

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
NOVEMBER 1 & 3, 2006

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

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: Dismissed 11-03-06
ORDER NO. 2006-151

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

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: Dismissed 11-03-06
ORDER NO. 2006-152

3. 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 11-03-06

4. 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 11-03-06

5. 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: Granted 11-03-06
ORDER NO. 2006-153

6. 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 11-03-06

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

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 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 11-03-06

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

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 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 11-03-06

9. DOCKET NO. 7-24-06-8

Continued petition by CDX GAS, L.L.C., a Texas 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) and Rule 400-3-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code and as an exception to the Special Field Rules for the Gurnee Coal Degasification Field requesting approval of the permit, construction method, completion technique, and casing requirements for the drilling of a Z-PINNATE[®] coalbed methane well, the 240-acre unit for which well shall be the Northwest Quarter and the West Half of the Northeast Quarter of Section 14, Township 22 South, Range 4 West, Shelby County, Alabama in the Gurnee Coal Degasification Field in order to avoid the drilling of unnecessary wells, minimize surface disturbance, increase the efficiency of operations, and avoid waste.

BOARD ACTION: Continued 11-03-06

10. DOCKET NO. 7-24-06-9

Continued petition by CDX GAS, L.L.C., 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) and Rule 400-3-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code and as an exception to the Special Field Rules for the Gurnee Coal Degasification Field requesting approval of the permit, construction method, completion technique, and casing requirements for the drilling of a Z-PINNATE[®] coalbed methane well, the 320 acre unit for which well shall be the East Half of Section 2, Township 22 South, Range 4 West, Shelby County, Alabama in the Gurnee Coal Degasification Field in order to avoid the drilling of unnecessary wells, minimize surface disturbance, increase the efficiency of operations, and avoid waste.

BOARD ACTION: Continued 11-03-06

11. DOCKET NO. 8-22-06-3

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 a well in the Little Cedar Creek Oil Unit, namely, the Cedar Creek Land and Timber 15-6 Well, Permit No. 14692, said well having a surface location in Section 15, 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. 8-22-06-4 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 and Timber 15-6 Well.

BOARD ACTION: Continued 11-03-06

12. DOCKET NO. 9-19-06-1C

Continued amended petition by EL PASO E&P COMPANY, L.P., a Delaware limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Section 9-17-1 et seq., Code of Alabama (1975) to amend Rule 2 of the Special Field Rules for the White Oak Creek Coal Degasification Field, Walker, Jefferson and Tuscaloosa Counties, Alabama to expand the area limits of the White Oak Creek Coal Degasification Field to include the hereinafter described "Expansion Area."

The proposed Expansion Area consists of approximately 19,680 acres, more or less, described as follows:

In Walker County:

Sections 29, 30, 31, 32, 33, Township 16 South, Range 7 West

Sections 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25,
26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, Township 16 South, Range 8 West

S/2 S/2 Section 14, Township 16 South, Range 8 West

W/2 Section 24 of Township 16 South, Range 8 West

BOARD ACTION: Granted 11-03-06

ORDER NO. 2006-154

13. DOCKET NO. 9-19-06-2B

Continued amended petition by EL PASO E&P COMPANY, L.P., a Delaware limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Section 9-17-1 et seq., Code of Alabama (1975) to amend Rule 2 of the Special Field Rules for the Short Creek Coal Degasification Field, Jefferson County, Alabama to expand the area limits of the Short Creek Coal Degasification Field to include the hereinafter described "Expansion Area."

The proposed Expansion Area consists of approximately 15,200 acres, more or less, described as follows:

In Jefferson and Walker Counties, Alabama:

Section 25, Township 17 South, Range 7 West;

SE/4 Section 1; S/2 Section 10; Sections 11, 12, 13, 14;
E/2 Section 15; S/2 Section 17; Sections 20, 21, 22, 23, 24,
25, 26, 27, 28, 29, 30 Township 17 South, Range 6 West;

N/2, SW/4 Section 4; SW/4 Section 6; Sections 7, 8; SW/4, N/2 Section 17;
Sections 18, 19; NW/4 Section 30, Township 17 South, Range 5 West.

BOARD ACTION: Granted 11-03-06
ORDER NO. 2006-155

14. DOCKET NO. 9-19-06-3

Continued 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 160-acre production unit for the Kelly 24-9 #1 Well, Permit No. 14592, said production unit to consist of the South Half of the Northeast Quarter and the North Half of the Southeast Quarter of Section 24, Township 3 North, Range 7 East, Escambia County, Alabama, in the North Smiths Church Field.

The above-described 160-acre wildcat unit was approved as a drilling unit for the Kelley 24-9 #1 Well by Board Order No. 2006-33 issued on March 9, 2006, as an exception to Rule 3(a) of the Special Field Rules for the North Smiths Church Field, and Petitioner now requests that the Board establish said 160-acre unit as the production unit for said well.

BOARD ACTION: Continued 11-03-06 to a Special Hearing Officer meeting at 10:00 a.m. on November 13, 2006, at the Board's office in Tuscaloosa, Alabama.

15. DOCKET NO. 11-1-06-1

Petition by SKLAR EXPLORATION COMPANY, LLC, a Louisiana limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board ("Board") to enter an order amending Rule 1 of the Special Field Rules for the Little Cedar Creek Field to add the following described parcel to the field limits of said field: Northeast Quarter of Section 7, Township 4 North, Range 13 East, Conecuh County, Alabama. By Order No. 2006-144 the Board approved an exceptional location for the Craft-Mack 7-2 No. 1 well, Permit No. 14325, on a wildcat unit consisting of said Northeast Quarter of Section 7. This well is completed and producing from the Smackover Oil Pool of the Little Cedar Creek Field. This petition is filed pursuant to Ala. Code Sections 9-17-1, *et seq.* and Rules 400-1, *et seq.* of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Granted 11-03-06
ORDER NO. 2006-156

16. DOCKET NO. 11-1-06-2

Petition by VINTAGE PETROLEUM, INC., a Delaware corporation that merged with and into Occidental Transaction 1, LLC, under the name of VINTAGE PETROLEUM, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving an exceptional bottom hole location for the Koppers 18-6 #3 Well, Permit No. 14705, located on a 640-acre unit consisting of Section 18, Township 1 North, Range 8 East, Escambia County, Alabama, in the Big Escambia Creek Field, as an exception to Rule 3(b) of the Special Field Rules for said Field. Said Rule requires that wells be located at least 1,320 feet from every exterior boundary of a drilling unit, and the location of the aforementioned well is only 1,130 feet from the North line of said 640-acre drilling unit and, as such, is an exception to said Rule.

This request was previously granted by the Board by Emergency Order No. E-2006-139, issued on September 15, 2006. Petitioner has filed an emergency petition to extend the relief approved by the Board in Order No. 2006-139.

BOARD ACTION: Granted 11-03-06
ORDER NO. 2006-157

17. DOCKET NO. 11-1-06-3

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exception to Rule 5 of the Special Field Rules for the Brookwood Coal Degassification Field, Tuscaloosa County, Alabama, for the open hole completion of the Belcher 33-13-451 Well, Permit No. 14869-C, located in Section 33, Township 20 South, Range 7 West.

This request was previously granted by the Board by Emergency Order No. E-2006-148, issued on September 21, 2006.

BOARD ACTION: Granted 11-03-06

ORDER NO. 2006-158

18. DOCKET NO. 11-1-06-4A

Amended petition by ROBINSON'S BEND OPERATING II, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving an exceptional bottom hole location for the Meriwether 2-14-711 Well, Permit No. 14800-C, located on a 40-acre drilling unit consisting of the Southeast Quarter of the Southwest Quarter of Section 2, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field, as an exception to Rule 4B of the Special Field Rules for said Field. Said Rule requires that wells in said Field be located at least 150 feet from every exterior boundary of a drilling unit, and the bottom hole location of the aforementioned well is only 92 feet from the South line of said 40-acre drilling unit and, as such, is an exception to said Rule.

This request was previously granted by the Board by Emergency Order No. E-2006-147, issued on September 21, 2006.

BOARD ACTION: Granted 11-03-06

ORDER NO. 2006-159

19. DOCKET NO. 11-1-06-5

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 force pooling, without the imposition of a risk compensation penalty, of all tracts and interests in hydrocarbons produced in the McCreary 18-2 Well to be drilled on a 160-acre unit consisting of the Northeast Quarter of Section 18, Township 4 North, Range 13 East, Conecuh County, Alabama, in the Little Cedar 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.

BOARD ACTION: Granted 11-03-06

ORDER NO. 2006-160

20. DOCKET NO. 11-1-06-6

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 Falls 28-16-826 Well to be located on an 80-acre unit consisting of the Southeast Quarter of the Southeast Quarter of Section 28, and the Northeast Quarter of the Northeast Quarter of Section 33, all in Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek 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 11-03-06

21. DOCKET NO. 11-1-06-7

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 Jones 01-03-1070 Well to be located on an 80-acre unit consisting of the East Half of the Northwest Quarter of Section 1, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek 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: Dismissed 11-03-06

ORDER NO. 2006-161

22. DOCKET NO. 11-1-06-8

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 Wilson 28-10-823 Well to be located on an 80-acre unit consisting of the North Half of the Southeast Quarter of Section 28, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek 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: Dismissed 11-03-06
ORDER NO. 2006-162

23. DOCKET NO. 11-1-06-9

Petition by JABSCO OIL OPERATING, LLC, an Alabama limited liability company, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, of all tracts and interests in hydrocarbons produced from the proposed re-entry of the Cogle Trust #23-7 Well, Permit No. 5437, located on a 320-acre unit consisting of the East Half of Section 23, Township 14 South, Range 11 West, Fayette County, Alabama, in the Isom 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.

BOARD ACTION: Granted 11-03-06
ORDER NO. 2006-163

24. Docket No. 11-01-06-10

Petition by SAGA PETROLEUM, LLC, a Colorado limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an order force pooling, with risk compensation, all tracts and interests in coalbed methane produced from a well drilled to the Pottsville Formation on a unit consisting of approximately 40 acres located in the Southeast Quarter of the Northwest Quarter of Section 34, Township 19 South, Range 9 West, Tuscaloosa County, Alabama, in the Deerlick Creek Coal Degasification Field. This petition is in accordance with Section 9-17-13, ALABAMA CODE (1975), as amended, and Rules 400-7-1 and 400-7-2 of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Continued 11-03-06

25. DOCKET NO. 11-01-06-11

Petition by EL PASO E&P COMPANY, L.P., a Delaware limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Section 9-17-1 et seq., Code of Alabama (1975) to amend Rule 5 of the Special Field Rules for the Short Creek Coal Degasification Field, Jefferson and Walker Counties, Alabama to include the additional following provision:

“Upon approval by the Supervisor, coalbed gas may be produced from the annular space between the surface casing and production casing. In order to obtain approval, the Operator shall provide to the Supervisor a schematic of the coalbed gas well. Such schematic shall depict the casing, cementing and test pressure specifications and the exposed coal beds in the borehole production casing annulus. Additionally, the following information shall be furnished within a one-quarter mile radius of the coalbed gas well: 1) an inventory, accompanied by a location map of all water supply wells; 2) the results of a test conducted to determine the presence of gas at the wellhead of the closest water supply well, or wells(s) designated by the Supervisor; and 3) an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor. Operators shall also provide a statement indicating that they will take all necessary precautions to prevent endangering any water supply wells, protect fresh water aquifers and the environment, and maintain safe operation of the coalbed gas well at all times.

In order to maintain approval, the Operator shall file with the Board on an annual basis an updated water well inventory and location map of water supply wells within said one-quarter mile radius including the results of a test conducted to determine the presence of gas at the wellhead with an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor.”

BOARD ACTION: Granted 11-03-06
ORDER NO. 2006-164

26. DOCKET NO. 11-01-06-12

Petition by EL PASO E&P COMPANY, L.P., a Delaware limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Section 9-17-1 et seq., Code of Alabama (1975) to amend Rule 5 of the Special Field Rules for the Blue Creek Coal Degasification Field, Tuscaloosa and Fayette Counties, Alabama to include the additional following provision:

“Upon approval by the Supervisor, coalbed gas may be produced from the annular space between the surface casing and production casing. In order to obtain approval, the Operator shall provide to the Supervisor a schematic of the coalbed gas well. Such schematic shall depict the casing, cementing and test pressure specifications and the exposed coal beds in the borehole production casing annulus. Additionally, the following information shall be furnished within a one-quarter mile radius of the coalbed gas well: 1) an inventory, accompanied by a location map of all water

supply wells; 2) the results of a test conducted to determine the presence of gas at the wellhead of the closest water supply well, or wells(s) designated by the Supervisor; and 3) an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor. Operators shall also provide a statement indicating that they will take all necessary precautions to prevent endangering any water supply wells, protect fresh water aquifers and the environment, and maintain safe operation of the coalbed gas well at all times.

In order to maintain approval, the Operator shall file with the Board on an annual basis an updated water well inventory and location map of water supply wells within said one-quarter mile radius including the results of a test conducted to determine the presence of gas at the wellhead with an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor.”

BOARD ACTION: Granted 11-03-06

ORDER NO. 2006-165

27. DOCKET NO. 11-01-06-13

Petition by EL PASO E&P COMPANY, L.P., a Delaware limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Section 9-17-1 et seq., Code of Alabama (1975) to amend Rule 5 of the Special Field Rules for the White Oak Creek Coal Degasification Field, Jefferson, Tuscaloosa and Walker Counties, Alabama to include the additional following provision:

“Upon approval by the Supervisor, coalbed gas may be produced from the annular space between the surface casing and production casing. In order to obtain approval, the Operator shall provide to the Supervisor a schematic of the coalbed gas well. Such schematic shall depict the casing, cementing and test pressure specifications and the exposed coal beds in the borehole production casing annulus. Additionally, the following information shall be furnished within a one-quarter mile radius of the coalbed gas well: 1) an inventory, accompanied by a location map of all water supply wells; 2) the results of a test conducted to determine the presence of gas at the wellhead of the closest water supply well, or wells(s) designated by the Supervisor; and 3) an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor. Operators shall also provide a statement indicating that they will take all necessary precautions to prevent endangering any water supply wells, protect fresh water aquifers and the environment, and maintain safe operation of the coalbed gas well at all times.

In order to maintain approval, the Operator shall file with the Board on an annual basis an updated water well inventory and location map of water supply wells within said one-quarter mile radius including the results of a test conducted to determine the presence of gas at the wellhead with an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor.”

BOARD ACTION: Granted 11-03-06

ORDER NO. 2006-166

28. DOCKET NO. 11-01-06-14

Petition by EL PASO E&P COMPANY, L.P., a Delaware limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Section 9-17-1 et seq., Code of Alabama (1975) to amend Rule 5 of the Special Field Rules for the Deerlick Creek Coal Degasification Field, Tuscaloosa County, Alabama to include the additional following provision:

“Upon approval by the Supervisor, coalbed gas may be produced from the annular space between the surface casing and production casing. In order to obtain approval, the Operator shall provide to the Supervisor a schematic of the coalbed gas well. Such schematic shall depict the casing, cementing and test pressure specifications and the exposed coal beds in the borehole production casing annulus. Additionally, the following information shall be furnished within a one-quarter mile radius of the coalbed gas well: 1) an inventory, accompanied by a location map of all water supply wells; 2) the results of a test conducted to determine the presence of gas at the wellhead of the closest water supply well, or wells(s) designated by the Supervisor; and 3) an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor. Operators shall also provide a statement indicating that they will take all necessary precautions to prevent endangering any water supply wells, protect fresh water aquifers and the environment, and maintain safe operation of the coalbed gas well at all times.

In order to maintain approval, the Operator shall file with the Board on an annual basis an updated water well inventory and location map of water supply wells within said one-quarter mile radius including the results of a test conducted to determine the presence of gas at the wellhead with an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor.”

BOARD ACTION: Granted 11-03-06

ORDER NO. 2006-167

29. DOCKET NO. 11-01-06-15

Petition by DE SOTO OIL & GAS, INC., an Alabama corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an Order approving an exception to the spacing requirements as set out in Rule 3(b) of the Special Field Rules for the Big Escambia Creek Field, so as to allow the Petitioner to drill a Well known as the Edwards 13-1 No. 1 Well, with a proposed bottom hole location to be no closer than 660 feet from the north line and no closer than 660 feet from the east line of the unit for said Edwards 13-1 No. 1 Well, which is comprised of the entire Section 13, Township 1 North, Range 7 East, Big Escambia Creek Field, Escambia County, Alabama.

This Petition is a companion to Docket No. 11-01-06-16 in which Petition requests approval of force pooling of the interest in the Edwards 13-1 No. 1 Well.

BOARD ACTION: Continued 11-03-06

30. Docket No. 11-01-06-16

Petition by DE SOTO OIL & GAS, INC., an Alabama corporation authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an order force pooling, without risk compensation, of all tracts and interests in a 640 acre drilling unit for the proposed Edwards 13-1 No. 1 Well, having a unit consisting of all of Section 13, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek Field with an objective depth of the Smackover Formation as defined by the Special Field Rules for the Big Escambia Creek Field. This petition is in accordance with Section 9-17-13, ALABAMA CODE (1975), as amended, and Rules 400-7-1 and 400-7-2 of the State Oil and Gas Board of Alabama Administrative Code.

This Petition is a companion to Docket No. 11-01-06-15 in which Petitioner requests approval of an exception location for bottom hole location of the Edwards 13-1 No. 1 Well.

BOARD ACTION: Continued 11-03-06

31. DOCKET NO. 11-1-06-17

Petition by SAGA PETROLEUM, LLC, an Alabama limited liability company, requesting the State Oil and Gas Board to enter an order approving an exception to Rule 4B of the Special Field Rules for the Deerlick Creek Coal Degasification Field for the CLC 19-15-63 Well to be drilled on a 40-acre unit consisting of the Southwest Quarter of the Southeast Quarter of Section 19, Township 19 South, Range 8 West, Tuscaloosa County, Alabama. Petitioner proposes to drill said well at a location 212 feet from the South line and 2,647 feet from the East line of said Section 19, and at such location, the well will be only 212 feet from the exterior boundary of the Field. Rule 4B of the Special Field Rules for the Deerlick Creek Coal Degasification Field requires that wells be located at least 300 feet from every exterior boundary of the Field, and the proposed location of the CLC 19-15-63 Well is an exception to said Rule.

BOARD ACTION: Granted 11-03-06

ORDER NO. 2006-168

32. DOCKET NO. 11-1-06-18

Petition by EXXON MOBIL CORPORATION, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the shut-in status of the following offshore wells in Mobile County, Alabama, in the Northwest Gulf Field-Mobile Area, in accordance with Rule 400-2-4-.14(2) of the State Oil and Gas Board of Alabama Administrative Code:

<u>PERMIT NO.</u>	<u>WELL NAME</u>
12155-OS-85-B	S/L 537 Block 112 #4
10121-OS-53	State Lease 537 #2
11009-OS-65-B	State Lease 536 #3

The previous shut-in status for these wells has expired and Petitioner requests the Board to grant a one year extension beginning November 3, 2006, because said wells have future utility and should not be plugged.

BOARD ACTION: Continued 11-03-06 with the stipulation that the shut-in status for the wells be extended until the next regularly scheduled meeting of the Board.

33. DOCKET NO. 11-1-06-19

Petition by EXXON MOBIL CORPORATION, acting for the operator, Mobil Oil Exploration & Producing Southeast 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 extending the shut-in status of the following offshore well in Baldwin County, Alabama, in the Southeast Mobile Bay Field, in accordance with Rule 400-2-4-.14(2) of the State Oil and Gas Board of Alabama Administrative Code:

PERMIT NO.

WELL NAME

3346-OS-8-B

State Lease 350 #2

The previous temporarily shut-in status for this well has expired and Petitioner requests the Board to grant a one year extension beginning November 3, 2006, because said well has future utility and should not be plugged.

BOARD ACTION: Continued 11-03-06 with the stipulation that the shut-in status for the well be extended until the next regularly scheduled meeting of the Board.

34. DOCKET NO. 11-1-06-20

Petition by EXXON MOBIL CORPORATION, acting for the operator, Mobil Oil Exploration & Producing Southeast 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 extending the shut-in status and temporarily abandoned status of the following offshore wells in Mobile County, Alabama, in the Lower Mobile Bay-Mary Ann Field, in accordance with Rule 400-2-4-.14 (1) and (2) of the State Oil and Gas Board of Alabama Administrative Code:

PERMIT NO.

WELL NAME

3135-OS-6-B

State Lease 349 #2

10557-OS-59-B1

Alabama State Lease 350(Tract 95)Well #5 S/T#1

2543-OS-3-B

State Lease 347 #1

3614-OS-14

State Lease 347 #2

The previous temporarily shut-in status for these wells has expired and Petitioner requests the Board to grant a one year extension beginning November 3, 2006, because said wells have future utility and should not be plugged.

BOARD ACTION: Continued 11-03-06 with the stipulation that the shut-in status for the wells be extended until the next regularly scheduled meeting of the Board.

35. DOCKET NO. 11-1-06-21

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 exception to Rule 3(a) of the Special Field Rules for the Hubbert Mill Creek Field for the proposed Branyon 27-9 No. 1 Well to be drilled on a 320-acre drilling unit consisting of the West Half of the West Half of Section 26 and the East Half of the East Half of Section 27, both being in Township 14 South, Range 12 West, Fayette County, Alabama, at a location 1,800 feet from the South line and 300 feet from the East line of said Section 27. Said Rule 3(a) requires that wells be located on units consisting of a governmental half section, and the above-described 320-acre unit for the referenced well will be an exception to said Rule.

BOARD ACTION: Granted 11-03-06

ORDER NO. 2006-169

36. DOCKET NO. 11-1-06-22

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving exceptions to provisions contained in Rule 4 of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama, relative to gas wells and Rule 400-1-6-.01 of the State Oil and Gas Board of Alabama Administrative Code pertaining to surface casing, production casing and commingling of production in the Williamson 1-5 #2 Well, Permit No. 14723, located on a 320-acre unit consisting of the North Half of Section 1, Township 19 South, Range 14 West, Pickens County, Alabama, in the Coal Fire Creek Field. The surface casing in the referenced well is set to 508 feet, and Rule 4 of the Special Field Rules for the field requires, among other things, that surface casing be set at 600 feet, or into the top of the Pottsville Formation, whichever is deeper.

This request was previously granted by the Board by Emergency Order No. E-2006-133, issued on September 1, 2006. Petitioner has filed an emergency petition to extend the relief approved by the Board in Order E-2006-133.

BOARD ACTION: Granted 11-03-06

ORDER NO. 2006-170

37. DOCKET NO. 11-1-06-23B

Amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to amend Rule 2 of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama, to add the Nason Sand Gas Pool, to be construed to mean those strata of the Nason Sand productive of hydrocarbons in the interval between 2,554 feet and 2,676 feet in the Hanek 1-14 No. 2

Well, Permit No. 14196, located 800 feet from the South line and 1,800 feet from the West line of the 320-acre unit for said well consisting of the South Half of Section 1, Township 19 South, Range 14 West, Pickens County, Alabama, as indicated on the Spectral Density Dual Spaced Neutron Log of said well, and including those strata productive of hydrocarbons which can be correlated therewith.

Petitioner is also requesting that the above-described 320-acre unit be named the permanent production unit for the referenced well.

BOARD ACTION: Granted 11-03-06
ORDER NO. 2006-171

38. DOCKET NO. 11-1-06-24

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving exceptions to provisions contained in Rule 4 of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama pertaining to setting and testing of surface casing in the completion of the Hanek 1-14 No. 2 Well, Permit No. 14196, located 800 feet from the South line and 1,800 feet from the West line of the 320-acre unit for said well consisting of the South Half of Section 1, Township 19 South, Range 14 West, Pickens County, Alabama. The surface casing in the referenced well is set to 542 feet and said Rule 4(a) requires, among other things, that surface casing be set at 600 feet, or into the top of the Pottsville Formation, whichever is deeper.

BOARD ACTION: Granted 11-03-06
ORDER NO. 2006-172

39. DOCKET NO. 11-1-06-25

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving exceptions to provisions contained in Rule 4(a) of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama pertaining to setting of surface casing in the Hanek 1-6 No. 1 Well, Permit No. 13771, located 1,800 feet from the North line and 2,100 feet from the West line on a 320-acre unit consisting of the North Half of Section 1, Township 19 South, Range 14 West, Pickens County, Alabama. Petitioner proposes to deepen the well to test the Carter Sand Gas Pool. The surface casing in said well is set to 557 feet and said Rule 4(a) requires, among other things, that surface casing be set at 600 feet, or into the top of the Pottsville Formation, whichever is deeper.

BOARD ACTION: Granted 11-03-06
ORDER NO. 2006-173

40. DOCKET NO. 11-1-06-26

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving exceptions to provisions contained in Rule 4(a) of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama, and Rule 400-1-6-.01 of the *State Oil and Gas Board of Alabama Administrative Code* pertaining to setting of surface casing and Rule 4(b) requiring production casing to be set into the producing reservoir, in the proposed re-entry and completion of the Leslie Williamson 1-5 No. 1 Well, Permit No. 4999, in the Benton Sand Gas Pool, located 1,980 feet from the North line and 1,100 feet from the West line on a 320-acre unit consisting of the West Half of Section 1, Township 19 South, Range 14 West, Pickens County, Alabama.

The surface casing in said well is set to 493 feet and said Rule 4(a) requires, among other things, that surface casing be set at 600 feet, or into the top of the Pottsville Formation, whichever is deeper. Rule 4(b) of said Special Field Rules requires production casing to be set into the producing reservoir and Petitioner desires to complete said well open hole.

BOARD ACTION: Granted 11-03-06
ORDER NO. 2006-174

41. 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 11-03-06

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

Continued 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: Continued 11-03-06

43. DOCKET NO. 9-19-06-8

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA for S. Lavon Evans, Jr., Operating Co., Inc. to submit to the Board certain documents required by the Board in Order No. 2006-6 dated January 13, 2006. In the Order, the Board issued a fine of \$10,000 for violations of certain regulations and ordered that “for all the permitted wells that S. Lavon Evans, Jr., Operating Co., Inc., presently operates, it shall submit within a timely manner to the Board with notice and hearing (a) a written title opinion prepared by a licensed Alabama attorney, (b) a report naming all royalty owners and their interest in the unit, and (c) a statement by a licensed Alabama attorney that the Affidavit of Ownership or Control for each permitted well operated by S. Lavon Evans, Jr., Operating Co., Inc., is accurate.” This Motion is set pursuant to the Oil and Gas Laws, Section 9-17-1 et seq., Ala. Code 1975. S. Lavon Evans, Jr. Operating Company, Inc. operates wells in Tuscaloosa, Lamar, Pickens and Jefferson Counties, Alabama.

BOARD ACTION: Continued 11-03-06 to the February 2, 2007, meeting of the Board.