

AGENDA
STATE OIL AND GAS BOARD OF ALABAMA
BOARD MEETING
MARCH 23 & 25, 2010

The State Oil and Gas Board of Alabama will hold its regular hearing at 10:00 a.m. on Tuesday, March 23, 2010, and Thursday, March 25, 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 Gilberttown 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.

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.

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

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

8. 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.

9. 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.

10. 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.

11. 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.

12. DOCKET NO. 2-9-10-01A

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

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

13. DOCKET NO. 2-9-10-02A

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

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

14. DOCKET NO. 2-9-10-15A

Continued amended 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.

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

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

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

15. DOCKET NO. 2-9-10-16

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

Citronelle Unit
Township 2 North, Range 3 West
Sections 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36

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

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

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

Southeast Citronelle Unit
Township 1 North, Range 2 West
Sections 4, 5, 8, 9, 10

Township 2 North, Range 2 West
Sections 32 and 33

East Citronelle Unit
Township 1 North, Range 2 West
Section 6

Township 2 North, Range 2 West
Sections 29, 31, 32

16. DOCKET NO. 2-9-10-17A

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

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

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

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

Township 20 South, Range 7 West, Tuscaloosa County
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.

17. DOCKET NO. 2-9-10-19A

Continued amended 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.

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

Continued 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.

19. DOCKET NO. 3-23-10-01

Petition by AMERICAN MIDSTREAM (MISSISSIPPI), LLC., a Delaware Limited Liability Company, qualified to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama, pursuant to Rule 400-1-7-01 of the State Oil and Gas Board of Alabama Administrative Code, to approve the construction and operation of its proposed Atmore Plant Processing Facility to be located in Section 2, Township 2 North, Range 16 East, Escambia County, Alabama, for the purpose of processing natural gas from wells located in the area.

20. DOCKET NO. 3-23-10-02

Petition by SPOONER PETROLEUM COMPANY, INC., 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 amending Rules 2 and 3 of the Special Field Rules for the East Lambeth Church Field, Escambia County, Alabama, to add and define the Pilot Sand Oil Pool for said field and to provide for well spacing for the Pilot Sand Oil Pool.

Petitioner requests that the Pilot Sand Oil Pool in the East Lambeth Church Field be defined as that interval of the Pilot Sand productive of hydrocarbons between the interval of 6432 feet and 6482 feet MD as indicated on the High Definition Induction Log for the Chavers 3-14 No. 1 Well, Permit No. 16042, and all zones in communication therewith and all productive extensions thereof. Said pool constitutes a separate and distinct oil producing pool in said field, separate and distinct from all other producing pools therein.

This Petition is filed as a companion to a Petition under Docket No. 3-23-10-03 requesting that the 40-acre drilling unit for the Chavers 3-14 No. 1 Well, Permit No. 16042, be reformed to a 120-acre production unit or to a smaller production unit in the event that the Board should determine that the maximum area efficiently and economically drained by the subject well is less than 120 acres.

21. DOCKET NO. 3-23-10-03

Petition by SPOONER PETROLEUM COMPANY, INC., 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 reforming the 40-acre drilling unit for the Chavers 3-14 No. 1 Well, Permit No. 16042, to a 120-acre production unit pursuant to Section 9-17-12(2)(b) of the *Code of Alabama* (1975), as amended.

Petitioner requests that the 40-acre drilling unit for said Chavers 3-14 No. 1 Well, Permit No. 16042, consisting of the Southeast Quarter of the Southwest Quarter of Section 3, Township 1 North, Range 8 East, Escambia County, Alabama, be reformed to a 120-acre production unit consisting of the South Half of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter of Section 3, Township 1 North, Range 8 East, Escambia County, Alabama, in the East Lambeth Church Field. In the alternative, if the Board should determine that a smaller production unit should be approved, Petitioner requests that the Board establish a production unit for said well less than the noted 120 acres, but covering the maximum area which would be efficiently and economically drained by the subject Well.

This Petition is filed as a companion to a Petition under Docket No. 3-23-10-02 requesting the Board to amend Rules 2 and 3 of the Special Field Rules of the East Lambeth Church Field to add and define the Pilot Sand Oil Pool for said field and to provide for well spacing for the Pilot Sand Oil Pool.

22. DOCKET NO. 3-23-10-04

Petition by SPOONER PETROLEUM COMPANY, INC., 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 force pooling, with the imposition of a risk compensation penalty, all tracts and interest in hydrocarbons produced from the Washita-Fredericksburg interval from a well to be drilled on a 40-acre wildcat drilling unit consisting of the South Half of the Southwest Quarter of the Northeast Quarter and the North Half of the Northwest Quarter of the Southeast Quarter of Section 32, Township 2 North, Range 8 East, Escambia County, Alabama. The proposed drilling unit is adjacent to the Hall Creek Field and the West Foshee Oil Field, but will not be included in either 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. This Petition is filed as a companion to a Petition under Docket No. 3-23-10-05 requesting the approval of an exceptional drilling unit for the subject Well.

23. DOCKET NO. 3-23-10-05

Petition by SPOONER PETROLEUM COMPANY, INC., 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 approving an exceptional 40-acre wildcat drilling unit for the proposed Indigo Blackstone 32-7 No. 1 Well consisting of the South Half of the Southwest Quarter of the Northeast Quarter and the North Half of the Northwest Quarter of the Southeast Quarter of Section 32, Township 2 North, Range 8 East, Escambia County, Alabama. The proposed drilling unit is adjacent to the Hall Creek Field and the West Foshee Oil Field, but will not be included in either Field. The proposed drilling unit is an exception to Rule 400-1-2-.02(2) (a) of the State Oil and Gas Board of Alabama Administrative Code, which requires that wells be located on units consisting of a governmental quarter-quarter section containing approximately 40 acres.

This Petition is filed as a companion to a Petition under Docket No. 3-23-10-04 requesting that the drilling unit for the proposed Well be force pooled with the imposition of a risk compensation penalty.

24. DOCKET NO. 3-23-10-06

Petition by VENTURE OIL & GAS, INC. 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 establishing a new oil field in Escambia County, Alabama, to be named the Southeast Huxford Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Smackover Oil Pool, consists of the East Half of the Southwest Quarter and the West Half of the Southeast Quarter of Section 36, Township 3 North, Range 6 East, Escambia County, Alabama.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons between the interval of 14,904 feet (MD) and 14,956 feet (MD) as indicated on the Ray Induction Log for the Venture Oil & Gas, Inc. – Mason 36-4 No. 1 Well, Permit No. 16048, and all zones in communication therewith and all productive extensions thereof.

Petitioner requests well spacing of 160 acres and also requests the establishment of allowables for said field. Additionally, Petitioner requests that the drilling unit for the Venture Oil & Gas, Inc. – Mason 36-4 No. 1 Well, Permit No. 16048, consisting of the East Half of the Southwest Quarter and the West Half of the Southeast Quarter of Section 36, Township 3 North, Range 6 East, be approved as the production unit for that Well.

25. DOCKET NO. 3-23-10-07

Petition by SHELL OFFSHORE INC. ("Shell"), a foreign corporation authorized to do and doing business in the State of Alabama. Shell is requesting the State Oil and Gas Board to grant an extension of the temporarily abandoned status to Shell's Fairway MB 113a JD-3 Well, Permit No. 9477-0S-41-B; Fairway Field, Mobile Co., Alabama, for a one year period pursuant to Alabama Oil & Gas Rule 400-2-4-.14(1). Petitioner avers that this well has future utility. The jurisdiction and authority of the Oil and Gas Board is provided in Section 9-17-1, *et seq.*, Code of Alabama (1975) as amended.

26. DOCKET NO. 3-23-10-08

Petition by FOUR STAR OIL & GAS COMPANY, a subsidiary of Chevron U.S.A. 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 temporarily abandoned status of the Hatter's Pond Unit 34-10 #1 ST Well, Permit No. 2735-B, located in Section 34, Township 1 South, Range 1 West, Mobile County, Alabama, and extending the shut-in status of the Hatter's Pond Unit 3-1 #1 Well, Permit No. 4706, located in Section 3, Township 2 South, Range 1 West, both in Mobile County, Alabama, in the Hatter's Pond Unit, in accordance with Rules 400-1-4-.17(1) and (2) of the State Oil and Gas Board of Alabama Administrative Code.

Petitioner plans to plug and abandon the Hatter's Pond Unit 34-10 #1 ST Well in 2010 and requests that the temporarily abandoned status for said well be extended for one year or until such time in 2010 as said well is permanently plugged and abandoned.

Petitioner further requests that the Board grant a one year extension of the shut-in status for the Hatter's Pond Unit 3-1 #1 Well because said well is capable of producing and should not be plugged.

27. DOCKET NO. 3-23-10-09

Petition by UNION OIL COMPANY OF CALIFORNIA, 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 temporarily abandoned status and the shut-in status of the following wells located in Mobile County, Alabama, in the Chunchula Fieldwide Unit, in accordance with Rules 400-1-4-.17(1) and (2) of the State Oil and Gas Board of Alabama Administrative Code:

<u>Well Name</u>	<u>Permit No.</u>	<u>Location</u>	<u>Status</u>
International Paper Co. 14-6 #1	2085	S14-T1S-R2W	Temporarily Abandoned
E.T. Stapleton 27-7 #1	2120	S27-T1S-R2W	Temporarily Abandoned
George Radcliff, et al. 19-11 #2	2295	S19-T1S-R1W	Temporarily Abandoned
E.M. Maddox 26-7 #1	2310	S26-T1S-R2W	Temporarily Abandoned
Roy J. Smith et al 6-10 #1A	2355-B	S6-T1S-R1W	Temporarily Abandoned
International Paper Co. 24-11 #1	2119-B	S24-T1S-R2W	Shut-in
C.P. Newman 17-11 #1	2739	S17-T1S-R1W	Shut-in
E.M. Maddox 26-12 #1	11629-B-1	S26-T1S-R2W	Shut-in; and

Petitioner plans to plug and abandon the International Paper Co. 14-6 #1 and C.P. Newman 17-11 #1 Wells in 2010 or 2011 and requests that the temporarily abandoned status and shut-in status, respectively, of said wells be extended for one year or until such time as said wells are permanently plugged and abandoned.

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the E.T. Stapleton 27-7 #1, George Radcliff, et al 19-11 #2, E.M. Maddox 26-7 #1 and Roy J. Smith et al 6-10 #1A Wells because said wells have future utility and should not be plugged.

Petitioner further requests that the Board grant a one year extension of the shut-in status for the International Paper Co. 24-11 #1 and E.M. Maddox 26-12 #1 Wells because said wells are capable of producing and should not be plugged.

28. DOCKET NO. 3-23-10-10

Petition by ESCAMBIA OPERATING CO., LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving the exceptional surface and bottom hole locations of the Powell Gas Unit 19-4 #1 Well, Permit No. 2991, to be re-entered and completed on a 640-acre unit consisting of Section 19, Township 1 North, Range 9 East, Escambia County, Alabama, in the Flomaton Field, as an exception to Rule 3(b) of the Special Field Rules for said Field. The surface location of said well is 646 feet from the North line and 673 feet from the West line of said 640-acre unit and the bottom hole location is 399 feet from the North line and 794 feet from the West line of said 640-acre unit, and as such, are exceptions to said Rule 3(b) which requires that wells be drilled at least 1,320 feet from every exterior boundary of the drilling unit.

This petition is filed as a companion to a petition bearing Docket No. 3-23-10-11 requesting the Board to enter an order approving the forced pooling, without the imposition of a risk compensation penalty, of all tracts and interests in hydrocarbons produced in the Powell Gas Unit 19-4 #1 Well.

29. DOCKET NO. 3-23-10-11

Petition by ESCAMBIA OPERATING CO., LLC, a foreign limited liability company, 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 in the Powell Gas Unit 19-4 #1 Well, Permit No. 2991, to be re-entered and completed on a 640-acre unit consisting of Section 19, Township 1 North, Range 9 East, Escambia County, Alabama, in the Flomaton 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.

This petition is filed as a companion to a petition bearing Docket No. 3-23-10-10 requesting the Board to enter an order approving the exceptional surface and bottom hole locations for the Powell Gas Unit 19-4 #1 Well on the hereinabove described 640-acre.

30. DOCKET NO. 3-23-10-12

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, 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 in the Jones 8-13 #1 Well to be drilled on a 320-acre wildcat drilling unit consisting of the West Half of Section 8, Township 16 South, Range 16 West, Lamar 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.

31. DOCKET NO. 3-23-10-13

Petition by SKLAR EXPLORATION COMPANY, LLC, a Louisiana limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order amending Rule 1 of the Special Field Rules for the Little Cedar Creek Field to add the following described parcels to the field limits of said field: the Northeast Quarter and the Southeast Quarter of Section 33, Township 5 North, Range 13 East, Conecuh County, Alabama. This petition is filed pursuant to Ala. Code Sections 9-17-1, *et seq.* and Rules 400-1, *et seq.* of the State Oil and Gas Board of Alabama Administrative Code.

32. DOCKET NO. 3-23-10-14

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 an exceptional 572.7-acre wildcat drilling unit consisting of the entire Section 19, Township 20 North, Range 3 East, Greene County, Alabama, for the drilling of the proposed Caldwell 19-16 No. 1A Well at a surface location 660 feet from the East line and 660 feet from the South line of Section 19. Following the drilling and evaluation of a 10,500 foot vertical well, the proposed Caldwell 19-16 No. 1 Well, Petitioner proposes to plug off the Paleozoic shales interval in the bottom of the vertical well and to drill directionally in a sidetrack well from the

vertical well. The sidetrack well, the proposed Caldwell 19-16 No. 1A Well, will be drilled laterally from above the target Paleozoic shale interval to the point of entry within the Paleozoic shale interval. This lateral well will be located on an exceptional 572.7-acre wildcat drilling unit consisting of the entire Section 19, Township 20 North, Range 3 East, Greene County, Alabama, within the Paleozoic shales approximately 4,306.4 feet in length in a southeast to northwest direction such that the proposed borehole of the lateral well will have a point of entry within the Paleozoic shales no closer than 660 feet from the East line and 660 feet from the South line of Section 19, and will have a point of ending within the Paleozoic shales no closer than 1320 feet from the West line and 1320 feet from the North line of Section 19, and as such is an exception to 400-1-2-.02(2) of the State Oil and Gas Board of Alabama Administrative Code which requires wells to be drilled on a drilling unit consisting of a governmental quarter section containing approximately 160 acres.

This petition is filed as a companion to petition bearing Docket No. 3-23-10-15 requesting the Board to approve an exceptional location of the said well.

33. DOCKET NO. 3-23-10-15

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 an exceptional location for the proposed Caldwell 19-16 No. 1A Well to be drilled on an exceptional 572.7-acre wildcat drilling unit consisting of the entire Section 19, Township 20 North, Range 3 East, Greene County, Alabama, at a surface location 660 feet from the East line and 660 feet from the South line of Section 19. Following the drilling and evaluation of a 10,500 foot vertical well, the proposed Caldwell 19-16 No. 1 Well, Petitioner proposes to plug off the Paleozoic shales interval in the bottom of the vertical well and to drill directionally in a sidetrack well from the vertical well. The sidetrack well, the proposed Caldwell 19-16 No. 1A Well, will be drilled laterally from above the target Paleozoic shale interval to the point of entry within the Paleozoic shale interval. This lateral well will be located on an exceptional 572.7-acre wildcat drilling unit consisting of the entire Section 19, Township 20 North, Range 3 East, Greene County, Alabama, within the Paleozoic shales approximately 4,306.4 feet in length in a southeast to northwest direction such that the proposed borehole of the lateral well will have a point of entry within the Paleozoic shales no closer than 660 feet from the East line and 660 feet from the South line of Section 19, and will have a point of ending within the Paleozoic shales no closer than 1320 feet from the West line and 1320 feet from the North line of Section 19, and as such is an exception to Rule 400-1-2-.02(2) of the State Oil and Gas Board of Alabama Administrative Code which requires wells to be drilled at least 1320 feet from every exterior boundary of the drilling unit.

This petition is filed as a companion to petition bearing Docket No. 3-23-10-14 requesting the Board to approve the above referenced unit as an exceptional wildcat drilling unit.

34. DOCKET NO. 3-23-10-16

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 an exceptional 640-acre wildcat drilling unit consisting of the entire Section 9, Township 19 North, Range 2 East, Greene County, Alabama, for the drilling of the proposed Tate 9-4 No. 1A Well at a surface location 730 feet from the West line and 730 feet from the North line of Section 9. Following the drilling and evaluation of a 8,000 foot vertical well, the proposed Tate 9-4 No. 1 Well, Petitioner proposes to plug off the Paleozoic shales interval in the bottom of the vertical well and to drill directionally in a sidetrack well from the vertical well. The sidetrack well, the proposed Tate 9-4 No. 1A Well, will be drilled laterally from above the target Paleozoic shale interval to the point of entry within the Paleozoic shale interval. This lateral well will be located on a 640-acre wildcat drilling unit consisting of the entire Section 9, Township 19 North, Range 2 East, Greene County, Alabama, within the Paleozoic shales approximately 4,538 feet in length in a northwest to southeast direction such that the proposed borehole of the lateral well will have a point of entry within the Paleozoic shales no closer than 730 feet from the West line and 730 feet from the North line of Section 9, and will have a point of ending within the Paleozoic shales no closer than 1320 feet from the East line and 1320 feet from the South line of Section 9, and as such is an exception to 400-1-2-.02(2) of the State Oil and Gas Board of Alabama Administrative Code which requires wells to be drilled on a drilling

unit consisting of a governmental quarter section containing approximately 160 acres.

This petition is filed as a companion to petitions bearing Docket No. 3-23-10-17 requesting the Board to approve an exceptional location of the said well, and Docket No. 3-23-10-18 requesting the Board to force pool, with risk compensation penalty, all tracts and interests in the above referenced 640-acre wildcat drilling unit.

35. DOCKET NO. 3-23-10-17

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 an exceptional location for the proposed Tate 9-4 No. 1A Well to be drilled on a 640-acre wildcat drilling unit consisting of the entire Section 9, Township 19 North, Range 2 East, Greene County, Alabama, at a surface location 730 feet from the West line and 730 feet from the North line of Section 9. Following the drilling and evaluation of a 8,000 foot vertical well, the proposed Tate 9-4 No. 1 Well, Petitioner proposes to plug off the Paleozoic shales interval in the bottom of the vertical well and to drill directionally in a sidetrack well from the vertical well. The sidetrack well, the proposed Tate 9-4 No. 1A Well, will be drilled laterally from above the target Paleozoic shale interval to the point of entry within the Paleozoic shale interval. This lateral well will be located on a 640-acre wildcat drilling unit consisting of the entire Section 9, Township 19 North, Range 2 East, Greene County, Alabama, within the Paleozoic shales approximately 4,538 feet in length in a northwest to southeast direction such that the proposed borehole of the lateral well will have a point of entry within the Paleozoic shales no closer than 730 feet from the West line and 730 feet from the North line of Section 9, and will have a point of ending within the Paleozoic shales no closer than 1320 feet from the East line and 1320 feet from the South line of Section 9, and as such is an exception to Rule 400-1-2-.02(2) of the State Oil and Gas Board of Alabama Administrative Code which requires wells to be drilled at least 1320 feet from every exterior boundary of the drilling unit.

This petition is filed as a companion to petitions bearing Docket No. 3-23-10-16 requesting the Board to approve the above referenced unit as an exceptional wildcat drilling unit, and Docket No. 3-23-10-18 requesting the Board to force pool, with risk compensation penalty, all tracts and interests in the above referenced 640-acre wildcat drilling unit.

36. DOCKET NO. 3-23-10-18

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 force pooling, with imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the proposed Tate 9-4 No. 1A Well to be drilled on a 640-acre wildcat drilling unit, consisting of the entire Section 9, Township 19 North, Range 2 East, Greene County, Alabama, at a surface location 730 feet from the West line and 730 feet from the North line of Section 9. Following the drilling and evaluation of a 8,000 foot vertical well, the proposed Tate 9-4 No. 1 Well, Petitioner proposes to plug off the Paleozoic shales interval in the bottom of the vertical well and to drill directionally in a sidetrack well from the vertical well. The sidetrack well, the proposed Tate 9-4 No. 1A Well, will be drilled laterally from above the target Paleozoic shale interval to the point of entry within the Paleozoic shale interval. This lateral well will be located on a 640-acre wildcat drilling unit consisting of the entire Section 9, Township 19 North, Range 2 East, Greene County, Alabama, within the Paleozoic shales approximately 4,538 feet in length in a northwest to southeast direction such that the proposed borehole of the lateral well will have a point of entry within the Paleozoic shales no closer than 730 feet from the West line and 730 feet from the North line of Section 9, and will have a point of ending within the Paleozoic shales no closer than 1320 feet from the East line and 1320 feet from the South line of Section 9.

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.

This petition is filed as a companion to petitions bearing Docket No. 3-23-10-16 requesting the Board to approve the above referenced unit as an exceptional wildcat drilling unit and Docket No. 3-23-10-17 requesting the Board to approve an exceptional location of the said well.

37. DOCKET NO. 3-23-10-19

Petition by GRIFFIN RESOURCES, 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 establishing a new gas field in Marion County, Alabama, to be known as the Twomile Creek Field, or such other name as the Board deems appropriate, and to promulgate Special Field Rules therefor. The proposed field, as underlain by the Hartselle Sand Gas Pool, consists of the Southwest Quarter of Section 19 and the West Half of Section 30, Township 9 South, Range 13 West, and the Southeast Quarter of Section 24 and the East Half of Section 25, Township 9 South, Range 14 West, all in Marion County, Alabama.

The Hartselle Sand Gas Pool in the proposed Twomile Creek Field should be defined as those strata productive of hydrocarbons in the interval between 1,403 feet and 1,412 feet, as indicated on the Compensated Neutron/Litho-Density Log for the Williams 25-9 Well, Permit No. 6309, a wildcat well that was drilled in April, 1989, by MWJ Producing Company on a 160-acre drilling unit consisting of the Southeast Quarter of Section 25, Township 9 South, Range 14 West, Marion County, Alabama, and completed in the Hartselle Sand Gas Pool within the field limits for the proposed Twomile Creek Field, Marion County, Alabama.

Petitioner is requesting well spacing of approximately 160 contiguous surface acres and the establishment of production allowables for wells in said field.

Petitioner is also requesting that the 160-acre unit consisting of the Southeast Quarter of Section 25, Township 9 South, Range 14 West, Marion County, Alabama, be approved as the permanent production unit for the Williams 25-9 Well.

38. DOCKET NO. 3-23-10-20

Petition by SAGA PETROLEUM LIMITED LIABILITY COMPANY OF COLORADO, 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, of all tracts and interests in a 320 acre drilling unit for the proposed Winters 35-08-05 Well, to be drilled as a wildcat well, having a unit consisting of the East Half of Section 35, Township 18 South, Range 16 West, Pickens County, Alabama, with an objective depth of the Pottsville Sands. This petition is in accordance with Section 9-17-13, ALABAMA CODE (1975), as amended, and Rules 400-7-1 and 400-7-2 of the State Oil and Gas Board of Alabama Administrative Code.

39. DOCKET NO. 7-23-09-12

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

40. 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.

41. DOCKET NO. 3-23-10-21

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-1-2-.05 of the State Oil and Gas Board of Alabama Administrative Code relating to change of operator to provide that within 60 days of the effective date of any agreement causing a change of operator, the new operator must submit the Application for Change of Operator. Further, under the proposed rule, the new operator shall attest that it has ownership or control of one hundred percent (100%) of the rights to drill and produce in the unit. Further, under the proposed rule, the Board may delay the time period for filing the application for an additional period of time. The State Oil and Gas Board of Alabama was established pursuant to Alabama Oil and Gas Conservation Laws as set forth in the Section 9-17-1 et seq. of the Code of Alabama (1975).

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.