

RESULTS  
STATE OIL AND GAS BOARD OF ALABAMA  
DECEMBER 12 & 14, 2006

1. DOCKET NO. 1-31-06-23

Continued petition by LOCAL, 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 reforming the unit for the Richards 23-5 #1 Well, Permit No. 12294-A, from a 320-acre gas unit consisting of the North Half of Section 23, Township 16 South, Range 15 West, Lamar County, Alabama, in the East Mt. Zion Gas Field to a 40-acre oil unit consisting of the Southwest Quarter of the Northwest Quarter of said Section 23.

The Board established the East Mt. Zion Gas Field by Order 2002-34, dated April 19, 2002, and Petitioner alleges that the Richards 23-5 # 1 Well currently produces as an oil well and should not be classified as a gas well. Although Petitioner requests the Board to eliminate certain lands from the present 320-acre gas unit, Petitioner proposes to drill one or more additional oil wells as warranted in the lands proposed to be eliminated.

This petition is a companion to petition bearing Docket No. 1-31-06-24 requesting establishment of a new oil field in Lamar County, Alabama.

**BOARD ACTION:** Continued 12-14-06

2. DOCKET NO. 1-31-06-24

Continued petition by LOCAL, 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 oil field to be known as the East Mt. Zion Oil 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 Lewis Sand Oil Pool, consists of the North Half of Section 23, Township 16 South, Range 15 West, Lamar County, Alabama.

The Lewis Sand Oil Pool should be defined as that interval of the Lewis Sand Formation productive of hydrocarbons between 4,924 feet and 4,940 feet, as indicated on the Dual Induction Log of the Richards 23-5 #1 Well, Permit No. 12294-A, located 360 feet FNL and 660 feet FWL of the proposed 40-acre unit for said well consisting of the Southwest Quarter of the Northwest Quarter of said Section 23 in Lamar County, Alabama. Petitioner is requesting well spacing of a governmental quarter-quarter section containing approximately 40 acres, and is also requesting the establishment of allowables for said field.

This petition is a companion to petition bearing Docket No. 1-31-06-23 requesting reformation of the 320-acre gas unit for the Richards 23-5 #1 Well, Permit No. 12294-A, to a 40-acre oil unit.

**BOARD ACTION:** Continued 12-14-06

3. DOCKET NO. 4-25-06-5

Continued petition by ROBINSON'S BEND OPERATING II, LLC, 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 reforming the unit for the Findley #21-2-89 Well, Permit No.7843-C, from an 80-acre unit consisting of the Northwest Quarter of the Northeast Quarter and the Northeast Quarter of the Northwest Quarter of Section 21, Township 21 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Northwest Quarter of the Northeast Quarter of said Section 21.

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

**BOARD ACTION:** Granted 12-14-06

ORDER NO. 2006-182

4. DOCKET NO. 6-19-06-5A

Continued amended petition by ROBINSON'S BEND OPERATING II, LLC, 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 reforming the unit for the Maxwell Crossing B11 11-1 #631 Well, Permit No. 8186-C, from an 80-acre unit consisting of the East Half of the Northeast Quarter of Section 11, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Northeast Quarter of the Northeast Quarter of said Section 11.

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

**BOARD ACTION:** Granted 12-14-06

ORDER NO. 2006-183

5. DOCKET NO. 6-19-06-6

Continued petition by ROBINSON'S BEND OPERATING II, LLC, 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 reforming the unit for the Maxwell Crossing A11 2-15 #679 Well, Permit No. 8505-C, from an 80-acre unit consisting of the West Half of the Southeast Quarter of Section 2, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Southwest Quarter of the Southeast Quarter of said Section 2.

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

**BOARD ACTION:** Granted 12-14-06

ORDER NO. 2006-184

6. DOCKET NO. 7-24-06-8

Continued petition by CDX GAS, L.L.C., a Texas 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 pursuant to Section 9-17-1 et seq., Code of Alabama (1975) and Rule 400-3-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code and as an exception to the Special Field Rules for the Gurnee Coal Degasification Field requesting approval of the permit, construction method, completion technique, and casing requirements for the drilling of a Z-PINNATE<sup>®</sup> coalbed methane well, the 240-acre unit for which well shall be the Northwest Quarter and the West Half of the Northeast Quarter of Section 14, Township 22 South, Range 4 West, Shelby County, Alabama in the Gurnee Coal Degasification Field in order to avoid the drilling of unnecessary wells, minimize surface disturbance, increase the efficiency of operations, and avoid waste.

**BOARD ACTION:** Continued 12-14-06

7. DOCKET NO. 7-24-06-9

Continued petition by CDX GAS, L.L.C., a Delaware 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 pursuant to Section 9-17-1 et seq., Code of Alabama (1975) and Rule 400-3-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code and as an exception to the Special Field Rules for the Gurnee Coal Degasification Field requesting approval of the permit, construction method, completion technique, and casing requirements for the drilling of a Z-PINNATE<sup>®</sup> coalbed methane well, the 320 acre unit for which well shall be the East Half of Section 2, Township 22 South, Range 4 West, Shelby County, Alabama in the Gurnee Coal Degasification Field in order to avoid the drilling of unnecessary wells, minimize surface disturbance, increase the efficiency of operations, and avoid waste.

**BOARD ACTION:** Continued 12-14-06

8. DOCKET NO. 8-22-06-3

Continued 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 finding that the contribution of the separately owned Tracts in the Little Cedar Creek Oil Unit have been shown to be erroneous by subsequently discovered productivity data from a well in the Little Cedar Creek Oil Unit, namely, the Cedar Creek Land and Timber 15-6 Well, Permit No. 14692, said well having a surface location in Section 15, Township 4 North, Range 12 East, Conecuh County, Alabama, in the Little Cedar Creek Field. The Unit Operator has calculated the new Tract participation factors to reflect the altered Tract contribution and requests the Board to approve the revised Tract participation factors of each affected Tract in the Little Cedar Creek Oil Unit in Conecuh County, Alabama.

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

This petition is filed as a companion to a petition bearing Docket No. 8-22-06-4 requesting redetermination of Unit Tract participation for the Little Cedar Creek Oil Unit based on subsequently discovered pore volume data from the Cedar Creek Land and Timber 15-6 Well.

**BOARD ACTION:** Granted 12-14-06

ORDER NO. 2006-185

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

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

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

**BOARD ACTION:** Continued 12-14-06

10. Docket No. 11-01-06-10

Continued petition by SAGA PETROLEUM, LLC, a Colorado limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an order force pooling, with risk compensation, all tracts and interests in coalbed methane produced from a well drilled to the Pottsville Formation on a unit consisting of approximately 40 acres located in the Southeast Quarter of the Northwest Quarter of Section 34, Township 19 South, Range 9 West, Tuscaloosa County, Alabama, in the Deerlick Creek Coal Degasification Field. 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.

**BOARD ACTION:** Continued 12-14-06

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

Continued petition by DE SOTO OIL & GAS, INC., an Alabama corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an Order approving an exception to the spacing requirements as set out in Rule 3(b) of the Special Field Rules for the Big Escambia Creek Field, so as to allow the Petitioner to drill a Well known as the Edwards 13-1 No. 1 Well, with a proposed bottom hole location to be no closer than 660 feet from the north line and no closer than 660 feet from the east line of the unit for said Edwards 13-1 No. 1 Well, which is comprised of the entire Section 13, Township 1 North, Range 7 East, Big Escambia Creek Field, Escambia County, Alabama.

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

**BOARD ACTION:** Continued 12-14-06

12. Docket No. 11-01-06-16

Continued petition by DE SOTO OIL & GAS, INC., an Alabama corporation 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, without risk compensation, of all tracts and interests in a 640 acre drilling unit for the proposed Edwards 13-1 No. 1 Well, having a unit consisting of all of Section 13, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek Field with an objective depth of the Smackover Formation as defined by the Special Field Rules for the Big Escambia Creek Field. 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.

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

**BOARD ACTION:** Continued 12-14-06

13. DOCKET NO. 11-1-06-18

Continued 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
10121-OS-53	State Lease 537 #2
11009-OS-65-B	State Lease 536 #3

The previous shut-in status for these wells has expired and Petitioner requests the Board to grant a one year extension beginning November 3, 2006, because said wells have future utility and should not be plugged.

**BOARD ACTION:** Continued 12-14-06

14. DOCKET NO. 11-1-06-19

Continued 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 of the following offshore well in Baldwin County, Alabama, in the Southeast Mobile Bay Field, 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>
3346-OS-8-B	State Lease 350 #2

The previous temporarily shut-in status for this well has expired and Petitioner requests the Board to grant a one year extension beginning November 3, 2006, because said well has future utility and should not be plugged.

**BOARD ACTION:** Continued 12-14-06

15. DOCKET NO. 11-1-06-20A

Amended 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 in Mobile County, 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>
3135-OS-6-B	State Lease 349 #2
10557-OS-59-B1	Alabama State Lease 350(Tract 95)Well #5 S/T#1
2543-OS-3-B	State Lease 347 #1
3614-OS-14	State Lease 347 #2
3127-OS-5	State Lease 350 #1

The previous temporarily abandoned and shut-in status for these wells has expired and Petitioner requests the Board to grant a one year extension beginning December 14, 2006, because said wells have future utility and should not be plugged.

**BOARD ACTION:** Continued 12-14-06

16. DOCKET NO. 12-12-06-1

Petition by SUNDOWN ENERGY LP, 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 re-entry of the Hammond 13-13 #1 Well, Permit No. 4606, located on a 320-acre drilling unit consisting of the South Half of Section 13, Township 18 South, Range 14 West, Pickens County, Alabama, in the Coal Fire Creek Field. The Hammond 13-13 #1 well was originally permitted at a location 660 feet from the South line and 660 feet from the West line of the unit and the well was subsequently drilled, produced, and is now plugged and abandoned. Upon resurveying the well for re-entry, Petitioner discovered that the well was located 720 feet from the West line and 648 feet from the South line of the unit. The well will be an exception to Rule 3(b) of the Special Field Rules for said Field which requires that all wells be located at least 660 feet from every exterior boundary of the drilling unit, and the location of the aforementioned well is only 648 feet from the South line of said 320-acre drilling unit and, as such, is an exception to said Rule.

This request was previously approved by the Board by Emergency Order No. E-2006-175 issued on November 3, 2006.

**BOARD ACTION:** Granted 12-14-06

ORDER NO. 2006-186

17. DOCKET NO. 12-12-06-2

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving the reformation of a 40-acre wildcat drilling unit for the West 21-14-04 Well, Permit No. 14497, consisting of the Southeast Quarter of the Southwest Quarter of Section 21, Township 13 South, Range 4 East, St. Clair County, Alabama, to an exceptional 320-acre wildcat drilling unit consisting of the West Half of said Section 21, as an exception to Rule 400-1-2-.02(2)(c) of the State Oil and Gas Board of Alabama Administrative Code, which provides that a well may only be drilled on a 320-acre drilling unit in search of gas in Fayette, Lamar, Pickens, or Tuscaloosa Counties.

This petition is filed as a companion to a petition bearing Docket No. 12-12-06-3 requesting approval of the exceptional location of the referenced well on the proposed reformed exceptional 320-acre wildcat drilling unit.

This request was previously approved by the Board by Emergency Order No. E-2006-177 issued on November 3, 2006.

**BOARD ACTION:** Granted 12-14-06 with the stipulation that if the West 21-14-04 Well is productive, that the Operator shall escrow all production royalties for said well pending approval of the ultimate production unit by the Board after notice and hearing.

ORDER NO. 2006-187

18. DOCKET NO. 12-12-06-3

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the West 21-14-04 Well, Permit No. 14497, on a proposed reformed exceptional 320-acre wildcat drilling unit consisting of the West Half of Section 21, Township 13 South, Range 4 East, St. Clair County, Alabama, said location being 353 feet from the East line of said proposed reformed 320-acre unit, an exception to Rule 400-1-2-.02(2)(c) of the State Oil and Gas Board of Alabama Administrative Code, which requires a well to be located at least 660 feet from every exterior boundary of a 320-acre drilling unit.

This petition is filed as a companion to a petition bearing Docket No. 12-12-06-2 requesting approval of the reformation of the 40-acre wildcat drilling unit for the referenced well to an exceptional 320-acre wildcat drilling unit.

This request was previously approved by the Board by Emergency Order No. E-2006-179 issued on November 3, 2006.

**BOARD ACTION:** Granted 12-14-06 with the stipulation that a directional survey be run to verify the bottom hole location of the well.

ORDER NO. 2006-188

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

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving the reformation of a 40-acre wildcat drilling unit for the Bjornson 32-16-07 Well, Permit No. 14620, consisting of the Southeast Quarter of the Southeast Quarter of Section 32, Township 13 South, Range 5 East, St. Clair County, Alabama, to an exceptional 320-acre wildcat drilling unit consisting of the East Half of said Section 32, as an exception to Rule 400-1-2-.02(2)(c) of the State Oil and Gas Board of Alabama Administrative Code, which provides that a well may only be drilled on a 320-acre drilling unit in search of gas in Fayette, Lamar, Pickens, or Tuscaloosa Counties

This petition is filed as a companion to a petition bearing Docket No. 12-12-06-5 requesting approval of the exceptional location of the referenced well on the proposed reformed exceptional 320-acre wildcat drilling unit.

This request was previously approved by the Board by Emergency Order No. E-2006-176 issued on November 3, 2006.

**BOARD ACTION:** Granted 12-14-06 with the stipulation that if the Bjornson 32-16-07 Well is productive, that the Operator shall escrow all production royalties for said well pending approval of the ultimate production unit by the Board after notice and hearing.

ORDER NO. 2006-189

20. DOCKET NO. 12-12-06-5

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the Bjornson 32-16-07 Well, Permit No. 14620, on a proposed reformed exceptional 320-acre wildcat drilling unit consisting of the East Half of Section 32, Township 13 South, Range 5 East, St. Clair County, Alabama, said location being 465 feet from the South line and 581 feet from the East line of said proposed reformed 320-acre unit, an exception to Rule 400-1-2-.02(2)(c) of the State Oil and Gas Board of Alabama Administrative Code, which requires a well to be located at least 660 feet from every exterior boundary of a 320-acre drilling unit.

This petition is filed as a companion to a petition bearing Docket No. 12-12-06-4 requesting approval of the reformation of the 40-acre wildcat drilling unit for the referenced well to an exceptional 320-acre wildcat drilling unit.

This request was previously approved by the Board by Emergency Order No. E-2006-178 issued on November 3, 2006.

**BOARD ACTION:** Granted 12-14-06 with the stipulation that a directional survey be run to verify the bottom hole location of the well.

ORDER NO. 2006-190

21. DOCKET NO. 12-12-06-6A

Amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exception to Rule 3(b) of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama, for the exceptional location of the proposed Brookshire 20-1 #2 Well, Permit No. 14934. Petitioner proposes to drill said well on a 320-acre unit consisting of the N/2 of Section 20, Township 18 South, Range 14 West, Pickens County, Alabama, at a location 1,060 feet from the North line and 280 feet from the East line of said Section 20. Said Rule 3(b) requires that wells drilled in said Field be located at least 660 feet from every exterior boundary of the drilling unit, and the proposed location of the referenced well is only 280 feet from the East line of the 320-acre drilling unit for said well.

On September 21, 2006, the Board issued Order 2006-141 approving an exception to Rule 3(b) of the Special Field Rules for the same Brookshire 20-1 #2 Well at a location 330 feet from the East line of said Section 20. However, due to unstable ground, the location had to be moved to the exception stated above.

**BOARD ACTION:** Granted 12-14-06 with the stipulation that a directional survey be run to verify the bottom hole location of the well.  
ORDER NO. 2006-191

22. DOCKET NO. 12-12-06-7

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 removing the following wells in the Chunchula Field, Mobile County, Alabama, from the list of wells required to be plugged and abandoned by December 16, 2006, and extending the temporarily abandoned status of said wells, in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code:

<u>Well Name</u>	<u>Permit No.</u>	<u>Location</u>
Roy J. Smith et al 6-10 #1A	2355-B	Sec. 6-T1S-R1W
International Paper Co. 2-10 #1	2499	Sec. 2-T1S-R2W
M.V. Kelly 11-10 #1	2158	Sec. 11-T1S-R2W.
International Paper Co. 24-4 #1	3206	Sec. 24-T1S-R2W.

That in Order No. 2005-140, issued on December 16, 2005, the Board ordered Petitioner to plug and abandon the above-referenced wells, as well as others, by December 14, 2006, and Petitioner began an aggressive plugging and abandoning program in order to comply with said Order. However, since that time, the International Paper Co. 24-4 #1 Well has been reactivated for production and has shown production potential and Petitioner has agreed to farmout its interest to a third party for the re-entry and re-completion of the Roy J. Smith et al 6-10 #1A Well in the Sligo/Hosston Sands. Petitioner is also evaluating the economical and mechanical feasibility of re-entering the International Paper Co. 2-10 #1 and M.V. Kelly 11-10 #1 Wells for development of the Sligo/Hosston Sands.

**BOARD ACTION:** Continued on 12-14-06 and Ordered that Order No. 2005-140 be stayed until the next regularly scheduled meeting of the Board, insofar as Order No. 2005-140 Ordered that the following wells be plugged and abandoned by December 14, 2006; 1) R. J. Smith 6-10 #1A, Permit No. 2355-B; (2) I.P.C. 2-10 No. 1, Permit No. 2499; (3) M.V. Kelly 11-10 No. 1, Permit No. 2158; (4) I.P.C. 24-4 No. 1, Permit No. 3206

23. DOCKET NO. 12-12-06-8

Petition by SPOONER PETROLEUM 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, with imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Haynesville, Smackover and Norphlet formations in a 160-acre wildcat oil unit, consisting of the Southwest Quarter of Section 25, Township 10 North, Range 1 West, Clarke County, Alabama, for the drilling of its proposed Harrigan Trust, et al 25-14 No. 1 Well.

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.

**BOARD ACTION:** Dismissed 12-14-06  
ORDER NO. 2006-192

24. DOCKET NO. 12-12-06-9

Petition by ROBINSON'S BEND OPERATING II, 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 Broughton 5-8-582 Well to be drilled on a 40-acre unit consisting of the Southeast Quarter of the Northeast Quarter of Section 5, Township 21 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degassification 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.

**BOARD ACTION:** Granted 12-14-06  
ORDER NO. 2006-193

25. DOCKET NO. 12-12-06-10

Petition by ROBINSON'S BEND OPERATING II, 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 White 11-10-580 Well to be drilled on an 80-acre unit consisting of the West Half of the Southeast Quarter of Section 11, Township 22 South, Range 12 West, Tuscaloosa County, Alabama, in the Thornton Creek Coal Degasification Field.

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

**BOARD ACTION:** Granted 12-14-06  
ORDER NO. 2006-194

26. DOCKET NO. 12-12-06-11

Petition by VENTEX OPERATING CORP., 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 reforming a 160-acre unit for the Odom 24-14 No. 1 Well, Permit No. 14201-B, consisting of the Southwest Quarter of Section 24, Township 3 North, Range 7 East, Escambia County, Alabama, in the North Smiths Church Field, to a 240-acre unit consisting of the Southwest Quarter of said Section 24 and the East Half of the Southeast Quarter of Section 23, all in Township 3 North, Range 7 East, Escambia County, Alabama, in accordance with the 50% tolerance allowed by Section 9-17-12 (b) of the Code of Alabama 1975, as amended.

Section 9-17-12(b) of the Code of Alabama 1975, as amended, authorizes the Board to grant units in excess of 160 acres when it is demonstrated that one well can efficiently and economically drain the proposed area and that a larger unit is justified because of technical, economic, environmental or safety considerations, or other reasons deemed valid by the Board. Said 240-acre unit would be an exception to Rule 3(a) of the Special Field Rules for the North Smiths Church Field, which provides for 160-acre governmental units.

**BOARD ACTION:** Dismissed 12-14-06  
ORDER NO. 2006-195

27. DOCKET NO.12-12-06-12

Petition by DE SOTO OIL & GAS, INC., a Florida corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an Order approving an exception to the spacing requirements as set out in Rule 3(b) of the Special Field Rules for the Big Escambia Creek Field, so as to allow the Petitioner to drill a Well known as the Scott Paper Company 2-1 No. 2 Well, with a proposed bottom hole location to be no closer than 660 feet from the north line and no closer than 660 feet from the east line of the unit for said Scott Paper Company 2-1 No. 2 Well, which is comprised of the entire Section 2, Township 1 North, Range 6 East, Big Escambia Creek Field, Escambia County, Alabama.

This Petition is a companion to Docket No. 12-12-06-13 in which Petition requests approval of force pooling of the interest in the Scott Paper Company 2-1 No. 2 Well.

**BOARD ACTION:** Continued on 12-14-06 to a Special Hearing Officer Meeting at 10:00 a.m. on Friday, January 12, 2006.

28. DOCKET NO. 12-12-06-13

Petition by DE SOTO OIL & GAS, INC., a Florida corporation 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 640 acre drilling unit for the proposed Scott Paper Company 2-1 No. 2 Well, having a unit consisting of all of Section 2, Township 1 North, Range 6 East, Escambia County, Alabama, in the Big Escambia Creek Field with an objective depth of the Smackover Formation as defined by the Special Field Rules for the Big Escambia Creek Field. 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.

This Petition is a companion to Docket No. 12-12-06-12 in which Petitioner requests approval of an exceptional location for bottom hole location of the Scott Paper Company 2-1 No. 2 Well.

**BOARD ACTION:** Continued on 12-14-06 to a Special Hearing Officer Meeting at 10:00 a.m. on Friday, January 12, 2006.

29. DOCKET NO. 12-12-06-14

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving the reformation of a 40-acre wildcat drilling unit for the Burgess E28-08-30 Well, Permit No. 14949, consisting of the Southeast Quarter of the Northeast Quarter of Section 28, Township 13 South, Range 4 East, St. Clair County, Alabama, to a 320-acre exceptional wildcat drilling unit consisting of the East Half of said Section 28, as an exception to Rule 400-1-2-.02(2)(c) of the State Oil and Gas Board of Alabama Administrative Code, which provides that a well may only be drilled on a 320-acre drilling unit in search of gas in Fayette, Lamar, Pickens, or Tuscaloosa Counties.

This petition is filed as a companion to a petition bearing Docket No. 12-12-06-15 requesting approval of the exceptional location of the referenced well on the proposed reformed 320-acre exceptional wildcat drilling unit.

**BOARD ACTION:** Continued 12-14-06

30. DOCKET NO. 12-12-06-15

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving the exceptional location of the Burgess E28-08-30 Well, Permit No. 14949, on a proposed reformed 320-acre exceptional wildcat drilling unit consisting of the East Half of Section 28, Township 13 South, Range 4 East, St. Clair, County, Alabama, said location being 330 feet from the East line and 2,325 feet from the North line of said proposed reformed 320-acre wildcat drilling unit, an exception to Rule 400-1-2-.02(2)(c) of the State Oil and Gas Board of Alabama Administrative Code, which requires a well to be located at least 660 feet from every exterior boundary of a 320-acre drilling unit.

This petition is filed as a companion to a petition bearing Docket No. 12-12-06-14 requesting approval of the reformation of the 40-acre wildcat drilling unit for the referenced well to a 320-acre exceptional wildcat drilling unit.

**BOARD ACTION:** Continued 12-14-06

31. DOCKET NO. 12-12-06-16

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving a 320-acre exceptional wildcat drilling unit for the Oakes E23-11-26 Well consisting of the West Half of Section 23, Township 13 South, Range 4 East, St. Clair County, Alabama, as an exception to Rule 400-1-2-.02(2)(c) of the State Oil and Gas Board of Alabama Administrative Code, which provides that a well may only be drilled on a 320-acre drilling unit in search of gas in Fayette, Lamar, Pickens, or Tuscaloosa Counties.

This petition is filed as a companion to a petition bearing Docket No. 12-12-06-17 requesting approval of an exceptional location for the referenced well on the proposed 320-acre exceptional wildcat drilling unit.

**BOARD ACTION:** Granted 12-14-06 with the stipulation that if the Oakes E23-11-26 Well is productive, that the Operator shall escrow all production royalties for said well pending approval of the ultimate production unit by this Board after notice and hearing.

ORDER NO. 2006-196

32. DOCKET NO. 12-12-06-17

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the Oakes E23-11-26 Well on a proposed 320-acre exceptional wildcat drilling unit consisting of the West Half of Section 23, Township 13 South, Range 4 East, St. Clair County, Alabama, said location being 330 feet from the East line and 1,642 feet from the South line of said proposed 320-acre wildcat unit, as an exception to Rule 400-1-2-.02(2)(c) of the State Oil and Gas Board of Alabama Administrative Code, which requires a well to be located at least 660 feet from every exterior boundary of a 320-acre drilling unit.

This petition is filed as a companion to a petition bearing Docket No. 12-12-06-16 requesting approval of a 320-acre exceptional wildcat drilling unit for the referenced well.

**BOARD ACTION:** Granted 12-14-06 with the stipulation that a directional survey be run to verify the bottom hole location of the well.

ORDER NO. 2006-197

33. DOCKET NO. 12-12-06-18

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving a proposed 320-acre exceptional wildcat drilling unit for the Burgess E28-06-58 Well consisting of the West Half of Section 28, Township 13 South, Range 4 East, St. Clair County, Alabama, as an exception to Rule 400-1-2-.02(2)(c) of the State Oil and Gas Board of Alabama Administrative Code, which provides that a well may only be drilled on a 320-acre drilling unit in search of gas in Fayette, Lamar, Pickens, or Tuscaloosa Counties.

**BOARD ACTION:** Continued 12-14-06

34. DOCKET NO. 12-12-06-19

Petition by LOWER 15 OIL CORPORATION, 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 from the Joseph W. Hutchinson, Jr., et al #1 Well, Permit No. 1431, located on a 40-acre unit consisting of the Northwest Quarter of the Northeast Quarter of Section 7, 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.

**BOARD ACTION:** Continued 12-14-06

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

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to consider issuing an order for Vintage Petroleum, Inc., Hunt Refining Company, and Pruet Production Company to clean up and remove the oil on the lands of Lois Ezell and the adjoining pipeline right-of-way located in Section 29, Township 11 North, Range 3 West, Choctaw County, Alabama. Vintage Petroleum, Inc., operates the Ezell 29-5 Well, Permit No. 1844, on the lands of Lois Ezell, and certain oil pipelines on the pipeline right-of-way adjoining the lands of Lois Ezell. Hunt Oil Company operates an oil pipeline on the pipeline right-of-way adjoining the lands of Lois Ezell. Pruet Production Company operates a natural gas pipeline and a salt-water pipeline on the pipeline right-of-way adjoining the lands of Lois Ezell. The jurisdiction and authority of the Board is set forth in Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

**BOARD ACTION:** Continued 12-14-06

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

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

East Gilbertown Eutaw Unit Wells & Tank Batteries

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

Other Well

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

Plugged and Abandoned well (well site not restored)

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

**BOARD ACTION:** Continued 12-14-06