said wells may be capable of producing occluded natural gas or methane from the Pottsville Coal Interval.

V.

That the above-mentioned wells have future utility and therefore, the temporarily abandoned status of the wells is due to be extended.

CONCLUSIONS OF LAW

VI.

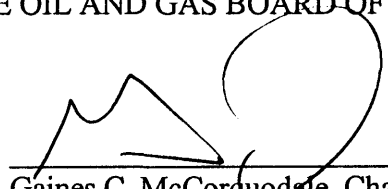
That granting this petition will prevent waste and protect the correlative rights of all owners in the drilling units assigned to the above-cited wells.

Based on the Findings of Fact and Conclusions of Law set forth hereinabove, IT IS THEREFORE, HEREBY ORDERED, ADJUDGED AND DECREED by the State Oil and Gas Board of Alabama that the Petition be GRANTED. Said Petition is granted approving an extension of the temporarily abandoned status for the aforementioned coal degasification wells until the next regular State Oil and Gas Board hearing following the expiration of one year from the date of this Board's order in this matter in accordance with Rule 400-3-4-.17(1) of the *State Oil and Gas Board of Alabama Administrative Code*.

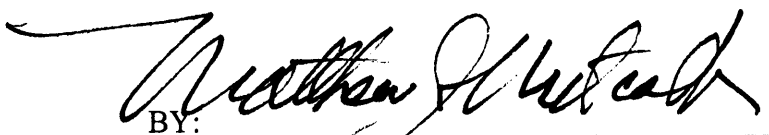
ORDERED this 27th day of July, 2001.

STATE OIL AND GAS BOARD OF ALABAMA

BY:


Gaines C. McCorquodale, Chairman

BY:


Matthew S. Metcalfe, Member

BY:

ABSENT

M. Stephen Dampier, Member

ATTEST:


Donald F. Oltz, Secretary