

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 MARCH 19, 2004, THE
FOLLOWING ORDER IS HEREBY PROMULGATED:

IN RE: ORDER NO. 2004-22

DOCKET NO. 2-4-04-8A

THIS CAUSE came on for hearing before the State Oil and Gas Board of Alabama on the petition of BLACK WARRIOR METHANE CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending temporarily abandoned status of certain wells in the 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 all located in the Oak Grove Coal Degasification Field in Jefferson County, Alabama:

| <u>PERMIT NO</u> | <u>WELL NAME</u> | <u>LOCATION</u> |
|------------------|------------------|-----------------|
| 11114-CG | USX 21-2-1 | S21, T19S, R6W |
| 11272-CG | USX 21-8-3 | S21, T19S, R6W |
| 5948-CG | USPF 02-11-01 | S2, T19 S, R6 W |
| 5950-CG | USPF 11-02-01 | S11, T19S, R6W. |

II.

That an expert witness for Petitioner testified that the temporarily abandoned status of the above-referenced wells should be extended because Jim Walter Resources, Inc. has sealed the mine and the methane quality of the wells is increasing as time passes. Previously, Petitioner has been able to restore wells to production and premature plugging of these wells will reduce the potential recoverable methane gas from these wells in the future.

III.

That the expert witness further testified that these wells afford an opportunity to observe methane gas conditions in sealed portions of the underground mines.

IV.

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

CONCLUSIONS OF LAW

V.

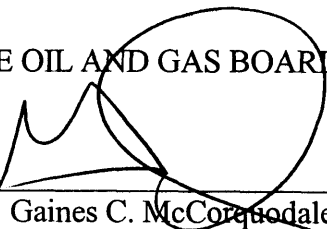
That granting this petition will prevent waste and protect the correlative rights of all owners in the drilling units assigned to the above-referenced wells.

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 extending the temporarily abandoned status for the aforementioned wells in the Oak Grove Coal Degasification Field, Tuscaloosa and Jefferson Counties, Alabama, for a period of one (1) year from the date of this Order, or until the next regularly scheduled meeting of the Board following the expiration of said one (1) year period in accordance with Rule 400-3-4-.17(1) of the *State Oil and Gas Board of Alabama Administrative Code*.

ORDERED this 19th day of March, 2004.

STATE OIL AND GAS BOARD OF ALABAMA

BY:

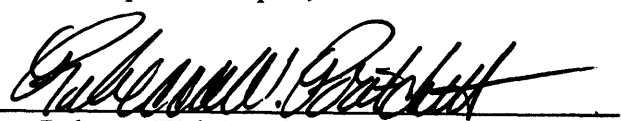

Gaines C. McCord, Chairman

BY:

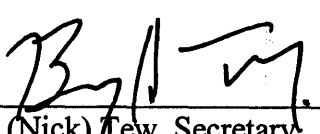
ABSENT

M. Stephen Dampier, Member

BY:


Rebecca Wright Pritchett, Member

ATTEST:


Berry H. (Nick) Tew, Secretary