

RESULTS OF MEETING
STATE OIL AND GAS BOARD OF ALABAMA
OCTOBER 22 & 24, 2013

The State Oil and Gas Board of Alabama held its regular hearing at 10:00 a.m. on Tuesday, October 22, 2013, and Thursday, October 24, 2013 in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama, to consider, among other items, the following petition(s):

1. DOCKET NO. 6-18-13-12

Petition by CINCO NRG, 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 to enter an order approving an exceptional 160-acre production unit for the proposed Hill 34-6 No. 1 Well, said exceptional 160-acre production unit to consist of the West Half of the Northeast Quarter and the East Half of the Northwest Quarter of Section 34, Township 6 North, Range 7 East, Monroe County, Alabama, in the North Excel Field. The proposed production unit is an exception to Rule 3(a) of the Special Field Rules for the North Excel Field that requires all such wells to be located on units consisting of governmental quarter sections of approximately 160 acres. This matter is filed as a companion to a Petition requesting that all tracts and interests be force pooled with risk compensation under Docket No. 06-18-13-13.

Presently Delphi Oil, Inc. operates the 9216 JV-P Hill 34-3 #1 Well, Permit No. 10727-B, on a 160-acre governmental production unit in the North Excel Field consisting of the Northwest Quarter of Section 34, Township 6 North, Range 7 East, Monroe County, Alabama. The 9216 JV-P Hill 34-3 #1 Well was drilled in March, 1995. The exceptional 160-acre production unit proposed by CINCO NRG, LLC will include a part of the present 160-acre production unit for the 9216 JV-P Hill 34-3 #1 Well.

RESULTS: Continued, 10/24/2013.

2. DOCKET NO. 7-30-13-10

Petition by BLACK WARRIOR METHANE CORP., 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* and Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended, to enter an order extending the temporarily abandoned status for certain wells in the Brookwood Coal Degasification Field, all located in Tuscaloosa County, Alabama, in the following areas, for a period of one (1) year:

Township 19 South, Range 7 West, Tuscaloosa County
Sections 20, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 36

Township 19 South, Range 8 West, Tuscaloosa County
Sections 15, 21, 23, 25, 26, 27, 28, 33, 34, 35 and 36

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, 11, 12, 13, 15, 16, 17, 18, 19, 21, 22, 23, 27, 28 and 29

Township 20 South, Range 8 West, Tuscaloosa County
Sections 4, 10, 12, 13, 14, 15, 16, 23, 24 and 25

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

RESULTS: Continued, 10/24/2013.

3. DOCKET NO. 8-14-13-01

Petition by RAM PETROLEUM, 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 terminating the Northwest Citronelle Unit in the Citronelle Field, Mobile County, Alabama. Said Northwest Citronelle Unit consists of the Southwest Quarter of Southwest Quarter of Section 13; Northwest Quarter of Northeast Quarter, Southwest Quarter of Northeast Quarter, Southeast Quarter of Northeast Quarter, South Half of Northwest Quarter and Southwest Quarter of Section 14; Southeast Quarter, Southwest Quarter of Northeast Quarter and Northeast Quarter of Southwest Quarter of Section 15; North Half of Northeast Quarter; Southwest Quarter of Northeast Quarter, Southeast Quarter of Northwest Quarter, Northwest Quarter of Southeast Quarter and Southwest Quarter of Section 22; North Half of Northeast Quarter and North Half of Northwest Quarter of Section 23; and Northwest Quarter of Northwest Quarter of Section 27, all in Township 2 North, Range 3 West, Mobile County, Alabama, containing 1,200 acres, more or less, underlain by the Rodessa Formation. The Northwest Citronelle Unit was established by the Board in Order No. 79-62, issued on June 8, 1979, and enlarged by the Board in Order No. 91-239 issued on March 22, 1991, upon petitions by Bernard/Hickox, Inc.

That Unit Operator, Bernard/Hickox, Inc., was dissolved on July 8, 2002, and all wells in said Unit have been plugged and abandoned, and the Board has released the bond. In this Petition, Petitioner requests that the Northwest Citronelle Unit be terminated, and in a simultaneously filed petition bearing Docket No. 8-14-13-02. Petitioner requests the Board to establish the North Citronelle Unit, the Unit Area of which is to consist of the same Unit Area as the Northwest Citronelle Unit.

This petition is filed pursuant to Sections 9-17-80 through 9-17-88, *Code of Alabama* (1975).

RESULTS: Granted, 10/24/2013.

ORDER: 2013-82

4. DOCKET NO. 8-14-13-02A

Petition by RAM PETROLEUM, 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 pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, *Code of Alabama* (1975), approving a partial field-wide Unit for the Citronelle Field to be known as the "North Citronelle Unit," consisting of the hereinafter described "Unit Area" in Mobile County, Alabama, and requiring the operation of said Unit Area as a single partial field-wide Unit for enhanced recovery, development and production of oil, gas, gaseous substances, condensate, distillate and all associated and constituent liquid or liquefiable substances within or produced from the Unitized Formation in order to prevent waste, to maximize recovery of the unitized substances, to avoid the drilling unnecessary wells and to protect correlative rights of interested parties.

The "Unitized Formation" is to be designated as the Rodessa Formation productive of hydrocarbons in the interval between 10,680 feet and 11,590 feet as recorded on the Schlumberger electrical log for the Gulf Citronelle Unit #1 Well, Permit No. 619, located in the Southwest Quarter of the Southwest Quarter of Section 25, Township 2 North, Range 3 West, Mobile County, Alabama, including those strata productive of hydrocarbons which can be correlated therewith, and all zones in communication therewith and all productive extensions thereof, or such other enlarged interval as may be ordered by the State Oil and Gas Board of Alabama.

The proposed "Unit Area" is designated as the Southwest Quarter of Southwest Quarter of Section 13; Northwest Quarter of Northeast Quarter, Southwest Quarter of Northeast Quarter, Southeast Quarter of Northeast Quarter, South Half of Northwest Quarter and Southwest Quarter of Section 14; Southeast Quarter, Southwest Quarter of Northeast Quarter and Northeast Quarter of Southwest Quarter of Section 15; North Half of Northeast Quarter; Southwest Quarter of Northeast Quarter, Southeast Quarter of Northwest Quarter, Northwest Quarter of Southeast Quarter and Southwest Quarter of Section 22; North Half of Northeast Quarter and North Half of Northwest Quarter of Section 23; and Northwest Quarter of Northwest Quarter of Section 27, all in Township 2 North, Range 3 West, Mobile County, Alabama, containing 1,200 acres, more or less, underlain by the Rodessa Formation.

Said petition further seeks entry of an order by this Board unitizing, pooling and integrating the Unit Area, as underlain by the above-described Unitized Formation, into a partial field-wide Unit so as to require all owners or claimants of royalty, mineral, leasehold and all other leasehold interests within said partial field-wide Unit to unitize, pool and integrate their interests and develop their lands or interests within the Unit Area as a Unit. Said petition further seeks to have RAM Petroleum, LLC, designated as operator of the Unit Area in accordance with the laws of the State of Alabama and seeks an order from the Board approving the Unit Agreement, the Unit Operating Agreement and the Ratification of said Agreements by the working and royalty owners owning at least 66 2/3rd interests in the Unit Area. Said petition also seeks approval of the amendments to the Special Field Rules for the Citronelle Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

The Board in Order No. 79-62 issued on June 8, 1979, approved the unitization of the Northwest Citronelle Unit, and approved the Unit Agreement and Unit Operating Agreement, effective July 1, 1979. Thereafter, the Board in Order No. 91-239, issued on March 22, 1991, enlarged the Unit. The Northwest Citronelle Unit was operated until 1998 when operations ceased. Petitioner's proposed Unit Area for the North Citronelle Unit covers the exact same lands as the Northwest Citronelle Unit, as enlarged, and Petitioner also proposes to use the same Allocation Formula and Tract Participations that the Board approved for the Northwest Citronelle Unit, as enlarged. Petitioner has filed a companion petition bearing Docket No. 8-14-13-01 requesting termination of the Northwest Citronelle Unit.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-83

5. DOCKET NO. 9-10-13-01

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

Said well is temporarily abandoned. Petitioner is requesting the Board to extend the temporarily abandoned status for a period of one (1) year for said well 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 in Durango Operating, LLC's operations in Escambia County, Alabama and should not be plugged.

RESULTS: Granted, 10/24/2013.
ORDER: 2013-84

6. DOCKET NO. 9-10-13-02

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

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

Said wells are temporarily abandoned. Petitioner is requesting the Board to extend the temporarily abandoned status 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 because all of the wells have future utility in Durango Operating, LLC's operations in Foshee Field, Escambia County, Alabama and should not be plugged.

RESULTS: Granted, 10/24/2013.
ORDER: 2013-85

7. DOCKET NO. 9-10-13-03

Petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for a period of one (1) year for the A.T.I.C. 33-8 #1, Permit # 5359, located in Section 33, Township 2 North, Range 8 East in West Foshee Field, Escambia County, Alabama.

Said well is temporarily abandoned. Petitioner is requesting the Board to extend the temporarily abandoned status for a period of one (1) year for said well 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 in Durango Operating, LLC's operations in Escambia County, Alabama and should not be plugged.

RESULTS: Granted, 10/24/2013.
ORDER: 2013-86

8. DOCKET NO. 10-22-13-01

Petition by JABSCO OIL OPERATING, LLC, an Alabama limited liability company, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the Burkhalter 1-3 #1 Well, Permit No. 11808-A, to be re-completed as an oil well on a 40-acre production unit consisting of the Northeast Quarter of the Northwest Quarter of Section 1, Township 19 South, Range 15 West, Pickens County, Alabama, in the Chicken Swamp Branch Oil Field, at a location 140 feet from the East line and 320 feet from the South line of said production unit. Said location is an exception to Rule 3(b) of the Special Field Rules for the Chicken Swamp Branch Oil Field which requires that such wells be located at least 330 feet from every exterior boundary of the production 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.

Petitioner has filed a companion petition requesting an exception to Rule 4(c) of the Special Field Rules for the Chicken Swamp Branch Oil Field in order to perforate the Pottsville "A" interval with 318 feet of cement above it instead of the 500 feet as required by said Rule.

RESULTS: Granted, 10/24/2013.
ORDER: 2013-87

9. DOCKET NO. 10-22-13-02

Petition by JABSCO OIL OPERATING, LLC, an Alabama limited liability company, requesting the State Oil and Gas Board to enter an order approving an exception to Rule 4(c) of the Special Field Rules for the Chicken Swamp Branch Oil Field to allow Petitioner to perforate the Pottsville "A" interval with 318 feet of cement above it instead of 500 feet as required by said Rule in order to re-complete and test the Burkhalter 1-3 #1 Well.

Petitioner has filed a companion petition bearing Docket No. 10-22-13-01 requesting approval of an exception to Rule 3(b) of the Special Field Rules for the Chicken Swamp Branch Oil Field for an exceptional location for the Burkhalter 1-3 #1 Well, Permit No. 11808-A, to be re-completed as an oil well on a 40-acre production unit in said Field.

RESULTS: Granted, 10/24/2013.
ORDER: 2013-88

10. DOCKET NO. 10-22-13-03

Petition by FAIRWAYS EXPLORATION & PRODUCTION, 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 amending Rule 1 of the Special Field Rules for the Clear Creek Field to add the Southwest Quarter of the Southwest Quarter and Southeast Quarter of Southeast Quarter of Section 17 and the Northwest Quarter of the Northwest Quarter and Northeast Quarter of Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, to the field limits of said Field.

The mineral ownership is common in the South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, and said common mineral ownership extends beyond and is contiguous and, all together, includes more than 560 acres.

This petition is filed as a companion to a petition bearing Docket No. 10-22-13-05 requesting reformation of the 160-acre production unit for the Cedar Creek Land & Timber 17-14 #1 Well, Permit No. 16759, to an alternate 160-acre production unit and also a companion petition bearing Docket No. 10-22-13-04 requesting approval of the exceptional bottom hole location of the referenced well on said proposed reformed 160-acre production unit.

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*.

RESULTS: Continued, 10/24/2013.

11. DOCKET NO. 10-22-13-04

Petition by FAIRWAYS EXPLORATION & PRODUCTION, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving the exceptional bottom hole location of the Cedar Creek Land & Timber 17-14 #1 Well, Permit No. 16759, on a proposed reformed 160-acre production unit consisting of the South Half of the Southwest Quarter of Section 17 and the North Half of the Northwest Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, in the Clear Creek Field, as an exception to Rule 3(b) of the Special Field Rules for said Field. Said Rule 3(b) requires that wells be drilled at least 660 feet from every exterior boundary of the drilling unit, and the bottom hole location of the referenced well on said proposed reformed 160-acre production unit is 466 feet from the North line and 635 feet from the East line of said proposed reformed 160-acre unit, and as such, is an exception to said Rule 3(b).

The mineral ownership is common in the South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, and said common mineral ownership extends beyond and is contiguous and, all together, includes more than 560 acres.

Petitioner has filed a companion petition bearing Docket No. 10-22-13-05 requesting to reform the 160-acre production unit for the Cedar Creek Land & Timber 17-14 #1 Well to an alternate 160-acre production unit for said well.

Petitioner has filed a companion petition bearing Docket No. 10-22-13-03 requesting that the Southwest Quarter of the Southwest Quarter and Southeast Quarter of Southeast Quarter of Section 17 and the Northwest Quarter of the Northwest Quarter and Northeast Quarter of Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, be added to the field limits for the Clear Creek Field.

RESULTS: Continued, 10/24/2013.

12. DOCKET NO. 10-22-13-05

Petition by FAIRWAYS EXPLORATION & PRODUCTION, 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 reform the 160-acre production unit for the Cedar Creek Land & Timber 17-14 #1 Well, Permit No. 16759, consisting of the Southeast Quarter of the Southwest Quarter and Southwest Quarter of Southeast Quarter of Section 17, and the Northeast Quarter of the Northwest Quarter and Northwest Quarter of Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, in Clear Creek Field, to an alternate 160-acre production unit consisting of the South Half of the Southwest Quarter of Section 17 and the North Half of the Northwest Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, in said Field.

The mineral ownership is common in the South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, and said common mineral ownership extends beyond and is contiguous and, all together, includes more than 560 acres.

Petitioner has filed a companion petition bearing Docket No. 10-22-13-03 requesting that the Southwest Quarter of the Southwest Quarter and Southeast Quarter of Southeast Quarter of Section 17 and the Northwest Quarter of the Northwest Quarter and Northeast Quarter of Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, be added to the field limits for the Clear Creek Field.

Petitioner has also filed a companion petition bearing Docket No. 10-22-13-04 requesting approval of an exceptional bottom hole location for the Cedar Creek Land & Timber 17-14 #1 Well on the alternate 160-acre production unit for said well described hereinabove.

RESULTS: Continued, 10/24/2013.

13. DOCKET NO. 10-22-13-06

Petition by FAIRWAYS EXPLORATION & PRODUCTION, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a 160-acre production unit for the Cedar Creek Land & Timber 17-15 #1 Well consisting of the South Half of the Southeast Quarter of Section 17 and the North Half of the Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, in the Clear Creek Field, in accordance with Rule 3(a) of the Special Field Rules for said Field which provides that such wells be drilled on units designated by the operator in the permit application and subject to the approval of the State Oil and Gas Supervisor containing 160 contiguous surface acres upon which no other drilling or producible well is located in the Smackover Oil Pool.

The mineral ownership is common in the South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, and said common mineral ownership extends beyond and is contiguous and, all together, includes more than 560 acres.

This petition is filed pursuant to Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended.

RESULTS: Continued, 10/24/2013.

14. DOCKET NO. 10-22-13-07

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 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, 2012-70 and 2012-88, issued on September 2, 2010, September 13, 2012, and October 25, 2012, respectively, in order to eliminate the usage of the Welker Composite Samplers currently located on each offshore platform to obtain a composite sample for BTU determination for production from its offshore wells and utilize a weighted average calculated Platform Exit BTU determination for 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).

RESULTS: Granted, 10/24/2013.

ORDER: 2013-89

15. DOCKET NO. 10-22-13-08

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 Barrytown Field to add the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 10, Township 10 North, Range 3 West, Choctaw County, Alabama, to the Field.

This petition is filed as a companion to a petition bearing Docket No. 10-22-13-09 requesting approval of the 160-acre production unit for the Johnson 11-5 No. 1 Well and also a companion petition bearing Docket No. 10-22-13-10 requesting the forced pooling, with imposition of a risk compensation fee, of all tracts and interests in hydrocarbons produced from the Smackover and Norphlet Formations in the referenced well.

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*.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-90

16. DOCKET NO. 10-22-13-09

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 approving a 160-acre production unit for the Johnson 11-5 No. 1 Well consisting of the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 10 and the Southwest Quarter of the Northwest Quarter and Northwest Quarter of Southwest Quarter of Section 11, all in Township 10 North, Range 3 West, Choctaw County, Alabama, in the Barrytown Field, in accordance with Rule 3(a) of the Special Field Rules for said Field, which provides that such wells be drilled on production units designated in the permit application and subject to the approval of the Oil and Gas Supervisor which shall consist of 120 to 160 contiguous acres and upon which no other permitted, drilling or producible well is located in the same oil pool.

Petitioner has filed a companion petition bearing Docket No. 10-22-13-08 requesting that the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of Southeast Quarter of said Section 10 be added to the Barrytown Field and has also filed a companion petition bearing Docket No. 10-22-13-10 requesting the forced pooling, with imposition of a risk compensation fee, of all tracts and interests in hydrocarbons produced from Smackover and Norphlet Formations in the Johnson 11-5 No. 1 Well.

This petition is filed pursuant to Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-91

17. DOCKET NO. 10-22-13-10

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 force pooling, with imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from Smackover and Norphlet Formations from the proposed Johnson 11-5 No. 1 Well to be drilled on a 160-acre production unit consisting of the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 10 and the Southwest Quarter of the Northwest Quarter and Northwest Quarter of Southwest Quarter of Section 11, all in Township 10 North, Range 3 West, Choctaw County, Alabama, in the Barrytown Field.

Petitioner has filed a companion petition bearing Docket No. 10-22-13-08 requesting that the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of Southeast Quarter of said Section 10 be added to the Barrytown Field, and has also filed a companion petition bearing Docket No. 10-22-13-09 requesting approval of the hereinabove described 160-acre production unit for the referenced well in accordance with Rule 3(a) of the Special Field Rules for the Barrytown 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*.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-92

18. DOCKET NO. 10-22-13-11

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 pursuant to *Ala. Code* § 9-17-1, *et seq.* (and, in particular, *Ala. Code* § 9-17-13) and *State Oil and Gas Board of Alabama Administrative Code* Rules 400-1, *et seq.* (and, in particular, Rules 400-7-1 and 400-7-2), force pooling, without risk compensation, all tracts and interests in hydrocarbons produced in the Bradley 25-5 #1 Well to be drilled on a 160-acre drilling unit as a productive extension of the Brooklyn Field consisting of the Northwest Quarter of Section 25, Township 4 North, Range 12 East, Conecuh County, Alabama, and requiring all owners of tracts and interests in said unit to develop their tracts and interests as a unit, and appointing Petitioner as the operator of said unit.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-93

19. DOCKET NO. 10-22-13-12

Petition by ESCAMBIA OPERATING CO. LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving the plans for consolidating the Flomaton and Big Escambia Creek Plants and the allocation and metering procedures for production from wells located in the Flomaton Field and third party production currently coming into the Flomaton Plant, all of which is separated at the Flomaton Plant with sour gas being transported and treated at the Big Escambia Creek Plant, Escambia County, Alabama.

RESULTS: Continued, 10/24/2013.

20. DOCKET NO. 10-22-13-13

Petition by Mississippi Resources, LLC, dba MSR Operating, LLC, a Delaware limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order, pursuant to Section 9 17 1, et seq, ALABAMA CODE and Rule 400 1 4-.17 of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status of Chatom Unit #1-2 Well, Permit No. 2235, the Chatom Unit #3-2 Well, Permit No. 3938, and the Chatom Unit 20-1 #1-05 Well, Permit No. 7200, all located in the Chatom Field Unit in Washington County, Alabama.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-94

21. DOCKET NO. 10-22-13-14

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 a non-governmental exceptional 40-acre wildcat drilling unit consisting of the South Half of Southwest Quarter of Northwest Quarter and North Half of Northwest Quarter of Southwest Quarter, all in Section 1, Township 5 North, Range 4 East, Clarke County, Alabama, for the Craft-Karr 1-5 #1 Well, as an exception to Rule 400-1-2-.02(2)(a) of the *State Oil and Gas Board of Alabama Administrative Code*. Said Rule requires that wells be drilled on drilling units consisting of a governmental quarter-quarter section containing approximately 40 acres.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-95

22. DOCKET NO. 10-22-13-15

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 a non-governmental exceptional 40-acre wildcat drilling unit consisting of the Southwest Quarter of Southeast Quarter of Northeast Quarter and Southeast Quarter of Southwest Quarter of Northeast Quarter and Northeast Quarter of Northwest Quarter of Southeast Quarter and Northwest Quarter of Northeast Quarter of Southeast Quarter, all in Section 1, Township 5 North, Range 4 East, Clarke County, Alabama, for the Craft-Karr 1-10 #1 Well, as an exception to Rule 400-1-2-.02(2)(a) of the *State Oil and Gas Board of Alabama Administrative Code*. Said Rule requires that wells be drilled on drilling units consisting of a governmental quarter-quarter section containing approximately 40 acres.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-96

23. DOCKET NO. 10-22-13-16

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 a non-governmental exceptional 40-acre wildcat drilling unit consisting of the East Half of Northeast Quarter of Southeast Quarter of Section 28 and West Half of Northwest Quarter of Southwest Quarter of Section 27, all in Township 5 North, Range 5 East, Monroe County, Alabama, for the Craft-Lazy L Family LP 28-9 #1 Well, as an exception to Rule 400-1-2-.02(2)(a) of the *State Oil and Gas Board of Alabama Administrative Code*. Said Rule requires that wells be drilled on drilling units consisting of a governmental quarter-quarter section containing approximately 40 acres.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-97

24. DOCKET NO. 10-22-13-17

Petition by SKLAR EXPLORATION COMPANY L.L.C. requesting that the State Oil and Gas Board of Alabama enter an order (a) force pooling, with a risk compensation fee, all tracts and interests in the Southwest Quarter of Section 20, Township 4 North, Range 13 East, Conecuh County, Alabama, as a 160-acre production unit for the purpose of drilling a well to test formations down to and including the Smackover Oil Pool of the Little Cedar Creek Field 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 Sections 9-17-1, *et seq.* Ala. Code (1975) (and, in particular, Section 9-17-13, as amended) and Rules 400-1-1-.01, *et seq.* (and, in particular, Rule 400-7-2-.01, *et seq.*) of the State Oil and Gas Board of Alabama Administrative Code.

RESULTS: Continued, 10/24/2013.

25. DOCKET NO. 10-22-13-18

Petition by NATURAL GAS & OIL, INC., a Alabama corporation, requesting the State Oil and Gas Board of Alabama to enter an Order extending the shut-in status for the following wells for an additional one (1) year period pursuant to Rule 400-1-4-.17(2) 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, to-wit:

Lamar County, Alabama
Blooming Grove Field
Nell Brown #1 Well, Permit No. 2358
Brown #14-1 Well, Permit No. 2706-A
Blowhorn Creek Gas Field
D. Morrison #35-1 Well, Permit No. 2812.

Said Wells were shut-in pursuant to Order No. 2012-68 issued by the State Oil and Gas Board of Alabama on August 20, 2012. Petitioner is requesting the Board to extend the shut-in status of those wells for an additional year pending the installation of a centralized gathering system to accommodate the Blooming Grove and Blowhorn Creek Gas Fields.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-98

26. DOCKET NO. 10-22-13-19

Petition by DAN A. HUGHES COMPANY, 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 pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, *Code of Alabama* (1975), approving a 320-acre oil Unit to be known as the "East Excel Unit," consisting of the hereinafter described "Unit Area" in Monroe County, Alabama, for the purpose of drilling a horizontal well, and requiring the operation of said Unit Area as a Unit for cooperative development and production of oil, gas, gaseous substances, condensate, distillate and all associated and constituent liquid or liquefiable substances within or produced from the Unitized Formation in order to prevent waste, to maximize recovery of the unitized substances, to avoid the drilling unnecessary wells and to protect correlative rights of interested parties.

The "Unitized Formation" within the Unit Area for the proposed East Excel Unit horizontal well is to be designated as those strata of the Smackover Formation productive of hydrocarbons in the interval between 12,220 feet measured depth to 12,317 feet measured depth in the Wood 2-2 #1 Well, Permit No. 16661, said well having a surface location 863 feet from the North line and 1,908 feet from the East line of Section 2, Township 5 North, Range 7 East, Monroe County, Alabama, as defined by the Induction Density Neutron log for said well, including those strata which can be correlated therewith, and all zones in communication therewith and all productive extensions thereof, or such other interval as may be ordered by the State Oil and Gas Board.

The proposed "Unit Area" is designated as the East Half of Section 2, Township 5 North, Range 7 East, Monroe County, Alabama, containing approximately 320 acres, more or less.

Petitioner proposes to begin the horizontal well by drilling a vertical well at a surface or heel location 660 feet from the South line and 700 feet from the West line of a 320-acre Unit consisting of the East Half of Section 2, Township 5 North, Range 7 East, Monroe County, Alabama, and drilling a horizontal well in a northern direction for approximately 3,100 feet to a point or toe of the horizontal well no closer than 660 feet from the North line and 700 feet from the West line of said 320-acre Unit consisting of the East Half of said Section 2.

Said petition further seeks entry of an order by this Board unitizing, pooling and integrating the Unit Area, as underlain by the above-described Unitized Formation, into a 320-acre oil Unit so as to require all owners or claimants of royalty, overriding royalty, mineral, leasehold and all other leasehold interests within said Unit to unitize, pool and integrate their interests and develop their lands or interests within the Unit Area as a Unit. Said petition further seeks to have Dan A. Hughes Company, L.P. designated as Operator of the Unit Area in accordance with the laws of the State of Alabama and seeks an order from the Board approving the Unit Agreement and Unit Operating Agreement, as ratified.

RESULTS: Granted, 10/24/2013.

ORDER: 2013-99

27. DOCKET NO. 10-22-13-20

Motion by the State Oil and Gas Board of Alabama to (1) consider issuing sanctions against operator Delphi Oil, Inc., for violating an order of the Board and (2) ordering that the proceeds of the wells bonds covering the two wells operated by Delphi be paid to the State Oil and Gas Board of Alabama pursuant to surety bonds covering the two wells.

On June 20, 2013, in Order No. 2013-44, the State Oil and Gas Board of Alabama ordered operator Delphi to plug and abandon the JV-P Jordan 33-8 #1 Well, Permit No. 10600, and the 9216 JV-P Hill 34-3 #1 Well, Permit No. 10727-B, in the North Excel Field, Monroe County, Alabama.

The 9216 JV-P Jordan 33-8 #1 Well is located in the Northeast Quarter, Section 33, Township 6 North, Range 7 East. The 9216 JV-P Hill 34-3 #1 Well is located in the Northwest Quarter, Section 34, Township 6 North, Range 7 East. Further, Delphi operates an associated site utilized for equipment in Section 27, Township 6 North, Range 7 East, Monroe County, Alabama.

Pursuant to Section 9-17-1 et seq. of the *Code of Alabama* (1975), as amended, the Board may issue sanctions against an operator to enforce the orders of the Board and may collect the proceeds of surety bonds to plug and abandon wells and to restore well sites.

RESULTS: Continued, 10/24/2013.

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

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

Permit No.
13389

Well Name
U.S. Steel Corporation 21-13 #1

Location
S21, T19S, R5W

RESULTS: Continued, 10/24/2013.