

RESULTS OF MEETING

The State Oil and Gas Board of Alabama held its regular hearing at 10:00 a.m. on Tuesday, October 23, and Thursday, October 25, 2012 in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama

1. DOCKET NO. 7-31-12-01A

Petition by DENBURY ONSHORE, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama, pursuant to Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order approving the temporarily abandoned status and pursuant to Rule 400-4-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code to enter an order approving the extension of the Class II injection permits with the approvals applying to certain wells located in the Citronelle Field, Mobile County, Alabama, in the following areas for a period of one (1) year:

Citronelle Unit

Township 2 North, Range 3 West
Sections 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36

Township 2 North, Range 2 West
Sections 17, 18, 19, 20, 29, 30, 31

Township 1 North, Range 3 West
Sections 1, 2, 3, 10, 11, 12, 13, 14

Township 1 North, Range 2 West
Sections 5, 6, 7, 8, 9, 16, 17, 18

Southeast Citronelle Unit

Township 1 North, Range 2 West
Sections 4, 5, 8, 9, 10

Township 2 North, Range 2 West
Sections 32 and 33

East Citronelle Unit

Township 1 North, Range 2 West
Section 6

Township 2 North, Range 2 West
Sections 29, 31, 32

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-78

2. DOCKET NO. 9-11-12-06

Petition by Venture Oil & Gas, 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 an exceptional 160-acre drilling unit for the proposed Turner Land & Timber 25-12 No. 1 Well to consist of the North Half of the Southwest Quarter and the South Half of the Northwest Quarter of Section 25, Township 10 North, Range 2 West, Clarke County, Alabama. The proposed well will be located in the North Half of the Southwest Quarter of Section 25, Township 10 North, Range 2 West which is adjacent to the West Bend Field, therefore, the subject well may be a productive extension of said West Bend Field, but the proposed drilling unit is an exception to 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code that requires all wells to be located on units consisting of a governmental quarter section of approximately 160 acres.

BOARD ACTION: Dismissed without prejudice. 10/25/2012.

ORDER NO.: 2012-79

3. DOCKET NO. 9-11-12-07A

Petition by VENTURE OIL & GAS, 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 an exceptional 160-acre drilling unit for the proposed McCorquodale 15-5 No. 1 Well consisting of the West Half of the Northwest Quarter of Section 15, Township 10 North, Range 1 West and the East Half of the Northeast Quarter of

Section 16, Township 10 North, Range 1 West, Clarke County, Alabama. The proposed well will be located in the West Half of the Northwest Quarter of Section 15, Township 10 North, Range 1 West, which is adjacent to the Pace Creek Field, while the East Half of the Northeast Quarter of Section 16, Township 10 North, Range 1 West is within the field limits of the Pace Creek Field, therefore, the subject well will be drilled as a productive extension of said Pace Creek Field. The proposed drilling unit is an exception to Rule 3(a) of the Special Field Rules for the Pace Creek Field which requires wells to be located on units consisting of a regular governmental quarter section of approximately 160 contiguous acres.

That this Petition is filed as a companion to a Petition under Docket No. 9-11-12-08 requesting that all tracts and interests in hydrocarbons produced from the 160-acre drilling unit be force pooled by the Board with the imposition of a risk compensation penalty.

BOARD ACTION: Granted with stipulation that if the well is successful, Petitioner will petition the Board to amend SFR for Pace Creek Field and to establish a permanent production unit. 10/25/2012.

ORDER NO.: 2012-80

4. DOCKET NO. 9-11-12-08A

Petition by VENTURE OIL & GAS, 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, with the imposition of a risk compensation penalty, all tracts and interest in hydrocarbons produced from the Smackover Formation from the proposed McCorquodale 15-5 No. 1 Well to be drilled on a 160-acre drilling unit consisting of the West Half of the Northwest Quarter of Section 15, Township 10 North, Range 1 West and the East Half of the Northeast Quarter of Section 16, Township 10 North, Range 1 West, Clarke County, Alabama, to be drilled as a productive extension of the Pace 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.

That this Petition is filed as a companion to a Petition under Docket No. 9-11-12-07 requesting approval of the exceptional 160-acre drilling unit for the proposed McCorquodale 15-5 No. 1 Well to consist of the West Half of the Northwest Quarter of Section 15, Township 10 North, Range 1 West and the East Half of the Northeast Quarter of Section 16, Township 10 North, Range 1 West, Clarke County, Alabama.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-81

5. DOCKET NO. 9-11-12-09B

Petition by VENTURE OIL & GAS, 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 an exceptional 160-acre drilling unit for the proposed McPhearson 23-6 No. 1 Well to consist of the Southwest Quarter of the Northeast Quarter, the Southeast Quarter of the Northwest Quarter, the Northeast Quarter of the Southwest Quarter and the Northwest Quarter of the Southeast Quarter of Section 23, Township 11 North, Range 2 West, Choctaw County, Alabama to be drilled as a wildcat well. The proposed drilling unit is an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code that requires all wells to be located on units consisting of a governmental quarter section of approximately 160 acres.

That this Petition is filed as a companion to a Petition under Docket No. 9-11-12-10 requesting that all tracts and interests in hydrocarbons produced from the 160-acre drilling unit be force pooled by the Board with the imposition of a risk compensation penalty.

BOARD ACTION: Continued. 10/25/2012.

6. DOCKET NO. 9-11-12-10C

Petition by VENTURE OIL & GAS, 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, with the imposition of a risk compensation penalty, all tracts and interest in hydrocarbons produced from the Smackover Formation from the proposed McPhearson 23-6 No. 1 Well to be drilled on a 160-acre unit to consist of the Southwest Quarter of the Northeast Quarter, the Southeast Quarter of the Northwest Quarter, the Northeast Quarter of the Southwest Quarter and the Northwest Quarter of the Southeast Quarter of Section 23, Township 11 North, Range 2 West, Choctaw County, Alabama to be drilled as a wildcat well.

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.

That this Petition is filed as a companion to a Petition under Docket No. 9-11-12-09 requesting approval of the exceptional 160-acre drilling unit for the proposed McPhearson 23-6 No. 1 Well to consist of the Southwest Quarter of the Northeast Quarter, the Southeast Quarter of the Northwest Quarter, the Northeast Quarter of the Southwest Quarter and the Northwest Quarter of the Southeast Quarter of Section 23, Township 11 North, Range 2 West, Choctaw County, Alabama to be drilled as a wildcat well.

BOARD ACTION: Continued. 10/25/2012.

7. DOCKET NO. 9-11-12-11

Petition by VENTURE OIL & GAS, 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, with the imposition of a risk compensation penalty, all tracts and interest in hydrocarbons produced from the Smackover Formation from the proposed Harrigan Family Trust 26-10 No. 1 Well to be drilled on a 40-acre unit to consist of the Northwest Quarter of the Southeast Quarter of Section 26, Township 10 North, Range 1 West, Clarke County, Alabama, to be drilled as a wildcat well. This Petition is in accordance of 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. 10/25/2012.

ORDER NO.: 2012-82

8. DOCKET NO. 10-23-12-01A

Petition by ANKOR E&P HOLDINGS 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 (i) establish a new oil field in Escambia County, Alabama, to be known as the "Southeast Wallace Field," or such other name as the Board may deem appropriate; (ii) adopt special field rules for the new oil field, which establish spacing requirements and production allowables for wells drilled in the field; and (iii) establish field limits for the new oil field.

Petitioner requests that the proposed Southeast Wallace Field be approved and established to consist of the Northwest Quarter of Section 19, Township 3 North, Range 9 East, Escambia County, Alabama, as underlain by the Smackover oil pool, as defined below, including all strata that can be correlated therewith, all zones in communication therewith and all productive extensions thereof.

Petitioner further requests that the Smackover oil pool in the proposed Southeast Wallace Field be defined as those strata of the Smackover formation productive of hydrocarbons in the interval between 13,672 feet and 13,704 feet MD in the Craft-Black Stone 19-3 No. 1 Well, Permit No. 16533-B, with a surface location of 671 feet FNL and 2,190 feet FWL of Section 19, Township 3 North, Range 9 East, Escambia County, Alabama, as defined by the Platform Express Log for the Well, including all strata that can be correlated therewith, all zones in communication therewith and all productive extensions thereof.

Petitioner further requests spacing units of 160 contiguous surface acres and production allowables of 200 barrels of oil per day for wells drilled in the field.

The Petition is filed pursuant to Section 9-17-1 *et seq.*, *Code of Alabama 1975*, and other oil and gas conservation laws of the State of Alabama.

This Petition is filed as a companion to a Petition requesting that the Board reform the 40-acre wildcat drilling unit for the Craft-Black Stone 19-3 No. 1 Well, Permit No. 16533-B, and approve and establish a 160-acre production unit for the Well consisting of the Northwest Quarter of Section 19, Township 3 North, Range 9 East, Escambia County, Alabama.

BOARD ACTION: Continued. 10/25/2012.

9. DOCKET NO. 10-23-12-02A

Petition by ANKOR E&P HOLDINGS 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 reform the 40-acre wildcat drilling unit for the Craft-Black Stone 19-3 No. 1 Well, Permit No. 16533-B (the "Well"), to a 160-acre production unit.

Petitioner proposes to reform the 40-acre wildcat drilling unit for the Well consisting of the Northeast Quarter of the Northwest Quarter of Section 19, Township 3 North, Range 9 East, Escambia County, Alabama, to a 160-acre production unit consisting of the Northwest Quarter of Section 19, Township 3 North, Range 9 East, Escambia County, Alabama.

Petitioner requests that the Board approve and establish the proposed 160-acre production unit in accordance with the provisions of Sections 9-17-12(b), *Code of Alabama 1975*, relating to the establishment of drilling and production units, and other oil and gas conservation laws of the State of Alabama.

This Petition is filed as a companion to a Petition requesting that the Board establish a new oil field in Escambia County, Alabama, to be known as the "Southeast Wallace Field," which will encompass the proposed 160-acre production unit for the Well.

BOARD ACTION: Continued. 10/25/2012.

10. DOCKET NO. 10-23-12-03A

Petition by PRUET PRODUCTION 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 establishing a new oil field in Conecuh County, Alabama, to be named the Pigeon Creek Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Smackover Oil Pool, consists of the Southeast Quarter of Section 6, Township 5 North, Range 14 East, Conecuh County, Alabama.

The Smackover Oil Pool should be defined as that interval of the Smackover Formation productive of hydrocarbons between 9,892 feet measured depth (-9,586) and 9,982 feet measured depth (-9,676), as indicated on the Array Resistivity Array Sonic Log of the Davis 6-15 Well, Permit No. 16257, and all zones in communication therewith and all productive extensions thereof.

Petitioner is requesting well spacing of 160 acres, and is also requesting the establishment of production allowables for said field.

Petitioner is also requesting that the 160-acre drilling unit for the Davis 6-15 Well, Permit No. 16257, consisting of the Southeast Quarter of Section 6, Township 5 North, Range 14 East, Conecuh County, Alabama, be approved as the permanent production unit for said well.

This petition is filed pursuant to Rule 400-1-1-.07 of the State Oil and Gas Board of Alabama Administrative Code and Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-83

11. DOCKET NO. 10-23-12-4A

Amended Petition by PRUET PRODUCTION 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 amending Rule 1 of the Special Field Rules for the Little Cedar Creek Field, Conecuh County, Alabama, to add to said Field the Northeast Quarter of Section 13 and the Northeast Quarter of Section 14, all in Township 5 North, Range 13 East, Conecuh County, Alabama. Petitioner is also requesting that the Allen 13-7 #1 Well, Permit No. 16402-B, on a 160-acre unit consisting of the Northeast Quarter of Section 13 and the Morgan 14-8 #1 Well, Permit No. 16505-B, on a 160-acre unit consisting of the Northeast Quarter of Section 14, all in Township 5 North, Range 13 East, Conecuh County, Alabama, be approved as production units.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-84

12. DOCKET NO. 10-23-12-05

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 extending the shut-in status for the Dora J. Steely #36-2, Permit No. 1869, and the Scott Paper Co. et al #36-1, Permit No. 1966, both located in Section 36, Township 1 North, Range 8 East, and the M.F. Powell et al #26-5, Permit No. 9426-B, located in Section 26, Township 1 North, Range 8 East, all located in Escambia County, Alabama, in the Fanny Church Field, in accordance with Rule 400-1-4-.17 (2) of the *State Oil and Gas Board of Alabama Administrative Code*.

Petitioner requests that the Board extend the shut-in status for these wells because said wells are capable of producing and should not be plugged.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: Order No. 2012-85

13. DOCKET NO. 10-23-12-06

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 extending the shut-in status for the T.A. Graham, et ux 6-7 #2 Well, Permit No. 5053, located in Section 6, Township 1 North, Range 8 East, the Scott Paper Co. Gas Unit 3-1 Well, Permit No. 3714, located in Section 3, Township 1 North, Range 7 East, and the R.E. Loper Gas Unit 12 #1 Well, Permit No. 1542, located in Section 12, Township 1 North, Range 8 East, all in Escambia County, Alabama, in the Flomaton Field, in accordance with Rule 400-1-4-.17 (2) of the *State Oil and Gas Board of Alabama Administrative Code*.

Petitioner requests that the Board extend the shut-in status for these wells because said wells are capable of producing and should not be plugged.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-86

14. DOCKET NO. 10-23-12-07

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 extending the temporarily abandoned status for the Manning 4-14 #1 Well, Permit No. 14250-B, located on a 640-acre production unit consisting of Section 4, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek Field, in accordance with Rule 400-1-4-.17 (1) of the *State Oil and Gas Board of Alabama Administrative Code*.

Petitioner requests that the Board extend the temporarily abandoned status for said well because said well has future utility and should not be plugged.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-87

15. DOCKET NO. 10-23-12-08

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 modifications associated with the recovery of natural gas liquids from the fuel gas to the Onshore Treating Facility, and revisions to the allocation and metering procedures set forth in Petitioner's Mobile Bay Allocation and Metering Handbook approved by the Board in Order Nos. 2010-81 and 2012-70, issued on September 2, 2010, and September 13, 2012, respectively, for production from its offshore wells located in the following Fields and Units: Bon Secour Bay Unit, Bon Secour Bay Field-Lower Mobile Bay Area, Baldwin and Mobile Counties, Alabama; Northwest Gulf Unit, Northwest Gulf Field-Mobile Area, Mobile County, Alabama; North Central Gulf (Norphlet) Field Unit and Tract 114 (Norphlet) Unit, North Central Gulf Field-Mobile Area, Mobile and Baldwin Counties, Alabama; Lower Mobile Bay-Mary Ann Field (Norphlet) Unit, Lower Mobile Bay-Mary Ann Field, Baldwin and Mobile Counties, Alabama; Aloe Bay (Norphlet) Field Unit, Aloe Bay Field, Mobile County, Alabama; South Pelican Island Field, Mobile County, Alabama; and the 823 and 869 OCS Units. This petition is filed in accordance with the State Oil and Gas Board of Alabama Administrative Code and Section 9-17-1 et seq. of the Code of Alabama (1975).

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-88

16. DOCKET NO. 10-23-12-09A

Petition by BLACK WARRIOR METHANE CORP., 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 Unit VI-A, consisting of the hereinafter described "Unit Area" in the Oak Grove Coal Degasification Field, Tuscaloosa and Jefferson Counties, Alabama, and requiring the operation of said Unit Area as a single Unit in order to avoid the drilling of unnecessary wells, increase the efficiency of operations and enhance 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, and is defined as the productive coal seams found between the depths of 522 feet and 1,930 feet as encountered in the Shelby Belcher 26-05-562 Well, Permit No. 15912-C, located in Section 26, Township 19 South, Range 6 West, Jefferson County, Alabama, as indicated on the Gamma Ray High Resolution Density Log for 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, 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 Oak Grove 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 Black Warrior Methane Corp. as operator of the Unit Area in accordance with the laws of Alabama.

The proposed Unit Area, to be designated Unit VI-A, containing approximately 17,160 acres, consists of the following described parcels located in Tuscaloosa and Jefferson Counties, Alabama:

JEFFERSON COUNTY, ALABAMA

Township 18 South, Range 6 West

All of Section 31 and the Southwest Quarter and
Southwest Quarter of Northwest Quarter of Section 32

Township 19 South, Range 6 West

West Half, West Half of East Half, Southeast Quarter of the Northeast Quarter and Northeast Quarter of Southeast Quarter of Section 5; All of Sections 6 and 7; West Half and West Half of Southeast Quarter of Section 8; West Half of West Half of Section 16; All of Sections 17, 18, 19 and 20; West Half, Southeast Quarter and Southwest Quarter of Northeast Quarter of Section 21; Southwest Quarter of Southwest Quarter of Section 22; Northwest Quarter, West Half of Northeast Quarter, Northeast Quarter of Northeast Quarter, West Half of Southwest Quarter and Northeast Quarter of Southwest Quarter of Section 26; West Half, West Half of Northeast Quarter, Southeast Quarter of Northeast Quarter and Southeast Quarter of Section 27; All of Sections 28 and 29; North Half of Section 30; North Half of Section 32; All of Section 33, less and except Southeast Quarter of Southeast Quarter; North Half of Section 34

Township 19 South, Range 7 West

All of Sections 1 and 2; East Half of Southeast Quarter of Section 3; All of Sections 11, 12 and 13

TUSCALOOSA COUNTY, ALABAMA

Township 19 South, Range 6 West

East Half and the East Half of the West Half of Section 31; South Half of Section 32

Township 19 South, Range 7 West

Southwest Quarter and West Half of Southeast Quarter of Section 3; Southeast Quarter of Section 4; All of Sections 8 and 9; West Half, Northeast Quarter and East Half of Southeast Quarter of Section 10; All of Section 14.

BOARD ACTION: Continued. 10/25/2012.

17. DOCKET NO. 10-23-12-10B

Petition by GEOMET, 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 gas field in Blount County, Alabama, to be named the Cleveland Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Chattanooga Shale Gas Pool, consists of the South Half of the Southeast Quarter of Section 19, the West Half of Section 20 and the Northeast Quarter and Northeast Quarter of Northwest Quarter of Section 30, all in Township 12 South, Range 1 East, Blount County, Alabama.

The Chattanooga Shale Gas Pool should be defined as that interval of the Chattanooga Shale productive of hydrocarbons between 1,980 feet measured depth and 2,020 feet measured depth, as indicated on the Gamma Ray-Density Log of the Wittmeier 30-03-02 Well, Permit No. 15436, and all zones in communication therewith and all productive extensions thereof.

Petitioner is requesting variable well spacing of 40 acre to 160 acres, and is also requesting the establishment of production allowables for said field.

Petitioner is also requesting that the 40-acre drilling unit for the Wittmeier 19-15-01 Well, Permit No. 15386, consisting of Southwest Quarter of the Southeast Quarter of Section 19; the Wittmeier 30-03-02 Well, Permit No. 15436, consisting of the Northeast Quarter of the Northwest Quarter of Section 30; the 160-acre drilling unit for the Brittan 20-06-06 Well, Permit No. 15753-BH, consisting of the Northwest Quarter of Section 20; and the 160-acre drilling unit for the Fallin 30-07-03 Well, Permit No. 15609-BH, consisting of the Northeast Quarter of Section 30, all in Township 12 South, Range 1 East, Blount County, Alabama, be approved as the permanent production units for said wells.

This petition is filed pursuant to Rule 400-1-1-.07 of the *State Oil and Gas Board of Alabama Administrative Code* and Section 9-17-1 *et seq.* of the *Code of Alabama* (1975), as amended.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-89

18. DOCKET NO. 10-23-12-11

Petition by NATURAL GAS & OIL, INC., an Alabama Corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order changing the operator of the Weyerhaeuser 33-15 #1 well (permit no. 12974), the Weyerhaeuser 4-1 #1 well (permit no. 12975) and the Weyerhaeuser 3-7 #1 well (permit no. 13260), Asbury Church Field, Lamar County, Alabama from S. Lavon Evans, Jr. Operating Company, Inc. to Natural Gas & Oil, Inc.

This petition is filed as a companion petition to the petition bearing Docket No. 10-23-12-12 requesting the force pooling, without the imposition of a risk compensation fee, of all tracts and interests in hydrocarbons produced from the formations of Mississippian and Pennsylvania Age in the Weyerhaeuser 33-15 #1 well (permit No. 12974) in said Asbury Church Field, Lamar County, Alabama.

BOARD ACTION: Continued. 10/25/2012.

19. DOCKET NO. 10-23-12-12

Petition by NATURAL GAS & OIL, INC., an Alabama 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 fee, all tracts and interests in hydrocarbons produced from the formations of Mississippian and Pennsylvania Age the in the Weyerhaeuser 33-15 #1 well (permit No. 12974), consisting of the East Half of Section 33, Township 16 South, Range 16 West, Lamar County, Alabama, in the Asbury Church Field, Lamar County, Alabama.

This petition is filed as a companion petition to the petition bearing Docket No. 10-23-12-11 requesting the State Oil and Gas Board of Alabama to enter an order changing the operator of the Weyerhaeuser 33-15 #1 well (permit no. 12974), the Weyerhaeuser 4-1 #1 well (permit no. 12975) and the Weyerhaeuser 3-7 #1 well (permit no. 13260), Asbury Church Field, Lamar County, Alabama from S. Lavon Evans, Jr. Operating Company, Inc. to Natural Gas & Oil, Inc.

BOARD ACTION: Continued. 10/25/2012.

20. DOCKET NO. 10-23-12-13

Petition by NATURAL GAS & OIL, INC., an Alabama 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 fee, all tracts and interests in hydrocarbons produced from the formations of Mississippian and Pennsylvania Age the in the Weyerhaeuser 3-7 #1 well (permit No. 13260), consisting of the East Half of Section 3, Township 17 South, Range 16 West, Lamar County, Alabama, in the Asbury Church Field, Lamar County, Alabama.

BOARD ACTION: Continued. 10/25/2012.

21. DOCKET NO. 10-23-12-14A

Petition by SKLAR EXPLORATION COMPANY L.L.C. 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 Southeast Quarter of Section 32, Township 4 North, Range 13 East, Conecuh County, Alabama, as a 160-acre production unit in the Brooklyn Field for the purpose of drilling a well to test formations down to and including the Smackover and Norphlet formations, (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.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-90

22. DOCKET NO. 10-23-12-15

Petition by CRAFT OPERATING COMPANY IX, LLC, 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 interests in hydrocarbons produced from a wildcat well to be drilled on a unit consisting of the Northeast Quarter of Section 32, Township 6 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. 10/25/2012.

23. DOCKET NO. 10-23-12-16A

Petition by ANKOR E&P HOLDINGS 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 (i) establish a nongovernmental 160-acre wildcat drilling unit for the drilling of the Craft-Black Stone 19-3 (2-9) #1 Well (the "Well") in Escambia County, Alabama; and (ii) approve the proposed nongovernmental 160-acre wildcat drilling unit as an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code relating to spacing of wells for the drilling of the Well.

Petitioner proposes that the nongovernmental 160-acre wildcat drilling unit for the Well consist of the East Half of the Southwest Quarter of the Southwest Quarter, the Southeast Quarter of the Southwest Quarter, and the West Half of the Southwest Quarter of the Southeast Quarter of Section 18, Township 2 North, Range 9 East; and the East Half of the Northwest Quarter of the Northwest Quarter, the Northeast Quarter of the Northwest Quarter, and the West Half of the Northwest Quarter of the Northeast Quarter of Section 19, Township 2 North, Range 9 East, all in Escambia County, Alabama.

The Petition is filed pursuant to Section 9-17-1 *et seq.* of the Code of Alabama (1975).

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-91

24. DOCKET NO. 10-23-12-17

Petition by ANKOR E&P HOLDINGS 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 (i) establish a nongovernmental 40-acre wildcat drilling unit for the drilling of the Craft-H.H. Wefel III Trust 14-5 No. 1 Well (the "Well") in Escambia County, Alabama; and (ii) approve the proposed nongovernmental 40-acre wildcat drilling unit as an exception to Rule 400-1-2-.02(2)(a) of the State Oil and Gas Board of Alabama Administrative Code relating to spacing of wells for the drilling of the Well. On May 10, 2012, in Order No. 2012-36, the Board previously approved the drilling unit proposed in this Petition.

Petitioner proposes that the nongovernmental 40-acre wildcat drilling unit for the Well consist of the East Half of the Southwest Quarter of the Northwest Quarter and the West Half of the Southeast Quarter of the Northwest Quarter of Section 14, Township 2 North, Range 8 East, Escambia County, Alabama.

The Petition is filed pursuant to Section 9-17-1 *et seq.* of the Code of Alabama (1975).

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-92

25. DOCKET NO. 10-23-12-18

Petition by SKLAR EXPLORATION COMPANY L.L.C., a Louisiana limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order (i) amending Rule 1 of the Special Field Rules for the Brooklyn Field to add Section 33, Section 34, and the West half of Section 35, Township 4 North, Range 12 East, Conecuh County, Alabama, and the Northwest Quarter of Section 29, Township 4 North, Range 13 East, Conecuh County, Alabama, to the field limits of said field, and (ii) establishing the final 160-acre production units, which are the same as the 160-acre drilling units, for the following wells:

1. Cedar Creek Land & Timber 35-5 No. 1 Well, permit number 16714-B: Northwest Quarter of Section 35, Township 4 North, Range 12 East, Conecuh County, Alabama
2. Cedar Creek Land & Timber 35-11 No. 1 Well, permit number 16672-B: Southwest Quarter of Section 35, Township 4 North, Range 12 East, Conecuh County, Alabama
3. Graddy 34-8 No. 1 Well, permit number 16673: Northeast Quarter of Section 34, Township 4 North, Range 12 East, Conecuh County, Alabama
4. Graddy 34-10 No. 1 Well, permit number 16709: Southeast Quarter of Section 34, Township 4 North, Range 12 East, Conecuh County, Alabama
5. Jones 34-4 No. 1 Well, permit number 16700-B: Northwest Quarter of Section 34, Township 4 North, Range 12 East, Conecuh County, Alabama
6. Cedar Creek Land & Timber 34-14 No. 1 Well, permit number 16696-B: Southwest Quarter of Section 34, Township 4 North, Range 12 East, Conecuh County, Alabama
7. Cedar Creek Land & Timber 33-2 No. 1 Well, permit number 16663: Northeast Quarter of Section 33, Township 4 North, Range 12 East, Conecuh County, Alabama
8. Cedar Creek Land & Timber 33-10 No. 1 Well, permit number 16686: Southeast Quarter of Section 33, Township 4 North, Range 12 East, Conecuh County, Alabama
9. Cedar Creek Land & Timber 33-6 No. 1 Well, permit number 16685: Northwest Quarter of Section 33, Township 4 North, Range 12 East, Conecuh County, Alabama
10. Cedar Creek Land & Timber 33-12 No. 1 Well, permit number 16687: Southwest Quarter of Section 33, Township 4 North, Range 12 East, Conecuh County, Alabama

11. Booth & Casey 29-6 No. 1 Well, permit number 16624-B: Northwest Quarter of Section 29, Township 4 North, Range 13 East, Conecuh County, Alabama

This petition is filed pursuant to Section 9-17-1 *et seq.*, Code of Alabama (1975), and Rules 400-1, *et seq.* of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-93

26. DOCKET NO. 10-23-12-19

Petition by SKLAR EXPLORATION COMPANY L.L.C., a Louisiana limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order amending Rule 1 of the Special Field Rules for the Little Cedar Creek Field to delete the Northwest Quarter of Section 29, Township 4 North, Range 13 East, Conecuh County, Alabama, from the field limits of said field. This petition is filed pursuant to Section 9-17-1 *et seq.*, Code of Alabama (1975), and Rules 400-1, *et seq.* of the State Oil and Gas Board of Alabama Administrative Code. This Petition is filed as a companion petition to Docket No. 10-23-12-18 in which Petitioner proposes to add various properties, including said Northwest Quarter of Section 29, Township 4 North, Range 13 East, Conecuh County, Alabama, to the field limits for the Brooklyn Field.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-94

27. DOCKET NO. 10-23-12-20

Petition by Venture Oil & Gas, 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 an exceptional location for the proposed Turner Land & Timber 25-12 No. 1 Well to be drilled on a proposed 40-acre wildcat drilling unit consisting of the Northwest Quarter of the Southwest Quarter of Section 25, Township 10 North, Range 2 West, Clarke County, Alabama, at a location 928 feet from the West line and 318 feet from the North line of said drilling unit. Said location is an exception to Rule 400-1-2-.02(2)(a) of the *State Oil and Gas Board of Alabama Administrative Code* which requires that such wells be located at least 330 feet from all exterior boundaries of the drilling unit. Section 9-17-12(c) of the *Code of Alabama* (1975) authorizes the granting of exceptional locations for the drilling of wells in Alabama.

BOARD ACTION: Granted. 10/25/2012.

ORDER NO.: 2012-95

28. DOCKET NO. 7-20-10-07

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, S. Lavon Evans Jr., Operating Co., Inc., to show cause why the following wells located in Tuscaloosa, Lamar, Pickens, and Jefferson Counties, 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.

The Board may consider, as a part of this Motion, that the proceeds from the surety bond be utilized to plug and abandon wells and restore well sites.

Failure of the operator to comply with the Board's rules, regulations, and orders may result in the Board's issuing fines or taking other sanctions against operator, S. Lavon Evans Jr., Operating Co., Inc.

County Line Field Well, Pickens Co.

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
11797	Holliman 36-10 #1	S36, T17S, R14W
11865	Williamson 1-1 #1	S1, T18S, R14W

Asbury Church Field, Lamar Co.

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
12974	Weyerhaeuser 33-15 #1	S33, T16S, R16W
12975	Weyerhaeuser 4-1 #1	S4, T17S, R16W
13260	Weyerhaeuser 3-7 #1	S3, T17S, R16W

SE Watson Field Wells, Lamar Co.

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
12548	Collins 12-11 #1	S12, T15S, R15W
12919	Gearn 14-1 #1	S14, T15S, R15W

Wiley Dome Field Wells, Lamar Co.

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
9986-A	Holman 34-10 #1	S34, T17S, R9W
13041	Holman 35-6 #1	S35, T17S, R9W
13042	Shepherd 35-16 #1	S35, T17S, R9W
13310-BH	Holman 34-10 #2	S34, T17S, R9W
13311	Alawest 34-13 #1	S34, T17S, R9W
13905	Earnest 26-14 #1	S26, T17S, R9W

Lamar County Wildcats

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
13640	Gartman 2-4 #1	S2, T17S, R16W

Tuscaloosa County Wildcats

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
13133	Earnest 26-15 #1	S26, T17S, R9W
13307	Christian 3-8 #1	S3, T18S, R9W
13384	Champion International 35-13 #1	S35, T17S, R9W
13387	Alawest 2-3 #1	S2, T18S, R9W
13388	Bane 36-14 #1	S36, T17S, R9W
13680	Bolton 1-4 #1A	S1, T18S, R9W
13710	Champion International 3-10 #1	S3, T18S, R9W
13711	Alawest 1-12 #2	S1, T18S, R9W

Jefferson County Wildcat

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
13389	U.S. Steel Corporation 21-13 #1	S21, T19S, R5W

BOARD ACTION: Continued. 10/25/2012.