STATE OIL AND GAS BOARD l STATE OF ALABAMA Fxhibit No.-Pago AFFIDAVIT OF TESTIMONY Date 10-Decket-No. 10-16-02-7 EL. ition By 1 5 2002 COUNTY OF JEFFERSON 2 ileni No. C. Dicking REG & ENF estimony GI.

Comes now Clay C. Dickinson, who, after being duly sworn on his oath, states the following:

My name is Clay C. Dickinson. I am a contract landman for El Paso Production Company (hereinafter "El Paso"), and my address is P.O. Box 361351, Birmingham, Alabama, 35236. My Affidavit of Qualifications is on file with the State Oil and Gas Board of Alabama (hereinafter the "Board"), and I have previously testified before this Board and have been accepted as an expert witness by the Board.

That El Paso has filed a petition bearing the captioned Docket Number requesting the Board to force pool, without imposition of the Risk compensation fee, all tracts and interests in hydrocarbons produced from the El Paso Production Company - Jernigan 33-06-268 Well, Permit No. 12559-C, located on a 40-acre unit consisting of the Southeast Quarter of the Northwest Quarter of Section 33, Township 17 South, Range 8 West, Tuscaloosa County, Alabama, in the White Oak Creek Coal Degasification Field.

That I am personally aware that in 1996 the Alabama Department of Conservation and Natural Resources advised Sonat Exploration Company (predecessor in title to El Paso) in writing that the State of Alabama did not claim any portion of White Oak Creek water bottoms to be navigable water bottoms owned by the State. Subsequent to permitting the subject Jernigan well, El Paso has been advised by the Department that the State does, in fact, claim 0.78 acres in the Southeast Quarter of the Northwest Quarter of Section 33 to be navigable, and thus owned by the State of Alabama. In my opinion, the Board should force pool the interest of the State Pursuant to the provisions of Section 9-17-13, <u>Code of Alabama</u> (1975), as amended, and Rule 400-7-2-.01 of the <u>State Oil and Gas Board of Alabama Administrative Code</u>, Mr. James H. Griggs, Director, State Lands Division, Department of Conservation and Natural Resources, has advised El Paso in writing that the State does not oppose the force pooling request.

That I am familiar with the term "waste" as defined by the Statutes of the State of Alabama, and that in my opinion, granting this petition will prevent waste, protect coequal and correlative rights of all owners in the field, and prevent the drilling of unnecessary wells.

Further Affiant Saith not.

Clay C. Dickinson

Sworn to and subscribed before me this 8th day of October, 2002.

Leggy S. Ahitan Notary Mublic

My Commission Expires:

STATE OF ALABAMA

AFFIDAVIT OF NOTICE

COUNTY OF TUSCALOOSA

Comes now Steven F. Harrison, attorney for El Paso Production Company, who, after being duly sworn on his oath, states the following:

That on behalf of El Paso Production Company, a petition bearing Docket No. 10-16-02-7 was filed with the State Oil and Gas Board of Alabama and, in accordance with rule 400-7-1-.11 of the rules and regulations of the <u>State Oil and Gas Board of Alabama</u> <u>Administrative Code</u>, notice of said petition was mailed, by ordinary first class mail, postage pre-paid, to the persons listed on Exhibit "A" attached hereto and made a part hereof, at least fifteen (15) days prior to the scheduled hearing of said petition. The persons notified are interested parties, know to the Petitioner, in the subject unit.

Also attached hereto and made a part of this Affidavit is a true copy of the notice mailed to the aforementioned persons, labeled Exhibit "B".

Further Affiant saith not.

72aniso teven F. Harrison

Sworn to and subscribed before me this 1st day of October, 2002.

Notary Public

My Commission Expires: MY COMMISSION EXPIRES JULY 13, 2006

STATE OIL & GAS BOARD of ALABAMA STATE OIL AND GAS BOAROCT 0 4 2002 Exhibit No EL Paso Petition By liem No. 21 Date 10 Testimony Of 5. Harry R. Hamile Received By

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EXHIBIT "A" TO AFFIDAVIT OF NOTICE

Re: EL PASO PRODUCTION COMPANY Docket No. 10-16-02-7

Hon. James H. Griggs ALABAMA DEPARTMENT OF CONSERVATION & NATURAL RESOURCES 64 North Union Street Montgomery, AL 36130-1901

NOTICE OF MEETING

The State Oil and Gas Board of Alabama will hold its regular monthly meeting at 10:00 a.m. on Wednesday, October 16, 2002, and Friday, October 18, 2002, in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama, to consider among other items, the following petition(s):

DOCKET NO. 10-16-02-7

Petition by EL PASO PRODUCTION COMPANY, 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, without imposition of the risk compensation fee, all tracts and interests in hydrocarbons produced from the El Paso Production Company - Jernigan 33-06-268 Well, Permit No. 12559-C, located on a 40-acre unit consisting of the Southeast Quarter of the Northwest Quarter of Section 33, Township 17 South, Range 8 West, Tuscaloosa County, Alabama, in the White Oak Creek Coal Degasification Field. This Petition is filed in accordance with Section 9-17-13, <u>Code of Alabama</u> (1975), as amended, and Rule 400-7-2-.01 of the <u>State Oil and Gas Board of Alabama</u> Administrative Code.

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

10-16-02-7

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STATE OF ALABAMA DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES 64 NORTH UNION STREET MONTGOMERY, ALABAMA 36130

GOVERNOR RICHARD C. LILES ACTING COMMISSIONER

October 9, 2002

Mr. Steve Harrison Harrison and Associates, LLC 826 Indian Hills Drive Tuscaloosa, AL 35406-2229 JAMES H. GRIGGS, DIRECTOR GREGORY M. LEIN, ASSISTANT DIRECTOR STATE LANDS DIVISION TELEPHONE (334) 242-3484 FAX NO. (334) 242-0999

STATE ON A DART AND OF ALABAMA OCT 1 5 2002 REG & ENF

Re: El Paso Production Company - Proposed Force Pool 0.78 Acres of State-Owned Land - Jernigan 33-06-268 well T17S, R8W, S33 (SW/4 of NW/4), Tuscaloosa County, Alabama

Dear Mr. Harrison:

This letter is written in reply to your inquiry concerning an Oil & Gas Board petition to force pool approximately 0.78 acres of state-owned land located as referenced above.

This office has no objection to your petitioning the State Oil and Gas Board to force pool this acreage, provided the acreage is not assessed with risk compensation. If you have any questions in this connection, please advise.

Sincerely,

mes H. Griggs, Director State Lands Division

JHG/ab

cc: Dr. Donald Oltz State Oil & Gas Board

STATE OIL AN	D GAS BOARD
Exhibit No. 3	
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Mem No. 21	Date 10-16-02
Testimony Of	Grigge
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