

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
BOARD MEETING
APRIL 11 & 13, 2007

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

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

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

BOARD ACTION: Continued 4-13-07

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

Continued petition by SAGA PETROLEUM, LLC, a Colorado limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an order force pooling, with risk compensation, all tracts and interests in 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 4-13-07

3. 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 330 feet from the north line and no closer than 330 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 4-13-07

4. 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 4-13-07

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

Continued 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 4-13-07

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

Continued petition by MAYNE & MERTZ, 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 approving a 320-acre unit for the Jones Trust 21-4 No. 1 Well consisting of the South Half of the Southwest Quarter of Section 16, the South Half of the Southeast Quarter of Section 17, the North Half of the Northeast Quarter of Section 20, and the North Half of the Northwest Quarter of Section 21, all in Township 1 North, Range 9 East, Escambia County, Alabama, in the Jernigan Mill Creek Field as an exception to Rule 3(a) of the Special Field Rules for said Field which requires, in part, that wells in said Field be located on units consisting of two contiguous governmental quarter sections containing approximately 320 contiguous acres.

The public is further advised that, pursuant to this hearing, the applicable provisions 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 4-13-07

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

Continued petition by LOWER 15 OIL CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order terminating the unitization of the East Gilbertown Eutaw Unit consisting of the Southeast Quarter and the East Half of the Southwest Quarter of Section 1, Township 10 North, Range 3 West, and the Southwest Quarter of the Southwest Quarter of Section 6, Township 10 North, Range 2 West, all in 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 4-13-07

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

Continued 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 an exceptional surface location and proposed exceptional bottom hole location for the Godwin 14-3 No. 1 Well to be drilled on unit containing approximately 652 acres consisting of Section 14, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek Field, as an exception to Rule 3(b) of the Special Field Rules for said Field which requires that wells be located at least 1,320 feet from every exterior boundary of the drilling unit. The surface location for the referenced well will be 2,055 feet from the West line and 585 feet from the North line with a proposed bottom hole location 2,200 feet from the West line and no closer than 330 feet from the North line of said Section 14 and, as such, will be an exception to said Rule 3(b).

This petition is filed as a companion to a petition bearing Docket No. 2-28-07-29 requested the forced pooling, with imposition of a risk compensation fee, of all tracts and interests in hydrocarbons produced in the referenced well.

BOARD ACTION: Granted 4-13-07 with the stipulation that a directional survey be run to verify the bottom hole location of the well and that the bottom hole location be no closer than 330 feet from the North line of the unit.

ORDER NO. 2007-62

9. DOCKET NO. 2-28-07-29

Continued 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, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation from Petitioner's proposed Godwin 14-3 No. 1 Well to be drilled on a unit containing approximately 652 acres, consisting of Section 14, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek 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. 2-28-07-28 requesting approval of an exceptional location for the referenced well.

BOARD ACTION: Dismissed 4-13-07
ORDER NO. 2007-63

10. DOCKET NO. 2-28-07-30

Continued 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 an exceptional surface location and proposed exceptional bottom hole location for the Edwards 13-1 No. 1 Well to be drilled on a 640-acre unit consisting of Section 13, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek Field, as an exception to Rule 3(b) of the Special Field Rules for said Field which requires that wells be located at least 1,320 feet from every exterior boundary of the drilling unit. The surface location for the referenced well will be 900 feet from the North line and 450 feet from the East line with a proposed bottom hole location no closer than 330 feet from the East line and no closer than 330 feet from the North line of said Section 13 and, as such, will be an exception to said Rule 3(b).

BOARD ACTION: Continued 4-13-07

11. DOCKET NO. 2-28-07-32

Continued petition by NATURAL GAS & OIL, 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 formations of Mississippian and Pennsylvanian Age, from a well to be drilled on a 320-acre drilling unit consisting of the South Half of Section 14, Township 16 South, Range 15 West, Lamar County, Alabama, as a productive extension of the Mt. Zion 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 4-13-07

12. DOCKET NO. 2-28-07-33A

Continued amended petition by BAY GAS STORAGE COMPANY, LTD. ("Petitioner"), an Alabama limited partnership whose general partner is EnergySouth Storage Services, Inc., an Alabama corporation, requesting that the State Oil and Gas Board of Alabama ("Board") enter an order: approving the underground storage of gas by Petitioner in a cavity to be created in a salt dome, said cavity and related equipment to be located in the SW 1/4 of the SW 1/4 of Section 37, T4N, R1E, Washington County, Alabama; designating the horizontal and vertical boundaries of the "Bay Gas Salt Dome Gas Storage Facility #4 at McIntosh" (or such other name as may be deemed appropriate by the Board) including a buffer zone which will extend into the NW 1/4 of Section 29, T3N, R1E, Washington County, Alabama; promulgating Special Gas Storage Rules for said facility and the operation thereof; and designating Petitioner as the storage operator for said facility thereby authorizing Petitioner to exercise the rights and authorities of such operator including operating rights and condemnation authority, all as authorized by and in accordance with the provisions of Ala. Code Sections 9-17-150 et seq. (and in particular Section 9-17-152) and State Oil and Gas Board of Alabama Administrative Code Rules 400-6-1 et seq. The public is invited to attend this meeting and to present to the Board their position concerning these matters.

BOARD ACTION: Granted 4-13-07

ORDER NO. 2007-64

13. DOCKET NO. 4-11-07-1

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 Pugh 22-12 Well, Permit No. 14824, said well having a surface location in Section 22, 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).

BOARD ACTION: Continued 4-13-07

14. DOCKET NO. 4-11-07-2

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Rice 01-15-695 Well, Permit No. 14134-C, from an 80-acre unit consisting of the South Half of the Southeast Quarter of Section 1, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degassification Field to a 40-acre unit consisting of the Southwest Quarter of the Southeast Quarter of said Section 1.

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 4-13-07
ORDER NO. 2007-65

15. DOCKET NO. 4-11-07-3

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Jolen 35-12-841 Well, Permit No. 14641-C, from an 80-acre unit consisting of the West Half of the Southwest Quarter of Section 35, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field to a 40-acre unit consisting of the Northwest Quarter of the Southwest Quarter of said Section 35.

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 4-13-07
ORDER NO. 2007-66

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

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

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

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

BOARD ACTION: Continued 4-13-07 with the stipulation that the temporarily abandoned status be continued until the next regularly scheduled meeting of the Board.

17. DOCKET NO. 4-11-07-5

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

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

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

BOARD ACTION: Continued 4-13-07 with the stipulation that the temporarily abandoned status be continued until the next regularly scheduled meeting of the Board.

18. DOCKET NO. 4-11-07-6

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

BOARD ACTION: Continued 4-13-07 with the stipulation that the temporarily abandoned status be continued until the next regularly scheduled meeting of the Board.

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

Petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order classifying the 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, as temporarily abandoned 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.

BOARD ACTION: Continued 4-13-07 with the stipulation that the temporarily abandoned status be continued until the next regularly scheduled meeting of the Board.

20. DOCKET NO. 4-11-07-8

Petition by DOMINION BLACK WARRIOR BASIN, 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 Beason E33-06-14 Well, Permit No. 14895, located on a proposed reformed 320-acre drilling unit in the Big Canoe Creek Field consisting of the West Half of Section 33, Township 13 South, Range 4 East, St. Clair 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.

This petition is filed as a companion to a petition bearing Docket No. 4-11-07-9 requesting approval of the reformation of the 40-acre wildcat drilling unit for the referenced well to a 320-acre drilling unit in the Big Canoe Creek Field, and a petition bearing Docket No. 4-11-07-10 requesting approval of the exceptional location for the referenced well on said proposed reformed 320-acre unit.

BOARD ACTION: Dismissed 4-13-07

ORDER NO. 2007-67

21. DOCKET NO. 4-11-07-9A

Amended 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 Beason E33-06-14 Well, Permit No. 14895, consisting of the Southeast Quarter of the Northwest Quarter of Section 33, Township 13 South, Range 4 East, St. Clair County, Alabama, to a 320-acre drilling unit in the Big Canoe Creek Field consisting of the West Half of said Section 33.

This petition is filed as a companion to a petition bearing Docket No. 4-11-07-8 requesting the forced pooling, without the imposition of a risk compensation penalty, of all tracts and interests in hydrocarbons produced in the referenced well, and a petition bearing Docket No. 4-11-07-10 requesting approval of the exceptional location of said well on the proposed reformed 320-acre unit.

BOARD ACTION: Granted 4-27-07

ORDER NO. 2007-77

22. DOCKET NO. 4-11-07-10

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional surface location for the Beason E33-06-14 Well, Permit No. 14895, on a proposed reformed 320-acre drilling unit in the Big Canoe Creek Field consisting of the West Half of Section 33, Township 13 South, Range 4 East, St. Clair County, Alabama. Petitioner has drilled said well at a surface location 1,911 feet from the North line and 2,257 feet from the West line of said Section 33 and, at such location, the referenced well will be only 382 feet from the East line of the proposed reformed 320-acre unit. Said location will be an exception to Rule 4B of the Special Field Rules for the Big Canoe Creek Field, 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. 4-11-07-9 requesting approval of the reformation of the 40-acre wildcat drilling unit for the referenced well to a 320-acre drilling unit in the Big Canoe Creek Field, and a petition bearing Docket No. 4-11-07-8 requesting the forced pooling, without the imposition of a risk compensation penalty, of all tracts and interests in hydrocarbons produced in the referenced well.

BOARD ACTION: Granted 4-27-07

ORDER NO. 2007-78

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

Petition by DOMINION BLACK WARRIOR BASIN, 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 a well located on a proposed 320-acre drilling unit in the Big Canoe Creek Field consisting of the East Half of Section 33, Township 13 South, Range 4 East, St. Clair 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.

BOARD ACTION: Granted 4-27-07

ORDER NO. 2007-79

24. DOCKET NO. 4-11-07-12

Petition by DOMINION BLACK WARRIOR BASIN, 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 Sloss et al 35-13-09 Well, Permit No. 14621, located on a proposed reformed 320-acre drilling unit in the Big Canoe Creek Field consisting of the West Half of Section 35, Township 13 South, Range 4 East, St. Clair 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.

This petition is filed as a companion to a petition bearing Docket No. 4-11-07-13 requesting approval of the reformation of the 40-acre wildcat drilling unit for the referenced well to a 320-acre drilling unit in the Big Canoe Creek Field, and a petition bearing Docket No. 4-11-07-14 requesting approval of exceptional surface and bottom hole locations for the referenced well on the proposed reformed 320-acre unit.

BOARD ACTION: Continued 4-13-07

25. DOCKET NO. 4-11-07-13

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 Sloss et al 35-13-09 Well, Permit No. 14621, consisting of the Southwest Quarter of the Southwest Quarter of Section 35, Township 13 South, Range 4 East, St. Clair County, Alabama, to a 320-acre drilling unit in the Big Canoe Creek Field consisting of the West Half of said Section 35.

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

BOARD ACTION: Continued 4-13-07

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

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving exceptional surface and bottom hole locations for the Sloss et al 35-13-09 Well, Permit No. 14621, on a proposed reformed 320-acre drilling unit in the Big Canoe Creek Field consisting of the West Half of Section 35, Township 13 South, Range 4 East, St. Clair County, Alabama, said surface location being 367 feet from the South line and 589 feet from the West line and a bottom hole location 1,220 feet from the South line and 121 feet from the West line of said proposed reformed 320-acre unit and, as such, is an exception to Rule 4B of the proposed Special Field Rules for the Big Canoe Creek Field, 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. 4-11-07-13 requesting approval of the reformation of the 40-acre wildcat drilling unit for the referenced well to a 320-acre drilling unit in the Big Canoe Creek Field, and a petition bearing Docket No. 4-11-07-12 requesting the forced pooling, without the imposition of a risk compensation penalty, of all tracts and interests in hydrocarbons produced in the referenced well.

BOARD ACTION: Continued 4-13-07

27. DOCKET NO. 4-11-07-15

Petition by DOMINION BLACK WARRIOR BASIN, 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 a well located on a proposed 320-acre drilling unit in the Big Canoe Creek Field consisting of the East Half of Section 35, Township 13 South, Range 4 East, St. Clair 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.

BOARD ACTION: Granted 4-27-07

ORDER NO. 2007-80

28. DOCKET NO. 4-11-07-16

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 Land Investments 30-16-08 Well, Permit No. 14619, consisting of the Southeast Quarter of the Southeast Quarter of Section 30, Township 13 South, Range 4 East, St. Clair County, Alabama, to a 320-acre drilling unit in the Big Canoe Creek Field consisting of the East Half of said Section 30.

BOARD ACTION: Granted 4-27-07
ORDER NO. 2007-81

29. DOCKET NO. 4-11-07-17A

Amended 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 reforming the Doris S. Massey 10-3 Well, Permit No. 4010-A, from a 160-acre wildcat unit consisting of the Northwest Quarter of Section 10, Township 9 South, Range 15 West, Marion County, Alabama, in the proposed Nettles Branch Field to a 40-acre unit consisting of the Northeast Quarter of the Northwest Quarter of said Section 10.

Although Petitioner requests the Board to eliminate certain lands from the present 160-acre wildcat unit, Petitioner proposes to drill one or more additional wells in the lands proposed to be eliminated.

This petition is a companion to petition bearing Docket No. 4-11-07-18 requesting establishment of the Nettles Branch Field.

BOARD ACTION: Granted 4-13-07
ORDER NO. 2007-68

30. DOCKET NO. 4-11-07-18A

Amended 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 oil field to be known as the Nettles Branch 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 Evans Sand Oil Pool, consists of the Northwest Quarter (NW/4) of Section 10, Township 9 South, Range 15 West, Marion County, Alabama.

The Evans Sand Oil Pool in the proposed Nettles Branch Field should be defined as those strata productive of hydrocarbons in the interval between 1,198 feet and 1,228 feet in the Doris S. Massey 10-3 Well, Permit No. 4010-A, located on a proposed reformed 40-acre unit consisting of the Northeast Quarter of the Northwest Quarter of Section 10, Township 9 South, Range 15 West, Marion County, Alabama, in the proposed Nettles Branch Field, as indicated on the Compensated Density Sidewall Neutron Log of the said well.

Petitioner is requesting well spacing of a governmental quarter-quarter section or an area containing approximately forty (40) contiguous surface acres, and is also requesting the establishment of allowables for said field.

This petition is a companion to petition bearing Docket No. 4-11-07-17 requesting reformation of the 160-acre wildcat unit for the Doris S. Massey 10-3 Well to the above-referenced 40-acre unit in the proposed Nettles Branch Field.

BOARD ACTION: Granted 4-13-07
ORDER NO. 2007-69

31. DOCKET NO. 4-11-07-19

Petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order amending Rule 5 of the Special Field Rules for the Gurnee Coal Degasification Field, Shelby and Bibb Counties, Alabama, by adding a new provision to the rule that may allow the production of coal seam gas from the annular space between the surface casing and production casing of wells in the Gurnee Coal Degasification Field.

As amended, Rule 5 would include the following provision:

Upon approval by the Supervisor, coalbed gas may be produced from the annular space between the surface casing and production casing. In order to obtain approval, the Operator shall provide to the Supervisor a schematic of the coalbed gas well. Such schematic shall depict the casing, cementing and test pressure specifications and the exposed coal beds in the borehole-production casing annulus. Additionally, the following information shall be furnished within a one-quarter mile radius of the coalbed gas well: 1) an inventory, accompanied by a location map, of all water supply wells; 2) the results of a test conducted to determine the presence of gas at the wellhead of the closest water supply well, or well(s) designated by the Supervisor; and 3) an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor. Operators shall also provide a statement indicating that they will take all necessary precautions to prevent endangering any water supply wells, protect fresh water aquifers and the environment, and maintain safe operation of the coalbed gas well at all times.

In order to maintain approval, the Operator shall file with the Board on an annual basis an updated water well inventory and location map of water supply wells within said one-quarter mile radius including the results of a test conducted to determine the presence of gas at the wellhead with an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor.

BOARD ACTION: Granted 4-13-07

ORDER NO. 2007-70

32. DOCKET NO. 4-11-07-20A

Amended petition by SKLAR EXPLORATION COMPANY, LLC requesting that the State Oil and Gas Board of Alabama enter an order (a) force pooling without risk compensation all tracts and interests in the Northwest 1/4 of Section 8, Township 4 North, Range 13 East, Conecuh County, Alabama, as a 160-acre wildcat unit for the purpose of drilling a well to test formations down to and including the Norphlet formation, (b) requiring all owners of tracts and interests in said unit to develop their tracts and interests as a unit, and (c) appointing Petitioner as the operator of said unit. This petition is filed pursuant to Ala. Code §§ 9-17-1, *et seq.* (and, in particular, § 9-17-13, as amended) and Rules 400-1, et seq. (and, in particular, Rule 400-7-1 *et seq.*) of the State Oil and Gas Board of Alabama Administrative Code. Sklar Exploration Company, LLC previously filed a petition bearing Docket No. 3-22-07-2 with the State Oil and Gas Board of Alabama requesting that the relief sought in this petition be granted on an emergency basis.

BOARD ACTION: Granted 4-13-07

ORDER NO. 2007-71

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

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

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

BOARD ACTION: Continued 4-13-07

34. DOCKET NO. 4-11-07-22

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 Black Stone Minerals, et al. 14-9 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.

BOARD ACTION: Granted 4-13-07

ORDER NO. 2007-72

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

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

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

BOARD ACTION: Continued 4-13-07

36. DOCKET NO. 4-11-07-24

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Holman 23-16-1054 Well, Permit No. 14257-C, from an 80-acre unit consisting of the South Half of the Southeast Quarter of Section 23, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field to a 40-acre unit consisting of the Southeast Quarter of the Southeast Quarter of said Section 23.

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 4-13-07

ORDER NO. 2007-73

37. DOCKET NO. 4-11-07-25

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Freeman 24-03-1050 Well, Permit No. 14214-C, from an 80-acre unit consisting of the North Half of the Northwest Quarter of Section 24, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field to a 40-acre unit consisting of the Northeast Quarter of the Northwest Quarter of said Section 24.

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 4-13-07

ORDER NO. 2007-74

38. DOCKET NO. 4-11-07-26A

Amended petition by ENERGEN RESOURCES CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving a proposed 320-acre exceptional wildcat drilling unit for the GAA 23-6 #1 Well consisting of the West Half of Section 23, Township 12 South, Range 5 East, Etowah County, Alabama, as an exception to Rule 400-1-2-.02(2)(a) of the State Oil and Gas Board of Alabama Administrative Code, which provides that a well may be drilled on a drilling unit consisting of a governmental quarter-quarter section consisting of approximately 40 acres.

BOARD ACTION: Dismissed without prejudice 4-27-07

ORDER NO. 2007-82

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

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

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

BOARD ACTION: Continued 4-13-07

40. DOCKET NO. 4-11-07-28

Petition by ENERGEN RESOURCES 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 in the Floyd Anderson 20-14 #1 Well to be drilled on an exceptional 320-acre wildcat unit consisting of the West Half of Section 20, Township 14 South, Range 3 East, St. Clair 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.

This petition is filed as a companion to a petition bearing Docket No. 4-11-07-27 requesting approval of the above-described exceptional 320-acre wildcat unit for the referenced well.

BOARD ACTION: Dismissed 4-13-07

ORDER NO. 2007-75

41. DOCKET NO. 4-11-07-29

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Jolen 26-12-946 Well, Permit No. 14263-C, from an 80-acre unit consisting of the West Half of the Southwest Quarter of Section 26, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degassification Field to a 40-acre unit consisting of the Northwest Quarter of the Southwest Quarter of said Section 26.

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 4-13-07
ORDER NO. 2007-76

42.. 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 4-13-07

43.. 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

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

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

BOARD ACTION: Continued 4-13-07

45. DOCKET NOS.: 1-31-07-11B, 2-16-07-1A, 2-16-07-2B, 2-16-07-3A, 2-16-07-4B, 2-16-07-5B, 2-16-07-6B, & 2-16-07-7B

MOTION FOR REHEARING by PREMIER LAND & MINERALS, INC., AND MR. EUGENE SUTLEY, pursuant to the Alabama Administrative Procedure Act, Section 42-22-1 et seq. of the *Code of Alabama* (1975) requesting that the Board, upon rehearing, will modify or set aside its orders related to its decisions entered as Order Nos. 2007-18, 2007-19, 2007-20, 2007-21, 2007-22, 2007-23, 2007-24, and 2007-25 on February 16, 2007 regarding petitions by Dominion Black Warrior Basin, Inc. The application for rehearing relates to the petitions bearing the docket numbers set forth hereinabove.

BOARD ACTION: Denied 4-27-07

ORDER NO. 2007-83