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6.26.07

May 16, 2007

MR

EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Board Exhibit	Proofs of publication Docket No. 11-01-06-16 Docket No. 1-31-07-8 Docket No. 4-11-07-5 Docket No. 5-16-07-1 Docket No. 5-16-07-2 Docket No. 5-16-07-3 Docket No. 5-16-07-4 Docket No. 5-16-07-5 Docket No. 5-16-07-6 Docket No. 5-16-07-7	18	18
Board Exhibit	Posting on Website of Secretary of State	18	19
Board Exhibit	Hearing Officer Order	19	19
Exhibit 1 (Item 11)	Affidavit of testimony with attached exhibits (John D. Herlihy)	20	20
Exhibit 1 (Item 12)	Affidavit of testimony with attached exhibits (John D. Herlihy)	21	21
Exhibit 1 (Item 13)	Affidavit of testimony with attached exhibit (John D. Herlihy)	21	21
Exhibit 1 (Item 14)	Affidavit of testimony with attached exhibit (John D. Herlihy)	22	22
Exhibit 1 (Item 22)	Affidavit of notice (William T. Watson)	22	22

May 16, 2007

EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 2 (Item 22)	Affidavit of testimony (Robert T. Wood)	22	23
Exhibit 3 (Item 22)	1/10/07 letter to Don McCombs (Steven M. Hutchings)	23	23
Exhibit 1 (Item 23)	Affidavit of notice (William T. Watson)	23	23
Exhibit 2 (Item 23)	Affidavit of testimony (Robert T. Wood)	23	23
Exhibit 3 (Item 23)	1/10/07 letter to Don McCombs (Steven M. Hutchings)	23	24
Exhibit 1 (Item 24)	Affidavit of notice (William T. Watson)	24	24
Exhibit 2 (Item 24)	Affidavit of testimony (Robert T. Wood)	24	24
Exhibit 3 (Item 24)	1/10/07 letter to Don McCombs (Steven M. Hutchings)	24	24

May 16, 2007

STATE OIL AND GAS BOARD OF ALABAMA

Tuscaloosa, Alabama

May 16, 2007

Testimony and proceedings before a Hearing Officer in Regular Session in the Board Room of the State Oil and Gas Board Building, University of Alabama Campus, Tuscaloosa, Alabama, pursuant to adjournment, on this the 16<sup>th</sup> day of May, 2007.

BOARD

Mr. Marvin Rogers..... Attorney

STAFF

Dr. Berry H. (Nick) Tew, Jr. .... Secretary and Supervisor  
Dr. David E. Bolin ..... Deputy Director  
Mr. Jay H. Masingill ..... Assistant Supervisor  
Mr. Richard Raymond..... Assistant Supervisor  
Mr. Tom Sexton ..... Geologist  
Mr. Kirk McQuillan ..... Geologist  
Mr. Jacques Chasse ..... Geologist

May 16, 2007

APPEARANCES

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15

NAME		REPRESENTING
1.	Steve Hutchings Mobile, AL	Dominion Black Warrior Basin, Inc.
2.	Bob Wood Tuscaloosa, AL	Dominion Black Warrior Basin, Inc.
3.	Tom Watson Tuscaloosa, AL	Dominion Black Warrior Basin, Inc.
4.	Mark Scogin Tuscaloosa, AL	Durango Operating, LLC

May 16, 2007

(The hearing was convened at 10:12 a.m. on  
Wednesday, May 16, 2007, at Tuscaloosa, Alabama.)

MR. ROGERS: This hearing is in session. Dr. Tew, have the items to be heard today  
been properly noticed?

DR. TEW: The items to be heard today have been properly noticed. An agenda for  
today's meeting has been transmitted to the recording secretary.

AGENDA  
STATE OIL AND GAS BOARD OF ALABAMA  
MAY 16 & 18, 2007

The State Oil and Gas Board of Alabama will hold its regular meeting at  
10:00 a.m. on Wednesday, May 16, and Friday, May 18, 2007 in the  
Board Room of the State Oil and Gas Board, Walter B. Jones Hall,  
University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa,  
Alabama, to consider among other items the following petition(s):

1. DOCKET NO. 11-1-06-6

Continued petition by DOMINION BLACK WARRIOR BASIN, INC., an  
Alabama corporation, requesting the State Oil and Gas Board to enter an  
order force pooling, with a risk compensation penalty, all tracts and  
interests in hydrocarbons produced from coalbeds in the Pottsville Formation  
in the Falls 28-16-826 Well to be located on an 80-acre unit consisting of the  
Southeast Quarter of the Southeast Quarter of Section 28, and the Northeast  
Quarter of the Northeast Quarter of Section 33, all in Township 18 South,  
Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal  
Degasification Field.

This Petition is in accordance with Section 9-17-13, Code of Alabama  
(1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of  
Alabama Administrative Code.

2. DOCKET NO. 11-01-06-10

Continued petition by SAGA PETROLEUM, LLC, a Colorado limited  
liability company authorized to do and doing business in the State of  
Alabama, requesting the State Oil & Gas Board of Alabama to enter an  
order force pooling, with risk compensation, all tracts and interests in

1 coalbed methane produced from a well drilled to the Pottsville Formation  
2 on a unit consisting of approximately 40 acres located in the Southeast  
3 Quarter of the Northwest Quarter of Section 34, Township 19 South,  
4 Range 9 West, Tuscaloosa County, Alabama, in the Deerlick Creek Coal  
5 Degasification Field. This petition is in accordance with Section 9-17-13,  
6 ALABAMA CODE (1975), as amended, and Rules 400-7-1 and 400-7-2 of  
7 the State Oil and Gas Board of Alabama Administrative Code.  
8

9 3. DOCKET NO. 11-01-06-15

10 Continued petition by DE SOTO OIL & GAS, INC., an Alabama  
11 corporation, authorized to do and doing business in the State of Alabama,  
12 requesting the State Oil & Gas Board of Alabama to enter an Order  
13 approving an exception to the spacing requirements as set out in Rule 3(b)  
14 of the Special Field Rules for the Big Escambia Creek Field, so as to allow  
15 the Petitioner to drill a Well known as the Edwards 13-1 No. 1 Well, with  
16 a proposed bottom hole location to be no closer than 330 feet from the  
17 north line and no closer than 330 feet from the east line of the unit for said  
18 Edwards 13-1 No. 1 Well, which is comprised of the entire Section 13,  
19 Township 1 North, Range 7 East, Big Escambia Creek Field, Escambia  
20 County, Alabama.  
21

22 This Petition is a companion to Docket No. 11-01-06-16 in which Petition  
23 requests approval of force pooling of the interest in the Edwards 13-1 No.  
24 1 Well.  
25

26 4. DOCKET NO. 11-01-06-16

27 Continued petition by DE SOTO OIL & GAS, INC., an Alabama  
28 corporation authorized to do and doing business in the State of Alabama,  
29 requesting the State Oil & Gas Board of Alabama to enter an order force  
30 pooling, with risk compensation, all tracts and interests in a 640-acre  
31 drilling unit for the proposed Edwards 13-1 No. 1 Well, having a unit  
32 consisting of all of Section 13, Township 1 North, Range 7 East, Escambia  
33 County, Alabama, in the Big Escambia Creek Field with an objective  
34 depth of the Smackover Formation as defined by the Special Field Rules  
35 for the Big Escambia Creek Field. This petition is in accordance with  
36 Section 9-17-13, ALABAMA CODE (1975), as amended, and Rules 400-7-1  
37 and 400-7-2 of the State Oil and Gas Board of Alabama Administrative  
38 Code. Petitioner requests that due and proper notice of the hearing on this  
39 matter be given in the manner and form and for the time required by law  
40 and the rules and regulations of this Board.

1 This Petition is a companion to Docket No. 11-01-06-15 in which  
2 Petitioner requests approval of an exception location for bottom hole  
3 location of the Edwards 13-1 No. 1 Well.

4 5. DOCKET NO. 12-12-06-19

5 Continued petition by LOWER 15 OIL CORPORATION, an Alabama  
6 corporation, requesting the State Oil and Gas Board to enter an order force  
7 pooling, without the imposition of a risk compensation penalty, all tracts  
8 and interests in hydrocarbons produced from the Joseph W. Hutchinson,  
9 Jr., et al #1 Well, Permit No. 1431, located on a 40-acre unit consisting of  
10 the Northwest Quarter of the Northeast Quarter of Section 7, Township  
11 10 North, Range 3 West, Choctaw County, Alabama, in the Gilbertown  
12 Oil Field.

13  
14 This Petition is in accordance with Section 9-17-13, Code of Alabama  
15 (1975), as amended, and Rule 400-7-2-01 of the State Oil and Gas Board  
16 of Alabama Administrative Code.

17  
18 The public is further advised that, pursuant to this hearing the applicable  
19 provision of the Code of Alabama (1975), and the State Oil and Gas Board  
20 of Alabama Administrative Code, the Board will enter such Order or  
21 Orders as in its judgment may be necessary in accordance with the  
22 evidence submitted and accepted.

23  
24 6. DOCKET NO. 1-31-07-4

25 Continued petition by MAYNE & MERTZ, INC., a foreign corporation,  
26 authorized to do and doing business in the State of Alabama, requesting  
27 the State Oil and Gas Board to enter an order approving a 320-acre unit for  
28 the Jones Trust 21-4 No. 1 Well consisting of the South Half of the  
29 Southwest Quarter of Section 16, the South Half of the Southeast Quarter  
30 of Section 17, the North Half of the Northeast Quarter of Section 20, and  
31 the North Half of the Northwest Quarter of Section 21, all in Township 1  
32 North, Range 9 East, Escambia County, Alabama, in the Jernigan Mill  
33 Creek Field as an exception to Rule 3(a) of the Special Field Rules for said  
34 Field which requires, in part, that wells in said Field be located on units  
35 consisting of two contiguous governmental quarter sections containing  
36 approximately 320 contiguous acres.

37  
38 The public is further advised that, pursuant to this hearing, the applicable  
39 provisions of the Code of Alabama (1975), and the State Oil and Gas  
40 Board of Alabama Administrative Code, the Board will enter such Order

1 or Orders as in its judgment may be necessary in accordance with the  
2 evidence submitted and accepted.  
3

4 7. DOCKET NO. 1-31-07-8

5 Continued petition by LOWER 15 OIL CORPORATION, an Alabama  
6 corporation, requesting the State Oil and Gas Board to enter an order  
7 terminating the unitization of the East Gilberttown Eutaw Unit consisting  
8 of the Southeast Quarter and the East Half of the Southwest Quarter of  
9 Section 1, Township 10 North, Range 3 West, and the Southwest Quarter  
10 of the Southwest Quarter of Section 6, Township 10 North, Range 2 West,  
11 all in Choctaw County, Alabama, in the Gilberttown Oil Field.  
12

13 This Petition is in accordance with Section 9-17-13, Code of Alabama  
14 (1975), as amended, and Rule 400-7-2-01 of the State Oil and Gas Board  
15 of Alabama Administrative Code.  
16

17 The public is further advised that, pursuant to this hearing the applicable  
18 provision of the Code of Alabama (1975), and the State Oil and Gas Board  
19 of Alabama Administrative Code, the Board will enter such Order or  
20 Orders as in its judgment may be necessary in accordance with the  
21 evidence submitted and accepted.  
22

23 8. DOCKET NO. 2-28-07-30

24 Continued petition by ESCAMBIA OPERATING CO., LLC, a foreign  
25 limited liability company, authorized to do and doing business in the State  
26 of Alabama, requesting the State Oil and Gas Board to enter an order  
27 approving an exceptional surface location and proposed exceptional  
28 bottom hole location for the Edwards 13-1 No. 1 Well to be drilled on a  
29 640-acre unit consisting of Section 13, Township 1 North, Range 7 East,  
30 Escambia County, Alabama, in the Big Escambia Creek Field, as an  
31 exception to Rule 3(b) of the Special Field Rules for said Field which  
32 requires that wells be located at least 1,320 feet from every exterior  
33 boundary of the drilling unit. The surface location for the referenced well  
34 will be 900 feet from the North line and 450 feet from the East line with a  
35 proposed bottom hole location no closer than 330 feet from the East line  
36 and no closer than 330 feet from the North line of said Section 13 and, as  
37 such, will be an exception to said Rule 3(b).



1 9. DOCKET NO. 2-28-07-32

2 Continued petition by NATURAL GAS & OIL, INC., an Alabama  
3 corporation, requesting the State Oil and Gas Board to enter an order force  
4 pooling, with a risk compensation penalty, all tracts and interests in  
5 hydrocarbons produced from formations of Mississippian and Pennsylvanian  
6 Age, from a well to be drilled on a 320-acre drilling unit consisting of the  
7 South Half of Section 14, Township 16 South, Range 15 West, Lamar  
8 County, Alabama, as a productive extension of the Mt. Zion Field.  
9

10 This Petition is in accordance with Section 9-17-13, Code of Alabama  
11 (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of  
12 Alabama Administrative Code.  
13

14 10. DOCKET NO. 4-11-07-1

15 Continued petition by MIDROC OPERATING COMPANY, a foreign  
16 corporation authorized to do and doing business in the State of Alabama,  
17 requesting the State Oil and Gas Board to enter an order finding that the  
18 contribution of the separately owned Tracts in the Little Cedar Creek Oil  
19 Unit have been shown to be erroneous by subsequently discovered  
20 productivity data from a well in the Little Cedar Creek Oil Unit, namely, the  
21 Pugh 22-12 Well, Permit No. 14824, said well having a surface location in  
22 Section 22, Township 4 North, Range 12 East, Conecuh County, Alabama,  
23 in the Little Cedar Creek Field. The Unit Operator has calculated the new  
24 Tract participation factors to reflect the altered Tract contribution and  
25 requests the Board to approve the revised Tract participation factors of each  
26 affected Tract in the Little Cedar Creek Oil Unit in Conecuh County,  
27 Alabama.  
28

29 The redetermination of Unit Tract participation factors for the Little Cedar  
30 Creek Oil Unit, Conecuh County, Alabama, is in accordance with the  
31 provisions of the Unit Agreement and Section 9-17-86 of the Code of  
32 Alabama (1975).  
33

34 11. DOCKET NO. 4-11-07-4A

35 Continued amended petition by DURANGO OPERATING, LLC, a  
36 Mississippi limited liability company, authorized to do business in the  
37 State of Alabama, requesting the State Oil and Gas Board to enter an order  
38 classifying the following wells all located in the Foshee Field, Escambia  
39 County, Alabama, as temporarily abandoned for a period of one (1) year:

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
5213	A.T.I.C. 34-9 #1	S34, T2N-R8E
5335	Culpepper 34-7 #1	S34, T2N-R8E
5167	A.T.I.C. 35-13 #2	S35, T2N-R8E
5062-A	A.T.I.C. 35-14 #1	S35, T2N-R8E

Said wells are temporarily abandoned. Petitioner is requesting the Board to classify said wells as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because all of the wells have future utility in Durango Operating, LLC's operations in Foshee Field, Escambia County, Alabama and should not be plugged.

#### 12. DOCKET NO. 4-11-07-5

Continued petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order classifying the following wells all located in West Foshee Field, Escambia County, Alabama, as temporarily abandoned for a period of one (1) year:

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
5352	A.T.I.C. 33-9 #1	S33, T2N-R8E
5475	A.T.I.C. 33-7 #3	S33, T2N-R8E
5359	A.T.I.C. 33-8 #1	S33, T2N-R8E
5528	A.T.I.C.-Container 33-3 #1	S33, T2N-R8E

Said wells are temporarily abandoned. Petitioner is requesting the Board to classify said wells as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because all of the wells have future utility in Durango Operating, LLC's operations in West Foshee Field, Escambia County, Alabama and should not be plugged.

#### 13. DOCKET NO. 4-11-07-6

Continued petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order classifying the Cedar Creek Land and Timber Co. 12-9 #1, Permit # 8685, located in Section 12, Township 1 North, Range 8 East in Osaka Field,

1 Escambia County, Alabama, as temporarily abandoned for a period of one  
2 (1) year:  
3

4 Said well is temporarily abandoned. Petitioner is requesting the Board to  
5 classify said well as temporarily abandoned for a period of one (1) year in  
6 accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of  
7 Alabama Administrative Code because said well has future utility in  
8 Durango Operating, LLC's operations in Osaka Field, Escambia County,  
9 Alabama and should not be plugged.  
10

11 14. DOCKET NO. 4-11-07-7

12 Continued petition by DURANGO OPERATING, LLC, a Mississippi  
13 limited liability company, authorized to do business in the State of  
14 Alabama, requesting the State Oil and Gas Board to enter an order  
15 classifying the R. E. Loper et al 12-11 #1, Permit # 2885, located in  
16 Section 12, Township 1 North, Range 8 East in Pollard Field, Escambia  
17 County, Alabama, as temporarily abandoned for a period of one (1) year:  
18

19 Said well is temporarily abandoned. Petitioner is requesting the Board to  
20 classify said well as temporarily abandoned for a period of one (1) year in  
21 accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of  
22 Alabama Administrative Code because said well has future utility in  
23 Durango Operating, LLC's operations in Pollard Field, Escambia County,  
24 Alabama and should not be plugged.  
25

26 15. DOCKET NO. 4-11-07-12

27 Continued petition by DOMINION BLACK WARRIOR BASIN, INC., an  
28 Alabama corporation, requesting the State Oil and Gas Board to enter an  
29 order force pooling, without the imposition of a risk compensation  
30 penalty, all tracts and interests in hydrocarbons produced in the Sloss et al  
31 35-13-09 Well, Permit No. 14621, located on a proposed reformed 320-  
32 acre drilling unit in the Big Canoe Creek Field consisting of the West Half  
33 of Section 35, Township 13 South, Range 4 East, St. Clair County, Alabama.  
34

35 This Petition is in accordance with Section 9-17-13, Code of Alabama  
36 (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of  
37 Alabama Administrative Code.  
38

39 This petition is filed as a companion to a petition bearing Docket No. 4-  
40 11-07-13 requesting approval of the reformation of the 40-acre wildcat  
41 drilling unit for the referenced well to a 320-acre drilling unit in the Big

1 Canoe Creek Field, and a petition bearing Docket No. 4-11-07-14  
2 requesting approval of exceptional surface and bottom hole locations for the  
3 referenced well on the proposed reformed 320-acre unit.  
4

5 16. DOCKET NO. 4-11-07-13

6 Continued petition by DOMINION BLACK WARRIOR BASIN, INC., an  
7 Alabama corporation, requesting the State Oil and Gas Board to enter an  
8 order approving the reformation of a 40-acre wildcat drilling unit for the  
9 Sloss et al 35-13-09 Well, Permit No. 14621, consisting of the Southwest  
10 Quarter of the Southwest Quarter of Section 35, Township 13 South, Range  
11 4 East, St. Clair County, Alabama, to a 320-acre drilling unit in the Big  
12 Canoe Creek Field consisting of the West Half of said Section 35.  
13

14 This petition is filed as a companion to a petition bearing Docket No. 4-  
15 11-07-12 requesting the forced pooling, without the imposition of a risk  
16 compensation penalty, of all tracts and interests in hydrocarbons produced  
17 in the referenced well, and a petition bearing Docket No. 4-11-07-14  
18 requesting approval of exceptional surface and bottom hole locations for the  
19 referenced well on the proposed reformed 320-acre unit.  
20

21 17. DOCKET NO. 4-11-07-14

22 Continued petition by DOMINION BLACK WARRIOR BASIN, INC., an  
23 Alabama corporation, requesting the State Oil and Gas Board to enter an  
24 order approving exceptional surface and bottom hole locations for the Sloss  
25 et al 35-13-09 Well, Permit No. 14621, on a proposed reformed 320-acre  
26 drilling unit in the Big Canoe Creek Field consisting of the West Half of  
27 Section 35, Township 13 South, Range 4 East, St. Clair County, Alabama,  
28 said surface location being 367 feet from the South line and 589 feet from  
29 the West line and a bottom hole location 1,220 feet from the South line  
30 and 121 feet from the West line of said proposed reformed 320-acre unit  
31 and, as such, is an exception to Rule 4B of the proposed Special Field Rules  
32 for the Big Canoe Creek Field, which requires a well to be located at least  
33 660 feet from every exterior boundary of a 320-acre drilling unit.  
34

35 This petition is filed as a companion to a petition bearing Docket No. 4-  
36 11-07-13 requesting approval of the reformation of the 40-acre wildcat  
37 drilling unit for the referenced well to a 320-acre drilling unit in the Big  
38 Canoe Creek Field, and a petition bearing Docket No. 4-11-07-12  
39 requesting the forced pooling, without the imposition of a risk  
40 compensation penalty, of all tracts and interests in hydrocarbons produced  
41 in the referenced well.

18. DOCKET NO. 4-11-07-21

Continued petition by HOLLAND OPERATING CO., INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order pursuant to Sections 9-17-1 through 9-17-33 and 9-17-80 through 9-17-88, Code of Alabama (1975) approving and establishing a partial field-wide unit, to be known as "Moundville Unit I," consisting of the hereinafter described "Unit Area" in the Moundville Coal Degasification Field, Tuscaloosa, Hale and Greene Counties, Alabama, and requiring the operating of said Unit Area as a single unit in order to avoid the drilling of unnecessary wells, increase the efficiency of operations and improve the ultimate recovery of occluded natural gas from the Unitized Formation, as hereinafter defined, and avoid waste. The "Unitized Formation" is to be designated as the Pottsville Coal Interval underlying the Unit Area, the productive interval of which is found between the depths of 500 feet and 5,000 feet as encountered in the Tubbs 9-1-73-4173 Well, Permit No. 7540-C, located in the Northeast Quarter of Section 9, Township 23 North, Range 5 East, Hale County, Alabama, as indicated on the density log of said well, and all zones in communication therewith and all productive extensions thereof, including any coal seam stringer that might occur within a depth of either 80 feet above or 80 feet below the Pottsville Coal Interval, as defined in said wells, and including those coal seams which can be correlated therewith. Petitioner further seeks approval of the Unit Agreement and Unit Operating Agreement, as ratified, in accordance with Section 9-17-84, Code of Alabama (1975), and approval of the amendments to the Special Field Rules for the Moundville Coal Degasification Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

Petitioner further seeks entry of an order unitizing, pooling and integrating the Unit Area, as underlain by the above defined Unitized Formation so as to require all owners or claimants of royalty, overriding royalty, mineral, and leasehold interests within the Unit Area to unitize, pool and integrate their interests and develop their lands or interests as a unit, and designating Holland Operating Co., Inc. as Operator of the Unit Area in accordance with the laws of Alabama. The proposed Unit Area, to be designated Moundville Unit I, containing approximately 160 acres, consists of the following described parcels in Hale County, Alabama: East Half of the Northeast Quarter of Section 9 and the West Half of the Northwest Quarter of Section 10, all in Township 23 North, Range 5 East.

19. DOCKET NO. 4-11-07-23A

Continued amended petition by PALMER PETROLEUM, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation in Petitioner's proposed Creech 23-8 No. 1 Well to be drilled on a 160-acre wildcat unit consisting of the Northeast Quarter of Section 23, Township 4 North, Range 14 East, Covington County, Alabama.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

20. DOCKET NO. 4-11-07-27

Continued petition by ENERGEN RESOURCES CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving a proposed 320-acre exceptional wildcat drilling unit for the Floyd Anderson 20-14 #1 Well consisting of the West Half of Section 20, Township 14 South, Range 3 East, St. Clair County, Alabama, as an exception to Rule 400-1-2-.02(2)(a) of the State Oil and Gas Board of Alabama Administrative Code, which provides that a well may be drilled on a drilling unit consisting of a governmental quarter-quarter section consisting of approximately 40 acres.

This petition is filed as a companion to a petition bearing Docket No. 4-11-07-28 requesting force pooling without imposition of a risk compensation penalty.

21. DOCKET NO. 5-16-07-1

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Jones 11-08-1080 Well, Permit No. 14421-C, from an 80-acre unit consisting of the East Half of the Northeast Quarter of Section 11, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field to a 40-acre unit consisting of the Southeast Quarter of the Northeast Quarter of said Section 11.

1 Although Petitioner requests the Board to eliminate certain lands from the  
2 present spacing unit, Petitioner proposes to drill another coalbed methane  
3 well in the lands proposed to be eliminated.  
4

5 22. DOCKET NO. 5-16-07-2

6 Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama  
7 corporation, requesting the State Oil and Gas Board to enter an order  
8 reforming the unit for the Jolen 23-12-779 Well, Permit No. 14227-C,  
9 from an 80-acre unit consisting of the North Half of the Southwest Quarter  
10 of Section 23, Township 18 South, Range 10 West, Tuscaloosa County,  
11 Alabama, in the Blue Creek Coal Degasification Field to a 40-acre unit  
12 consisting of the Northwest Quarter of the Southwest Quarter of said  
13 Section 23.  
14

15 Although Petitioner requests the Board to eliminate certain lands from the  
16 present spacing unit, Petitioner proposes to drill another coalbed methane  
17 well in the lands proposed to be eliminated.  
18

19 23. DOCKET NO. 5-16-07-3

20 Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama  
21 corporation, requesting the State Oil and Gas Board to enter an order  
22 reforming the unit for the Jolen 35-06-839 Well, Permit No. 14588-C,  
23 from an 80-acre unit consisting of the South Half of the Northwest Quarter  
24 of Section 35, Township 18 South, Range 10 West, Tuscaloosa County,  
25 Alabama, in the Blue Creek Coal Degasification Field to a 40-acre unit  
26 consisting of the Southeast Quarter of the Northwest Quarter of said  
27 Section 35.  
28

29 Although Petitioner requests the Board to eliminate certain lands from the  
30 present spacing unit, Petitioner proposes to drill another coalbed methane  
31 well in the lands proposed to be eliminated.  
32

33 24. DOCKET NO. 5-16-07-4

34 Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama  
35 corporation, requesting the State Oil and Gas Board to enter an order  
36 reforming the unit for the Jolen 01-12-694 Well, Permit No. 14160-C,  
37 from an 80-acre unit consisting of the North Half of the Southwest Quarter  
38 of Section 1, Township 18 South, Range 10 West, Tuscaloosa County,  
39 Alabama, in the Blue Creek Coal Degasification Field to a 40-acre unit  
40 consisting of the Northwest Quarter of the Southwest Quarter of said  
41 Section 1.

1 Although Petitioner requests the Board to eliminate certain lands from the  
2 present spacing unit, Petitioner proposes to drill another coalbed methane  
3 well in the lands proposed to be eliminated.  
4

5 25. DOCKET NO. 5-16-07-5

6 Petition by TEPEE PETROLEUM CO., INC., a foreign corporation  
7 authorized to do and doing business in the State of Alabama, requesting  
8 the State Oil and Gas Board to enter an order establishing a new gas  
9 condensate field to be named the West Wild Fork Creek Field, or such  
10 other name as the Board deems proper, and promulgating Special Field  
11 Rules therefor. The proposed field, as underlain by the Smackover Gas Pool,  
12 consists of the Southeast Quarter of the Southwest Quarter, South Half of the  
13 Northeast Quarter of the Southwest Quarter, East Half of the Southwest  
14 Quarter of the Southwest Quarter, Southeast Quarter of the Northwest  
15 Quarter of the Southwest Quarter, West Half of the Southwest Quarter of the  
16 Southeast Quarter, Southwest Quarter of the Northwest Quarter of the  
17 Southeast Quarter of Section 31, Township 3 North, Range 9 East and the  
18 North Half of the Northeast Quarter of the Northwest Quarter, Northeast  
19 Quarter of the Northwest Quarter of Northwest Quarter, Northwest Quarter  
20 of the Northwest Quarter of the Northeast Quarter of Section 6, Township 2  
21 North, Range 9 East, all in Escambia County, Alabama.  
22

23 The Smackover Gas Pool should be defined as that interval of the  
24 Smackover Formation productive of hydrocarbons between 14,092 feet and  
25 14,133 feet, as indicated on the Dual Induction Log of the Alta-Blackstone  
26 31-14 Well, Permit No. 14261, located in the Southeast Quarter of the  
27 Southwest Quarter of Section 31, Township 3 North, Range 9 East,  
28 Escambia County, Alabama. Petitioner is requesting well spacing of 160  
29 acres, and is also requesting the establishment of allowables for said field.  
30

31 This petition is filed as a companion to a petition bearing Docket No. 5-  
32 16-07-6 requesting reformation of the 40-acre wildcat drilling unit for the  
33 Alta-Blackstone 31-14 Well to a 160-acre unit in the West Wild Fork  
34 Creek Field, and a petition bearing Docket No. 5-16-07-7 requesting the  
35 forced pooling, without the imposition of a risk compensation penalty, of  
36 all tracts and interests in hydrocarbons produced in the referenced well.  
37

38 26. DOCKET NO. 5-16-07-6

39 Petition by TEPEE PETROLEUM CO., INC., a foreign corporation  
40 authorized to do and doing business in the State of Alabama, requesting  
41 the State Oil and Gas Board to enter an order approving the reformation of



1 a 40-acre wildcat drilling unit for the Alta-Blackstone 31-14 Well, Permit  
2 No. 14261, consisting of the Southeast Quarter of the Southwest Quarter of  
3 Section 31, Township 3 North, Range 9 East, Escambia County, Alabama, to  
4 a 160-acre production unit in the proposed West Wild Fork Creek Field  
5 consisting of the Southeast Quarter of the Southwest Quarter, South Half of  
6 the Northeast Quarter of the Southwest Quarter, East Half of the Southwest  
7 Quarter of the Southwest Quarter, Southeast Quarter of the Northwest  
8 Quarter of the Southwest Quarter, West Half of the Southwest Quarter of the  
9 Southeast Quarter, Southwest Quarter of the Northwest Quarter of the  
10 Southeast Quarter of Section 31, Township 3 North, Range 9 East and the  
11 North Half of the Northeast Quarter of the Northwest Quarter, Northeast  
12 Quarter of the Northwest Quarter of Northwest Quarter, Northwest Quarter  
13 of the Northwest Quarter of the Northeast Quarter of Section 6, Township 2  
14 North, Range 9 East, all in Escambia County, Alabama.

15  
16 This petition is filed as a companion to a petition bearing Docket No. 5-  
17 16-07-5 requesting establishment of the West Wild Fork Creek Field, and  
18 a petition bearing Docket No. 5-16-07-7 requesting the forced pooling,  
19 without the imposition of a risk compensation penalty, of all tracts and  
20 interests in hydrocarbons produced in the referenced well.

21  
22 27. DOCKET NO. 5-16-07-7

23 Petition by TEPEE PETROLEUM CO., INC., a foreign corporation  
24 authorized to do and doing business in the State of Alabama, requesting  
25 the State Oil and Gas Board to enter an order force pooling, without the  
26 imposition of a risk compensation penalty, all tracts and interests in  
27 hydrocarbons produced in the Alta-Blackstone 31-14 Well, Permit No.  
28 14261, located on a proposed reformed 160-acre production unit in the  
29 proposed West Wild Fork Creek Field consisting of the Southeast Quarter  
30 of the Southwest Quarter, South Half of the Northeast Quarter of the  
31 Southwest Quarter, East Half of the Southwest Quarter of the Southwest  
32 Quarter, Southeast Quarter of the Northwest Quarter of the Southwest  
33 Quarter, West Half of the Southwest Quarter of the Southeast Quarter,  
34 Southwest Quarter of the Northwest Quarter of the Southeast Quarter of  
35 Section 31, Township 3 North, Range 9 East and the North Half of the  
36 Northeast Quarter of the Northwest Quarter, Northeast Quarter of the  
37 Northwest Quarter of Northwest Quarter, Northwest Quarter of the  
38 Northwest Quarter of the Northeast Quarter of Section 6, Township 2 North,  
39 Range 9 East, all in Escambia County, Alabama.

1 This Petition is in accordance with Section 9-17-13, Code of Alabama  
2 (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of  
3 Alabama Administrative Code.

4  
5 This petition is filed as a companion to a petition bearing Docket No. 5-  
6 16-07-5 requesting establishment of the West Wild Fork Creek Field, and  
7 a petition bearing Docket No. 5-16-07-6 requesting approval of the  
8 reformation of the 40-acre wildcat drilling unit for the referenced well to a  
9 160-acre drilling unit in the West Wild Fork Creek Field.

10  
11 28. DOCKET NO. 5-16-07-8

12 Petition by FOUR STAR OIL & GAS COMPANY, a subsidiary of Chevron  
13 U.S.A. Inc., a foreign corporation authorized to do and doing business in the  
14 State of Alabama, requesting the State Oil and Gas Board to enter an order  
15 extending the temporarily abandoned status and the Class II UIC permit for  
16 the following described gas injection well in Mobile County, Alabama, in  
17 the Hatter's Pond Unit, in accordance with Rules 400-1-4-.17(1) and 400-4-  
18 2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code:

19	20	21	22	23
	<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>LOCATION</u>	
24	2735-B-GI-93-1	Hatter's Pond Unit 34-10 #1 ST	S34, T1S, R1W	25

26 The previous temporarily abandoned status and the Class II UIC permit for  
27 this well will expire on May 18, 2007. Petitioner requests the Board to grant  
28 a one year extension beginning May 18, 2007, because said well has future  
29 utility and should not be plugged.

30 29. DOCKET NO. 4-30-03-7

31 Continued MOTION BY THE STATE OIL AND GAS BOARD OF  
32 ALABAMA to consider issuing an order for Vintage Petroleum, Inc.,  
33 Hunt Refining Company, and Pruet Production Company to clean up and  
34 remove the oil on the lands of Lois Ezell and the adjoining pipeline right-  
35 of-way located in Section 29, Township 11 North, Range 3 West, Choctaw  
36 County, Alabama. Vintage Petroleum, Inc., operates the Ezell 29-5 Well,  
37 Permit No. 1844, on the lands of Lois Ezell, and certain oil pipelines on  
38 the pipeline right-of-way adjoining the lands of Lois Ezell. Hunt Oil  
39 Company operates an oil pipeline on the pipeline right-of-way adjoining  
40 the lands of Lois Ezell. Pruet Production Company operates a natural gas  
41 pipeline and a salt-water pipeline on the pipeline right-of-way adjoining  
the lands of Lois Ezell. The jurisdiction and authority of the Board is set

forth in Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

30. DOCKET NO. 4-25-06-34

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, Lower 15 Oil Corporation to show cause why the following abandoned wells located in the Gilberttown Field, Choctaw County, Alabama, and described hereinbelow should not be ordered plugged and abandoned in accordance with Rule 400-1-4-.14 of the State Oil and Gas Board of Alabama Administrative Code relating to Plugging and Abandonment of Wells and the well sites and associated tank battery sites restored in accordance with Rule 400-1-4-.16 of the State Oil and Gas Board of Alabama Administrative Code relating to Restoration of Location. Additionally, the Frank Gibson #1 Well, Permit No. 1071, which is described hereinbelow under Plugged and Abandoned well was plugged and abandoned on August 21, 1997, however the well site has not been restored in accordance with Rule 400-1-4-.16 of the State Oil and Gas Board of Alabama Administrative Code relating to Restoration of Location. Further, the Board is requesting the operator to show cause why sites, such as well sites, production facility sites, and Class II injection facility sites should not be ordered to be brought into compliance with Rule 400-1-4-.10 of the State Oil and Gas Board of Alabama Administrative Code relating to Site Maintenance.

East Gilberttown Eutaw Unit Wells & Tank Batteries

<u>Permit No.</u> (Tank Battery No.)	<u>Well Name</u> (Tank Battery)	<u>Location</u>
1280	Mattie Clark #1	S1, T10N, R3W
1293	C. F. Stewart Heirs #1	S1, T10N, R3W
(1293 TB)	(C. F. Stewart Heirs #1)	S1, T10N, R3W
1338	Mattie Clark #3	S1, T10N, R3W
10416	Mattie E. Clark #1-6	S1, T10N, R3W
(1343 TB)	(Abston Jones 1-6)	S1, T10N, R3W

Other Well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
1431	Joseph W. Hutchinson, Jr. et al #1	S7, T10N, R3W

Plugged and Abandoned well (well site not restored)

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
1071	Frank Gibson #1	S1, T10N, R3W

31. DOCKET NO. 1-31-07-12

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-3-8-.03 of the State Oil and Gas Board of Alabama Administrative Code relating to the Protection of Underground Sources of Drinking Water during the Hydraulic Fracturing of Coal Beds so as to revise the filing, evaluation, approval, and operational requirements contained therein. In 2005, Congress amended the Safe Drinking Water Act, 42 U.S.C. Sec. 300h to exclude from the application of the Act "the underground injection of fluids or propping agents (other than diesel fuel) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities." 42 U.S.C. Sec. 300h(d)(1). Therefore, in its Motion the Board proposes to exclude hydraulic fracturing from the regulatory requirements of the Class II Underground Injection Control Program that is being administered by the State Oil and Gas Board.

The meetings of the State Oil and Gas Board are public meetings, and members of the public are invited to attend and present their position concerning this petition(s). Requests to continue or oppose a petition should be received by the Board at least two (2) days prior to the hearing. For additional information, you may contact the State Oil and Gas Board, P. O Box 869999, Tuscaloosa, Alabama 35486-6999, Telephone Number 205/349-2852, Fax Number 205/349-2861, or by email at [petitions@ogb.state.al.us](mailto:petitions@ogb.state.al.us).

MR. ROGERS: The Hearings Reporter has received and compiled the proofs of publication for the items appearing on the docket for the first time. These proofs of publication for the items on the May 16 and May 18, 2007, docket are admitted into the record.

(Whereupon, the proofs of publication were received in evidence)

MR. ROGERS: Furthermore, copies of the information posted on the Website of the Secretary of State announcing these two meetings of the State Oil and Gas Board on May 16 and May 18, 2007, are also admitted into the record.

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(Whereupon, postings on Secretary of State's Website  
were received in evidence)

MR. ROGERS: I have an Order of the State Oil and Gas Board appointing me as  
Hearing Officer to conduct this hearing on behalf of the Board. The Order will be made a part of  
the record at this time.

(Whereupon, the Order was received in evidence)

MR. ROGERS: The procedure for this meeting is as follows: The Hearing Officer and  
the staff will hear the uncontested items on the docket today and certain other items. The State  
Oil and Gas Board will hear the recommendations of the Hearing Officer, contested items and  
certain other items beginning at 10:00 a.m. on Friday, May 18, 2007, here in the Board's hearing  
room in Tuscaloosa. I will recommend that the following petitions be continued: Item 1, Docket  
No. 11-1-06-6, petition by Dominion Black Warrior Basin, Inc.; Item 2, Docket No. 11-1-06-10,  
petition by Saga Petroleum, LLC; Item 6, Docket No. 1-31-07-4, petition by Mayne & Mertz,  
Inc.; Item 8, Docket No. 2-28-07-30, petition by Escambia Operating Company, LLC; Item 10,  
Docket No. 4-11-07-1, petition by Midroc Operating Company; Item 18, Docket No. 4-11-07-21,  
petition by Holland Operating Company, Inc.; Item 20, Docket No. 4-11-07-27, petition by  
Energen Resources Corporation; Item 25, Docket No. 5-16-07-5, petition by Tepee Petroleum  
Company, Inc.; Item 26, Docket No. 5-16-07-6, petition by Tepee Petroleum Company, Inc.;  
Item 27, Docket No. 5-16-07-7, petition by Tepee Petroleum Company, Inc.; Item 29, Docket  
No. 4-30-03-7, a motion by the State Oil and Gas Board and Item 31, Docket No. 1-31-07-12,  
motion by the State Oil and Gas Board. That item is a motion by the Board to amend the  
regulations of the Board relating to Hydraulic Fracturing of Coalbeds. If you have any questions  
about that you can talk to Richard Raymond and get a copy of that rule. Item 28, Docket No. 5-  
16-07-8, is a petition by Four Star Oil and Gas, Inc. I will recommend that this petition be  
continued with the stipulation that the temporarily abandoned status and the Class II  
Underground Injection Control permit for the well be continued until the next regularly  
scheduled meeting of the Board. The following items are set for hearing by the Board on Friday:  
Item 3, Docket No. 11-1-06-15, petition by De Soto Oil and Gas, Inc.; Item 4, Docket No. 11-1-

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1 06-16, petition by De Soto Oil and Gas, Inc.; Item 5, Docket No. 12-12-06-19, petition by Lower  
2 15 Oil Corporation; Item 7, Docket No. 1-31-07-8A, petition by Lower 15 Oil Corporation; Item  
3 9, Docket No. 2-28-07-32, petition by Natural Gas and Oil, Inc.; Item 15, Docket No. 4-11-07-  
4 12A, petition by Dominion Black Warrior Basin, Inc.; Item 16, Docket No. 4-11-07-13, petition  
5 by Dominion; Item 17, Docket No. 4-11-07-14, petition by Dominion; Item 19, Docket No. 4-  
6 11-07-23A, petition by Palmer Petroleum, Inc.; Item 21, Docket No. 5-16-07-1, petition by  
7 Dominion Black Warrior Basin, Inc. and Item 30, Docket No. 4-25-06-34, a motion by the State  
8 Oil and Gas Board. Are there any comments on those recommendations? Mr. Watson, we had  
9 placed on our continuance docket the petition by Escambia that request in essence the same relief  
10 requested by De Soto. Do you have any comments on that? Mr. Scogin, do you have any  
11 comments on that? I don't want to address that in case you want to address the Board about it  
12 because arguably the ruling on the relief could affect it. I'll leave that to you.

13 MR. WATSON: I'll leave it continued.

14 MR. ROGERS: We have it on the continuance request recommendation. The first item  
15 is Item 11, Docket No. 4-11-07-4A, petition by Durango Operating, LLC.

16 MR. SCOGIN: Mr. Rogers, my name is Mark Scogin representing Durango Operating,  
17 LLC. This is a petition requesting the Board to enter an order classifying certain wells in the  
18 Foshee Field as temporarily abandoned for the coming year. Those wells are listed in the  
19 petition. We have prefiled an affidavit in support of the petition and there should be a proof of  
20 publication that has been filed. Durango is the only operator in the field and thus individual  
21 notices were not sent out. I would request that the petition be granted based upon the  
22 submissions to the Board.

23 MR. ROGERS: I assume that you want to admit these exhibits attached to the affidavit.

24 MR. SCOGIN: I ask that they be admitted.

25 MR. ROGERS: The affidavit of testimony with the attached exhibits is admitted.

26 (Whereupon, the affidavit with attached exhibits  
27 was received in evidence)

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1 MR. ROGERS: Any questions from the staff? The staff has no questions. We will  
2 review the evidence and make a recommendation to the Board. The next item is Item 12, Docket  
3 No. 4-11-07-5, petition by Durango.

4 MR. SCOGIN: Mr. Rogers, my name is Mark Scogin representing Durango Operating,  
5 LLC. This is a petition requesting the Board to enter an order classifying certain wells in the  
6 West Foshee Field as temporarily abandoned for the coming year. Again, we have prefiled an  
7 affidavit in support of the petition and ask that that affidavit and any attachments be admitted.

8 MR. ROGERS: The affidavit of testimony is admitted with the attachments.

9 (Whereupon, the affidavit with attachments  
10 was received in evidence)

11 MR. SCOGIN: You should have the proof of publication. Again, no individual notices  
12 went out since Durango is the only operator in the field. We would ask that the petition be  
13 granted based upon the submissions.

14 MR. ROGERS: Any questions from the staff? The staff has no questions. We will  
15 review the evidence and make a recommendation to the Board. The next item is Item 13, Docket  
16 No. 4-11-07-6, petition by Durango.

17 MR. SCOGIN: Mr. Rogers, my name is Mark Scogin representing Durango Operating,  
18 LLC. This is a petition requesting the Board to enter an order classifying a certain well, the  
19 Cedar Creek Land and Timber Company 12-9 No. 1 Well, as temporarily abandoned. This well  
20 is in the Osaka Field. We are requesting for the extension for another year. There has been  
21 prefiled an affidavit in support of the petition with an attachment. I would ask that that affidavit  
22 be admitted.

23 MR. ROGERS: The affidavit in support of the petition is admitted.

24 (Whereupon, the affidavit with attachment  
25 was received in evidence)

26 MR. SOCGIN: There has also been prefiled a proof of publication. Again, Durango is  
27 the only operator in the field. We would ask that the petition be granted based upon the  
28 submissions.

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1 MR. ROGERS: Any questions from the staff? The staff has no questions. We will  
2 review the evidence and make a recommendation to the Board. The next item is Item 14, Docket  
3 No. 4-11-07-7, petition by Durango.

4 MR. SCOGIN: Mr. Rogers, my name is Mark Scogin representing Durango Operating,  
5 LLC. This is a petition requesting the Board to enter an order extending the temporarily  
6 abandoned status for the R.E. Loper 12-11 No. 1 well located in the Pollard Field for an  
7 additional year. We have prefiled an affidavit in support of the petition with an attachment and  
8 would ask that that be admitted.

9 MR. ROGERS: The affidavit in support of the petition is admitted.

10 (Whereupon, the affidavit with attachment  
11 was received in evidence)

12 MR. SCOGIN: We have submitted the proof of publication. Again, Durango is the only  
13 operator in the field so individual notices have not gone out. We would ask that the petition be  
14 granted based on the submissions.

15 MR. ROGERS: Any questions from the staff? The staff has no questions. We will  
16 review the evidence and make a recommendation to the Board. The next item is Item 22, Docket  
17 No. 5-16-07-2, petition by Dominion Black Warrior Basin, Inc.

18 MR. WATSON: Mr. Rogers, I have prefiled an affidavit of notice in this matter and  
19 would ask that it be admitted into the record.

20 MR. ROGERS: The affidavit of notice is admitted.

21 (Whereupon, the affidavit was received in evidence)

22 MR. WATSON: This is a request by Dominion Black Warrior Basin to reform an 80-  
23 acre unit which consists of the North Half of the Southwest Quarter of Section 23, Township 18  
24 South, Range 10 West, Tuscaloosa County, in the Blue Creek Field to a 40-acre unit consisting  
25 of the Northwest Quarter of the Southwest Quarter of that Section 23. I have prefiled an  
26 affidavit of testimony in support of this item prepared by Bob Wood who is a qualified expert  
27 witness before this Board and would ask that that affidavit of testimony be admitted.

28 MR. ROGERS: The affidavit is admitted.



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1 (Whereupon, the affidavit was received in evidence)

2 MR. WATSON: I have also prefiled and handed up to you a copy of a consent by the  
3 common interest owner, Jolen, on behalf of other interests in support of this. I would ask that the  
4 letter be made a part of the record.

5 MR. ROGERS: The letter is admitted.

6 (Whereupon, the letter was received in evidence)

7 MR. WATSON: I request that you recommend to the Board that this item be approved  
8 based on the evidence submitted.

9 MR. ROGERS: This consent gives consent by all the owners that are affected. Any  
10 questions from the staff? The staff has no questions. We will review the evidence and make a  
11 recommendation to the Board. The next item is Item 23, Docket No. 5-16-07-3, petition by  
12 Dominion.

13 MR. WATSON: I have prefiled an affidavit of notice in this matter, Mr. Rogers, and  
14 would ask that it be made a part of the record.

15 MR. ROGERS: The affidavit is admitted.

16 (Whereupon, the affidavit was received in evidence)

17 MR. WATSON: This is a request by Dominion Black Warrior Basin, Inc. to reform an  
18 80-acre unit consisting of the South Half of the Northwest Quarter of Section 35, Township 18  
19 South, Range 10 West, Tuscaloosa County, in the Blue Creek Coal Degasification Field to a 40-  
20 acre unit consisting of the Southeast Quarter of the Northwest Quarter of that Section 35. I have  
21 prefiled an affidavit of testimony of Bob Wood who is qualified before this Board as an expert  
22 witness in support of this petition. I would ask that the affidavit be made a part of the record.

23 MR. ROGERS: The affidavit of Mr. Wood is admitted.

24 (Whereupon, the affidavit was received in evidence)

25 MR. WATSON: I have prefiled and handed up the original letter from Jolen Operating  
26 Company on behalf of all the owners supporting this reformation. I would ask that the letter be  
27 admitted into the record.

28 MR. ROGERS: The letter with the signature and consent is admitted.

1 (Whereupon, the letter was received in evidence)

2 MR. WATSON: I ask that you make a recommendation to the Board approving this  
3 matter based on the evidence submitted.

4 MR. ROGERS: Again, the parties affected have consented to the reformation. Any  
5 questions from the staff? The staff has no questions. We will review the evidence and make a  
6 recommendation to the Board. The last item is Item 24, Docket No. 5-16-07-4, petition by  
7 Dominion Black Warrior Basin, Inc.

8 MR. WATSON: Accept into the record, Mr. Rogers, the prefiled affidavit of notice in  
9 this matter.

10 MR. ROGERS: The affidavit of notice is admitted.

11 (Whereupon, the affidavit was received in evidence)

12 MR. WATSON: This is a request by Dominion Black Warrior Basin, Inc. to reform an  
13 80-acre unit consisting of the North Half of the Southwest Quarter of Section 1, Township 18  
14 South, Range 10 West, Tuscaloosa County, in the Blue Creek Coal Degasification Field to a 40-  
15 acre unit consisting of the Northwest Quarter of the Southwest Quarter of said Section 1. I have  
16 prefiled an affidavit of testimony by Mr. Bob Wood in support of this matter. I would ask that  
17 that affidavit of testimony be admitted into the record.

18 MR. ROGERS: The affidavit of testimony is admitted.

19 (Whereupon, the affidavit was received in evidence)

20 MR. WATSON: I have also prefiled and just handed up to you the original letter of  
21 consent from the owners in this 80-acre unit supporting the unit reformation. I would ask that  
22 that be made a part of the record.

23 MR. ROGERS: The letter from the affected landowners consenting to the proposed  
24 reformation is admitted.

25 (Whereupon, the letter was received in evidence)

26 MR. WATSON: I request that you make a recommendation to the Board that this matter  
27 be approved based on the evidence submitted in the record.

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1           MR. ROGERS: Any questions from the staff? The staff has no questions. We will  
2 review the evidence and make a recommendation to the Board. Before we adjourn, we have  
3 several people here. We would be glad to hear from you if you have any questions about the  
4 procedure or about any other matters at the Oil and Gas Board. We are always glad to have you  
5 here. Some hearings don't take very long. This happens to be one. We are glad that you are  
6 here. Any of the staff will be glad to talk to you after the hearing if you have any questions  
7 about any oil and gas matters. Anything else for this hearing? The hearing is adjourned.

8                           (Whereupon, the hearing was adjourned at 10:20 a.m.)

May 16, 2007

REPORTER'S CERTIFICATE

STATE OF ALABAMA

COUNTY OF TUSCALOOSA

I, Rickey Estes, Hearing Reporter in and for the State of Alabama, do hereby certify that on Wednesday, May 16, 2007, in the Board Room of the State Oil and Gas Board Building, University of Alabama Campus, Tuscaloosa, Alabama, I reported the proceedings before a Hearing Officer in Regular Session; that the foregoing 25 typewritten pages contain a true and accurate verbatim transcription of said proceedings to the best of my ability, skill, knowledge, and belief.

I further certify that I am neither kin nor counsel to the parties to said cause, nor in any manner interested in the results thereof.

  
Rickey Estes  
Hearing Reporter