

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
BOARD MEETING
SEPTEMBER 5 & 7, 2007

1. 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 9-7-07

2. 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 9-7-07

3. 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 9-7-07

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

Continued 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 9-7-07

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

Continued 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 9-7-07

6. DOCKET NO. 6-25-07-5

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

Township 19 South, Range 6 West, Tuscaloosa County
Section 31

Township 19 South, Range 7 West, Tuscaloosa County
Sections 31, 32, 33, 34 and 35

Township 19 South, Range 8 West, Tuscaloosa County
Sections 25, 26, 27, 33 and 35

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

Township 20 South, Range 7 West, Tuscaloosa County
Sections 1, 3, 4, 7, 9, 10, 12, 15, 16, 17, 21 and 28

Township 20 South, Range 8 West, Tuscaloosa County
Sections 3, 4, 10, 13, 14, 15, 23 and 24

The previously granted temporarily abandoned status expires on June 27, 2007, and Petitioner is requesting this Board to grant a one year extension of the temporarily abandoned status beginning June 27, 2007, because all of the wells in the aforementioned Sections have future utility and should not be plugged.

BOARD ACTION: Continued 9-7-07 with the stipulation that the temporarily abandoned status be continued until the next regularly meeting of the Board.

7. DOCKET NO. 6-25-07-6

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

Township 19 South, Range 6 West, Jefferson County
Section 21

The previously granted temporarily abandoned status expires on June 27, 2007, and Petitioner is requesting this Board to grant a one year extension of the temporarily abandoned status beginning June 27, 2007, because these wells in the aforementioned Section have future utility and should not be plugged.

BOARD ACTION: Dismissed 9-7-07
ORDER NO. 2007-121

8. DOCKET NO. 6-25-07-13

Continued petition by EL PASO E & P COMPANY, L.P., a Delaware limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an order force pooling, with risk compensation all tracts and interests in a 40 acre drilling unit for the proposed Calmes 02-05-554 Well, having a unit consisting of all of the Southwest Quarter of the Northwest Quarter, Section 2, Township 17 South, Range 8 West, Walker County, Alabama, in the White Oak 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. Petitioner requests that due and proper notice of the hearing on this matter be given in the manner and form and for the time required by law and the rules and regulations of this Board.

BOARD ACTION: Continued 9-7-07

9. DOCKET NO. 8-2-07-4

Continued 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 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. 8-2-07-5 in which Petition requests approval of force pooling of the interest in the Edwards 13-1 No. 1 Well.

BOARD ACTION: Taken under advisement on 9-7-07, granted 9-13-07.
ORDER NO. 2007-135

10. DOCKET NO. 8-2-07-5

Continued 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, 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. Petitioner requests that due and proper notice of the hearing on this matter be given in the manner and form and for the time required by law and the rules and regulations of this Board.

This Petition is a companion to Docket No. 8-2-07-4 in which Petitioner requests approval of an exceptional location for bottom hole location of the Edwards 13-1 No. 1 Well.

BOARD ACTION: Taken under advisement on 9-7-07, granted 9-13-07.
ORDER NO. 2007-136

11. DOCKET NO. 8-2-07-6

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 re-entry of the Mattie Clark #1 Well, Permit No. 1280, located on a 40-acre unit consisting of the Northwest Quarter of the Southeast Quarter of Section 1, Township 10 North, Range 3 West, Choctaw County, Alabama, in the Gilberttown Oil Field.

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

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

BOARD ACTION: Continued 9-7-07

12. DOCKET NO. 9-5-07-1

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 pore volume data from a well in the Little Cedar Creek Oil Unit, namely, the Tisdale 23-9 Well, Permit No. 15165, said well having a surface location in Section 23, 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: Granted 9-7-07

ORDER NO. 2007-122

13. DOCKET NO. 9-5-07-2

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 Tisdale 23-9 Well, Permit No. 15165, said well having a surface location in Section 23, 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: Granted 9-7-07

ORDER NO. 2007-122

14. DOCKET NO. 9-5-07-3

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the proposed JWR 28-04-30 gob well, as an exception to Rule 4B of the Special Field Rules for the Brookwood Coal Degasification Field. Petitioner proposes to drill said gob well on a 40-acre unit consisting of Northwest Quarter of the Northwest Quarter of Section 28, Township 19 South, Range 7 West, Tuscaloosa County, Alabama, at a location 337 feet from the West line and 37 feet from the North line of said Section 28. Rule 4B of the Special Field Rules requires that wells drilled in said Field be at least 150 feet from every exterior boundary of the unit, and the proposed location for the referenced gob well, being only 37 feet from the northern boundary of the proposed unit, will be an exception to said Rule 4B.

This request was previously approved by the Board by Order No. E-2007-113 issued on August 3, 2007.

BOARD ACTION: Granted 9-7-07

ORDER NO. 2007-123

15. DOCKET NO. 9-5-07-4

Petition by CROSBYS CREEK OIL & GAS, 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 establishing a new gas condensate field to be named the Dunbar Creek Field, or such other name as the Board deems proper, and promulgating Special Field Rules therefor. The proposed field, as underlain by the Smackover Gas Pool, should consist of the East Half of the Northeast Quarter of Section 34 and the West Half of the Northwest Quarter of Section 35, all in Township 9 North, Range 4 West, Choctaw County, Alabama, containing 160

acres, more or less. The Smackover Gas Pool should be defined as that interval of the Smackover Formation productive of hydrocarbons between 14,750 feet and 14,774 feet, as indicated on the High Resolution Laterolog Array Log of the Turner 34-8 #1 Well, Permit No. 15227, located in the East Half of the Northeast Quarter of Section 34, Township 9 North, Range 4 West, Choctaw County, Alabama. Petitioner is requesting well spacing of 160 acres, and is also requesting the establishment of allowables for said field.

Petitioner is also requesting that the 160-acre drilling unit for the referenced well consisting of the East Half of the Northeast Quarter of Section 34 and the West Half of the Northwest Quarter of Section 35, all in Township 9 North, Range 4 West, Choctaw County, Alabama, be approved as the production unit for said well.

BOARD ACTION: Granted 9-7-07

ORDER NO. 2007-124

16. DOCKET NO. 9-5-07-5

Petition by SUNDOWN ENERGY, L.P., a foreign limited partnership authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving the reformation of a 40-acre wildcat drilling unit for the Weyerhaeuser 36-12 No. 1 Well, Permit No. 15312, consisting of the Northwest Quarter of the Southwest Quarter of Section 36, Township 16 South, Range 16 West, Lamar County, Alabama, to a 320-acre production unit in the McGee Lake Field consisting of the South Half of Section 36, Township 16 South, Range 16 West, Lamar County, Alabama.

This petition is filed as a companion to a petition bearing Docket No. 9-5-07-06 requesting approval of an exceptional location for the referenced well.

BOARD ACTION: Continued 9-7-07

17. DOCKET NO. 9-5-07-6

Petition by SUNDOWN ENERGY, L.P., a foreign limited partnership authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the Weyerhaeuser 36-12 No. 1 Well, Permit No. 15312, on a proposed reformed 320-acre production unit consisting of the South Half of Section 36, Township 16 South, Range 16 West, Lamar County, Alabama, in the McGee Lake Field, as an exception to Rule 3(b) of the Special Field Rules for said Field which requires that wells be located at least 660 feet from every exterior boundary of the drilling unit. The location of the referenced well on said proposed reformed 320-acre unit is 910 feet from the North line and 330 feet from the West line of said 320-acre unit 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. 9-5-07-05 requesting approval of the reformation of a 40-acre wildcat drilling unit for the referenced

BOARD ACTION: Continued 9-7-07

18. DOCKET NO. 9-5-07-7

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 12-10-709 Well, Permit No. 14193-C, from an 80-acre unit consisting of the West Half of the Southeast Quarter of Section 12, 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 Southeast Quarter of said Section 12.

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 9-7-07

ORDER NO. 2007-125

19. DOCKET NO. 9-5-07-8

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 amending Rule 1 of the Special Field Rules for the Robinson Creek Field, Escambia County, Alabama, to add the South Half of the Southeast Quarter of Section 8 and the North Half of the Northeast Quarter of Section 17, Township 3 North, Range 7 East, Escambia County, Alabama, to the field limits of said field, and amending Rule 7 of the Special Field Rules for said Field to increase the production allowables for wells completed in the Field.

This petition is filed as a companion to a petition bearing Docket No. 9-5-07-9 requesting approval of an exceptional unit for the ATIC 8-15 No.1 Well, Permit No. 15204-B as an exception to Rule 3(a) of the Special Field Rules for the Robinson Creek Field.

BOARD ACTION: Granted 9-7-07

ORDER NO. 2007-126

20. DOCKET NO. 9-5-07-9

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 approving an exception to Rule 3(a) of the Special Field Rules for the Robinson Creek Field, Escambia County, Alabama, for a 160-acre unit consisting of the South Half of the Southeast Quarter of Section 8 and the North Half of the Northeast Quarter of Section 17, all in Township 3 North, Range 7 East, Escambia County, Alabama, for Petitioner's ATIC 8-15 #1 Well, Permit No. 15204-B and establishing the unit as the final production unit for the well. Said Rule 3(a) requires all wells drilled in said field to be drilled on a drilling unit consisting of a governmental quarter section containing approximately 160 contiguous acres, and the above-described unit for the ATIC 8-15 No.1 Well will be an exception to said Rule.

This petition is filed as a companion to a petition bearing Docket No. 9-5-07-8 requesting an amendment to Rule 1 of the Special Field Rules for the Robinson Creek Field to add to the field limits of said Field, and also requesting an amendment to Rule 7 of the Special Field Rules for the said Field to increase production allowables.

BOARD ACTION: Granted 9-7-07

ORDER NO. 2007-127

21. DOCKET NO. 9-5-07-10

Petition by WINN EXPLORATION CO, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interest in hydrocarbons produced from a well to be drilled on a 160-acre drilling unit consisting of the Northeast Quarter of Section 35, Township 5 North, Range 5 East, Monroe County, Alabama. The West Half of the Northeast Quarter of said Section 35 is in the Bailey's Creek Field.

This Petition is in accordance of Section 19-17-13, 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 9-7-07

ORDER NO. 2007-128

22. DOCKET NO. 9-5-07-11A

Amended petition by WINN EXPLORATION CO, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order approving a 160-acre drilling unit for the proposed Craft-Kelly 34-3 No. 1 Well consisting of the Southeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter of Section 27, and the Northeast Quarter of the Northwest Quarter and the Northwest Quarter of the Northeast Quarter of Section 34, all in Township 3 North, Range 9 East, Escambia County, Alabama, in the Hanberry Church Field as an exception to Rule 3 (a) of the Special Field Rule for said field which requires that wells in said field be located on units consisting of a governmental quarter section approximately 160 contiguous acres.

BOARD ACTION: Granted 9-7-07

ORDER NO. 2007-129

23. DOCKET NO. 9-5-07-12

Petition by BLACK WARRIOR METHANE CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the proposed RGGG 22-08-02 gob well, as an exception to Rule 4B of the Special Field Rules for the Oak Grove Coal Degasification Field. Petitioner proposes to drill said gob well on a 40-acre unit consisting of Southeast Quarter of the Northeast Quarter of Section 22, Township 19 South, Range 8 West, Tuscaloosa County, Alabama, at a location 2,504 feet from the North line and 208 feet from the East line of said Section 22. At said location, the well will be only 208 feet from the exterior boundary of the Field, and Rule 4B of the Special Field Rules for said Field requires that wells be at least 300 feet from every exterior boundary of the Field.

BOARD ACTION: Continued 9-7-07

24. DOCKET NO. 9-5-07-13

Petition by TROPHY PETROLEUM CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an Order approving the reformation of the 40-acre drilling unit for the Coleman-Tensas 34-11 #1 Well, Permit No. 15111, consisting of the Northeast Quarter of the Southwest Quarter of Section 34, Township 23 North, Range 4 East, Hale County, Alabama to an 80-acre drilling unit consisting of the East Half of the Southwest Quarter of said Section 34. Said well was drilled on a 40-acre drilling unit as a productive extension of the Hardin Creek Oil Field. Petitioner proposes to plug back and sidetrack said well to a bottom hole location in the Southeast Quarter of the Southwest Quarter of said Section 34.

This is a companion petition to Docket No. 9-5-07-14 for an exceptional 80-acre drilling unit for the Coleman-Tensas 34-11 #1 Well, Permit No. 15111, in Hardin Creek Oil Field.

BOARD ACTION: Granted 9-7-07

ORDER NO. 2007-130

25. DOCKET NO. 9-5-07-14

Petition by TROPHY PETROLEUM CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an Order approving an 80-acre drilling unit for the Coleman-Tensas 34-11 #1 Well, Permit No. 15111, as an exception to Rule 3(a) of the Special Field Rules for the Hardin Creek Oil Field which requires that every well drilled as an oil well be drilled on a drilling unit consisting of approximately 40 contiguous acres. The unit for said well will consist of the East Half of the Southwest Quarter of Section 34, Township 23 North, Range 4 East, Hale County, Alabama, as a productive extension of the Hardin Creek Oil Field.

This is a companion petition to Docket No. 9-5-07-13 to reform the Coleman-Tensas 34-11 #1 Well, Permit No. 15111, to an 80-acre drilling unit as a productive extension of the Hardin Creek Oil Field.

BOARD ACTION: Granted 9-7-07

ORDER NO. 2007-131

26. DOCKET NO. 9-5-07-15

Petition by MIDROC OPERATING COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, as Unit Operator of the Little Cedar Creek Oil Unit located in Conecuh County, Alabama, requesting the State Oil and Gas Board to enter an order approving gas injection as an additional form of secondary recovery in the Little Cedar Creek Oil Unit. Board Order No. 2004-140 established the Little Cedar Creek Oil Unit, and in support of that Order, testimony and exhibits were presented relating to a waterflood operation for secondary recovery. Subsequent to said Order, the Unit Operator has information that gas injection in a portion of the Unitized Formation is more desirable than a waterflood and, therefore, the Unit Operator will present technical information in support of gas injection as a part of its secondary recovery program to supplement the previously approved waterflood operation.

BOARD ACTION: Granted 9-7-07

ORDER NO. 2007-132

27. 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 9-7-07

28. 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 (1293 TB)	C. F. Stewart Heirs #1 (C. F. Stewart Heirs #1)	S1, T10N, R3W S1, T10N, R3W
1338	Mattie Clark #3	S1, T10N, R3W
10416 (1343 TB)	Mattie E. Clark #1-6 (Abston Jones 1-6)	S1, T10N, R3W 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 9-7-07

29.. 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: Granted 9-7-07

ORDER NO. 2007-133

30. DOCKET NO. 8-2-07-7

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, Cedarhill Operating Co., L.L.C., to show cause why the following abandoned wells located in the Gilbertown Field and Bucatunna Creek Field in 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.

Gilbertown Field Wells and Tank Batteries

<u>Permit No.</u> <u>(Tank Battery No.)</u>	<u>Well Name</u> <u>(Tank Battery)</u>	<u>Location</u>
11476 (11476 TB)	Boney 33-8 #1 (Boney 33-8 #1)	S33, T11N, R4W S33, T11N, R4W
3038	Bonner Merritt #35-5	S35, T11N, R5W
3078	Davis #34-8	S34, T11N, R5W
3470	Merritt #34-1	S34, T11N, R5W
4241 (3038 TB)	Land et al 34-2 #2 (Bonner Merritt #35-5)	S34, T11N, R5W S34, T11N, R5W
11464 (11464 TB)	Merritt 35-4 #1 (Merritt 35-4 #1)	S35, T11N, R5W S35, T11N, R5W
2862-AB	Land Brothers 36-5 #2	S36, T11N, R5W
2930-AB	Land 36-6 #1	S36, T11N, R5W
13646-BH	Davis 35-7 #1	S35, T11N, R5W
13755-BH (2862-AB TB)	Triad 36-7 #1 (Land Brothers 36-5 #2)	S36, T11N, R5W S36, T11N, R5W

Bucatanna Creek Underground Injection Control Well

2753-B-SWD-80-1 Johnson 14-14#1 S14, T11N, R5W

BOARD ACTION: Ordered on 9-7-07 that Cedarhill Operating Co., LLC take certain action regarding some wells and tank batteries and to continue the Motion with respect to other wells and tank batteries.
ORDER NO. 2007-134

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

MOTION FOR REHEARING by LOWER 15 OIL CORPORATION, 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 order related to its decision entered as Order No. 2007-97 on June 15, 2007, regarding a petition by Lower 15 Oil Corporation. The application for rehearing relates to the petition bearing the docket number set forth hereinabove.

BOARD ACTION: Continued 9-7-07