

RESULTS  
STATE OIL AND GAS BOARD OF ALABAMA  
BOARD MEETING  
SEPTEMBER 8 & 10, 2009

1. DOCKET NO. 2-2-09-11A

Continued amended petition by SPINDLETOP OIL & GAS CO., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Perkins-Young 33-10 #1 Well, Permit No. 4204, located in Lamar County, Alabama, in the North Fairview Oil Field, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said well has previously been granted temporarily abandoned status and said status has expired.

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced well because said well has future utility and should not be plugged.

**RECOMMENDATION:** Continued 9-10-09 with the stipulation that the temporarily abandoned status be extended to the next regularly scheduled meeting of the Board.

2. DOCKET NO. 2-2-09-12

Continued petition by SPINDLETOP OIL & GAS CO., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Robertson 20-12 #1 Well, Permit No. 3227, located in Lamar County, Alabama, in the Fernbank Gas Field, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said well has previously been granted temporarily abandoned status and said status has expired.

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced well because said well has future utility and should not be plugged.

**RECOMMENDATION:** Continued 9-10-09 with the stipulation that the temporarily abandoned status be extended to the next regularly scheduled meeting of the Board.

3. DOCKET NO. 2-2-09-13

Continued petition by SPINDLETOP OIL & GAS CO., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the S.H. Gilmer #1 Well, Permit No. 1425, and the S.H. Gilmer #3 Well, Permit No. 1920, located in Lamar County, Alabama, in the South Fairview Carter Oil Unit in the Fairview Oil Field, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said well has previously been granted temporarily abandoned status and said status has expired.

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced well because said well has future utility and should not be plugged.

**RECOMMENDATION:** Continued 9-10-09 with the stipulation that the temporarily abandoned status be extended to the next regularly scheduled meeting of the Board.

4. DOCKET NO. 3-24-09-10A

Continued amended petition by PALMER PETROLEUM, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation in Petitioner's proposed Grantham-Bass 14-10 No. 1 Well to be drilled on a 160-acre wildcat unit consisting of the Southeast Quarter of Section 14, Township 4 North, Range 14 East, Covington County, Alabama.

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

**BOARD ACTION:** Continued 9-10-09

5. DOCKET NO. 5-5-09-13D

Continued amended 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 ("Board") to enter an order force pooling, without risk compensation, of all tracts and interests in a 640-acre production unit for the Godwin 14-3 No. 1 Well, Permit No. 15687-B, having a production unit consisting of all of Section 14, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek Field. On February 8, 2008, the Board in Order No. 2008-23, under Docket No. 2-6-08-23, on the petition by De Soto Oil & Gas, Inc. force pooled and integrated with risk compensation the above-described 640-acre production unit in the Big Escambia Creek Field. Following said order Petitioner drilled and completed the Well as a productive gas well in the Big Escambia Creek Field. Petitioner further requests that the Board terminate Board Order 2008-23, the nonconsenting owner under Board Order 2008-23 having consented. De Soto Oil & Gas, Inc. now requests the Board to force pool and integrate all remaining interests in said unit without risk compensation, De Soto Oil & Gas, Inc. having discovered such additional non-consenting owners in said unit subsequent to the drilling of said well.

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 9-10-09 to the next regularly scheduled meeting of the Board. DeSoto is directed to submit into the record any and all title opinions and abstracts of title related to the Godwin 14-3 No. 1 Well, which is located on a 640-unit consisting of Section 14, Township 1 North, Range 7 East, Escambia County Alabama, in the Big Escambia Creek Field. The Board will close the record at the next regularly scheduled meeting of the Board.

6. DOCKET NO. 7-23-09-01

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 approving a 160-acre drilling unit consisting of the South Half of the South Half of Section 23, Township 4 North, Range 12 East, Conecuh County, Alabama, as a productive extension of the Little Cedar Creek Field. Petitioner proposes to drill the Sanders 23-16 Well on said 160-acre drilling unit at a location 660 feet FSL and 660 feet FEL of said Section 23, in accordance with Rule 3(a) of the Special Field Rules for the Little Cedar Creek Field which provides that a well may be drilled on a drilling unit containing approximately 160 contiguous acres.

This petition is filed as a companion to a petition bearing Docket No. 7-23-09-02 requesting the forced pooling, with imposition of the risk compensation fee, of all tracts and interests in hydrocarbons produced from the Smackover Formation in the referenced well.

**BOARD ACTION:** Dismissed 9-10-09  
ORDER NO. 2009-58

7. DOCKET NO. 7-23-09-02A

Continued amended 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 force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation in Petitioner's proposed Sanders 23-16 Well to be drilled on a 160-acre drilling unit consisting of the South Half of the South Half of Section 23, Township 4 North, Range 12 East, Conecuh County, Alabama, as a productive extension of the Little Cedar 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. 7-23-09-01 requesting the Board to enter an order approving said 160-acre productive extension of the Little Cedar Creek Field.

**BOARD ACTION:** Dismissed 9-10-09  
ORDER NO. 2009-59

8. DOCKET NO. 7-23-09-04

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Carroll 7-1 #1 Well, Permit No. 5918-A, located on a 320-acre wildcat drilling unit consisting of the North Half of Section 7, Township 17 South, Range 16 West, Lamar County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

**BOARD ACTION:** Dismissed 9-10-09  
ORDER NO. 2009-60

9. DOCKET NO. 7-23-09-05

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Roy J. Smith et al 6-10 #1A Well, Permit No. 2355-B, located in the Chunchula Unit in Section 6, Township 1 South, Range 1 West, Mobile County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

**RECOMMENDATION:** Continued 9-10-09 with the stipulation that the temporarily abandoned status be extended to the next regularly scheduled meeting of the Board.

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

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

**RECOMMENDATION:** Continued 9-10-09 with the stipulation that the temporarily abandoned status be extended to the next regularly scheduled meeting of the Board.

11. DOCKET NO. 7-23-09-07

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the R.J. Newman et al 21-11 #1 Well, Permit No. 4412-A, located in the Turnerville Field on a 160-acre drilling unit consisting of the Southwest Quarter of Section 21, Township 1 South, Range 1 West, Mobile County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

**RECOMMENDATION:** Continued 9-10-09 with the stipulation that the temporarily abandoned status be extended to the next regularly scheduled meeting of the Board.

12. DOCKET NO. 7-23-09-08

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the James Graham Brown Foundation, Inc. 1-9 #1 Well, Permit No. 4370-A, located in the Lazy Creek Field on a 320-acre drilling unit consisting of the South Half of Section 1, Township 18 South, Range 13 West, Pickens County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

**BOARD ACTION:** Dismissed 9-10-09  
ORDER NO. 2009-61

13. DOCKET NO. 7-23-09-09

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the shut-in status of the Northington 11-9 #2 Well, Permit No. 12740-A, located in the West Detroit Field on a 320-acre drilling unit consisting of the East Half of Section 11, Township 12 South, Range 16 West, Lamar County, Alabama, for one year in accordance with Rule 400-1-4-.17(2) of said State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

**RECOMMENDATION:** Continued 9-10-09 with the stipulation that the shut-in status be extended to the next regularly scheduled meeting of the Board.

14. DOCKET NO. 7-23-09-10

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the shut-in status of the Melrose Timber Co., Inc. 2-15 #1 Well, Permit No. 5787-A, located on a 320-acre wildcat drilling unit consisting of the South Half of Section 2, Township 20 South, Range 17 West, Pickens County, Alabama, for one year in accordance with Rule 400-1-4-.17(2) of said State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

**BOARD ACTION:** Granted 9-10-09  
ORDER NO. 2009-62

15. DOCKET NO. 9-8-09-01

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order re-assuming jurisdiction and authority over the Shook #6-3-7 Well, Permit No. 5221-CG, located in Section 6, Township 20 South, Range 7 West, Tuscaloosa County, Alabama, in Unit II of the Brookwood Coal Degasification Field.

At the request of Petitioner, the Board entered Order No. 94-95 on June 24, 1994, relinquishing and terminating jurisdiction and authority over certain wells in the Brookwood Coal Degasification Field including the Shook #6-3-7 Well based upon evidence that none of the wells was producing gas at the time nor were they expected to produce in the future. Said Order required Petitioner to plug and abandon these wells when they were no longer useful for mine safety or utility reasons. Due to the installation of a Nitrogen Recovery Unit that will take non-pipeline quality gas and recover non-combustible gas from the full well stream thus rendering otherwise non-marketable gas marketable, Petitioner is now requesting the Board to re-assume jurisdiction and authority over the above-described well.

**BOARD ACTION:** Granted 9-10-09  
ORDER NO. 2009-63

16. DOCKET NO. 9-8-09-02

Petition by BLACK WARRIOR METHANE CORP., 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 Westervelt 17-08-572 Well to be drilled on a 40-acre unit consisting of the Southeast Quarter of the Northeast Quarter of Section 17, Township 20 South, Range 8 West, Tuscaloosa County, Alabama, in the Brookwood 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 9-10-09

17. DOCKET NO. 9-8-09-03

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 approving a change in the frequency of individual gas well sampling from monthly to semiannually from all gas wells producing through Petitioner’s Onshore Treating Facility, Mary Ann Plant and 823 Plant, all located near Coden, in Mobile County, Alabama. The suggested change will ensure the continued proper allocation of produced hydrocarbons to the individual wells and Units producing from Alabama’s submerged offshore lands.

**BOARD ACTION:** Granted 9-10-09  
**ORDER NO.** 2009-64

18. DOCKET NO. 9-8-09-04

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 Longleaf 24-3 No. 1 Well to be drilled on a 160-acre drilling unit consisting of the Northwest Quarter of Section 24, Township 4 North, Range 14 East, Covington County, Alabama, as a productive extension of the Fall 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.

**BOARD ACTION:** Dismissed 9-10-09  
**ORDER NO.** 2009-65

19. DOCKET NO. 9-8-09-05A

Amended petition by HIGHMOUNT BLACK WARRIOR BASIN LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board, pursuant to Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status for the following wells located in St. Clair County, Alabama, in the Big Canoe Creek Field, for a period of one (1) year:

<u>WELL NAME</u>	<u>PERMIT NO.</u>	<u>LOCATION</u>
Bjornson 32-16-07	14620	S32-T13S-R5E
Sloss, et al 35-13-09	14621	S35-T13S-R4E
West 35-08-05	15268	S35-T13S-R4E.

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced wells because said wells have future utility and should not be plugged.

**RECOMMENDATION:** Continued 9-10-09 with the stipulation that the temporarily abandoned status be extended to the next regularly scheduled meeting of the Board.

20. DOCKET NO. 9-8-09-06C

Amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to amend Rule 2 of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama, to add the Millerella Sand Gas Pool, to be construed to mean those strata of the Millerella Sand productive of hydrocarbons in the interval between 4,518 feet and 4,524 feet in the Cunningham 16-12 No. 2 Well, Permit No. 5881-A, located 396 feet from the West line and 2,310 feet from the South line of the 320-acre unit for said well consisting of the West Half of Section 16, Township 18 South, Range 14 West, Pickens County, Alabama, as indicated on the Dual Induction-SFL Log of said well, and including those strata productive of hydrocarbons which can be correlated therewith.

The Cunningham 16-12 No. 2 Well was drilled on the above-described 320-acre wildcat unit at an exceptional location approved by Order No. 2008-162, issued on November 2, 2008. Petitioner requests that said 320-acre unit be approved as the permanent production unit.

**BOARD ACTION:** Granted 9-10-09  
**ORDER NO.** 2009-66

21. DOCKET NO. 9-8-09-07

Petition by ESCAMBIA OPERATING CO., LLC, a foreign limited liability company, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the Powell Gas Unit 19-4 #1 Well, Permit No. 2991, located on a 640-acre unit consisting of Section 19, Township 1 North, Range 9 East, Escambia County, Alabama, in the Flomaton Field, for a period of one (1) year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code.

Petitioner has previously been granted temporarily abandoned status for the referenced well and requests that the Board grant a one year extension of such status because said well has future utility and should not be plugged.

**RECOMMENDATION:** Continued 9-10-09 with the stipulation that the temporarily abandoned status be extended to the next regularly scheduled meeting of the Board.

22. DOCKET NO. 9-8-09-08E

Amended 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 and Gas Board to enter an order pursuant to Section 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 Unit I of the Blue Creek Coal Degasification Field, Tuscaloosa County, Alabama. The Petitioner proposes to establish a partial field-wide Unit for the purpose of initiating injection of carbon dioxide into coal seams for the purpose of conducting experimental procedures to (1) examine the effect of injected carbon dioxide on coalbed methane gas; (2) determine the ability of coal seams to adsorb the carbon dioxide; and (3) consider the possibilities of enhanced coalbed methane gas recovery and permanent storage of carbon dioxide in coal seams. These experimental procedures are to be conducted as a field test of geologic carbon storage and enhanced resource recovery that is sponsored by the U. S. Department of Energy through the Southeastern Regional Carbon Sequestration Partnership. The proposed Unit shall consist of the hereinafter described "Unit Area" in said field, and requiring the operation of said Unit Area as a single Unit for enhanced recovery 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 and is defined as the productive coal seams found between the depths of 368 feet and 3,790 feet below ground surface of the CLC 10-08-51 Well, Permit No. 12778-C, located 621 feet FEL and 1,457 feet FNL of Section 10, Township 19 South, Range 9 West, Tuscaloosa County, Alabama, as indicated on the electric log and/or core from said well, and all zones in communication therewith and all productive extensions thereof.

Petitioner further seeks approval of the Unit Agreement, in accordance with Section 9-17-84, Code of Alabama (1975), and approval of the amendments to the Special Field Rules for the Blue Creek Coal Degasification Field, Tuscaloosa and Fayette Counties, Alabama, 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 El Paso E&P Company, L.P. as operator of the Unit Area in accordance with the laws of Alabama. The proposed Unit Area, to be designated Unit I of the Blue Creek Coal Degasification Field, consisting of 80 acres, more or less, as described as follows:

The following lands lying and being in Tuscaloosa County, Alabama in the Blue Creek Coal Degasification Field:

Section 17, Township 18 South, Range 9 West  
North Half of the Southeast Quarter

**BOARD ACTION:** Granted 9-10-09  
ORDER NO. 2009-67

23. DOCKET NO. 8-26-08-25

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, Daybreak Oil and Gas, Inc., to show cause why the following abandoned wells located in the Gilberttown 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.

Gilberttown Field Wells (non-unitized) grouped by wells that produce to a common Tank Battery

<u>Permit No.</u> <u>(Tank Battery No.)</u>	<u>Well Name</u> <u>(Tank Battery)</u>	<u>Location</u>
190	A. M. Mosley #1	S3, T10N, R3W
1052	Leo Stewart	S2, T10N, R3W
3102	Stewart #3-9	S3, T10N, R3W
3094	Long #5-5	S5, T10N, R3W
4231	Kingree #5-12	S5, T10N, R3W
(102 TB)	(Carolyn Moseley #1)	S5, T10N, R3W
271	F. A. Adams et al #1	S6, T10N, R3W
(258 TB)	(Cooper Wigham # 1)	S6, T10N, R3W

3469  
(3469 TB)

Smith Trice #34-10  
(Smith Trice #34-10)

S34, T11N, R4W  
S34, T11N, R4W

Gilbertown Field Well (non-unitized) with no tanks or salt water disposal well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
3096	Steve Scruggs #32-10	S32, T11N, R4W

Gilbertown Field Wells in the Gilbertown (Eutaw Sand) Unit grouped by wells that produce to a common Tank Battery and a former water injection well

129	F. M. Mosley #1	S3, T10N, R3W
1367	Rex Alman #4	S4, T10N, R3W
113	Johnson Unit #1	S4, T10N, R3W
131-A	E. A. Rentz #2	S4, T10N, R3W
136 (former injection well)	F. M. Johnson 4-7 #2	S4, T10N, R3W

**RECOMMENDATION:** Continued 9-10-09 to the first regularly scheduled meeting of the Board after April 1, 2010.

24. DOCKET NO. 6-16-09-08

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-1-4-.17, Rule 400-2-4-.14, and Rule 400-3-4-.17 of the State Oil and Gas Board of Alabama Administrative Code relating to Request to Classify Wells as Temporarily Abandoned or Shut in to provide that the Board may, after notice and hearing, extend the temporarily abandoned or shut-in status for a well previously approved by the Supervisor for temporarily abandoned or shut-in status.

**BOARD ACTION:** Granted 9-10-09  
ORDER NO. 2009-68