

February 11, 2010

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| | DIRECT RE-DIRECT | CROSS/ RE-CROSS | EXAM. BY BOARD/STAFF |
|----------------|---------------------|--------------------|-------------------------|
| 1. Tony Stuart | 30-34 | --- | --- |

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3/25/2010

EXHIBITS

| EXHIBIT NO. (ITEM NO.) | TITLE (TESTIMONY OF) | OFFERED | RECEIVED |
|------------------------------|--|---------|----------|
| Board Exhibit | Hearing Officer Report | 26 | 26 |
| Exhibit 1 (Item 22) | Affidavit of notice (John Foster Tyra) | 28 | 28 |
| Exhibit 1 (Items 23 & 24) | Location map, Fountain Farm 2-2 No. 1, N/2 NE/4 of Sec. 2, T2N, R6E, & S/2 of SE/4 of Sec. 35, T3N, R6E, Escambia County (Tony Stuart) | 33 | 34 |
| Exhibit 2 (Items 23 & 24) | Cross section A-A', N/2 NE/4 of Sec. 2, T2N, R6E, & S/2 of SE/4 of Sec. 35, T3N, R6E, Escambia County (Tony Stuart) | 33 | 34 |
| Exhibit 3 (Items 23 & 24) | Seismic structure map, N/2 NE/4 of Sec. 2, T2N, R6E, & S/2 of SE/4 of Sec. 35, T3N, R6E, Escambia County (Tony Stuart) | 33 | 34 |
| Exhibit 4 (Items 23 & 24) | Seismic line N/2 NE/4 of Sec. 2, T2N, R6E, & S/2 of SE/4 of Sec. 35, T3N, R6E, Escambia (Tony Stuart) | 33 | 34 |
| Exhibit 5 (Items 23 & 24) | Well location map, Fountain Farm 2-2 No. 1, N/2 NE/4 of Sec. 2, T2N, R6E, & S/2 of SE/4 of Sec. 35, T3N, R6E, Escambia County (Tony Stuart) | 33 | 34 |

EXHIBITS

| EXHIBIT NO. (ITEM NO.) | TITLE (TESTIMONY OF) | OFFERED | RECEIVED |
|-----------------------------|---|---------|----------|
| Exhibit 6 (Item 23) | Affidavit of notice (John Foster Tyra) | 30 | 30 |
| Exhibit 7 (Item 24) | Affidavit of notice (John Foster Tyra) | 30 | 30 |
| Exhibit 8 (Item 23 & 24) | 1/11/2010 letter to Venture Oil & Gas, Inc. (M. Barnett Lawley) | 33 | 33 |

February 11, 2010

STATE OIL AND GAS BOARD OF ALABAMA

Tuscaloosa, Alabama

February 11, 2010

Testimony and proceedings before the State Oil & Gas Board 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 11th day of February, 2010.

BEFORE

Mr. James H. Griggs Chairman
Mr. Charles E. Pearson Member
Mrs. Rebecca Wright Pritchett..... Member

STAFF

Mr. Marvin Rogers..... Attorney
Dr. Berry H. (Nick) Tew, Jr..... Secretary and Supervisor
Dr. David E. Bolin Deputy Director
Mr. Jay H. MasingillAssistant Supervisor
Mr. Randy Oglesby Geologist
Mr. Kirk McQuillan Geologist

APPEARANCES

| NAME | REPRESENTING |
|-----------------------------------|-------------------------|
| 1. Tony Stuart Hattiesburg, MS | Venture Oil & Gas, Inc. |
| 2. John Tyra Tuscaloosa, AL | Venture Oil & Gas, Inc. |
| 3. Tom Watson Tuscaloosa, AL | --- |

(The hearing was convened at 9:57 a.m. on
Thursday, February 11, 2010, at Tuscaloosa, Alabama.)

CHAIRMAN GRIGGS: The State Oil and Gas Board is now in session. Let the record reflect that this Board is in session three minutes early. By the time we go through some of the administrative materials we won't get to any substantive material until after 10:00. Dr. Tew, have the items for the February 9 & 11, 2010, meeting been properly noticed?

DR. TEW: Chairman Griggs, members of the Board, the items for the February 9 & 11, 2010, meeting have been properly noticed. The staff prepared a docket for the Board's February 9 & 11, 2010, meeting and that docket was admitted into the record at the Hearing Officer meeting on February 9, 2010.

AGENDA
STATE OIL AND GAS BOARD OF ALABAMA
BOARD MEETING
FEBRUARY 9 & 11, 2010

The State Oil and Gas Board of Alabama will hold its regular hearing at 10:00 a.m. on Tuesday, February 9, 2010, and Thursday, February 11, 2009, 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 items.

1. DOCKET NO. 6-16-08-16B

Continued amended petition by BENJAMIN V. COODY, d/b/a Pete's Pumping Service, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Eula Jones #1 Well, Permit No. 1288, located on a 40-acre unit consisting of the Northeast Quarter of the Southwest Quarter of Section 2, Township 10 North, Range 3 West, Choctaw County, Alabama, in the Gilbertown Oil 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.

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

2. DOCKET NO. 3-24-09-01

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 extending the temporarily abandoned status for the following wells all located in the Foshee Field, Escambia County, Alabama, 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 | Section 34, T2N-R8E |
| 5335 | Culpepper 34-7 #1 | Section 34, T2N-R8E |
| 5167 | A.T.I.C. 35-13 #2 | Section 35, T2N-R8E |
| 5062 | A.T.I.C. 35-14 #1 | Section 35, 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.

3. DOCKET NO. 3-24-09-02

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 extending the temporarily abandoned status for 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, Escambia County, Alabama, for a period of one (1) year:

Said well is temporarily abandoned. Petitioner is requesting the Board to classify said well 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 said well has future utility in Durango Operating, LLC's operations in Osaka Field, Escambia County, Alabama and should not be plugged.

4. DOCKET NO. 3-24-09-03

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 extending the temporarily abandoned status for the R. E. Loper et al 12-11 #1, Permit # 2885, located in Section 12, Township 1 North, Range 8 East in Pollard Field, Escambia County, Alabama, for a period of one (1) year:

Said well is temporarily abandoned. Petitioner is requesting the Board to classify said well 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 said well has future utility in Durango Operating, LLC's operations in Pollard Field, Escambia County, Alabama and should not be plugged.

5. DOCKET NO. 3-24-09-04

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 extending the temporarily abandoned status for the following wells all located in West Foshee Field, Escambia County, Alabama, for a period of one (1) year:

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

6. DOCKET NO. 3-24-09-10A

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 Grantham-Bass 14-10 No. 1 Well to be drilled on a 160-acre wildcat unit consisting of the Southeast Quarter of Section 14, Township 4 North, Range 14 East, Covington County, Alabama.

1 This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as
2 amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama
3 Administrative Code.
4

5 7. DOCKET NO. 7-23-09-05

6 Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT,
7 INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an
8 order extending the temporarily abandoned status of the Roy J. Smith et al 6-10 #1A
9 Well, Permit No. 2355-B, located in the Chunchula Unit in Section 6, Township 1
10 South, Range 1 West, Mobile County, Alabama, for one year, in accordance with
11 Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative
12 Code because said well has future utility and should not be plugged.
13

14 8. DOCKET NO. 7-23-09-06B

15 Continued amended petition by LAND AND NATURAL RESOURCE
16 DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and
17 Gas Board to enter an order extending the temporarily abandoned status of the
18 Winters 19-4 #1 Well, Permit No. 4765-A-1, located on a 320-acre drilling unit in
19 the Coal Fire Creek Field consisting of the North Half of Section 19, Township 18
20 South, Range 14 West, Pickens County, Alabama, for one year, in accordance with
21 Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative
22 Code because said well has future utility and should not be plugged.
23

24 9. DOCKET NO. 7-23-09-07

25 Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT,
26 INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an
27 order extending the temporarily abandoned status of the R.J. Newman et al 21-11 #1
28 Well, Permit No. 4412-A, located in the Turnerville Field on a 160-acre drilling unit
29 consisting of the Southwest Quarter of Section 21, Township 1 South, Range 1
30 West, Mobile County, Alabama, for one year, in accordance with Rule 400-1-4-
31 .17(1) of the State Oil and Gas Board of Alabama Administrative Code because said
32 well has future utility and should not be plugged.
33

34 10. DOCKET NO. 9-8-09-02

35 Continued petition by BLACK WARRIOR METHANE CORP., an Alabama
36 corporation, requesting the State Oil and Gas Board to enter an order force
37 pooling, without the imposition of a risk compensation penalty, all tracts and
38 interests in hydrocarbons produced in the Westervelt 17-08-572 Well to be drilled on
39 a 40-acre unit consisting of the Southeast Quarter of the Northeast Quarter of
40 Section 17, Township 20 South, Range 8 West, Tuscaloosa County, Alabama, in
41 the Brookwood 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.

11. DOCKET NO. 9-8-09-05A

Continued amended petition by HIGHMOUNT BLACK WARRIOR BASIN LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board, pursuant to Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status for the following wells located in St. Clair County, Alabama, in the Big Canoe Creek Field, for a period of one (1) year:

| <u>WELL NAME</u> | <u>PERMIT NO.</u> | <u>LOCATION</u> |
|-----------------------|-------------------|-----------------|
| Bjornson 32-16-07 | 14620 | S32-T13S-R5E |
| Sloss, et al 35-13-09 | 14621 | S35-T13S-R4E |
| West 35-08-05 | 15268 | S35-T13S-R4E. |

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced wells because said wells have future utility and should not be plugged.

12. DOCKET NO. 9-8-09-07

Continued petition by ESCAMBIA OPERATING CO., LLC, a foreign limited liability company, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the Powell Gas Unit 19-4 #1 Well, Permit No. 2991, located on a 640-acre unit consisting of Section 19, Township 1 North, Range 9 East, Escambia County, Alabama, in the Flomaton Field, for a period of one (1) year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code.

Petitioner has previously been granted temporarily abandoned status for the referenced well and requests that the Board grant a one year extension of such status because said well has future utility and should not be plugged.

13. DOCKET NO. 9-25-09-01

Continued petition by EL PASO E&P COMPANY, L.P., a Delaware limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Section 9-17-1 through 9-17-33 and 9-17-80 through 9-17-88, Code of Alabama (1975) establishing a partial field-wide Unit, to be known as Unit I of the Blue Creek Coal Degasification Field,

Tuscaloosa County, Alabama. The Board in Order No. 2009-67 dated September 10, 2009, approved a plan of unitization for Unit I of the Blue Creek Coal Degasification Field for the purpose of initiating injection of carbon dioxide into coal seams for the purpose of conducting experimental procedures to (1) examine the effect of injected carbon dioxide on coalbed methane gas; (2) determine the ability of coal seams to adsorb the carbon dioxide; and (3) consider the possibilities of enhanced coalbed methane gas recovery and permanent storage of carbon dioxide in coal seams. These experimental procedures are to be conducted as a field test of geologic carbon storage and enhanced resource recovery that is sponsored by the U. S. Department of Energy through the Southeastern Regional Carbon Sequestration Partnership. The proposed Unit shall consist of the hereinafter described "Unit Area" in said field, and shall require the operation of said Unit Area as a single Unit for enhanced recovery 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 and is defined as the productive coal seams found between the depths of 368 feet and 3,790 feet below ground surface of the CLC 10-08-51 Well, Permit No. 12778-C, located 621 feet FEL and 1,457 feet FNL of Section 10, Township 19 South, Range 9 West, Tuscaloosa County, Alabama, as indicated on the electric log and core from said well, and all zones in communication therewith and all productive extensions thereof.

Petitioner further seeks approval of the ratification of the Unit Agreement, in accordance with Section 9-17-84, Code of Alabama (1975), and approval of the amendments to the Special Field Rules for the Blue Creek Coal Degasification Field, Tuscaloosa and Fayette Counties, Alabama, in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

Petition 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 El Paso E&P Company, L.P. as operator of the Unit Area in accordance with the laws of Alabama. The proposed Unit Area, to be designated Unit I of the Blue Creek Coal Degasification Field, consisting of 80 acres, more or less, as described as follows:

The following lands lying and being in Tuscaloosa County, Alabama in the Blue Creek Coal Degasification Field:

Section 17, Township 18 South, Range 9 West
North Half of the Southeast Quarter

14. DOCKET NO. 10-27-09-02

Continued petition by STETSON PETROLEUM CORP., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order extending the temporarily abandoned status of the Scott Paper Co. 25-14 No. 1 Well, Permit No. 6303, located on a 160-acre unit consisting of the West Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 25, Township 4 North, Range 7 East, Conecuh County, Alabama in the Northeast Barnett Field, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said Well has future utility to the operations of Stetson Petroleum Corp. and should not be plugged.

15. DOCKET NO. 10-27-09-08

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving a 320-acre drilling unit for Petitioner's proposed Benton 25-1 No. 1 Well consisting of the Northeast Quarter of Section 25, Township 15 South, Range 15 West and the Northwest Quarter of Section 30, Township 15 South, Range 14 West, Lamar County, Alabama, as a productive extension of the Hells Creek Field, as an exception to Rule 3(a) of the Special Field Rules for said Field which states that a well shall be drilled on a drilling unit consisting of a governmental half section. The proposed Benton 25-1 No. 1 Well is located in the Northeast Quarter of said Section 25. The Northeast Quarter of said Section 25 is within the Hells Creek Field and the Northwest Quarter of said Section 30 is adjacent to the Hells Creek Field.

This petition is filed as a companion to a petition bearing Docket No. 10-27-09-09 requesting the forced pooling, with imposition of the risk compensation fee, of all tracts and interests in hydrocarbons produced from the Carter Sand in the referenced well.

16. DOCKET NO. 12-8-09-04A

Continued amended petition by MIDROC OPERATING COMPANY, 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, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation in Petitioner's proposed Sanders 23-16 Well to be drilled on a 160-acre drilling unit consisting of the South Half of the

1 Southeast Quarter of Section 23 and the North Half of the Northeast Quarter of
2 Section 26, all in Township 4 North, Range 12 East, Conecuh County, Alabama,
3 as a productive extension of the Little Cedar Creek Field.
4

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

8 This petition is filed as a companion to a petition bearing Docket No. 12-8-09-05
9 requesting the Board to enter an order approving the hereinabove described 160-
10 acre drilling unit for the Sanders 23-16 Well as a productive extension of the
11 Little Cedar Creek Field.
12

13 17. DOCKET NO. 12-8-09-05

14 Continued petition by MIDROC OPERATING COMPANY, a foreign
15 corporation, authorized to do and doing business in the State of Alabama,
16 requesting the State Oil and Gas Board to enter an order approving a 160-acre
17 drilling unit for the Sanders 23-16 Well consisting of the South Half of the
18 Southeast Quarter of Section 23 and the North Half of the Northeast Quarter of
19 Section 26, all in Township 4 North, Range 12 East, Conecuh County, Alabama,
20 as a productive extension of the Little Cedar Creek Field, in accordance with Rule
21 3(a) of the Special Field Rules for said Field which provides that a well may be
22 drilled on a drilling unit designated by the operator in the permit application and
23 subject to the approval of the Oil and Gas Supervisor, which shall contain
24 approximately 160 contiguous acres upon which no other drilling or producible well
25 is located in the Smackover Oil Pool.
26

27 This petition is filed as a companion to a petition bearing Docket No. 12-8-09-04
28 requesting the forced pooling, without imposition of the risk compensation fee, of
29 all tracts and interests in hydrocarbons produced from the Smackover Formation
30 in the referenced well.
31

32 18. DOCKET NO. 12-8-09-07

33 Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT,
34 INC., an Alabama corporation, requesting that the State Oil and Gas Board of
35 Alabama enter an order (a) force pooling without risk compensation all tracts and
36 interests in the Southwest Quarter of Section 21, Township 1 South, Range 1
37 West, Mobile County, Alabama, for the purpose of re-entering the R.J. Newman
38 21-11 No. 1 well (Permit No. 4412-A), Turnerville Field, to test the Smackover
39 and Norphlet formations, (b) requiring all owners of tracts and interests in said
40 unit (both present and future) to develop their tracts and interests as a unit, and (c)
41 appointing Petitioner as the operator of said unit. This petition is filed pursuant to

1 Ala. Code Sections 9-17-1, et seq. (and, in particular, Section 9-17-13, as
2 amended) and Rules 400-1, et seq. (and, in particular, Rule 400-7-2 and Rule 400-
3 7-1) of the State Oil and Gas Board of Alabama Administrative Code.
4

5 19. DOCKET NO. 2-9-10-01

6 Petition by COLUMBIA PETROLEUM, LLC, a Mississippi limited liability
7 company, authorized to do and doing business in the State of Alabama, requesting
8 the State Oil and Gas Board of Alabama to enter an order force pooling, with the
9 imposition of a risk compensation fee, all tracts and interests in hydrocarbons
10 produced from the Smackover Formation in a well to be drilled on a proposed 160-
11 acre drilling unit consisting of the South Half of the Southeast Quarter of Section 23,
12 and the North Half of the Northeast Quarter of Section 26, all in Township 4 North,
13 Range 12 East, Conecuh County, Alabama, as a productive extension of the Little
14 Cedar Creek Field.
15

16 This petition is filed as a companion petition to the petition bearing Docket No. 2-
17 9-10-02 requesting the approval of a 160-acre drilling unit as a productive
18 extension of the Little Cedar Creek Field.
19

20 20. DOCKET NO. 2-9-10-02

21 Petition by COLUMBIA PETROLEUM, LLC, a Mississippi limited liability
22 company, authorized to do and doing business in the State of Alabama, requesting
23 the State Oil and Gas Board of Alabama to enter an order approving a 160-acre
24 drilling unit for the proposed Sanders 23-16 Well consisting of the South Half of the
25 Southeast Quarter of Section 23, and the North Half of the Northeast Quarter of
26 Section 26, all in Township 4 North, Range 12 East, Conecuh County, Alabama, as
27 a productive extension of the Little Cedar Creek Field, in accordance with Rule 3(a)
28 of the Special Field Rules for said field.
29

30 This petition is filed as a companion petition to the petition bearing Docket No. 2-
31 9-10-01 requesting the force pooling, with the imposition of a risk compensation
32 fee, of all tracts and interests in hydrocarbons produced from the Smackover
33 Formation in the proposed Sanders 23-16 Well.
34

35 21. DOCKET NO. 2-9-10-03

36 Petition by CARRIZO OIL & GAS, INC., a foreign corporation authorized to do
37 and doing business in the State of Alabama, requesting the State Oil and Gas
38 Board of Alabama to enter an Order approving a 160-acre drilling unit for the
39 proposed Black Stone-Indigo 10-10 No. 1 Well to consist of the Southwest
40 Quarter of the Northeast Quarter, the Southeast Quarter of the Northwest Quarter,
41 the Northeast Quarter of the Southwest Quarter and the Northwest Quarter of the

1 Southeast Quarter of Section 10, Township 3 North, Range 6 East, Escambia
2 County, Alabama. The Northwest Quarter of the Southeast Quarter of said
3 Section 10 and the surface and bottom hole location of the proposed Well lie in
4 the Chitterling Creek Field and the proposed drilling unit is an exception to Rule 3
5 (a) of the Special Field Rules for said Field which requires that wells in said field
6 be located on units consisting of a governmental quarter section containing
7 approximately 160 contiguous acres.
8

9 22. DOCKET NO. 2-9-10-04

10 Petition by VENTURE OIL & GAS, INC., a foreign corporation authorized to do
11 and doing business in the State of Alabama, requesting the State Oil and Gas
12 Board of Alabama to enter an order force pooling, without the imposition of a risk
13 compensation penalty, all tracts and interests in hydrocarbons produced from a
14 wildcat well to be drilled on a 160-acre drilling unit consisting of the Northeast
15 Quarter of Section 1, Township 2 North, Range 5 East, Escambia County,
16 Alabama.
17

18 This Petition is in accordance of Section 9-17-13, Code of Alabama, (1975), as
19 amended, and Rule 400-7-2-.01 of State Oil and Gas Board of Alabama
20 Administrative Code.
21

22 23. DOCKET NO. 2-9-10-05

23 Petition by VENTURE OIL & GAS, INC., a foreign corporation authorized to do
24 and doing business in the State of Alabama, requesting the State Oil and Gas
25 Board of Alabama to enter an order approving a 160-acre drilling unit for the
26 proposed Fountain Farm 2-2 No. 1 Well consisting of the North Half of the
27 Northeast Quarter of Section 2, Township 2 North, Range 6 East and the South
28 Half of the Southeast Quarter of Section 35, Township 3 North, Range 6 East,
29 Escambia County, Alabama to be drilled as a wildcat well. The proposed drilling
30 unit is an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of
31 Alabama Administrative Code, which requires that wells be located on units
32 consisting of a governmental quarter section containing approximately 160
33 contiguous acres.
34

35 This Petition is filed as a companion to a Petition bearing Docket No. 2-9-10-06
36 requesting the Board for approval of an exceptional location for said well.
37

38 24. DOCKET NO. 2-9-10-06

39 Petition by VENTURE OIL & GAS, INC., a foreign corporation, authorized to do
40 and doing business in the State of Alabama, requesting the State Oil and Gas
41 Board of Alabama to enter an order approving an exceptional location for the

1 proposed Fountain Farm 2-2 No. 1 Well to be drilled at a location 392 feet from
2 the West line and 1117 feet from the South line of a proposed 160-acre drilling
3 unit consisting of the North Half of the Northeast Quarter of Section 2, Township
4 2 North, Range 6 East and the South Half of the Southeast Quarter of Section 35,
5 Township 3 North, Range 6 East, Escambia County, Alabama to be drilled as a
6 wildcat well in said Escambia County, Alabama. Said location is an exception to
7 Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative
8 Code which requires that such a well be located 660 feet from any exterior
9 boundary of the drilling unit. Section 9-17-12(c) of the Code of Alabama (1975)
10 authorizes the granting of exceptional locations for the drilling of wells in
11 Alabama.

12
13 This Petition is filed as a companion to a Petition bearing Docket No. 2-9-10-05
14 requesting the Board for approval of an exceptional 160-acre drilling unit for said
15 well.

16
17 25. DOCKET NO. 2-9-10-07

18 Petition by ESCAMBIA OPERATING CO., LLC, a foreign limited liability
19 company, authorized to do and doing business in the State of Alabama, requesting
20 the State Oil and Gas Board to review the amount of surety required for wells and
21 facilities operated by Petitioner in Choctaw and Escambia Counties, Alabama, as
22 ordered by the Board in Order No. 2008-179 issued on December 11, 2008.

23
24 26. DOCKET NO. 2-9-10-08

25 Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation,
26 requesting the State Oil and Gas Board to enter an order force pooling, without
27 the imposition of a risk compensation penalty, all tracts and interests in
28 hydrocarbons produced in the Westervelt 17-02-571 Well to be drilled on a 40-acre
29 drilling unit consisting of the Northwest Quarter of the Northeast Quarter of
30 Section 17, Township 20 South, Range 8 West, Tuscaloosa County, Alabama, in
31 the Brookwood Coal Degasification Field.

32
33 This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as
34 amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama
35 Administrative Code.

36
37 27. DOCKET NO. 2-9-10-09

38 Petition by EXXON MOBIL CORPORATION, a foreign corporation authorized
39 to do and doing business in the State of Alabama, requesting the State Oil and Gas
40 Board to enter an order extending the temporarily abandoned status for the following
41 offshore well located in Mobile County, Alabama, in the South Pelican Island Field,

1 in accordance with Rule 400-2-4-.14 (1) of the State Oil and Gas Board of Alabama
2 Administrative Code:

| 3 | <u>PERMIT NO.</u> | <u>WELL NAME</u> |
|---|-------------------|--------------------------|
| 4 | 11293-OS-68-B | State Lease 536 #4 Well. |

5
6
7 Petitioner requests the Board to grant a one year extension of the temporarily
8 abandoned status because said well has future utility and should not be plugged.
9

10 28. DOCKET NO. 2-9-10-10

11 Petition by EXXON MOBIL CORPORATION, acting for the operator, Mobil Oil
12 Exploration & Producing Southeast Inc., a foreign corporation, authorized to do
13 and doing business in the State of Alabama, requesting the State Oil and Gas Board
14 to enter an order extending the temporarily abandoned status for the following
15 offshore well in Mobile County, Alabama, in the Aloe Bay Field, in accordance with
16 Rule 400-2-4-.14(1) of the State Oil and Gas Board of Alabama Administrative
17 Code:

| 18 | <u>PERMIT NO.</u> | <u>WELL NAME</u> |
|----|-------------------|------------------|
| 19 | 12604-OS-90-B | S/L 701 #2 |

20
21
22 Petitioner requests that the Board grant a one year extension of the temporarily
23 abandoned status of the referenced well because it has future utility and should not
24 be plugged.
25

26 29. DOCKET NO. 2-9-10-11

27 Petition by EXXON MOBIL CORPORATION, a foreign corporation authorized
28 to do and doing business in the State of Alabama, requesting the State Oil and Gas
29 Board to enter an order extending the temporarily abandoned status for the following
30 offshore well located in Baldwin County, Alabama, in the North Central Gulf Field-
31 Mobile Area, in accordance with Rule 400-2-4-.14 (1) of the State Oil and Gas
32 Board of Alabama Administrative Code:

| 33 | <u>PERMIT NO.</u> | <u>WELL NAME</u> |
|----|-------------------|-------------------------|
| 34 | 9985-OS-51-B | State Lease 539 #1 Well |

35
36
37 Petitioner requests that the Board grant a one year extension of the temporarily
38 abandoned status of the referenced well. This well is an integral part of a production
39 platform and has been plugged to the extent possible making permanent plugging
40 and abandonment impractical at this time, and, as such this well has future utility.

30. DOCKET NO. 2-9-10-12

Petition by EXXON MOBIL CORPORATION, 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 extending the shut-in status of the following offshore wells in Mobile County, Alabama, in the Northwest Gulf Field-Mobile Area, in accordance with Rule 400-2-4-.14(2) of the State Oil and Gas Board of Alabama Administrative Code:

| <u>PERMIT NO.</u> | <u>WELL NAME</u> |
|-------------------|----------------------|
| 12155-OS-85-B | S/L 537 Block 112 #4 |
| 11009-OS-65-B | State Lease 536 #3 |

Petitioner requests that the Board grant a one year extension of the shut-in status of the referenced wells because said wells are capable of producing and should not be plugged.

Petitioner plans to plug and abandon the following well in 2010, and therefore requests an extension of the shut-in status of the well until it is plugged and abandoned:

| <u>PERMIT NO.</u> | <u>WELL NAME</u> |
|-------------------|---------------------|
| 10121-OS-53 | State Lease 537 #2. |

31. DOCKET NO. 2-9-10-13

Petition by EXXON MOBIL CORPORATION, acting for the operator, Mobil Oil Exploration & Producing Southeast 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 extending the shut-in status and temporarily abandoned status of the following offshore wells located in Baldwin and Mobile Counties, Alabama, in the Lower Mobile Bay-Mary Ann Field, in accordance with Rule 400-2-4-.14 (1) and (2) of the State Oil and Gas Board of Alabama Administrative Code:

| <u>PERMIT NO.</u> | <u>WELL NAME</u> | <u>STATUS</u> |
|-------------------|--------------------|------------------------|
| 3135-OS-6-B | State Lease 349 #2 | Shut-in |
| 2543-OS-3-B | State Lease 347 #1 | Temporarily abandoned |
| 3614-OS-14 | State Lease 347 #2 | Temporarily abandoned. |

Petitioner requests that the Board grant a one year extension of the shut-in status for the State Lease 349 #2 Well because said well is capable of producing and should not be plugged. Petition also requests that the Board grant a one year extension of

the temporarily abandoned status of the State Lease 347 #1 and State Lease 347 #2 Wells because said wells have future utility and should not be plugged.

Petitioner plans to plug and abandon the following well in 2010, and therefore requests an extension of the shut-in status of the well until it is plugged and abandoned:

| <u>PERMIT NO.</u> | <u>WELL NAME</u> | <u>STATUS</u> |
|-------------------|---|---------------|
| 10557-OS-59-B1 | Alabama State Lease 350 (Tract 95) Well #5 S/T#1 | Shut-in. |

32. DOCKET NO. 2-9-10-14

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order establishing a new gas field in Pickens County, Alabama, to be named the Elmore Creek Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Lewis Sand Gas Pool shall consist of the West Half of Section 5, Township 19 South, Range 13 West, Pickens County, Alabama.

The Lewis Sand Gas Pool should be defined as that interval of the Lewis Sand productive of hydrocarbons between 5,216 feet and 5,232 feet, as indicated on the Dual Induction Log of the Irvin 5-6 #1 Well, Permit No. 11596-A, located in the West Half of Section 5, Township 19 South, Range 13 West, Pickens County, Alabama. Petitioner is requesting well spacing of a governmental half section containing approximately 320 surface acres, and is also requesting the establishment of allowables for said field.

Petitioner is also requesting that the 320-acre unit consisting of the West Half of Section 5, Township 19 South, Range 13 West, Pickens County, Alabama, be approved as the permanent production unit for the Irvin 5-6 #1 Well.

33. DOCKET NO. 2-9-10-15

Petition by JABSCO OIL OPERATING, LLC, an Alabama limited liability company, requesting the State Oil and Gas Board to enter an order establishing a new shale gas field to be known as the Gentry Creek Field, or by such other name as the Board deems appropriate, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Floyd Shale Gas Pool, consists of the East Half of Section 29, Township 17 South, Range 15 West, Lamar County, Alabama.

1 Petitioner drilled and completed the Burns 29-9 #1 Well, Permit No. 14303-BH, as
2 the discovery well in the proposed Floyd Shale Gas Pool. Said well was drilled as a
3 horizontal well and, as such, did not penetrate the entire interval of the Floyd Shale.
4 Therefore, the Floyd Shale Gas Pool should be defined as that interval of the Floyd
5 Shale productive of hydrocarbons between 4,700 feet and 4,865 feet as indicated
6 on the Dual Induction Focused logs of the nearby plugged and abandoned Herron
7 29-1 #1 Well, Permit No. 3468, including those strata productive of hydrocarbons
8 which can be correlated therewith, and all zones in communication therewith, and
9 productive extensions thereof. Said pool constitutes a separate and distinct shale
10 gas producing pool in said field, separate and distinct from any other producing
11 pool in said field.
12

13 The presently known characteristics of the Floyd Shale Gas Pool in said proposed
14 field, as above defined, and the technical, economic, and environmental
15 considerations are such that Petitioner is requesting the establishment of Special
16 Field Rules providing for production units consisting of 320-acre governmental half
17 sections and avers that said Special Field Rules are in the best interest of prudent
18 development and oil and gas conservation, will permit orderly development of the
19 Floyd Shale Gas Pool, avoid the drilling of unnecessary wells, protect correlative
20 rights, and prevent waste.
21

22 Petitioner is also requesting that production allowables be established, and that the
23 320-acre drilling unit for the Burns 29-9 #1 Well consisting of the East Half of
24 Section 29, Township 17 South, Range 15 West, Lamar County, Alabama, be
25 established as the permanent production unit for said well.
26

27 34. DOCKET NO. 2-9-10-16

28 Petition by DENBURY ONSHORE, LLC, a foreign limited liability company,
29 authorized to do and doing business in the State of Alabama, requesting the State
30 Oil and Gas Board of Alabama, pursuant to Rule 400-1-4-.17(1) of the State Oil
31 and Gas Board of Alabama Administrative Code, to enter an order approving the
32 temporarily abandoned status and pursuant to Rule 400-4-2-.01(5) of the State Oil
33 and Gas Board of Alabama Administrative Code to enter an order approving the
34 extension of the Class II injection permits with the approvals applying to certain
35 wells located in the Citronelle Field, Mobile County, Alabama, in the following
36 areas for a period of one (1) year:
37

38 Citronelle Unit

39 Township 2 North, Range 3 West

40 Sections 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36

1 Township 2 North, Range 2 West
2 Sections 17, 18, 19, 20, 29, 30, 31
3

4 Township 1 North, Range 3 West
5 Sections 1, 2, 3, 10, 11, 12, 13, 14
6

7 Township 1 North, Range 2 West
8 Sections 5, 6, 7, 8, 9, 16, 17, 18
9

Southeast Citronelle Unit

10 Township 1 North, Range 2 West
11 Sections 4, 5, 8, 9, 10
12

13 Township 2 North, Range 2 West
14 Sections 32 and 33
15

East Citronelle Unit

16 Township 1 North, Range 2 West
17 Section 6
18
19

20 Township 2 North, Range 2 West
21 Sections 29, 31, 32
22

23 35. DOCKET NO. 2-9-10-17

24 Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation,
25 requesting the State Oil and Gas Board, pursuant to Rule 400-3-4-.17(1) of the State
26 Oil and Gas Board of Alabama Administrative Code, to enter an order extending the
27 temporarily abandoned status for certain wells located in Tuscaloosa County,
28 Alabama, in the Brookwood Coal Degasification Field, in the following areas, for a
29 period of one (1) year:
30

31 Township 19 South, Range 7 West, Tuscaloosa County
32 Sections 20, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36
33

34 Township 19 South, Range 8 West, Tuscaloosa County
35 Sections 15, 21, 23, 25, 26, 27, 28, 32, 33, 34, and 36
36

37 Township 20 South, Range 6 West, Tuscaloosa County
38 Sections 6 and 7
39

40 Township 20 South, Range 7 West, Tuscaloosa County
41 Sections 1, 3, 4, 7, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 21, 22, 23, 26, 27, 28, 29
and 33

Township 20 South, Range 8 West, Tuscaloosa County
Sections 1, 2, 3, 4, 5, 10, 12, 13, 14, 15, 16, 23, 24 and 25

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the wells in the aforementioned Sections because said wells have future utility and should not be plugged.

36. DOCKET NO. 2-9-10-18

Petition by SAGA PETROLEUM LIMITED LIABILITY COMPANY OF COLORADO, a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order establishing a new oil field in Pickens County, Alabama, to be named the Burdine Creek Oil Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Pottsville A and Pottsville B Sand Oil Pools shall consist of the South Half of the Northeast Quarter of the Southwest Quarter and the North Half of the Southeast Quarter of the Southwest Quarter of Section 35, Township 18 South, Range 16 West, Pickens County, Alabama.

The Pottsville A Sand Oil Pool in the Burdine Creek Oil Field should be defined as those strata productive of hydrocarbons in the interval between 5,190 feet and 5,232 feet, as indicated on the Dual Induction Log of the Winters 35-11-2 Well, Permit No. 15872, located on a 40-acre unit consisting of the South Half of the Northeast Quarter of the Southwest Quarter and the North Half of the Southeast Quarter of the Southwest Quarter of said Section 35, Pickens County, Alabama, and the Pottsville B Sand Oil Pool in the Burdine Creek Oil Field should be defined as those strata productive of hydrocarbons in the interval between 4,760 feet and 4,768 feet, and between 4,800 feet and 4,808 feet, as indicated on the Dual Induction Log of said Winters 35-11-2 Well.

Petitioner is requesting well spacing of 40 contiguous surface acres, and is also requesting the establishment of allowables for each well in said field.

Petitioner is also requesting that the above-described 40-acre unit be approved as the permanent production unit for the Winters 35-11-2 Well.

37. DOCKET NO. 2-9-10-19

Petition by SKLAR EXPLORATION COMPANY L.L.C. ("Petitioner"), a Louisiana limited liability company authorized to do and doing business in the State of Alabama, requesting that the State Oil and Gas Board of Alabama (the "Board") enter an order approving an exceptional bottom hole location for the

Craft-Ralls 33-7 No. 1 well, Permit No. 16115, drilled as a productive extension of the Little Cedar Creek Field on a 160-acre unit consisting of the Northeast Quarter of Section 33, Township 5 North, Range 13 East, Conecuh County, Alabama. Petitioner requests approval for a bottom hole location that is located no closer than 560 feet from the South line and 610 feet from the West line of the unit. Said bottom hole location is an exception to the Special Field Rules for said Field which requires a well to be located at least 660 feet from every exterior boundary of the drilling unit. This petition is filed pursuant to Ala. Code Sections 9-17-1, et seq. (and, in particular, Section 9-17-12, as amended) and Rules 400-1, et seq. (and, in particular, Rule 400-7-1-.04) of the State Oil and Gas Board of Alabama Administrative Code.

38. DOCKET NO. 2-9-10-20

Petition by ENERGEN RESOURCES CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Williams 29-12-101 Well, Permit No. 14313, located on a 40-acre wildcat drilling unit consisting of the Northwest Quarter of the Southwest Quarter of Section 29, Township 14 South, Range 3 East, St. Clair County, Alabama, in accordance with Rule 400-1-4-.17 (1) of the State Oil and Gas Board of Alabama Administrative Code.

Said well was previously granted temporarily abandoned status and Petitioner requests that the Board grant a one year extension of said status because said well has future utility and should not be plugged.

39. DOCKET NO. 2-9-10-21

Petition by HILLWOOD ENERGY ALABAMA, L.P., a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a 160-acre wildcat drilling unit consisting of the Northwest Quarter of Section 9, Township 19 North, Range 2 East, Greene County, Alabama, for the drilling of the proposed Tate 9-4 No. 1 Well at a surface location in the Southeast Quarter of Section 5, Township 19 North, Range 2 East, 240 feet from the East line and 240 feet from the South line of Section 5. Following the drilling and evaluation of a 8,000 foot vertical well, Petitioner proposes to drill a horizontal lateral well from the vertical well approximately 2,800 feet in length in a northwest to southeast direction such that the proposed borehole of the horizontal well will have a point of entry within the Paleozoic shales no closer than 330 feet from the West line and 330 feet from the North line of Section 9, and will have a point of ending within the Paleozoic shales no closer than 330 feet from the East line and 330 feet from the South line of the proposed unit, in accordance with Rule 400-1-2-.02(2)(b) of the State Oil

1 and Gas Board of Alabama Administrative Code which provides that a well may
2 be drilled on a drilling unit consisting of a governmental quarter section
3 containing approximately 160 acres.
4

5 This petition is filed as a companion to petitions bearing Docket No. 2-9-10-22
6 requesting the Board to approve exceptional locations of the said well, and
7 Docket No. 2-9-10-23 requesting the Board to force pool, without risk
8 compensation penalty, all tracts and interests in the above referenced 160-acre
9 wildcat drilling unit.
10

11 40. DOCKET NO. 2-9-10-22

12 Petition by HILLWOOD ENERGY ALABAMA, L.P., a foreign limited
13 partnership, authorized to do and doing business in the State of Alabama,
14 requesting the State Oil and Gas Board to enter an order approving exceptional
15 locations for the proposed Tate 9-4 No. 1 Well to be drilled on a 160-acre wildcat
16 drilling unit consisting of the Northwest Quarter of Section 9, Township 19 North,
17 Range 2 East, Greene County, Alabama, at a surface location in the Southeast
18 Quarter of Section 5, Township 19 North, Range 2 East, 240 feet from the East
19 line and 240 feet from the South line of Section 5. Following the drilling and
20 evaluation of a 8,000 foot vertical well, Petitioner proposes to drill a horizontal
21 lateral well from the vertical well approximately 2,800 feet in length in a
22 northwest to southeast direction such that the proposed borehole of the horizontal
23 well will have a point of entry within the Paleozoic shales no closer than 330 feet
24 from the West line and 330 feet from the North line of Section 9, and will have a
25 point of ending within the Paleozoic shales no closer than 330 feet from the East
26 line and 330 feet from the South line of the proposed unit, and as such is an
27 exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama
28 Administrative Code which requires wells to be drilled at least 660 feet from
29 every exterior boundary of the drilling unit.
30

31 This petition is filed as a companion to petitions bearing Docket No. 2-9-10-21
32 requesting the Board to approve the above referenced unit as a wildcat drilling
33 unit, and Docket No. 2-9-10-23 requesting the Board to force pool, without risk
34 compensation penalty, all tracts and interests in the above referenced 160-acre
35 wildcat drilling unit.
36

37 41. DOCKET NO. 2-9-10-23

38 Petition by HILLWOOD ENERGY ALABAMA, L.P., a foreign limited
39 partnership, authorized to do and doing business in the State of Alabama,
40 requesting the State Oil and Gas Board to enter an order force pooling, without
41 imposition of a risk compensation penalty, all tracts and interests in hydrocarbons

1 produced in the proposed Tate 9-4 No. 1 Well to be drilled on a 160-acre wildcat
2 drilling unit, consisting of the Northwest Quarter of Section 9, Township 19
3 North, Range 2 East, Greene County, Alabama, at a surface location in the
4 Southeast Quarter of Section 5, Township 19 North, Range 2 East, 240 feet from
5 the East line and 240 feet from the South line of Section 5. Following the drilling
6 and evaluation of a 8,000 foot vertical well, Petitioner proposes to drill a
7 horizontal lateral well from the vertical well approximately 2,800 feet in length in
8 a northwest to southeast direction such that the proposed borehole of the
9 horizontal well will have a point of entry within the Paleozoic shales no closer
10 than 330 feet from the West line and 330 feet from the North line of Section 9,
11 and will have a point of ending within the Paleozoic shales no closer than 330 feet
12 from the East line and 330 feet from the South line of the proposed unit.

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

17
18 This petition is filed as a companion to petitions bearing Docket No. 2-9-10-21
19 requesting the Board to approve the above referenced unit as a wildcat drilling
20 unit and Docket No. 2-9-10-22 requesting the Board to approve exceptional
21 locations of the said well.

22
23 42. DOCKET NO. 2-9-10-24

24 Petition by HILLWOOD ENERGY ALABAMA, L.P., a foreign limited
25 partnership, authorized to do and doing business in the State of Alabama,
26 requesting the State Oil and Gas Board to enter an order approving a 144-acre
27 wildcat drilling unit consisting of the Southeast Quarter of Section 19, Township
28 20 North, Range 3 East, Greene County, Alabama, for the drilling of the proposed
29 Caldwell 19-16 No. 1 Well at a surface location in the Northwest Quarter of
30 Section 29, Township 20 North, Range 3 East, 240 feet from the West line and
31 240 feet from the North line of Section 29. Following the drilling and evaluation
32 of a 10,500 foot vertical well, Petitioner proposes to drill a horizontal lateral well
33 from the vertical well approximately 2,614 feet in length in a southeast to
34 northwest direction such that the proposed borehole of the horizontal well will
35 have a point of entry within the Paleozoic shales no closer than 330 feet from the
36 East line and 330 feet from the South line of Section 19, and will have a point of
37 ending within the Paleozoic shales no closer than 330 feet from the West line and
38 330 feet from the North line of the proposed unit, in accordance with Rule 400-1-
39 2-.02(2) (b) of the State Oil and Gas Board of Alabama Administrative Code
40 which provides that a well may be drilled on a drilling unit consisting of a
41 governmental quarter section containing approximately 160 acres.

1 This petition is filed as a companion to petition bearing Docket No. 2-9-10-25
2 requesting the Board to approve exceptional locations of the said well.
3

4 43. DOCKET NO. 2-9-10-25

5 Petition by HILLWOOD ENERGY ALABAMA, L.P., a foreign limited
6 partnership, authorized to do and doing business in the State of Alabama,
7 requesting the State Oil and Gas Board to enter an order approving exceptional
8 locations for the proposed Caldwell 19-16 No. 1 Well to be drilled on a 144-acre
9 wildcat drilling unit consisting of the Southeast Quarter of Section 19, Township
10 20 North, Range 3 East, Greene County, Alabama, at a surface location in the
11 Northwest Quarter of Section 29, Township 20 North, Range 3 East, 240 feet
12 from the West line and 240 feet from the North line of Section 29. Following the
13 drilling and evaluation of a 10,500 foot vertical well, Petitioner proposes to drill a
14 horizontal lateral well from the vertical well approximately 2,614 feet in length in
15 a southeast to northwest direction such that the proposed borehole of the
16 horizontal well will have a point of entry within the Paleozoic shales no closer
17 than 330 feet from the East line and 330 feet from South line of Section 19, and
18 will have a point of ending within the Paleozoic shales no closer than 330 feet
19 from the West line and 330 feet from the North line of the proposed unit, and as
20 such is an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of
21 Alabama Administrative Code which requires wells to be drilled at least 660 feet
22 from every exterior boundary of the drilling unit.
23

24 This petition is filed as a companion to petition bearing Docket No. 2-9-10-24
25 requesting the Board to approve the above referenced unit as a wildcat drilling
26 unit.
27

28 44. DOCKET NO. 7-23-09-12

29 Continued MOTION BY THE STATE OIL AND GAS BOARD for Operator
30 Holland Operating Company, Inc., to show cause why the wells located in the
31 Moundville Coal Degasification Field, Hale County, Alabama listed hereinbelow
32 should not be ordered plugged and abandoned in accordance with Rule 400-3-4-
33 .14 of the State Oil and Gas Board of Alabama Administrative Code relating to
34 Plugging and Abandonment of Wells. Further, as a part of this Motion by the
35 Board, the operator shall show cause why equipment, pipelines, and other
36 facilities associated with these wells, including but not limited to natural gas
37 pipelines, compressor stations, "tin" horns, pipeline risers, and water gathering
38 lines should not be removed, cleaned up, or dismantled and all sites restored in
39 accordance with the Board's rules and regulations.

| <u>Permit No.</u> | <u>Well Name</u> | <u>Location</u> |
|-------------------|------------------|--|
| 14811-C | Tubbs 10-5 | Sec. 10, Township 23 North, Range 5 East |
| 14812-C | Stephenson 10-4 | Sec. 10, Township 23 North, Range 5 East |
| 14813-C | Tubbs 9-8-1 | Sec. 9, Township 23 North, Range 5 East |
| 14814-C | Tubbs 9-1 No. 2 | Sec. 9, Township 23 North, Range 5 East |
| 14887-C | Tubbs 9-1 No. 3 | Sec. 9, Township 23 North, Range 5 East |

The Board may, as a part of this Motion, order that surety holding surety bonds on these wells pay the proceeds of the well bonds to the Board so that the Board's staff may plug and abandon the wells and restore the well sites and dismantle, remove and restore all associated sites.

Further, as a part of this Motion, the Board may order that a portion of the monies in the Alabama Coalbed Methane Gas Plugging Fund be collected by the Board pursuant to Section 9-17-133 et. seq. of the Code of Alabama (1975).

Failure of the operator to comply with the Board's rules, regulations, and orders may result in the Board issuing fines or taking other sanctions against operator, Holland Operating Company, Inc.

45. DOCKET NO. 12-8-09-09

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend the State Oil and Gas Board of Alabama Administrative Code to make the Board's regulations consistent with recent amendments to the Alabama Oil and Gas Laws in Act. No. 2008-450 addressing drilling and drainage and production units. Under this Motion, the following regulations of the Board are proposed to be amended:

Onshore Lands Operations—Rule 400-1-1-.01, Applicability; Rule 400-1-1-.05, Definitions; 400-1-2-.01, Well Permit; Rule 400-1-2-.02, Spacing of Wells; Rule 400-1-5-.09, Permissible Tolerance in Production Volumes Allowed for Oil Wells; Rule 400-1-5-.10, Permissible Tolerance in Production Volumes Allowed for Gas Wells.

Submerged Offshore Lands Operations—Rule 400-2-1-.01, Applicability; Rule 400-2-1-.05, Definitions; Rule 400-2-2-.01, Well Permit; Rule 400-2-2-.02, Spacing of Wells; Rule 400-2-5-.09, Permissible Tolerance in Production Volumes Allowed for Oil Wells; Rule 400-2-5-.10, Permissible Tolerance in Production Volumes Allowed for Gas Wells.

Coalbed Methane Gas Operations—Rule 400-3-1-.05, Definitions; Rule 400-3-2-.01, Well Permit; Rule 400-3-2-.02, Spacing of Wells.

Practice and Procedure—Rule 400-7-1-.11, Notice.

Forced Integration or Forced Pooling—Rule 400-7-2-.01, Forced Integration or Forced Pooling.

The jurisdiction and authority of the Board are set forth in the Alabama Oil and Gas Conservation statutes, Sections 9-17-1, et seq. of the Code of Alabama (1975), as amended.

Hearings of the State Oil and Gas Board are public hearings, and members of the public are invited to attend and present their position concerning petitions. Requests to continue or oppose a petition should be received by the Board at least two (2) days prior to the hearing. The public should be aware that a petition may be set for hearing on the first day or second day of the hearing or may be continued to another hearing at a later date. We suggest, therefore, that prior to the hearing, interested parties contact the Board to determine the status of a particular petition. 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.

DR. TEW: Mr. Marvin Rogers, acting as Hearing Officer, and the staff heard various items at the Hearing Officer meeting on February 9, 2010. At this time Mr. Rogers will make his report to the Board.

MR. ROGERS: Chairman Griggs, Mr. Pearson and Mrs. Pritchett, I have a written report of the items heard by the Hearing Officer and the staff on Tuesday, February 9, 2010. Copies of the report are available for the members of the public to review and study. I submit this report to the Board for approval.

CHAIRMAN GRIGGS: Is there a motion to approve the Hearing Officer's report?

MR. PEARSON: I move that we approve the Hearing Officer's report.

CHAIRMAN GRIGGS: Have a motion. Do I hear a second?

MRS. PRITCHETT: Second.

CHAIRMAN GRIGGS: Motion and second. All in favor say "aye."

(All Board members voted “aye”)

CHAIRMAN GRIGGS: "Ayes" have it. The Hearing Officer's report is approved.

1 MR. ROGERS: Mr. Chairman, I recommend the Hearing Officer report be made a part of
2 the record.

3 CHAIRMAN GRIGGS: It is admitted into the record.

4 (Whereupon, the Hearing Officer report
5 was received in evidence)

6 DR. TEW: Mr. Chairman, the staff would recommend approval of the minutes of the
7 following meetings: December 8, 2009, Hearing Office meeting and December 10, 2009,
8 regular Board meeting.

9 CHAIRMAN GRIGGS: Is there a motion to approve the minutes?

10 MRS. PRITCHETT: So move.

11 CHAIRMAN GRIGGS: Have a motion. Any discussion? Second?

12 MR. PEARSON: Second.

13 CHAIRMAN GRIGGS: No discussion. All in favor say "aye."

14 (All Board members voted "aye")

15 CHAIRMAN GRIGGS: "Ayes" have it. The minutes are approved.

16 DR. TEW: The staff has prepared an agenda of the items to be heard by the Board today.
17 Mr. Rogers, will you please call the first item?

18 MR. ROGERS: The first item is Item 19, Docket No. 2-9-10-01A, petition by Columbia
19 Petroleum LLC. We have received a request for a continuance of that matter. The staff would
20 recommend that that petition be continued.

21 CHAIRMAN GRIGGS: We have a recommendation to continue Item 19. As I understand
22 it Item 20 is a similar item?

23 MR. ROGERS: Yes sir. Item 20, Docket No. 2-9-10-02A, the staff would recommend that
24 petition by Columbia Petroleum LLC also be continued.

25 CHAIRMAN GRIGGS: Is there a motion to continue Items 19 & 20?

26 MR. PEARSON: So move.

27 CHAIRMAN GRIGGS: Have a motion. Second?

28 MRS. PRITCHETT: Second.

February 11, 2010

1 CHAIRMAN GRIGGS: Motion and a second. All in favor say "aye."

2 (All Board members voted "aye")

3 CHAIRMAN GRIGGS: Those items are continued.

4 MR. ROGERS: The next item is Item 22, Docket No. 2-9-10-04, petition by Venture Oil &
5 Gas, Inc.

6 MR. TYRA: Mr. Chairman, I'm John Tyra here on behalf of Venture. I would ask that I be
7 sworn in for this matter, please.

8 MR. ROGERS: Will you state your name and address?

9 MR. TYRA: I'm John Tyra from Tuscaloosa, Alabama.

10 (Witness was sworn by Mr. Rogers)

11 CHAIRMAN GRIGGS: Proceed Mr. Tyra.

12 MR. TYRA: This is a petition to force pool without the imposition of the risk
13 compensation fee a 160-acre wildcat well to be drilled in Escambia County. The location will be
14 the Northeast Quarter of Section 1, Township 2 North, Range 5 East, Escambia County. It is a
15 wildcat well. Cynthia LaPiana from Redondo Beach, California, owns a little over a half acre in
16 this unit, .5216 net mineral acres which is 0.33 percent of the unit itself. We have been unable to
17 get a lease from her. Our land man, Mike Foote, contacted her several months ago. She agreed
18 to the lease. He sent her a copy of it in California and it didn't come back. About two weeks
19 later he contacted her again and sent her a second copy. It didn't come back. About a month
20 later he sent her a third copy and it didn't come back. About a month later he sent her a fourth
21 copy by certified mail and she refused to accept the mail, so that one came back. At that point
22 we got to wondering about our address so we hired Jim Thompson, another land man, who
23 contacted family members in Daphne and confirmed that we had the right address. Neither one
24 of them really knew a land man in California but the past president for the AAPL lived in
25 California so they contacted him. His name is Lee Moseworth. It turns out that his office was
26 about 70 miles from her house. We hired Mr. Moseworth to go out and deliver the lease to her
27 with the cash. He made arrangements to do that, drove the 70 miles, knocked on the door, called
28 inside, felt like there was someone in there but no one answered the door and no one answered

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1 the phone. He went back to his office and contacted her again and said I have a lease, I have a
2 notary, I have a check for \$200; when you are ready to do it let me know. Since that time we
3 have not heard back from her and have not received any of the leases that we have sent to her. I
4 think we have done about all we can to get that one half acre leased at this point. Based upon
5 that, we would ask that you force pool without risk compensation. It is our opinion that would
6 prevent waste and would protect the correlative rights of the other 99.67 percent of the unit.

7 CHAIRMAN GRIGGS: Dr. Tew, any questions by the staff members of Mr. Tyra?

8 DR. TEW: No sir, we have no questions.

9 CHAIRMAN GRIGGS: Board members? Mr. Pearson.

10 MR. PEARSON: Mr. Tyra, very quickly. I may have misunderstood some of your opening
11 remarks. Can you tell me again where the well location is?

12 MR. TYRA: The well location is in the Northeast Quarter of Section 1, Township 2 North,
13 Range 5 East, in Escambia County, Alabama.

14 MR. ROGERS: Mr. Chairman, we would recommend that this affidavit of notice submitted
15 by Mr. Tyra be admitted to the record.

16 CHAIRMAN GRIGGS: It is admitted.

17 (Whereupon, the affidavit was received in evidence)

18 CHAIRMAN GRIGGS: Any further questions? Mr. Tyra, the only exhibit that you wish to
19 submit is the affidavit of notice?

20 MR. TYRA: Yes sir, that's correct.

21 CHAIRMAN GRIGGS: Do I have a motion on this item?

22 MRS. PRITCHETT: Mr. Chairman, I move that the petition be granted.

23 MR. PEARSON: Second.

24 CHAIRMAN GRIGGS: Have a motion and a second. Any discussion? Hearing none, all
25 in favor say "aye."

26 (All Board members voted "aye")

27 CHAIRMAN GRIGGS: "Ayes" have it. Petition is granted.

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1 MR. ROGERS: Mr. Chairman and members of the Board, the next item is Item 23, Docket
2 No. 2-9-10-05, petition by Venture Oil & Gas, Inc. and a related item, Item 24, Docket No. 2-9-
3 10-06A, petition by Venture Oil & Gas, Inc.

4 MR. TYRA: Again Mr. Chairman I'm John Tyra on behalf of Venture. I have one witness
5 that needs to be sworn in, please.

6 CHAIRMAN GRIGGS: Okay. Mr. Tyra, can we consolidate both those items?

7 MR. TYRA: Please. I was going to request that.

8 CHAIRMAN GRIGGS: Okay. Swear the witness.

9 MR. ROGERS: Will you state your name and address?

10 MR. STUART: My name is Tony Stuart. I live in Hattiesburg, Mississippi.

11 (Witness was sworn by Mr. Rogers)

12 MR. TYRA: Mr. Chairman, we are requesting the Board to approve a 160-acre drilling unit
13 for the Fountain Farm 2-2 No. 1 Well to consist of the North Half of the Northeast Quarter of
14 Section 2, Township 2 North, Range 6 East and the South Half of the Southeast Quarter of
15 Section 35, Township 3 North, Range 6 East, Escambia County, Alabama, to be drilled as a
16 wildcat well. We are also requesting an exceptional location for the Fountain Farm well in that
17 unit. Mr. Stuart, have you testified before this Board before and have you been recognized as an
18 expert petroleum geologist before?

19 MR. STUART: Yes sir.

20 MR. TYRA: Your resume is still on file with the Board. Is that correct?

21 MR. STUART: Yes sir.

22 MR. TYRA: I would ask that Mr. Stuart be recognized as an expert petroleum geologist in
23 this matter, please.

24 CHAIRMAN GRIGGS: He is so recognized.

25 MR. TYRA: Also, I have affidavits of notice for both these matters which I would ask to be
26 made a part of this record, please.

27 CHAIRMAN GRIGGS: How many of those are there?

28 MR. TYRA: There are two, one for each item.

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1 CHAIRMAN GRIGGS: Two affidavits. Both are admitted into the record.

2 (Whereupon, the affidavits were received in evidence)

3 TONY STUART

4 Appearing as a witness on behalf of Petitioner, Venture Oil & Gas, Inc., testified as follows:

5 DIRECT EXAMINATION

6 Questions by Mr. Tyra:

7 Q Mr. Stuart, have you prepared exhibits in support of the petitions that we have filed in
8 this matter?

9 A. I have.

10 Q. Are you familiar with the allegations contained in those petitions?

11 A. Yes sir I am.

12 Q. Turn to your Exhibit 1 and explain what that shows, please.

13 A. Exhibit 1 is a regional map showing the area where we have been doing a lot of our work.
14 We shot an 80-square mile 3-D seismic survey. This particular area is sort of in the
15 northeastern quadrant of that survey. Coincidentally, it wasn't intentional and is not part
16 of this particular issue but the Mack well that we just discussed is also on Exhibit 1 over
17 to the left in Section 1, Township 2 North, Range 5 East. It just happened to be on this
18 map. I didn't intend it that way. The map shows the production and the fields that are in
19 the region area. Indicated in blue on the map is a cross section line. We have completed
20 the initial phase of drilling in this project and have drilled four wells thus far. All these
21 wells on the cross section are our new wells that we have drilled here. If you start at A
22 which is to the south and west, the Venture Fountain Farms 4-16 was our first well in the
23 project. That was a dry hole. Fountain Farm is the prison ground near Atmore. Coming
24 up to the north and east you see one that is not on the cross section line, the Fountain
25 Farm 3-13 No. 1. As of this morning we were at about 4,000 feet drilling that well. The
26 first producer that we had in the area is in Section 2, the Fountain Farm 2-4 No. 1 shown
27 there in green. The well is currently flowing at about 500 barrels a day. Next is our
28 proposed location going to the northeast, the Fountain Farm 2-2 No. 1. That proposed

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1 unit is shown in yellow. In Section 36 at the end of the cross section line is the Mason
2 36-14 which is also a producing well and is flowing from the Smackover.

3 Q. Turn to your next exhibit, Exhibit 2, and explain what that shows.

4 A. Exhibit 2 is a generalized cross section following that blue line on the previous map.
5 The Fountain Farm 4-16 well, our first well, was a dry hole. This is showing the top of
6 the Smackover and a generalized structural position of these wells. The two producing
7 oil pools are colored in green. In the Fountain Farm 2-4 well we had a 24-25 foot thick
8 pay interval and no water. We do not have an oil-water contact for that reservoir yet so
9 my limits of the reservoir are somewhat unknown but I have an idea because of the spill
10 point which is shown a little further to the right. The proposed wellbore for the Fountain
11 Farm 2-2 No. 1 will be an offset to the Fountain Farm 2-4. This is a development well.
12 As you go to the east and step up a little higher on the structure you will see the Mason
13 36-14 well which had about a 40 to 50 foot thick pay interval. I don't think that these
14 reservoirs are connected because of the syncline in between but they may actually be
15 somewhat hydraulically related through the water portion of the reservoir. Again, I don't
16 know where the water portion of the reservoir is at this time. We have not seen oil-water
17 contact in either well.

18 Q. Exhibit No. 3.

19 A. Exhibit No. 3 is a seismic structure map. Again, this is the northeast quadrant of our 3-D
20 survey here. It is zoomed in a little bit from the previous map in Exhibit 1. It shows the
21 location of the Fountain Farm 2-4 well and the existing unit which is outlined in green. A
22 little to the east and north of that is our proposed location, the Fountain Farm 2-2 No. 1.
23 It is pretty evident through that section that you can see the low which separates and
24 forms a trap for this reservoir here. We would like to drill in a favorable structural
25 position for this well so that we can accelerate the production. I estimate that this
26 structure has between 4.5 to 5 million barrels of oil in place so it clearly would justify
27 developing a well on this structure. It is not shown on any of these maps because it is not
28 proposed yet but should this Fountain Farm 2-2 No. 1 well be approved and be successful

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1 then we do plan to try to drill on the southwestern end of the structure in Section 3 and go
2 a little further down dip in the future. We will keep drilling until we find the oil-water
3 contact.

4 Q. Okay. In your opinion is this location for the proposed Fountain Farm 2-2 well the
5 optimum geologic location based upon all the information that you have?

6 A. Yes sir it is.

7 Q. All right. Let's turn to your Exhibit No. 4, your seismic.

8 A. I'm sorry. Back on Exhibit No. 3 the blue line indicates the location of an arbitrary
9 seismic line shown on Exhibit No. 4.

10 Q. So that sets up Exhibit No. 4?

11 A. Yes sir. This is a compressed arbitrary seismic line showing the 3-D. The top of the
12 Smackover is labeled. On the left is the southwest end of the line. On the right is the
13 northeast end of the line. The location of the Fountain Farm 2-4 is shown by the green
14 line. The geophysicists in Houston left the well log curves on there. Those are all the
15 blue and black squiggly lines going up and down. They kind of confuse the issue but at
16 the time that I submitted the exhibit he was completely off the grid backpacking in Big
17 Bend State Park and I couldn't get it corrected. The Fountain Farm 2-2 No. 1 is shown in
18 red with a line showing where we propose to drill. The main purpose of it is to show that
19 the northeastern limit of our reservoir is pretty abrupt, a very well defined syncline in
20 between this and the next structure where the Mason well is.

21 Q. Your last exhibit.

22 A. This is our location plat showing the location and the distance from the unit boundaries
23 with the proposed unit outline.

24 Q. If we set that unit up as a northeast quarter unit then the proposed location which you
25 have already testified is the optimum geologic location would be an extreme location
26 being just 234 feet from the North line of that unit and 392 feet from the West line. Is
27 that correct?

28 A. That's correct. Also a good portion of the structure is up to the north in Section 35.

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1 Q. All right. You couldn't move the unit over to the west 40 acres because that would
2 encroach upon the production unit for the Fountain Farm 2-4 well. Is that correct?

3 A. That's correct.

4 Q. Is it also correct that all of Section 2 is owned by the State of Alabama, Department of
5 Corrections?

6 A. Yes sir.

7 Q. Is it also true that we had to get the permission of the Department of Conservation and
8 Natural Resources for this location?

9 A. Yes sir.

10 MR. TYRA: I have previously filed a letter from Commissioner Barnett Lawley of
11 January 11, 2010, indicating that they agreed to and support this location. I would ask that that
12 letter be made a part of the record at this time.

13 CHAIRMAN GRIGGS: It is admitted into the record.

14 (Whereupon, the letter was received in evidence)

15 CHAIRMAN GRIGGS: As I understand it, Mr. Tyra, there are some conditions in that
16 letter. Are you agreeing to those conditions?

17 MR. TYRA: Yes sir.

18 CHAIRMAN GRIGGS: Thank you.

19 MR. TYRA: In fact I was asked this morning to get the permit as soon as this hearing
20 was over and I had to explain that the permitting process doesn't exactly work like that but that
21 we would get it to them next week some time.

22 Q. Mr. Stuart, as you said the State Department of Corrections owns all of Section 2.
23 Section 35 is also common ownership with the ATIC group. Is that correct?

24 A. Yes sir that's my understanding.

25 MR. TYRA: That is all the testimony that we have at this point. We would ask that the
26 exhibits be admitted and made a part of the record. I would tender Mr. Stuart for any questions
27 that you may have.

28 CHAIRMAN GRIGGS: Exhibits 1 through 5 are admitted and made a part of the record.

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(Whereupon, the exhibits were received in evidence)

CHAIRMAN GRIGGS: Dr. Tew, any questions by the staff?

MR. ROGERS: Mr. Chairman, I have a comment. Mr. Tyra notes in his affidavit of notice that at the direction of the Board he sent notice to all the mineral owners in the Northeast Quarter of Section 2 and the Southeast Quarter of Section 35 so that the parties would be adequately noticed about these petitions.

CHAIRMAN GRIGGS: Is there anyone in attendance who has any interest in this who would like to speak in connection with these petitions? Any questions by the Board members? Mr. Tyra.

Questions by Mr. Tyra:

Q. Mr. Stuart, I'm going to ask you one final question. Is it your opinion that the granting of these petitions would prevent waste and protect correlative rights?

A. Yes sir.

MR. TYRA: We tender this on behalf of the testimony and the exhibits submitted.

CHAIRMAN GRIGGS: Is there a motion on both of these combined docket items?

MR. PEARSON: Mr. Chairman, I move that we approve and grant Items 23 and 24 which are Docket Nos. 2-9-10-05A and 2-9-10-06A.

CHAIRMAN GRIGGS: Have a motion. Second?

MRS. PRITCHETT: That is conditioned on the stipulations in Commissioner Lawley's letter.

MR. PEARSON: Mr. Tyra, are you in agreement with that?

MR. TYRA: Absolutely yes sir.

CHAIRMAN GRIGGS: So your motion is conditioned?

MR. PEARSON: My motion would be to include those conditions that are set forth in Mr. Lawley's letter.

CHAIRMAN GRIGGS: Okay. We have a restated motion. Is there a second?

MRS. PRITCHETT: Second.

CHAIRMAN GRIGGS: Have a motion and a second. All in favor say "aye."

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1 (All Board members voted "aye")

2 CHAIRMAN GRIGGS: "Ayes" have it. Motion is granted and both petitions are
3 approved.

4 MR. TYRA: Thank you.

5 MR. ROGERS: That is all the items on the docket today.

6 CHAIRMAN GRIGGS: Any further matters to come before the Oil and Gas Board?
7 Hearing no further matters, I would entertain a motion to adjourn.

8 MRS. PRITCHETT: So move.

9 MR. PEARSON: Second.

10 CHAIRMAN GRIGGS: Have a motion and a second. We are adjourned.

11 (Whereupon, the hearing was adjourned at 10:17 a.m.)

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 Thursday, February 11, 2010, in the Board Room of the State Oil and Gas Board Building, University of Alabama Campus, Tuscaloosa, Alabama, I reported the proceedings before the State Oil & Gas Board in Regular Session; that the foregoing 35 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 or counsel to the parties to said cause, nor in any manner interested in the results thereof.


Rickey Estes
Hearing Reporter