

AGENDA

STATE OIL AND GAS BOARD OF ALABAMA

AUGUST 11 AND 13, 2015

The State Oil and Gas Board of Alabama will hold its regular hearings at 10:00 a.m. on Tuesday, August 11, 2015, and Thursday, August 13, 2015 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. 5-5-15-01

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

Citronelle Unit

Township 2 North, Range 3 West

Sections 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36

Township 2 North, Range 2 West

Sections 17, 18, 19, 20, 29, 30, 31

Township 1 North, Range 3 West

Sections 1, 2, 3, 10, 11, 12, 13, 14

Township 1 North, Range 2 West

Sections 5, 6, 7, 8, 9, 16, 17, 18

Southeast Citronelle Unit

Township 1 North, Range 2 West

Sections 4, 5, 8, 9, 10

Township 2 North, Range 2 West

Sections 32 and 33

East Citronelle Unit

Township 1 North, Range 2 West

Section 6

Township 2 North, Range 2 West

Sections 29, 31, 32

2. DOCKET NO. 8-11-15-01

Petition by PHILLIPS ENERGY, 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 exceptional non-governmental 160-acre wildcat drilling unit for the Cedar Creek Land & Timber 25-5 #1 Well consisting of the West Half of the Northwest Quarter of Section 25 and the East Half of the Northeast Quarter of Section 26, all in Township 3 North, Range 12 East, Escambia County, Alabama, as an exception to Rule 400-1-2-.02(2)(b) 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 section containing approximately 160 acres.

3. DOCKET NO. 8-11-15-02

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 Escambia County, Alabama, to be named the West Brooklyn Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field consists of the Northeast Quarter of Section 1, Township 3 North, Range 11 East, and the Northwest Quarter of Section 6, Township 3 North, Range 12 East, all in Escambia 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 12,134 feet (TVD) and 12,320 feet (TVD) as indicated on the Schlumberger Compensated Neutron/Lithodensity/Array Induction/BHC Sonic/GR/SP/ML Log of the Cedar Creek Land & Timber 1-1 #1 Well, Permit No. 17009-B, 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. Additionally, Petitioner requests that the 160-acre wildcat drilling unit for the Cedar Creek Land & Timber 1-1- #1 Well, Permit No. 17009-B, consisting of the Northeast Quarter of Section 1, Township 3 North, Range 11 East, Escambia County, Alabama, and the 160-acre wildcat drilling unit for the Cedar Creek Land & Timber 6-4 #1 Well, Permit No. 17074-B, consisting of the Northwest Quarter of Section 6, Township 3 North, Range 12 East, Escambia County, Alabama, be approved as the permanent production units for said wells.

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.

4. DOCKET NO. 8-11-15-03

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 establishing a new oil field in Monroe County, Alabama, to be named the South Lovetts 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 Section 23, Township 5 North, Range 5 East, Monroe 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 13,349 feet measured depth (MD) and 13,376 feet measured depth (MD) as indicated on the Platform Express Log of the Craft-Chunn 23-10 #1 Well, Permit No. 17065, and all zones in communication therewith and all productive extensions thereof.

This petition is filed as a companion to a petition bearing Docket No. 8-11-15-04 requesting to reform the 40-acre wildcat drilling unit for the Craft-Chunn 23-10 #1 Well to a 160-acre production unit in the proposed South Lovetts Creek Field consisting of the Southeast Quarter of Section 23, Township 5 North, Range 5 East, Monroe County, Alabama; a companion petition bearing Docket No. 8-11-15-05 requesting approval of the exceptional location of said well on said reformed 160-acre unit; and a companion petition bearing Docket No. 8-11-15-06 requesting the forced pooling, without imposition of a risk compensation penalty.

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 400-7-1, et seq., of the State Oil and Gas Board of Alabama Administrative Code.

5. DOCKET NO. 8-11-15-04

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 of Alabama to enter an order reforming the 40-acre wildcat drilling unit for the Craft-Chunn 23-10 #1 Well, Permit No. 17065, consisting of the

Northwest Quarter of the Southeast Quarter of Section 23, Township 5 North, Range 5 East, Monroe County, Alabama, to a 160-acre production unit in the South Lovetts Creek Field consisting of the Southeast Quarter of said Section 23.

This petition is filed as a companion to a petition bearing Docket No. 8-11-15-03 to establish the South Lovetts Creek Field; a companion petition bearing Docket No. 8-11-15-05 requesting approval of the exceptional location of the Craft-Chunn 23-10 #1 Well on said reformed 160-acre unit; and a companion petition bearing Docket No. 8-11-15-06 requesting the forced pooling, without imposition of a risk compensation penalty.

6. DOCKET NO. 8-11-15-05

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 the exceptional location of the Craft-Chunn 23-10 #1 Well, Permit No. 17065, on a proposed reformed 160-acre production unit consisting of the Southeast Quarter of Section 23, Township 5 North, Range 5 East, Monroe County, Alabama, in the proposed South Lovetts 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 located at least 660 feet from every exterior boundary of the production unit, and the location of said well on the proposed reformed 160-acre production unit is 408 feet from the West line and 677 feet from the North line of said reformed 160-acre production unit, and as such, is an exception to said Rule 3(b).

This petition is filed as a companion to a petition bearing Docket No. 8-11-15-03 requesting the Board to establish a new oil field in Monroe County, Alabama, to be known as the South Lovetts Creek Field; a companion petition bearing Docket No. 8-11-15-04 requesting reformation of the 40-acre wildcat drilling unit for the Craft-Chunn 23-10 #1 Well to a 160-acre production unit in the South Lovetts Creek Field; and a companion petition bearing Docket No. 8-11-15-06 requesting the forced pooling, without imposition of a risk compensation penalty.

7. DOCKET NO. 8-11-15-06

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 force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Craft-Chunn 23-10 #1 Well, Permit No. 17065, located on a proposed reformed 160-acre production unit in the proposed South Lovetts Creek Field consisting of the Southeast Quarter of Section 23, Township 5 North, Range 5 East, Monroe 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.

This petition is filed as a companion to a petition bearing Docket No. 8-11-15-03 requesting to establish the South Lovetts Creek Field; a petition bearing Docket No. 8-11-15-04 requesting to reform the 40-acre wildcat drilling unit for the Craft-Chunn 23-10 #1 Well to a 160-acre production unit in the proposed South Lovetts Creek Field consisting of the Southeast Quarter of Section 23, Township 5 North, Range 5 East, Monroe County, Alabama; and a companion petition bearing Docket No. 8-11-15-05 requesting approval of the exceptional location of said well on said reformed 160-acre unit.

8. DOCKET NO. 8-11-15-07

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 the continued flaring of natural gas from the Craft-Laurie 16-6 #1 Well, Permit No. 16866, located on a 170-acre production unit in the Bailey's Landing Field consisting of the Southeast Quarter of Northwest Quarter; South Half of Northeast Quarter of Northwest Quarter; South Half of Northwest Quarter of Northeast Quarter; Southwest Quarter of Northeast Quarter; West Half of Southwest Quarter of Southeast Quarter of Northeast Quarter; West Half of Northwest Quarter of Northeast Quarter of Southeast Quarter; North Half of Northwest Quarter of Southeast Quarter; and North Half of Northeast Quarter of Southwest Quarter of Section 16, Township 5 North, Range 5 East, Monroe County, Alabama.

The Board, in Order No. 2014-80 issued on August 7, 2014, approved the continued flaring gas from the Craft-Laurie 16-6 #1 Well until the next Board meeting following a period of one year.

9. DOCKET NO. 8-11-15-08

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 the continued flaring of natural gas from the Craft-Brown 20-13 #1 Well, Permit No. 16888-B, located on a 160-acre production unit in the Homewood Field consisting of the West Half of the Southwest Quarter of Section 20 and the East Half of the Southeast Quarter of Section 19, Township 5 North, Range 5 East, Monroe County, Alabama.

The Board, in Order No. 2014-81 issued on August 7, 2014, approved the continued flaring gas from the Craft-Brown 20-13 #1 Well until the next Board meeting following a period of one year.

10. DOCKET NO. 8-11-15-09

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 Lewis Sand from the drilling of OGI-Global Nadir Land Company 8-10 No. 1 Well on a 320-acre production unit to consist of the South Half of Section 8, Township 19 South, Range 13 West, Pickens County, Alabama. 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.

11. DOCKET NO. 8-11-15-10

Petition by South Carlton Operating Company, 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 extending the temporarily abandoned status and the shut-in status of the following wells located in Clarke and Baldwin Counties, Alabama, in the South Carlton Field, for one year each in accordance with Rules 400-1-4-.17(1) and (2) of the State Oil and Gas Board of Alabama Administrative Code:

Well Name	Permit Number	Requested Status
M. W. Davies #5 Well	1491	Temporarily Abandoned
J. H. Wall Estate Unit #3-2 Well	2017	Temporarily Abandoned
Wall et al Unit #3-3 Well	2286-B	Temporarily Abandoned
Wall et al #3-13 Well	2842	Temporarily Abandoned
Ed L. Robinson et al #1 Well	272	Shut In
J. H. Wall Estate et al #3-10 Well	286-A	Shut In
J. H. Wall Estate "E" #1 Well	975	Shut In
Wall et al #3-11 Well	2179	Shut In
Wall et al #3-6 Well	2180	Shut In
Wall #11-4 Well	3331	Shut In
Wall et al #11-3 Well	3332	Shut In
Williams 10-12 #2 Well	4611	Shut In
C. O. Oswell 14-4 #6 Well	4631	Shut In
J. H. Wall Estate et al "C" #2 Well	16547	Shut In

Petitioner requests that the Board grant the above extensions because the above-named wells proposed for temporarily abandoned status are capable of future utility and the above-named wells proposed for shut-in status are capable of producing hydrocarbons.

12. DOCKET NO. 8-11-15-11

Petition by DAN A. HUGHES COMPANY, L.P., a foreign limited liability partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporary test allowable and approving the continued flaring of associated gas from the Kelly-Johnson 1-11 #1 Well, Permit No. 17091, located on a 40-acre wildcat drilling unit consisting of the

Northeast Quarter of the Southwest Quarter of Section 1, Township 5 North, Range 7 East, Monroe County, Alabama. Petitioner was granted a temporary test allowable of 140 barrels of oil per day and permission to flare the associated gas until August 13, 2015. Petitioner proposes to escrow all production royalties pending the Board's approval of the ultimate production unit for said well.

13. DOCKET NO. 8-11-15-12

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, extending the temporarily abandoned status of Chatom Unit #1-2 Well, Permit No. 2235, the Chatom Unit #3-2 Well, Permit No. 3938, the Chatom Unit 20-1 #1-05 Well, Permit No. 7200, the Chatom Unit #1-G01 Well, Permit No. 1543, the Chatom Unit #1-G3 Well, Permit No. 2354, and the Chatom Unit 21-15 #3-03, Permit No. 5355, all located in the Chatom Field Unit in Washington County, Alabama.

14. DOCKET NO. 8-11-15-13

Petition by PHILLIPS ENERGY, 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 the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Cedar Creek Land & Timber 25-5 #1 Well to be drilled on an exceptional non-governmental 160-acre wildcat drilling unit consisting of the West Half of the Northwest Quarter of Section 25 and the East Half of the Northeast Quarter of Section 26, all in Township 3 North, Range 12 East, Escambia 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.

This petition is filed as a companion to a petition bearing Docket No. 8-11-15-01 requesting approval of the hereinabove described exceptional non-governmental 160-acre wildcat drilling unit for the Cedar Creek Land & Timber 25-5 #1 Well.

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. 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.