

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
JUNE 19 & 21, 2006

1. DOCKET NO. 9-28-05-4A

Continued amended petition by S. LAVON EVANS, JR. OPERATING COMPANY, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, without imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the Earnest 26-15 #1 Well, Permit No. 13133, located on a 320-acre drilling unit consisting of the South Half of Section 26, Township 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Wiley Dome Field.

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

BOARD ACTION: Continued 6-21-06

2. DOCKET NO. 9-28-05-5A

Continued amended petition by S. LAVON EVANS, JR. OPERATING COMPANY, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, without imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the Earnest 26-14 #1 Well, Permit No. 13905, located on a 320-acre unit consisting of the South Half of Section 26, Township 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Wiley Dome Field.

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

BOARD ACTION: Continued 6-21-06

3. DOCKET NO. 11-2-05-11

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Lower Carter Sand in the proposed re-entry of the Clarence C. Day 1-9 #1 Well, Permit No. 4677, located on a 320-acre unit consisting of the East Half of Section 1, Township 17 South, Range 16 West, Lamar County, Alabama, in the Mud Creek Field.

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

The above-referenced unit was established by the Board in Order No. 2005-105, on September 30, 2005.

BOARD ACTION: Continued 6-21-06

4. DOCKET NO. 12-14-05-6A

Continued amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order amending Rule 1 of the Special Field Rules for the Board Tree Branch Field, Pickens County, Alabama, in order to delete the North Half of Section 19, Township 18 South, Range 14 West, Pickens County, Alabama from the field limits of said field.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-76

5. DOCKET NO. 12-14-05-7A

Continued amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order amending Rule 1 of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama, in order to add the East Half of Section 3, Township 19 South, Range 14 West; the North Half of Section 19, all of Section 32, and the West Half of Section 33, all in Township 18 South, Range 14 West, Pickens County, Alabama to the field limits of said field.

Petitioner is requesting that the drilling units for the Howard 3-16 #2 Well, Permit No. 13636, Winters 19-4 #1 Well, Permit No. 4765-A-1, McDaniel 32-11 #1 Well, Permit No. 4404-A, Carpenter 32-10 #1 Well, Permit No. 13641 and Richardson 33-13 #1 Well, Permit No. 5630-A, be approved as permanent production units in the Coal Fire Creek Field.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-77

6. DOCKET NO. 1-31-06-12

Continued petition by MIDROC OPERATING COMPANY, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order finding that the contribution of the separately owned Tracts in the Little Cedar Creek Oil Unit have been shown to be erroneous by subsequently discovered productivity data from the Little Cedar Creek Land & Timber 21-12 Well, Permit No. 14270, said well having a surface location in Section 21, Township 4 North, Range 12 East, Conecuh County, Alabama, in the Little Cedar Creek Field. The Unit Operator has calculated the new Tract participation factors to reflect the altered Tract contribution and requests the Board to approve the revised Tract participation factors of each Tract in the Little Cedar Creek Oil Unit in Conecuh County, Alabama.

The redetermination of Unit Tract participation factors for the Little Cedar Creek Oil Unit, Conecuh County, Alabama, is in accordance with the provisions of the Unit Agreement and Section 9-17-86 of the Code of Alabama (1975).

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-79

7. DOCKET NO. 1-31-06-17

Continued petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the RGGS 33-08-89 Well, Permit No. 13503-C, from an 80-acre unit consisting of the South Half of the Northeast Quarter of Section 33, Township 21 South, Range 4 West, Shelby County, Alabama in the Gurnee Coal Degasification Field to a 40-acre unit consisting of the Southeast Quarter of the Northeast Quarter of said Section 33.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-80

8. DOCKET NO. 1-31-06-23

Continued petition by LOCAL, 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 reforming the unit for the Richards 23-5 #1 Well, Permit No. 12294-A, from a 320-acre gas unit consisting of the North Half of Section 23, Township 16 South, Range 15 West, Lamar County, Alabama, in the East Mt. Zion Gas Field to a 40-acre oil unit consisting of the Southwest Quarter of the Northwest Quarter of said Section 23.

The Board established the East Mt. Zion Gas Field by Order 2002-34, dated April 19, 2002, and Petitioner alleges that the Richards 23-5 # 1 Well currently produces as an oil well and should not be classified as a gas well. Although Petitioner requests the Board to eliminate certain lands from the present 320-acre gas unit, Petitioner proposes to drill one or more additional oil wells as warranted in the lands proposed to be eliminated.

This petition is a companion to petition bearing Docket No. 1-31-06-24 requesting establishment of a new oil field in Lamar County, Alabama.

BOARD ACTION: Continued 6-21-06

9. DOCKET NO. 1-31-06-24

Continued petition by LOCAL, 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 oil field to be known as the East Mt. Zion Oil Field, or by such other name as the Board deems appropriate and to adopt Special Field Rules therefor. The proposed field, as underlain by the Lewis Sand Oil Pool, consists of the North Half of Section 23, Township 16 South, Range 15 West, Lamar County, Alabama.

The Lewis Sand Oil Pool should be defined as that interval of the Lewis Sand Formation productive of hydrocarbons between 4,924 feet and 4,940 feet, as indicated on the Dual Induction Log of the Richards 23-5 #1 Well, Permit No. 12294-A, located 360 feet FNL and 660 feet FWL of the proposed 40-acre unit for said well consisting of the Southwest Quarter of the Northwest Quarter of said Section 23 in Lamar County, Alabama. Petitioner is requesting well spacing of a governmental quarter-quarter section containing approximately 40 acres, and is also requesting the establishment of allowables for said field.

This petition is a companion to petition bearing Docket No. 1-31-06-23 requesting reformation of the 320-acre gas unit for the Richards 23-5 #1 Well, Permit No. 12294-A, to a 40-acre oil unit.

BOARD ACTION: Continued 6-21-06

10. DOCKET NO. 3-7-06-10A

Continued amended petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Champion 8-7-248 Well, Permit No. 11693-C, from an 80-acre unit consisting of the West Half of the Northeast Quarter of Section 8, Township 20 South, Range 8 West, Tuscaloosa County, Alabama, in the Brookwood Coal Degasification Field to a 40-acre unit consisting of the Southwest Quarter of the Northeast Quarter of said Section 8.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Continued 6-21-06

11. DOCKET NO. 4-25-06-5

Continued petition by ROBINSON'S BEND OPERATING II, LLC, 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 reforming the unit for the Findley #21-2-89 Well, Permit No. 7843-C, from an 80-acre unit consisting of the Northwest Quarter of the Northeast Quarter and the Northeast Quarter of the Northwest Quarter of Section 21, Township 21 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Northwest Quarter of the Northeast Quarter of said Section 21.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Continued 6-21-06

12. DOCKET NO. 4-25-06-6

Continued petition by ROBINSON'S BEND OPERATING II, LLC, 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 reforming the unit for the Findley #20-8-248 Well, Permit No. 9342-C, from an 80-acre unit consisting of East Half of the Northeast Quarter of Section 20, Township 21 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Southeast Quarter of the Northeast Quarter of said Section 20.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Continued 6-21-06

13. DOCKET NO. 4-25-06-11

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

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

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

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

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

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

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

The previously granted temporarily abandoned status expires on April 27, 2006, and Petitioner is requesting this Board to grant a one year extension of the temporarily abandoned status beginning April 27, 2006 because all of the wells in the aforementioned Sections have future utility and should not be plugged.

BOARD ACTION: Granted 6-21-06
ORDER NO. 2006-81

14. DOCKET NO. 4-25-06-12

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

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

The previously granted temporarily abandoned status expires on April 27, 2006, and Petitioner is requesting this Board to grant a one year extension of the temporarily abandoned status beginning April 27, 2006 because these wells in the aforementioned Section have future utility and should not be plugged.

BOARD ACTION: Granted 6-21-06
ORDER NO. 2006-82

15. DOCKET NO. 4-25-06-14B

Continued amended petition by SAGA PETROLEUM, LLC, an Alabama limited liability company, requesting the State Oil and Gas Board to enter an order pursuant to Sections 9-17-1 through 9-17-33, *Code of Alabama* (1975), particularly Section 9-17-13 (e), of said Code, approving and establishing a voluntary partial field-wide Unit, to be known as Unit VI, consisting of the hereinafter described "Unit Area" in the Oak Grove Coal Degasification Field, Jefferson and Tuscaloosa Counties, Alabama, and approving the operation of said Unit Area as a single partial field-wide Unit in order to avoid the drilling of unnecessary wells, increase the efficiency of operations and improve the ultimate recovery of occluded natural gas from the Unitized Formation, as hereinafter defined, and avoid waste. Petitioner avers that the proposed Unit Area is a geologically defined area suitable for the formation of a voluntary partial field-wide Unit.

The "Unitized Formation" is to be designated and defined as the productive coal seams in the Pottsville Formation found between the depths of 350 feet and 2,990 feet as encountered in the USS 32-14-13 Well, Permit No. 14085-C, located in Section 32, Township 18 South, Range 5 West, Jefferson County, Alabama, as indicated on the Hi Res Density Neutron log of said well, and all zones in communication therewith and all productive extensions thereof, including any coal seam stringer that might occur within a depth of either 80 feet above or 80 feet below the Unitized Formation, and including those coal seams which can be correlated therewith. This voluntary Unit has been approved by 100% of the working interest owners and by 100% of the royalty owners.

The proposed voluntary Unit Area to be designated Unit VI, containing approximately 844 acres, consists of the following described parcels in Jefferson County, Alabama:

Township 18 South, Range 5 West

Section 20: Acreage 27.50

That part of the Southeast $\frac{1}{4}$ of Southwest $\frac{1}{4}$ and Southwest $\frac{1}{4}$ of Southeast $\frac{1}{4}$ described as follows:

Begin at the southeast corner of said Southeast $\frac{1}{4}$ of Southwest $\frac{1}{4}$ of Section 20; thence west along the south boundary of said quarter-quarter section 330 feet; thence in a northwesterly direction along a straight line to intersection with the north boundary of said quarter-quarter section at a point 495 feet west of the northeast corner thereof; thence east along said north boundary and the north boundary of said Southwest $\frac{1}{4}$ of Southeast $\frac{1}{4}$, 825 feet; thence in a southeasterly direction to the southeast corner of the Southwest $\frac{1}{4}$ of Southwest $\frac{1}{4}$ of Southeast $\frac{1}{4}$; thence west along the south boundary of said quarter-quarter-quarter section to the point of beginning.

Section 28: Acreage 30.00

That part of the Southwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$ and West $\frac{1}{2}$ of Southwest $\frac{1}{4}$ described as follows:

Begin at the southwest corner of said Section 28; thence north along the west boundary of said section to the northwest corner of said Southwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$; thence in a southeasterly direction along a straight line to the southeast corner of the Southwest $\frac{1}{4}$ of Southwest $\frac{1}{4}$ of Southwest $\frac{1}{4}$; thence west along the south boundary of said Section 28 to the point of beginning.

Section 29: Acreage 290.00

That part of the East $\frac{1}{2}$ of section and East $\frac{1}{2}$ of Northwest $\frac{1}{4}$ described as follows:

Begin at the southeast corner of said Section 29; thence west along the south boundary of said section to a point 330 feet east of the southwest corner of said East $\frac{1}{2}$ of section; thence in a northwesterly direction along a straight line to intersection with the north boundary of said section at a point 330 feet west of the northeast corner of said East $\frac{1}{2}$ of Northwest $\frac{1}{4}$; thence east along the north boundary of said Section 29 to the northeast corner of the Northwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$ of Northeast $\frac{1}{4}$; thence in a southeasterly direction along a straight line to the northeast corner of the Southeast $\frac{1}{4}$ of Northeast $\frac{1}{4}$; thence south along the east boundary of said Section 29 to the point of beginning.

Section 32: Acreage 370.00

The East ½ of Northeast ¼; the East ½ of Southwest ¼; the Southeast ¼; and that part of the West ½ of Northeast ¼ described as follows:

Begin at the northeast corner of said West ½ of Northeast ¼; thence south along the east boundary of said West ½ of Northeast ¼ section to the southeast corner thereof; thence west along the south boundary of said West ½ of Northeast ¼ section to the southwest corner of the Southeast ¼ of Southwest ¼ of Northeast ¼; thence in a northwesterly direction along a straight line to intersection with the north boundary of said West ½ of Northeast ¼ at a point 330 feet east of the northwest corner of said West ½ of Northeast ¼ section; thence east along said north boundary to the point of beginning.

Section 33: Acreage 126.50

That part of the West ½ of Northwest ¼ and North ½ of Southwest ¼ described as follows:

Begin at the northwest corner of said Section 33; thence east along the north boundary of said section to the northeast corner of the Northwest ¼ of NW ¼ of Northwest ¼; thence in a southeasterly direction along a straight line to the southeast corner of said West ½ of Northwest ¼; thence continue in a southeasterly direction along a projection of the last described course to intersection with southeasterly boundary of the Northwest-diagonal-1/2 of the Northeast ¼ of Southwest ¼; thence in a southwesterly direction along the southeasterly boundary of said Northwest diagonal-1/2 to the southeast corner of the Northwest ¼ of Southwest ¼; thence in a westerly direction along the south boundary of said quarter-quarter section to the southwest corner thereof; thence north along the west boundary said Section 33 to the point of beginning; and

The Northwest-diagonal-1/2 of the Southwest ¼ of Southwest ¼.

BOARD ACTION: Granted 6-21-06
ORDER NO. 2006-83

16. DOCKET NO. 4-25-06-20

Continued petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the RGGGS 36-08-235 Well to be drilled on an 80-acre unit consisting of the East Half of the Northeast Quarter of Section 36, Township 20 South, Range 4 West, Shelby County, Alabama, in the Gurnee Coal Degasification Field.

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

BOARD ACTION: Continued 6-21-06

17. DOCKET NO. 4-25-06-21

Continued petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the RGGGS 9-16-484 Well to be drilled on an 80-acre unit consisting of the East Half of the Southeast Quarter of Section 9, Township 21 South, Range 4 West, Shelby County, Alabama, in the Gurnee Coal Degasification Field.

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

BOARD ACTION: Continued 6-21-06

18. DOCKET NO. 4-25-06-22

Continued petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the RGGGS 2-05-447 Well to be drilled on an 80-acre unit consisting of the West Half of the Northwest Quarter of Section 2, Township 21 South, Range 4 West, Shelby County, Alabama, in the Gurnee Coal Degasification Field.

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

BOARD ACTION: Continued 6-21-06

19. DOCKET NO. 4-25-06-23

Continued petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the RGGGS 3-01-448 Well to be drilled on an 80-acre unit consisting of the North Half of the Northeast Quarter of Section 3, Township 21 South, Range 4 West, Shelby County, Alabama, in the Gurnee Coal Degasification Field.

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

BOARD ACTION: Continued 6-21-06

20. DOCKET NO. 4-25-06-24

Continued petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the RGGGS 14-11-463 Well to be drilled on an 80-acre unit consisting of the East Half of the Southwest Quarter of Section 14, Township 22 South, Range 5 West, Bibb County, Alabama, in the Gurnee Coal Degasification Field.

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

BOARD ACTION: Continued 6-21-06

21. DOCKET NO. 4-25-06-25

Continued petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the RGGGS 23-3-205 Well to be drilled on an 80-acre unit consisting of the North Half of the Northwest Quarter of Section 23, Township 22 South, Range 5 West, Bibb County, Alabama, in the Gurnee Coal Degasification Field.

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

BOARD ACTION: Continued 6-21-06

22. DOCKET NO. 4-25-06-26

Continued petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the RGGGS 23-5-207 Well to be drilled on an 80-acre unit consisting of the South Half of the Northwest Quarter of Section 23, Township 22 South, Range 5 West, Bibb County, Alabama, in the Gurnee Coal Degasification Field.

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

BOARD ACTION: Continued 6-21-06

23. DOCKET NO. 4-25-06-27

Continued petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the RGGGS 22-9-232 Well to be drilled on an 80-acre unit consisting of the North Half of the Southeast Quarter of Section 22, Township 22 South, Range 5 West, Bibb County, Alabama, in the Gurnee Coal Degasification Field.

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

BOARD ACTION: Continued 6-21-06

24. DOCKET NO. 4-25-06-28

Continued petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the RGGGS 22-15-233 Well to be drilled on an 80-acre unit consisting of the South Half of the Southeast Quarter of Section 22, Township 22 South, Range 5 West, Bibb County, Alabama, in the Gurnee Coal Degasification Field.

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

BOARD ACTION: Continued 6-21-06

25. DOCKET NO. 6-19-06-1

Petition by MIDROC OPERATING COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order finding that the contribution of the separately owned Tracts in the Little Cedar Creek Oil Unit have been shown to be erroneous by subsequently discovered pore volume data from a well in the Little Cedar Creek Oil Unit, namely, the Cedar Creek Land & Timber 21-10 Well, Permit No. 14358, said well having a surface location in Section 21, Township 4 North, Range 12 East, Conecuh County, Alabama, in the Little Cedar Creek Field. The Unit Operator has calculated the new Tract participation factors to reflect the altered Tract contribution and requests the Board to approve the revised Tract participation factors of each affected Tract in the Little Cedar Creek Oil Unit in Conecuh County, Alabama.

The redetermination of Unit Tract participation factors for the Little Cedar Creek Oil Unit, Conecuh County, Alabama, is in accordance with the provisions of the Unit Agreement and Section 9-17-86 of the Code of Alabama (1975).

This petition is filed as a companion to petition bearing Docket No. 6-19-06-2 requesting redetermination of Unit Tract participation for the Little Cedar Creek Oil Unit based on subsequently discovered productivity data from the Cedar Creek Land & Timber 21-10 well.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-79

26. DOCKET NO. 6-19-06-2

Petition by MIDROC OPERATING COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order finding that the contribution of the separately owned Tracts in the Little Cedar Creek Oil Unit have been shown to be erroneous by subsequently discovered productivity data from a well in the Little Cedar Creek Oil Unit, namely, the Cedar Creek Land & Timber 21-10 Well, Permit No. 14358, said well having a surface location in Section 21, Township 4 North, Range 12 East, Conecuh County, Alabama, in the Little Cedar Creek Field. The Unit Operator has calculated the new Tract participation factors to reflect the altered Tract contribution and requests the Board to approve the revised Tract participation factors of each affected Tract in the Little Cedar Creek Oil Unit in Conecuh County, Alabama.

The redetermination of Unit Tract participation factors for the Little Cedar Creek Oil Unit, Conecuh County, Alabama, is in accordance with the provisions of the Unit Agreement and Section 9-17-86 of the Code of Alabama (1975).

This petition is filed as a companion to a petition bearing Docket No. 6-19-06-1 requesting redetermination of Unit Tract participation for the Little Cedar Creek Oil Unit based on subsequently discovered pore volume data from the Cedar Creek Land & Timber 21-10 well.

BOARD ACTION: Continued 6-21-06

27. DOCKET NO. 6-19-06-3

Petition by MIDROC OPERATING COMPANY, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order amending Rule 1 of the Special Field Rules for the Little Cedar Creek Field to add the following described parcels to the field limits of said field:

Township 4 North, Range 12 East
Conecuh County
North Half of North Half of Section 28

Township 4 North, Range 13 East
Conecuh County
South Half and Northwest Quarter of Section 7
All of Sections 18 and 19.

This petition is filed as a companion to petition bearing Docket No. 6-19-06-4 requesting an order enlarging the Unit Area of the Little Cedar Creek Oil Unit.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-78

28. DOCKET NO. 6-19-06-4A

Amended petition by MIDROC OPERATING COMPANY, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order amending Rule 16 of the Special Field Rules for the Little Cedar Creek Field by enlarging the "Unit Area" of the Little Cedar Creek Oil Unit as described in the Unit Agreement and Board Order No. 2004-140 to include the North Half of the North Half of Section 28, Township 4 North, Range 12 East, Conecuh County, Alabama so that, as enlarged, the Unit Area will consist of the following:

All of Sections 14, 15 and 16; South Half of Section 17; all of Sections 19, 20 and 21; North Half and North Half of South Half of Sections 22 and 23; North Half of the North Half of Section 28; North Half of Sections 29 and 30; all in Township 4 North, Range 12 East, Conecuh County, Alabama, in the Little Cedar Creek Field, containing approximately 5,910.33 acres, more or less.

This request is in accordance with Article 11 of the Unit Agreement and said proposed enlargement is subject to approval by the owners of at least sixty-six and two-thirds percent (66 2/3%) in interests as costs are shared, and by at least sixty-six and two-thirds percent (66 2/3%) in interests of royalty and overriding royalty owners in the area to be added to the Little Cedar Creek Oil Unit.

This petition is filed as a companion to petition bearing Docket No. 6-19-06-3 requesting an amendment to Rule 1 of the Special Field Rules for the Little Cedar Creek Field to add to the field limits.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-79

29. DOCKET NO. 6-19-06-5

Petition by ROBINSON'S BEND OPERATING II, LLC, 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 reforming the unit for the Maxwell Crossing B11 11-1 #631 Well, Permit No. 8186-C, from an 80-acre unit consisting of the East Half of the Northeast Quarter of Section 11, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Northeast Quarter of the Northeast Quarter of said Section 11.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Continued 6-21-06

30. DOCKET NO. 6-19-06-6

Petition by ROBINSON'S BEND OPERATING II, LLC, 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 reforming the unit for the Maxwell Crossing A11 2-15 #679 Well, Permit No. 8505-C, from an 80-acre unit consisting of the West Half of the Southeast Quarter of Section 2, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Southwest Quarter of the Southeast Quarter of said Section 2.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Continued 6-21-06

31. DOCKET NO. 6-19-06-7

Petition by ENSIGHT III ENERGY MANAGEMENT, 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 force pooling, with imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation in a 160-acre wildcat oil unit, consisting of the Northwest Quarter of Section 35, Township 4 North, Range 14 East, Covington County, Alabama, for the drilling of its proposed Rall 35-4 No. 1 Well.

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

BOARD ACTION: Dismissed 6-21-06

ORDER NO. 2006-84

32. DOCKET NO. 6-19-06-8

Petition by MAYNE & MERTZ, INC., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order reforming the drilling unit for the Newby 27-9 Well, Permit No. 14232-B from a 160-acre unit consisting of the West Half of the Southwest Quarter of Section 26 and the East Half of the Southeast Quarter of Section 27, Township 1 North, Range 8 East, Escambia County, Alabama, in the Fanny Church Field, to a 170-acre production unit consisting of the East Half of the Southeast Quarter of Section 27 and the West Half of the Southwest Quarter and Northwest Quarter of the Northeast Quarter of the Southwest Quarter of Section 26, Township 1 North, Range 8 East. Petitioner's request is an exception to Rule 3(a) regarding the spacing of wells in the Special Field Rules for Fanny Church Field.

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

BOARD ACTION: Continued 6-21-06

33. DOCKET NO. 6-19-06-9

Petition by MAYNE & MERTZ, INC., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover and Norphlet formations in a 640-acre wildcat gas unit, consisting of Section 8, Township 1 North, Range 9 East, Escambia County, Alabama, for the drilling of its proposed Thompson 8-11 No. 1 Well.

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 6-21-06

34. DOCKET NO. 6-19-06-10

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 reforming the unit for the Blackstone 31-7 #1 Well, Permit No. 14320, from a 40-acre wildcat unit 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 31, Township 10 North, Range 4 West, Choctaw County, Alabama, to a 160-acre drilling and production unit consisting of the West Half of the Northeast Quarter and the East Half of the Northwest Quarter of Section 31, Township 10 North, Range 4 West, Choctaw County, Alabama, in the Gin Creek Field.

The proposed reformed 160-acre drilling and production unit will be an exception to Rule 3(a) of the Special Field Rules for the Gin Creek Field which states, in part, that wells in said Field shall be drilled on a unit consisting of a governmental quarter section.

This petition is filed as a companion to a petition bearing Docket No. 6-19-06-11 requesting approval of an exceptional location for the Blackstone 31-7 #1 Well, and a petition bearing Docket No. 6-19-06-12 requesting the forced pooling, without imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Oil Pool from the said Well.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-85

35. DOCKET NO. 6-19-06-11

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 for approval of exceptional surface and bottom hole locations for the Blackstone 31-7 #1 Well, Permit No. 14320, on a proposed reformed 160-acre drilling and production unit consisting of the West Half of the Northeast Quarter and the East Half of the Northwest Quarter of Section 31, Township 10 North, Range 4 West, Choctaw County, Alabama, in the Gin Creek Field. The surface location of said well on the proposed reformed 160-acre unit is 2,314 feet from the North line (330 feet from the South line of said 160-acre unit), and 2,387 feet from the East line, with a bottom hole location at the productive interval 2,380 feet from the East line and 471 feet from the South line of said 160-acre drilling and production unit, and, as such, is an exception to Rule 3(b) of the Special Field Rules for the Gin Creek Field. Rule 3(b) requires all such wells to be located at least six hundred sixty (660) feet from every exterior boundary of the drilling unit.

This petition is filed as a companion to a petition bearing Docket No. 6-19-06-10 requesting reformation of a 40-acre wildcat drilling unit to a 160-acre drilling and production unit in the Gin Creek Field, and a petition bearing Docket No. 6-19-06-12 requesting the forced pooling, without imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Oil Pool from the said Well.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-86

36. DOCKET NO. 6-19-06-12

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 force pooling, without imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Oil Pool from Petitioner's Blackstone 31-7 #1 Well, Permit No. 14320, located on a proposed reformed 160-acre unit consisting of the West Half of the Northeast Quarter and the East Half of the Northwest Quarter of Section 31, Township 10 North, Range 4 West, Choctaw County, Alabama, in the Gin Creek Field.

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

This petition is filed as a companion to a petition bearing Docket No. 6-19-06-10 requesting reformation of a 40-acre wildcat drilling unit to a 160-acre drilling and production unit in the Gin Creek Field, and a petition bearing Docket No. 6-19-06-11 requesting approval of an exceptional location for said well.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-87

37. DOCKET NO. 6-19-06-13

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from coalbeds in the Pottsville Formation in the Jolen 22-02-781 Well, Permit No. 14618-C, to be located on an 80-acre unit consisting of the North Half of the Northeast Quarter of Section 22, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field.

All tracts and interests in the 80-acre unit described above have been previously forced pooled, with imposition of the risk compensation fee, by Board Order No. 2006-58 issued on April 27, 2006, and Petitioner amended the location of said well and now requests that the Board terminate and rescind said Order 2006-58.

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: Granted 6-21-06

ORDER NO. 2006-88

38. DOCKET NO. 6-19-06-14

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the Newman 27-07-06 Well, Permit No. 14495, located on a 40-acre wildcat unit consisting of the Southwest Quarter of the Northeast Quarter of Section 27, Township 13 South, Range 4 East, St. Clair County, Alabama, as an exception to Rule 400-1-2-.02(2)(a) of the State Oil and Gas Board of Alabama Administrative Code.

Said Rule requires that wells be located at least 330 feet from every exterior boundary of a drilling unit, and the bottom hole location of the aforementioned well is only 142 feet from the West line and 76 feet from the North line of said 40-acre unit and, as such, is an exception to said Rule.

This request was previously approved by the Board by Order No. E-2006-73 issued on May 22, 2006.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-89

39. DOCKET NO. 6-19-06-15

Petition by MURPHY EXPLORATION & PRODUCTION COMPANY-USA, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the Parker 3-16 No. 1 Well, Permit No. 14371, located on a 40-acre wildcat unit consisting of the Southeast Quarter of the Southeast Quarter of Section 3, Township 22 South, Range 16 West, Pickens County, Alabama, at a surface location 330 feet from the North line and 330 feet from the West line of said 40-acre unit, and a bottom hole location 129 feet from the North line and 340 feet from the West line of said Southeast Quarter of Southeast Quarter of said Section 3. Said bottom hole location is an exception to Rule 400-1-2-.02(2)(a) of the State Oil and Gas Board of Alabama Administrative Code, as said Rule requires that wells be located at least 330 feet from every exterior boundary of a drilling unit, and the bottom hole location of the aforementioned well is only 129 feet from the North line of said 40-acre drilling unit.

Petitioner intends to test an interval in said well at a depth that is 111 feet from the North line of said Southeast Quarter of the Southeast Quarter of said Section 3.

This request was previously approved by the Board by Order No. E-2006-74 issued on May 22, 2006.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-90

40. DOCKET NO. 6-19-06-16

Petition by JABSCO OIL OPERATING, LLC, an Alabama limited liability company, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from formations of Mississippian and Pennsylvanian Age, from the re-entry of the B. Hutto #22-13 Well, Permit No. 2656, located on a 320-acre unit consisting of the West Half of Section 22, Township 15 South, Range 13 West, Fayette County, Alabama, in the West Fayette Field.

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

BOARD ACTION: Dismissed 6-21-06

ORDER NO. 2006-91

41. DOCKET NO. 6-19-06-17A

Amended petition by MOON-HINES-TIGRETT OPERATING CO., INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving an amendment to Rule 3(b) of the Special Field Rules for Lubbub Creek Field, Pickens County, Alabama, to delete the requirement that wells drilled in said Field be located at least 2,000 feet from any other drilling or completed gas well producing from the same gas pool.

This request was previously approved by Board Order No. E-2006-71, issued on April 27, 2006.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-92

42. DOCKET NO. 6-19-06-18

Petition by PALMER PETROLEUM, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Haynesville and Smackover Formations in Petitioner's proposed Lancaster 12-8 No. 1 Well to be drilled on a 160-acre wildcat unit consisting of the Northeast Quarter of Section 12, Township 5 North, Range 8 East, Conecuh 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: Granted 6-21-06

ORDER NO. 2006-93

43. DOCKET NO. 6-19-06-19

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exception to Rule 3(b) of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama, for drilling of the proposed Williamson 1-5 #2 Well at an exceptional location. Petitioner proposes to drill said well on a 320-acre unit consisting of the North Half of Section 1, Township 19 South, Range 14 West, Pickens County, Alabama, at a location 2,310 feet from the North line and 330 feet from the West line of said Section 1. Said Rule 3(b) requires that wells drilled in said Field be located at least 660 feet from every exterior boundary of the drilling unit, and the location of the referenced well is only 330 feet from the West line and 330 feet from the South line of the 320-acre drilling unit for said well.

BOARD ACTION: Granted 6-21-06

ORDER NO. 2006-94

44. DOCKET NO. 4-30-03-7

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to consider issuing an order for Vintage Petroleum, Inc., Hunt Refining Company, and Pruet Production Company to clean up and remove the oil on the lands of Lois Ezell and the adjoining pipeline right-of-way located in Section 29, Township 11 North, Range 3 West, Choctaw County, Alabama. Vintage Petroleum, Inc., operates the Ezell 29-5 Well, Permit No. 1844, on the lands of Lois Ezell, and certain oil pipelines on the pipeline right-of-way adjoining the lands of Lois Ezell. Hunt Oil Company operates an oil pipeline on the pipeline right-of-way adjoining the lands of Lois Ezell. Pruet Production Company operates a natural gas pipeline and a salt-water pipeline on the pipeline right-of-way

adjoining the lands of Lois Ezell. The jurisdiction and authority of the Board is set forth in Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

BOARD ACTION: Continued 6-21-06

45. DOCKET NO. 4-25-06-34

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, Lower 15 Oil Corporation to show cause why the following abandoned wells located in the Gilbertown Field, Choctaw County, Alabama, and described hereinbelow should not be ordered plugged and abandoned in accordance with Rule 400-1-4-.14 of the *State Oil and Gas Board of Alabama Administrative Code* relating to Plugging and Abandonment of Wells and the well sites and associated tank battery sites restored in accordance with Rule 400-1-4-.16 of the *State Oil and Gas Board of Alabama Administrative Code* relating to Restoration of Location. Additionally, the Frank Gibson #1 Well, Permit No. 1071, which is described hereinbelow under Plugged and Abandoned well was plugged and abandoned on August 21, 1997, however the well site has not been restored in accordance with Rule 400-1-4-.16 of the *State Oil and Gas Board of Alabama Administrative Code* relating to Restoration of Location. Further, the Board is requesting the operator to show cause why sites, such as well sites, production facility sites, and Class II injection facility sites should not be ordered to be brought into compliance with Rule 400-1-4-.10 of the *State Oil and Gas Board of Alabama Administrative Code* relating to Site Maintenance.

East Gilbertown Eutaw Unit Wells & Tank Batteries

<u>Permit No.</u> (Tank Battery No.)	<u>Well Name</u> (Tank Battery)	<u>Location</u>
1280	Mattie Clark #1	S1, T10N, R3W
1293	C. F. Stewart Heirs #1	S1, T10N, R3W
(1293 TB)	(C. F. Stewart Heirs #1)	S1, T10N, R3W
1338	Mattie Clark #3	S1, T10N, R3W
10416	Mattie E. Clark #1-6	S1, T10N, R3W
(1343 TB)	(Abston Jones 1-6)	S1, T10N, R3W

Other Well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
1431	Joseph W. Hutchinson, Jr. et al #1	S7, T10N, R3W

Plugged and Abandoned well (well site not restored)

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
1071	Frank Gibson #1	S1, T10N, R3W

BOARD ACTION: Hearing Officer will make a recommendation at a later date.