

RESULTS OF MEETING

The State Oil and Gas Board of Alabama held its regularly scheduled hearings at 10:00 a.m. on Tuesday, December 9, 2014, and at 10:00 a.m. on Thursday, December 11, 2014, in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama, and heard the following petition(s):

1. DOCKET NO. 6-16-14-03A

Continued Petition by Mississippi Resources, LLC, doing business as 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 amending Rule 2 and Rule 3 of the Special Field Rules for the Southeast Chatom Field, Washington County, Alabama, to provide that a well may be drilled on a unit consisting of Three Hundred Twenty (320) contiguous surface acres upon which no other drilling or producible well is located in the same pool. Presently the Special Field Rules for the Southeast Chatom Field provide 640-acre spacing. In this Petition Mississippi Resources, LLC is requesting the Board to Amend the Special Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

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

ACTION: Continued, 12/11/2014.

2. DOCKET NO. 6-16-14-04A

Continued Petition by Mississippi Resources, LLC, doing business as 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. CODE OF ALABAMA (1975), Rule 400-7-1-.01, et seq. of the State Oil and Gas Board of Alabama Administrative Code, and proposed Rule 3 of the Special Field Rules for the Southeast Chatom Field reforming the production unit for the Scott "A" 33-1 #1 Well, Permit No. 5100, from a 640-acre unit consisting of the East Half of Section 33 and the West Half of Section 34, Township 6 North, Range 4 West, to a 320-acre production unit comprised of the East Half of Section 33, Township 6 North, Range 4 West, Washington County, Alabama, in the Southeast Chatom Field. Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another well in the lands proposed to be eliminated from the current unit by formation of an additional 320 acre unit comprised of the West Half of said Section 34, Township 6 North, Range 4 West, Washington County, Alabama. Presently the Special Field Rules for Southeast Chatom Field provide 640-acre spacing. In this Petition Mississippi Resources, LLC is requesting the Board to Amend the Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

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

ACTION: Continued, 12/11/2014.

3. DOCKET NO. 6-16-14-05A

Continued Petition by Mississippi Resources, LLC, doing business as 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 approving an exception to the spacing requirements as set out in Rule 3 of the Special Field Rules for the Southeast Chatom Field, for the Scott "A" 33-1 #1 Well, at its present bottom hole location of 40 feet from the east line and 652 feet from the north line of a proposed 320-acre unit consisting of the East Half of Section 33, Township 6 North, Range 4 West, Southeast Chatom Field, Washington County, Alabama in the Southeast Chatom Field. Presently the Special Field Rules for Southeast Chatom Field provide 640-acre spacing. In a related Petition Mississippi Resources, LLC is requesting the Board to amend the Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

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

This Petition is filed as a companion Petition to Docket No. 6-16-14-04 requesting that the unit for said well be reformed to a new 320-acre unit consisting of the East Half of Section 33, Township 6 North, Range 4 West, Washington County. After said unit is reformed, said well will be located 40 feet from the east line and 652 feet from the north of the unit, as reformed.

ACTION: Continued, 12/11/2014.

4. DOCKET NO. 6-16-14-06A

Petition by Mississippi Resources, LLC, doing business as 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 approving an exception to the spacing requirements as set out in Rule 3 of the Special Field Rules for the Southeast Chatom Field, so as to allow the Petitioner to drill the proposed Scott "A" 34-5 #2 Well, with a proposed bottom hole location to be no closer than 330 feet from the west line of the unit and no closer than 660 feet from the north line of the 320-acre unit for said Scott "A" 34-5 #2 Well, which is comprised of the West Half of Section 34, Township 6 North, Range 4 West, Washington County, Alabama in the Southeast Chatom Field. Presently the Special Field Rules for the Southeast Chatom Field provide 640-acre spacing. In a related Petition Mississippi Resources, LLC is requesting the Board to Amend the Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

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

ACTION: Continued, 12/11/2014.

5. DOCKET NO. 6-16-14-16

Continued 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 Feagin Creek Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field consists of the Southeast Quarter of Northwest Quarter and Southwest Quarter of Northeast Quarter of Section 28, Township 4 North, Range 12 East, Conecuh County, Alabama, underlain by the Smackover Oil Pool.

The Smackover Oil Pool in said Field is defined as those strata productive of hydrocarbons between the interval of 12,106 feet measured depth (MD) and 12,222 feet measured depth (MD) as indicated on the Quad Combo Log of the U.L. Jones 28-7 #1 Well, Permit No. 16852-B, and all zones in communication therewith and all productive extensions thereof.

Petitioner has filed a companion petition bearing Docket No. 6-16-14-17 requesting to reform the 40-acre wildcat drilling unit for the U.L. Jones 28-7 #1 Well to an 80-acre production unit in the proposed Feagin Creek Field consisting of the Southeast Quarter of Northwest Quarter and Southwest Quarter of Northeast Quarter of Section 28, Township 4 North, Range 12 East, Conecuh County, Alabama.

Petitioner requests well spacing of 80 acres, and also requests the establishment of production allowables for said field. Additionally, Petitioner requests that the proposed reformed 80-acre unit described hereinabove for the U.L. Jones 28-7 #1 well be approved as the permanent production unit for said well.

This petition is filed pursuant to Rule 400-1-1-.07 and Rule 400-7-1, et seq., of the State Oil and Gas Board of Alabama Administrative Code.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-119

6. DOCKET NO. 6-16-14-17

Continued 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 of Alabama to enter an order reforming the 40-acre wildcat drilling unit for the U.L. Jones 28-7 #1 Well, Permit No. 16852-B, consisting of the East Half of the Southeast Quarter of the Northwest Quarter and the West Half of the Southwest Quarter of the Northeast Quarter of Section 28, Township 4 North, Range 12 East, Conecuh County, Alabama, to an 80-acre production unit in the Feagin Creek Field consisting of the Southeast Quarter of Northwest Quarter and Southwest Quarter of Northeast Quarter of said Section 28.

This petition is filed as a companion to a petition bearing Docket No. 6-16-14-16 requesting to establish the Feagin Creek Field.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-120

7. DOCKET NO. 8-5-14-13

Continued Petition by ROUNDTREE & ASSOCIATES, 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 amending Rule 1 of the Special Field Rules for the Smiths Church Gas Field to add the South Half of Section 35, Township 3 North, Range 7 East, Escambia County, Alabama, to the field limits of said field.

This petition is filed as a companion to a petition bearing Docket No. 8-5-14-14 requesting approval of an exceptional 640-acre production unit for the Kelly 2-4 #1 Well; a petition bearing Docket No. 8-5-14-15 requesting approval of an exceptional location for the Kelly 2-4 #1 Well on said 640-acre unit; and a petition bearing Docket No. 8-5-14-16 requesting to force pool, with imposition of a risk compensation fee, all tracts and interests in hydrocarbons produced from the Smackover Formation from the Kelly 2-4 #1 Well.

ACTION: Continued, 12/11/2014.

8. DOCKET NO. 9-23-14-06A

Continued 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 (i) amending Rule 1 of the Special Field Rules for the Brooklyn Field, Conecuh and Escambia Counties, Alabama, to add the Northwest Quarter of Section 1 and North Half of Section 2, all in Township 3 North, Range 12 East, Escambia County, Alabama; the West Half of Section 25, North Half and Southeast Quarter of Section 26 and South Half of Section 32, all in Township 4 North, Range 12 East, Conecuh County, Alabama; and the South Half of Section 33 and all of Section 34, all in 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:

Holley 1-4 #1 Well, Permit No. 16905: Northwest Quarter of Section 1, Township 3 North, Range 12 East, Escambia County, Alabama

Cedar Creek Land & Timber 2-2 #1 Well, Permit No. 16844: Northeast Quarter of Section 2, Township 3 North, Range 12 East, Escambia County, Alabama

Cedar Creek Land & Timber 2-4 #1 Well, Permit No. 16798: Northwest Quarter of Section 2, Township 3 North, Range 12 East, Escambia County, Alabama

Bradley 25-5 #1 Well, Permit No. 16943-B: Northwest Quarter of Section 25, Township 4 North, Range 12 East, Conecuh County, Alabama

Bradley 25-12 #1 Well, Permit No. 17025-B: Southwest Quarter of Section 25, Township 4 North, Range 12 East, Conecuh County, Alabama

Benjamin 26-4 Well, Permit No. 17011-B: Northwest Quarter of Section 26, Township 4 North, Range 12 East, Conecuh County, Alabama

Roy Thomas 26-2 Well, Permit No. 16807: Northeast Quarter of Section 26, Township 4 North, Range 12 East, Conecuh County, Alabama

Cedar Creek Land & Timber 32-9 #1 Well, Permit No. 16809: Southeast Quarter of Section 32, Township 4 North, Range 12 East, Conecuh County, Alabama

Cedar Creek Land & Timber 32-11 #1 Well, Permit No. 16956: Southwest Quarter of Section 32, Township 4 North, Range 12 East, Conecuh County, Alabama

Cedar Creek Land & Timber 33-10 #1 Well, Permit No. 17022-B: Southeast Quarter of Section 33, Township 4 North, Range 13 East, Conecuh County, Alabama

Thomasson 33-12 #1 Well, Permit No. 16983-B: Southwest Quarter of Section 33, Township 4 North, Range 13 East, Conecuh County, Alabama

Cedar Creek Land & Timber 34-4 #1 Well, Permit No. 16896: Northwest Quarter of Section 34, Township 4 North, Range 13 East, Conecuh County, Alabama

Cedar Creek Land & Timber 34-2 #1 Well, Permit No. 17043-B: Northeast Quarter of Section 34, 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 Rule 400-1, *et seq.*, of the State Oil and Gas Board of Alabama Administrative Code.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-121

9. DOCKET NO. 9-23-14-10A

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 that the State Oil and Gas Board of Alabama enter an order (a) force pooling, without risk compensation, all tracts and interests in the Southwest Quarter of Section 27, Township 3 North, Range 13 East, Conecuh and Escambia Counties, Alabama, as a 160-acre wildcat unit for the purpose of drilling the Douglas 27-14 No. 1 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 Sections 9-17-1, *et seq.* Ala. Code (1975) (and, in particular, Section 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.

This petition is filed as a companion to a petition bearing Docket No. 9-23-14-11 requesting that the State Oil and Gas Board of Alabama approve an exceptional location for the said Douglas 27-14 No. 1 Well.

ACTION: Dismissed without prejudice, 12/11/2014.
ORDER NO: 2014-122

10. DOCKET NO. 9-23-14-11

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 that the State Oil and Gas Board of Alabama enter an order approving an exceptional location for the proposed Douglas 27-14 No. 1 Well to be drilled to a bottom hole location approximately 484 feet from the South line and 698 feet from the East line of a proposed 160-acre wildcat drilling unit consisting of the Southwest Quarter of Section 27, Township 3 North, Range 13 East, Conecuh and Escambia Counties, Alabama. Said location is an exception to Rule 400-1-2-.02(2)(b) of the *State Oil and Gas Board of Alabama Administrative Code* which requires that such a well be located 660 feet from every exterior boundary of the drilling unit.

This petition is filed as a companion to a petition bearing Docket No. 9-23-14-10 requesting that the State Oil and Gas Board of Alabama force pool all tracts and interests in the proposed drilling unit for the Douglas 27-14 No. 1 Well.

ACTION: Granted, 12/11/2014.
ORDER NO: 2014-123

11. DOCKET NO. 9-23-14-14

Petition by HUGHES EASTERN 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 amending Rule 1 of the Special Field Rules for the Bluff Oil Field, Fayette County, Alabama, to add the Southwest Quarter of the Southwest Quarter of Section 5, Township 14 South, Range 13 West, Fayette County, Alabama to the field limits of said Field.

This petition is filed as a companion to a petition bearing Docket No. 9-23-14-15 requesting to establish a partial field-wide Unit in the Bluff Oil Field to be known as the Northwest Bluff Oil Unit.

ACTION: Continued, 12/11/2014.

12. DOCKET NO. 9-23-14-15A

Petition by HUGHES EASTERN 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 pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, *Code of Alabama* (1975), establishing a partial field-wide oil Unit in the Bluff Oil Field to be known as the "Northwest Bluff Oil Unit," consisting of the hereinafter described "Unit Area" in Fayette County, Alabama, and requiring the operation of said Unit Area as a partial field-wide Unit for pressure maintenance, 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" within the Unit Area for the proposed Northwest Bluff Oil Unit means that strata of the Gilmer and Carter Formations productive of hydrocarbons in the interval between 1,853 feet and 2,120 feet in the #1 Sizemore Fowler 6-16, Well, Permit No. 4517, located in the Southeast Quarter of Section 6, Township 14 South, Range 13 West, Fayette County, Alabama, as defined by the Dual Induction 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 Southwest Quarter of Southwest Quarter of Section 5; Southeast Quarter and East Half of Southwest Quarter of Section 6; Northeast Quarter of Section 7; and Northwest Quarter of Section 8, all in Township 14 South, Range 13 West, Fayette County, Alabama, in the Bluff Oil Field, containing approximately 600 acres, more or less.

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 Hughes Eastern Corporation 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, in accordance with Section 9-17-84, *Code of Alabama* (1975).

Said petition also seeks approval of the amendments to the Special Field Rules for the Bluff Oil Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

That Petitioner has filed a companion petition bearing Docket No. 9-23-14-14 requesting to amend Rule 1 of the Special Field Rules for the Bluff Oil Field to add the Southwest Quarter of the Southwest Quarter of Section 5, Township 14 South, Range 13 West, Fayette County, Alabama, to the Field.

ACTION: Continued, 12/11/2014.

13. DOCKET NO. 12-9-14-01

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 that the State Oil and Gas Board of Alabama enter an order (i) amending Rule 1 of the Special Field Rules for the Brooklyn Field to add the Southwest Quarter of Section 36, Township 4 North, Range 12 East, Conecuh County, Alabama, to the field limits of said field, and (ii) establishing the final 160-acre production unit, which is the same as the 160-acre drilling unit, for the following well:

Kennedy 36-12 No. 1 Well, permit number 16827, the drilling unit for which consists of the Southwest Quarter of Section 36, Township 4 North, Range 12 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.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-124

14. DOCKET NO. 12-9-14-02

Petition by GOLDSTON OIL CORPORATION, a Texas 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 40-acre wildcat drilling unit for the proposed Holmes 21-13 #1 Well. Said unit to consist of the South Half of the Southwest Quarter of the Southwest Quarter of Section 21, and the North Half of the Northwest Quarter of the Northwest Quarter of Section 28, Township 12 North, Range 4 West, Choctaw County, Alabama. The proposed drilling unit 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 a 40-acre drilling unit be drilled on a governmental quarter-quarter section.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-125

15. DOCKET NO. 12-9-14-03

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving the exceptional location of the RGGGS 32-13-25 Well, Permit No. 17114-CG, a gob well to be drilled in the Southwest Quarter of the Southwest Quarter of Section 32, Township 19 South, Range 6 West, Tuscaloosa County, Alabama, in Unit VI-B of the Oak Grove Coal Degasification Field. The location of the RGGGS 32-13-25 Well is an exception to Rule 4B of the Special Field Rules for the Oak Grove Coal Degasification Field which requires, among other things, that all coal degasification wells be located at least 300 feet from any other coal degasification well, and the proposed location of said gob well is only 294 feet from the Belcher 05-04-549 Well, Permit No. 15746-C, which is located in Unit IV of the Brookwood Coal Degasification Field. Said location is also an exception to Rule 18 of the Special Field Rules for said Field which requires that wells be located at least 300 feet from every exterior boundary of the Field and the proposed location for said well is 178 feet from the South boundary of said Field.

This request was previously granted by the Board by Emergency Order No. 2014-106 issued on November 6, 2014.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-126

16. DOCKET NO. 12-9-14-04

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, located in Section 36, Township 1 North, Range 8 East, 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 this well because said well is capable of producing and should not be plugged.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-127

17.DOCKET NO. 12-9-14-05

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 Scott Paper Co. Gas Unit 3-1 Well, Permit No. 3714, located in Section 3, Township 1 North, Range 7 East, 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 said well because it is capable of producing and should not be plugged.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-128

18.DOCKET NO. 12-9-14-06

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 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.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-129

19.DOCKET NO. 12-9-14-07

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 that the State Oil and Gas Board of Alabama enter an order (a) reforming the 40-acre drilling unit for the Cedar Creek Land & Timber 24-1 #1 Well, Permit No. 17058-B, consisting of the Northeast Quarter of the Northeast Quarter of Section 24, Township 3 North, Range 10 East, Escambia County, Alabama, to a 160-acre unit consisting of the Northeast Quarter of Section 24, Township 3 North, Range 10 East, Escambia County, Alabama, and (b) approving said unit as the permanent production unit for said well.

This petition is filed pursuant to Rule 400-7-1-.01, et seq., of the State Oil and Gas Board of Alabama Administrative Code and Section 9-17-1, et seq., of the Code of Alabama (1975).

This petition is filed as a companion to (a) a petition bearing Docket No. 12-9-14-10 requesting that the State Oil and Gas Board of Alabama establish the Kirkland Field in Escambia County, Alabama, and (b) a petition bearing Docket No. 12-9-14-11 requesting that the State Oil and Gas Board approve an exceptional location for the Cedar Creek Land & Timber 24-1 #1 Well.

ACTION: Continued with the stipulation that the temporary allowable for the Cedar Creek Land & Timber 24-1 #1 well is extended until the next regularly scheduled meeting of the Board.

20.DOCKET NO. 12-9-14-08

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 that the State Oil and Gas Board of Alabama enter an order (a) force pooling, with risk compensation, all tracts and interests in the Southwest Quarter of Section 27, Township 3 North, Range 13 East, Conecuh and Escambia Counties, Alabama, as a 160-acre wildcat unit for the purpose of drilling the Douglas 27-14 No. 1 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 Sections 9-17-1, et seq. Ala. Code (1975) (and, in particular, Section 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.

This petition is filed as a companion to a petition bearing Docket No. 9-23-14-11B requesting that the State Oil and Gas Board of Alabama approve an exceptional location for the said Douglas 27-14 No. 1 Well.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-130

21.DOCKET NO. 12-9-14-09

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, 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 Norphlet formation from the re-entry of the Jones Trust 21-7 No. 1 Well on a 320-acre production unit to consist of the North Half of Section 21, Township 1 North, Range 9 East, Escambia County, Alabama, in the Jernigan Mill 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.

ACTION: Granted, 12/11/2014.

ORDER NO: 2014-131

22.DOCKET NO. 12-9-14-10

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 that the State Oil and Gas Board of Alabama enter an order establishing a new oil field in Escambia County, Alabama, to be named the Kirkland 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 Northeast Quarter of Section 24, Township 3 North, Range 10 East, Escambia County, Alabama.

The Smackover Oil Pool in the proposed Kirkland Field is defined as those strata of the Smackover Formation productive of hydrocarbons in the interval between 12,985 feet measured depth (MD) and 13,052 feet measured depth (MD) in the Cedar Creek Land & Timber 24-1 #1 Well, Permit No. 17058-B, as defined by the Schlumberger Platform Express Compensated Neutron / Lithodensity-Array Induction / Dipole Sonic / GR / SP / ML (8/21/2014) measured depth log for said well, including those strata which can be correlated therewith, and all zones in communication therewith and all productive extensions thereof.

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

This petition is filed pursuant to Rule 400-1-1-.07 and Rule 400-7-.01, et seq., of the State Oil and Gas Board of Alabama Administrative Code and Section 9-17-1, et seq., of the Code of Alabama (1975).

This petition is filed as a companion to (a) a petition bearing Docket No. 12-9-14-07 requesting that the State Oil and Gas Board of Alabama reform the Cedar Creek Land & Timber 24-1 #1 Well, Permit No. 17058-B, from a 40-acre wildcat drilling unit to a 160-acre permanent production unit and (b) a petition bearing Docket No. 12-9-14-11 requesting that the State Oil and Gas Board approve an exceptional location for the Cedar Creek Land & Timber 24-1 #1 Well.

ACTION: Continued with the stipulation that the temporary allowable for the Cedar Creek Land & Timber 24-1 #1 well is extended until the next regularly scheduled meeting of the Board.

23.DOCKET NO. 12-9-14-11

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 that the State Oil and Gas Board of Alabama enter an order approving an exceptional location for the Cedar Creek Land & Timber 24-1 #1 Well, Permit No. 17058-B, at a bottom hole location approximately 330 feet from the East line and 990 feet from the North line of a proposed 160-acre production unit consisting of the Northeast Quarter of Section 24, Township 3 North, Range 10 East, Escambia County, Alabama. Said location is an exception to the spacing rules proposed by Petitioner for the Kirkland Field, which require that such a well be located 660 feet from every exterior boundary of the production unit.

This petition is filed pursuant to Rule 400-1-2-.02(g), et seq., of the State Oil and Gas Board of Alabama Administrative Code and Section 9-17-12(c), et seq. of the Code of Alabama (1975).

This petition is filed as a companion to (a) a petition bearing Docket No. 12-9-14-10 requesting that the State Oil and Gas Board of Alabama establish the Kirkland Field in Escambia County, Alabama, and (b) a petition bearing Docket No. 12-9-14-07 requesting that the State Oil and Gas Board reform the Cedar Creek Land & Timber 24-1 #1 Well, Permit No. 17058-B, from a 40-acre wildcat drilling unit to a 160-acre permanent production unit.

ACTION: Continued with the stipulation that the temporary allowable for the Cedar Creek Land & Timber 24-1 #1 well is extended until the next regularly scheduled meeting of the Board.

Hearings of the State Oil and Gas Board are public hearings, and members of the public are invited to attend and present their position concerning petitions. For additional information, you may contact Marvin Rogers, General Counsel for the State Oil and Gas Board,

P.O. Box 869999, Tuscaloosa, Alabama 35486-6999, Telephone Number (205) 247-3680, Fax Number (205) 349-2861, or by email at mrogers@ogb.state.al.us. Requests to continue or oppose a petition should be received by the Board at least two (2) days prior to the hearing. The public should be aware that a petition may be set for hearing on the first day or second day of the hearing or may be continued to another hearing at a later date. We suggest that prior to the hearing, interested parties contact the Board to determine the status of a particular petition.