

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
BOARD MEETING
FEBRUARY 8, 2008

1. DOCKET NO. 2-28-07-32

Continued petition by NATURAL GAS & OIL, 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 formations of Mississippian and Pennsylvanian Age, from a well to be drilled on a 320-acre drilling unit consisting of the South Half of Section 14, Township 16 South, Range 15 West, Lamar County, Alabama, as a productive extension of the Mt. Zion 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 2-8-08
ORDER NO. 2008-4

2. DOCKET NO. 6-25-07-13

Continued 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 & Gas Board of Alabama to enter an order force pooling, with risk compensation all tracts and interests in a 40 acre drilling unit for the proposed Calmes 02-05-554 Well, having a unit consisting of all of the Southwest Quarter of the Northwest Quarter, Section 2, Township 17 South, Range 8 West, Walker County, Alabama, in the White Oak 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. Petitioner requests that due and proper notice of the hearing on this matter be given in the manner and form and for the time required by law and the rules and regulations of this Board.

BOARD ACTION: Continued 2-8-08

3. DOCKET NO. 8-2-07-6

Continued petition by LOWER 15 OIL CORPORATION, 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 from the re-entry of the Mattie Clark #1 Well, Permit No. 1280, located on a 40-acre unit consisting of the Northwest Quarter of the Southeast Quarter of Section 1, Township 10 North, Range 3 West, Choctaw County, Alabama, in the Gilbertown Oil 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 public is further advised that, pursuant to this hearing the applicable provision 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 submitted and accepted.

BOARD ACTION: Continued 2-8-08

4. DOCKET NO. 9-5-07-5

Continued petition by SUNDOWN ENERGY, L.P., a foreign limited partnership authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving the reformation of a 40-acre wildcat drilling unit for the Weyerhaeuser 36-12 No. 1 Well, Permit No. 15312, consisting of the Northwest Quarter of the Southwest Quarter of Section 36, Township 16 South, Range 16 West, Lamar County, Alabama, to a 320-acre production unit in the McGee Lake Field consisting of the South Half of Section 36, Township 16 South, Range 16 West, Lamar County, Alabama.

This petition is filed as a companion to a petition bearing Docket No. 9-5-07-06 requesting approval of an exceptional location for the referenced well.

BOARD ACTION: Continued 2-8-08

5. DOCKET NO. 9-5-07-6

Continued petition by SUNDOWN ENERGY, L.P., a foreign limited partnership authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the Weyerhaeuser 36-12 No. 1 Well, Permit No. 15312, on a proposed reformed 320-acre production unit consisting of the South Half of Section 36, Township 16 South, Range 16 West, Lamar County, Alabama, in the McGee Lake Field, as an exception to Rule 3(b) of the Special Field Rules for said Field which requires that wells be located at least 660 feet from every exterior boundary of the drilling unit. The location of the referenced well on said proposed reformed 320-acre unit is 910 feet from the North line and 330 feet from the West line of said 320-acre unit and, as such, will be an exception to said Rule 3(b).

This petition is filed as a companion to a petition bearing Docket No. 9-5-07-05 requesting approval of the reformation of a 40-acre wildcat drilling unit for the referenced well to a 320-acre production unit in the McGee Lake Field.

BOARD ACTION: Continued 2-8-08

6. DOCKET NO. 12-12-07-26

Continued 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 located in Baldwin and Mobile Counties, 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:

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>STATUS</u>
3135-OS-6-B	State Lease 349 #2	Shut-in
10557-OS-59-B1	Alabama State Lease 350 (Tract 95)Well #5 S/T#1	Shut-in
2543-OS-3-B	State Lease 347 #1	Temporarily abandoned
3614-OS-14	State Lease 347 #2	Temporarily abandoned
3127-OS-5	State Lease 350 #1	Temporarily abandoned.

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

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-5

7. DOCKET NO. 12-12-07-27

Continued 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

Petitioner requests that the Board grant a one year extension of the shut-in status of the referenced wells because said wells have future utility and should not be plugged.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-6

8. DOCKET NO. 12-12-07-28

Continued 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

Petitioner requests that the Board grant a one year extension of the shut-in status of the referenced well because said well has future utility and should not be plugged.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-7

9. DOCKET NO. 12-12-07-32

Continued 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 Smackover Formation in Petitioner's proposed Creech 23-8 No. 1 Well to be drilled on a 160-acre wildcat unit consisting of the Northeast Quarter of Section 23, Township 4 North, Range 14 East, Covington 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: Dismissed 2-8-08

ORDER NO. 2008-8

10. DOCKET NO. 2-6-08-1

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 granting temporarily abandoned status for the following offshore well in Mobile County, Alabama, in the Aloe Bay Field, in accordance with Rule 400-2-4-.14(1) of the State Oil and Gas Board of Alabama Administrative Code:

PERMIT NO.

WELL NAME

12604-OS-90-B

S/L 701 #2

Petitioner requests that this well be granted temporarily abandoned status for a period of one year because said well has future utility and should not be plugged.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-9

11. DOCKET NO. 2-6-08-2

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 granting temporarily abandoned status for the following offshore well located in Baldwin County, Alabama, in the North Central Gulf Field-Mobile Area, in accordance with Rule 400-2-4-.14 (1) of the State Oil and Gas Board of Alabama Administrative Code:

PERMIT NO.

WELL NAME

9985-OS-51-B

State Lease 539 #1 Well

Petitioner requests that this well be granted temporarily abandoned status for a period of one year because said well has future utility and should not be plugged.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-10

12. DOCKET NO. 2-6-08-3

Petition by UNION OIL COMPANY OF CALIFORNIA, 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 5 of the Special Field Rules for the Hatter's Pond Field, Mobile County, Alabama, to provide, among other things, that production casing may be set above the producing reservoir and may be produced with or without a packer and/or a well may be completed open hole and may be drilled underbalanced, all with approval of the Oil and Gas Supervisor.

BOARD ACTION: Dismissed 2-8-08

ORDER NO. 2008-11

13. DOCKET NO. 2-6-08-4

Petition by CROSBYS CREEK OIL & GAS, LLC, a foreign limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a proposed 160-acre exceptional wildcat drilling unit for the Becton 15-16 #1 Well consisting of the East Half of the Southeast Quarter of Section 15 and the West Half of the Southwest Quarter of Section 14, all in Township 7 North, Range 4 West, Washington County, Alabama, as an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code, which provides that a well may be drilled on a drilling unit consisting of a governmental quarter section containing approximately 160 acres.

This petition is filed as a companion to a petition bearing Docket No. 2-6-08-5 requesting force pooling without imposition of a risk compensation penalty.

BOARD ACTION: Continued 2-8-08 to a Special Board Meeting at 10:00 a.m. on February 20, 2008, at the Board's office in Tuscaloosa, Alabama.

14. DOCKET NO. 2-6-08-5A

Amended petition by CROSBYS CREEK OIL & GAS, 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, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the Becton 15-16 #1 Well to be drilled on a proposed exceptional 160-acre wildcat unit consisting of the East Half of the Southeast Quarter of Section 15 and the West Half of the Southwest Quarter of Section 14, all in Township 7 North, Range 4 West, Washington 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. 2-6-08-4 requesting approval of the above-described exceptional 160-acre wildcat unit for the referenced well.

BOARD ACTION: Continued 2-8-08 to a Special Board Meeting at 10:00 a.m. on February 20, 2008, at the Board's office in Tuscaloosa, Alabama.

15. DOCKET NO. 2-6-08-6A

Amended 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, all tracts and interests in hydrocarbons produced from the re-entry of the Berry #24-13 Well, Permit No. 3115, located on a proposed 320-acre unit consisting of the West Half of Section 24, Township 15 South, Range 12 West, Fayette County, Alabama, in the Musgrove 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: Continued 2-8-08 to a Special Board Meeting at 10:00 a.m. on February 20, 2008, at the Board's office in Tuscaloosa, Alabama.

16. DOCKET NO. 2-6-08-7A

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 amending Rule 2 of the Special Field Rules for the Robinson's Bend Coal Degasification Field to add the East Half of Section 1, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, to the field limits of said Field.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-12

17. DOCKET NO. 2-6-08-8

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 Dillard #28-3-363 Well, Permit No. 9020-C, from an 80-acre unit consisting of the North Half of the Northwest Quarter of Section 28, Township 20 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 Northwest Quarter of said Section 28.

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 2-8-08

ORDER NO. 2008-13

18. DOCKET NO. 2-6-08-9A

Amended petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Jolen 22-07-645 Well, Permit No. 15414-C, from a 40-acre unit consisting of the Southwest Quarter of the Northeast Quarter of Section 22, Township 17 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field to an 80-acre unit consisting of the West Half of the Northeast Quarter of said Section 22.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-14

19. DOCKET NO. 2-6-08-10

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Holman 30-15-366 Well, Permit No. 13104-C, from an 80-acre unit consisting of the Southwest Quarter of the Southeast Quarter and the Southeast Quarter of the Southwest Quarter of Section 30, Township 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field to a 40-acre unit consisting of the Southwest Quarter of the Southeast Quarter of said Section 30.

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 2-8-08

ORDER NO. 2008-15

20. DOCKET NO. 2-6-08-11

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Jernigan 01-08-1069 Well, Permit No. 14513-C, from an 80-acre unit consisting of the East Half of the Northeast Quarter of Section 1, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field to a 40-acre unit consisting of the Southeast Quarter of the Northeast Quarter of said Section 1.

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 2-8-08

21. DOCKET NO. 2-6-08-12

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, d/b/a HighMount Exploration & Production LLC, requesting the State Oil and Gas Board to enter an order amending Rule 4C of the Special Field Rules for the Big Canoe Creek Field, St. Clair County, Alabama. The Board, in Order No. 2007-18, dated February 16, 2007, established the Big Canoe

Creek Field and Special Field Rules for the field. Rule 4C of the Special Field Rules reads: "Within one (1) year, the operator of a well shall petition the Board for unitization, establishment of production units, or such other action as the Board may deem appropriate. The operator shall escrow production royalties until the Board establishes the ultimate production unit, after notice and hearing."

Petitioner does not have sufficient technical data to unitize or establish production units and is requesting an additional year to obtain sufficient data in order to evaluate fully this natural gas resource. Petitioner is requesting that the Board delete from Rule 4C the requirement for the operator to escrow production royalties until the Board establishes the ultimate production unit. By this request, Petitioner is seeking approval from the Board to distribute all escrowed production royalties to the appropriate royalty owners in the established 320-acre drilling units in the Big Canoe Creek Field.

BOARD ACTION: Continued 2-8-08

22. DOCKET NO. 2-6-08-13A

Amended petition by HUGHES EASTERN CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order enlarging the "Unit Area" of the Southeast Bluff Upper Carter Oil Unit in the Bluff Oil Field, Fayette County, Alabama, as described in the Unit Agreement and Board Order No. 2005-113 to include the East Half of the Northeast Quarter of the Northeast Quarter of Section 18, Township 14 South, Range 13 West, Fayette County, Alabama so that, as enlarged, the Unit Area will consist of the following:

The South Half of the South Half of Section 8; Southwest Quarter of the Southwest Quarter of Section 9; the West Half of the Northwest Quarter of Section 16; the North Half of Section 17; and the East Half of the Northeast Quarter of the Northeast Quarter of Section 18, all in Township 14 South, Range 13 West, Fayette County, Alabama, containing 620 acres, more or less.

This request is in accordance with Article 11 of the Unit Agreement and Section 9-17-85 of the Code of Alabama (1975), 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 Southeast Bluff Upper Carter Oil Unit.

This petition is filed as a companion to petition bearing Docket No. 2-6-08-14 requesting an amendment to Rule 1 of the Special Field Rules for the Bluff Oil Field to add to the field limits.

BOARD ACTION: Remanded to Petitioner on 3-7-08.

ORDER NO. 2008-27

23. DOCKET NO. 2-6-08-14

Petition by HUGHES EASTERN CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order amending Rule 1 of the Special Field Rules for the Bluff Oil Field to add the East Half of the Northeast Quarter of the Northeast Quarter of Section 18, Township 14 South, Range 13 West, Fayette County, Alabama to the field limits of said field.

This petition is filed as a companion to petition bearing Docket No. 2-6-08-13 requesting an order enlarging the Unit Area of the Southeast Bluff Upper Carter Oil Unit.

BOARD ACTION: Remanded to Petitioner on 3-7-08.

ORDER NO. 2008-27

24. DOCKET NO. 2-6-08-15

Petition by HUGHES EASTERN CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order finding that the contribution of the separately owned Tracts in the Southeast Bluff Upper Carter Oil Unit of the Bluff Oil Field, Fayette County, Alabama, have been shown to be erroneous by subsequently discovered pore volume data from additional wells and by the presence of additional wellbores in the Southeast Bluff Upper Carter Oil Unit, namely, the Southeast Bluff Oil Unit 16-4 #1 Well, Permit No. 14302, the Southeast Bluff Oil Unit 17-7 #1 Well, Permit No. 14342-WI-06-02, the Southeast Bluff Oil Unit 17-3 #1 Well, Permit No. 14344, and the Southeast Bluff Oil Unit 17-4 #1 Well, Permit No. 15174, said wells having surface locations in Sections 16 and 17, Township 14 South, Range 13 West, Fayette County, Alabama, in the Southeast Bluff Upper Carter Oil Unit. 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 Southeast Bluff Upper Carter Oil Unit in Fayette County, Alabama.

The redetermination of Unit Tract participation factors for the Southeast Bluff Upper Carter Oil Unit, Fayette 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: Remanded to Petitioner on 3-7-08.

ORDER NO. 2008-27

25. DOCKET NO. 2-6-08-16

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 of Alabama 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: the Southeast Quarter of Section 5 and the Southwest Quarter of Section 8, Township 4 North, Range 13 East, Conecuh County, Alabama. 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 2-8-08

ORDER NO. 2008-16

26. DOCKET NO. 2-6-08-17

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 granting temporarily abandoned status for the following offshore well located in Mobile County, Alabama, in the South Pelican Island Field, in accordance with Rule 400-2-4-.14 (1) of the State Oil and Gas Board of Alabama Administrative Code:

PERMIT NO.

WELL NAME

11293-OS-68-B

State Lease 536 #4 Well

Petitioner requests that this well be granted temporarily abandoned status for a period of one year because said well has future utility and should not be plugged.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-17

27. DOCKET NO. 2-6-08-18A

Amended petition by DE SOTO OIL & GAS, INC., a Florida 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 Scott Paper Company 2-1 No. 2 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 Scott Paper Company 2-1 No. 2 Well, which is comprised of the entire Section 2, Township 1 North, Range 6 East, Big Escambia Creek Field, Escambia County, Alabama. The Special Field Rules for Big Escambia Creek Field require that a well be located at least 1320 feet from every exterior boundary of the drilling unit, but the proposed bottom location is to be no closer than 660 feet from the north line and no closer than 660 feet from the east line of said unit.

This Petition is a companion to Docket No. 2-6-08-19 in which Petition requests approval of force pooling of the interest in the Scott Paper Company 2-1 No. 2 Well.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-18

28. DOCKET NO. 2-6-08-19

Petition by DE SOTO OIL & GAS, INC., a Florida 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, with risk compensation, of all tracts and interests in the Smackover Formation in a 640 acre drilling unit for the proposed Scott Paper Company 2-1 No. 2 Well, having a unit consisting of all of Section 2, Township 1 North, Range 6 East, Escambia County, Alabama, in 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. 2-6-08-18 in which Petitioner requests approval of an exceptional location for bottom hole location of the Scott Paper Company 2-1 No. 2 Well.

BOARD ACTION: Dismissed 2-8-08

ORDER NO. 2008-19

29. DOCKET NO. 2-6-08-20

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 & Gas Board of Alabama to enter an order force pooling with risk compensation, tracts and interests in coalbed methane produced from the Pottsville Formation in an 80 acre drilling unit for the proposed Simmons 3-15-536 Well, having a unit consisting of all of the Southwest Quarter of the Southeast Quarter and the Southeast Quarter of the Southwest Quarter, Section 3, Township 17 South, Range 8 West, Walker County, Alabama, in the White Oak 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. Petitioner requests that due and proper notice of the hearing on this matter be given in the manner and form and for the time required by law and the rules and regulations of this Board.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-20

30. DOCKET NO. 2-6-08-21A

Amended petition by SOUTHVIEW 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 extending the time from March 7, 2008, for six months to allow Petitioner to conduct operations to either place on production or plug and abandon and restore the location for the Bonner-Merritt #35-5 Well, Permit No. 3038, located on a 40-acre unit consisting of the SW/4 of the NW/4 of Section 35, Township 11 North, Range 5 West, and the Davis #34-8 Well, Permit No. 3078, located on a 40-acre unit consisting of the SE/4 of the NE/4 of Section 34, Township 11 North, Range 5 West, all in Choctaw County, Alabama, in the Gilbertown Field. Petitioner has recently acquired the rights to said wells from Cedarhill Operating Co., L.L.C., and will be filing requests for Changes of Operatorship.

The Board, in Order 2007-134, issued on September 7, 2007, ordered that Cedarhill Operating Co., L.L.C. within six months either place on production or plug and abandon the Bonner Merritt #35-5 Well and the Davis 34-8 Well in accordance with Rule 400-1-4-.14 of the State Oil and Gas Board of Alabama Administrative Code related to Plugging and Abandonment of Wells. The Board further ordered, that the Bonner Merritt #35-5 Well site and the Davis #34-8 Well site be restored in accordance with Rule 400-1-4-.16 of the State Oil and Gas Board of Alabama Administrative Code related to Restoration of Location.

Having acquired Cedarhill Operating Co., L.L.C.'s rights in said wells Petitioner submits that its intentions are to attempt to put said wells on production. If those attempts are unsuccessful, then within said six months Petitioner will be responsible for properly plugging and abandoning said wells in accordance with Rule 400-1-4-.14 of the State Oil and Gas Board of Alabama Administrative Code and restoring the well locations in accordance with Rule 400-1-4-.16 of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-21

31. DOCKET NO. 2-6-08-22A

Amended petition by DE SOTO OIL & GAS, INC., a Florida 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 Godwin 14-3 No. 1 Well, with a proposed bottom hole location to be no closer than 2,200 feet from the West line and 330 feet from the North line of the unit for said Godwin 14-3 No. 1 Well, which is comprised of the entire Section 14, Township 1 North, Range 7 East, Big Escambia Creek Field, Escambia County, Alabama.

This Petition is a companion to Docket No. 2-6-08-23 in which Petition requests approval of force pooling of the interest in the Godwin 14-3 No. 1 Well.

BOARD ACTION: Granted 2-8-08

ORDER NO. 2008-22

32. DOCKET NO. 2-6-08-23

Petition by DE SOTO OIL & GAS, INC., a Florida 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, with risk compensation, of all tracts and interests in the Smackover Formation in a 640 acre drilling unit for the proposed Godwin 14-3 No. 1 Well, having a unit consisting of all of Section 14, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek. 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. 2-6-08-22 in which Petitioner requests approval of an exceptional location for bottom hole location of the Godwin 14-3 No. 1 Well.

BOARD ACTION: Granted 2-8-08
ORDER NO. 2008-23

33. 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 2-8-08

34. 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 (1293 TB)	C. F. Stewart Heirs #1 (C. F. Stewart Heirs #1)	S1, T10N, R3W S1, T10N, R3W
1338	Mattie Clark #3	S1, T10N, R3W
10416 (1343 TB)	Mattie E. Clark #1-6 (Abston Jones 1-6)	S1, T10N, R3W 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 2-8-08

35. DOCKET NO. 1-31-07-8A

Continued MOTION FOR REHEARING by LOWER 15 OIL CORPORATION, pursuant to the Alabama Administrative Procedure Act, Section 42-22-1 et seq. of the Code of Alabama (1975) requesting that the Board, upon rehearing, will modify or set aside its order related to its decision entered as Order No. 2007-97 on June 15, 2007, regarding a petition by Lower 15 Oil Corporation. The application for rehearing relates to the petition bearing the docket number set forth hereinabove.

BOARD ACTION: Continued 2-8-08

36. DOCKET NO. 8-2-07-7

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, Cedarhill Operating Co., L.L.C., to show cause why the following abandoned wells located in the Gilbertown Field and Bucatunna Creek Field in 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.

Gilbertown Field Wells and Tank Batteries

<u>Permit No.</u> <u>(Tank Battery No.)</u>	<u>Well Name</u> <u>(Tank Battery)</u>	<u>Location</u>
11476 (11476 TB)	Boney 33-8 #1 (Boney 33-8 #1)	S33, T11N, R4W S33, T11N, R4W
3038	Bonner Merritt #35-5	S35, T11N, R5W
3078	Davis #34-8	S34, T11N, R5W
3470	Merritt #34-1	S34, T11N, R5W
4241 (3038 TB)	Land et al 34-2 #2 (Bonner Merritt #35-5)	S34, T11N, R5W S34, T11N, R5W
11464 (11464 TB)	Merritt 35-4 #1 (Merritt 35-4 #1)	S35, T11N, R5W S35, T11N, R5W
2862-AB	Land Brothers 36-5 #2	S36, T11N, R5W
2930-AB	Land 36-6 #1	S36, T11N, R5W
13646-BH	Davis 35-7 #1	S35, T11N, R5W
13755-BH (2862-AB TB)	Triad 36-7 #1 (Land Brothers 36-5 #2)	S36, T11N, R5W S36, T11N, R5W

Bucatanna Creek Underground Injection Control Well

2753-B-SWD-80-1	Johnson 14-14#1	S14, T11N, R5W
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BOARD ACTION: Continued for six months or to the next regularly scheduled meeting of the Board following said six months with respect to certain wells and continued to the next meeting of the Board with respect to other wells and tank batteries.

37. DOCKET NO. 10-3-07-12

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA for Operator, ENERGY RECOVERY GROUP., to show cause why the wells described hereinbelow located in the Baldwin, Covington, Conecuh, Mobile and Walker Counties, Alabama, should not be found in violation of Rule 400-1-6-.10 of the State Oil and Gas Board of Alabama Administrative Code relating to Site Maintenance and Rule 400-1-10-.01 of the State Oil and Gas Board of Alabama

Administrative Code relating to Reports. Further pursuant to this Motion the Operator shall show cause why the wells 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 production facility 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.

Baldwin County Wells

<u>Permit No</u>	<u>Well Name</u>	<u>Location</u>	<u>Field</u>
4548		Gulf State Park 7-13 #1	S7, T9S, R5E
5791		Smith et al Unit 38 #1	S38, T8S, R4E
6435		Dora Hand et al 32 #1	S32, T8S, R3E
10036		Magnolia Land Co. 35-2 #1	S35, T7S, R3E
10037		Burnett 37 #1	S37, T8S, R4E
12325		Flowers Stewart 18-8	S18, T8S, R4E
			Gulf State Park
			Swifts Landing
			South Weeks Bay
			East Magnolia Springs
			Oak
			Pleasant View

Covington County Wells

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>	<u>Field</u>
6239		Paramount-Jeffers 17-9 #1	S17, T1N, R14E
8788		Paramount-Federal 16-14 #1	S16, T1N, R14E
9950-		Paramount- Federal 21-1 #1	S21, T1N, R14E
SWD-91-12			
10489		Smak-Dixon 31-6 #1	S31, T3N, R15E
10632		Smak-Dixon 31-11 #1	S31, T3N, R15E
10735-B		Smak-Dixon 31-10 #1	S31, T3N, R15E
10874		Smak-Dixon 31-7 #1	S31, T3N, R15E
11023-		Smak-Dixon 31-10 SWD #1	S31, T3N, R15E
SWD-96-2			
11096-B		Smak-Murphy 13-4#1	S13, T3N, R14E
			West Falco
			West Falco
			West Falco
			Pleasant Home
			Pleasant Home
			Pleasant Home
			Pleasant Home
			Pleasant Home
			South Copeland Creek

Conecuh County Well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>	<u>Field</u>
12049-B		D. W. McMillan 31-15#1	S31, T4N, R10E
			Juniper Creek

Mobile County Well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>	<u>Field</u>
4412-A		R. J. Newman et al 21-11#1	S21, T1S, R1W
			Turnerville

Walker County Well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>	<u>Field</u>
3246		U. S. Steel 17-14#1	S17, T13S, R10W
5131		McPoland et al 7-16#1	S7, T13S, R10W
5132		McPoland et al 8-13#1	S8, T13S, R10W
5283		McPoland et al 8-7#1	S8, T13S, R10W
5539		U. S. Steel 8-10#1	S8, T13S, R10W
5622		U. S. Steel 9-12#1	S9, T13S, R10W
			Eldridge
			Eldridge
			Eldridge
			Eldridge
			Eldridge
			Eldridge

5916	Gordon Davis 17-12#1	S17, T13S, R10W	Eldridge
6254	McPoland et al 18-16#1	S18, T13S, R10W	Eldridge
6310	U. S. Steel 20-4#1	S20, T13S, R10W	Eldridge
6355	Calvin 19-2#1	S19, T13S, R10W	Eldridge
6388	Aultman 18-6#1	S18, T13S, R10W	Eldridge
6972	U. S. Steel 19-10#1	S19, T13S, R10W	Eldridge

Also, pursuant to this Motion the Operator shall show cause why these two plugged and abandoned wells, the Thomas W. Walters et al Unit 13-10#1 Well, Permit No. 4758, and the Brantley et al Unit 32-13 #1 Well, Permit No. 5266, both of which were located in Baldwin County should not be found in violation of Rule 400-1-4-.15 of the State Oil and Gas Board of Alabama Administrative Code relating to Report of Well Plugging. Failure to comply with the Board's rules and regulations may result in the Board issuing fines or taking other sanctions against Operator, Energy Recovery Group. The Board may collect the proceeds of the well bond covering these wells and use the proceeds to plug and abandon wells and restore well locations.

BOARD ACTION: Continued 2-8-08

38. DOCKET NO. 12-12-07-39

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to address the following oil and gas wells described hereinbelow located in Baldwin, Covington, Conecuh, Mobile and Walker Counties, Alabama, operated by ENERGY RECOVERY GROUP, LLC:

Baldwin County Wells

<u>Permit No</u>	<u>Well Name</u>	<u>Location</u>	<u>Field</u>
4548		Gulf State Park 7-13 #1	S7, T9S, R5E
5791		Smith et al Unit 38 #1	S38, T8S, R4E
6435		Dora Hand et al 32 #1	S32, T8S, R3E
10036		Magnolia Land Co. 35-2 #1	S35, T7S, R3E
10037		Burnett 37 #1	S37, T8S, R4E
12325		Flowers Stewart 18-8	S18, T8S, R4E
			Gulf State Park
			Swifts Landing
			South Weeks Bay
			East Magnolia Springs
			Oak
			Pleasant View

Covington County Wells

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>	<u>Field</u>
6239		Paramount-Jeffers 17-9 #1	S17, T1N, R14E
8788		Paramount-Federal 16-14 #1	S16, T1N, R14E
9950-		Paramount- Federal 21-1 #1	S21, T1N, R14E
SWD-91-12			West Falco
10489		Smak-Dixon 31-6 #1	S31, T3N, R15E
10632		Smak-Dixon 31-11 #1	S31, T3N, R15E
10735-B		Smak-Dixon 31-10 #1	S31, T3N, R15E
10874		Smak-Dixon 31-7 #1	S31, T3N, R15E
11023-		Smak-Dixon 31-10 SWD #1	S31, T3N, R15E
SWD-96-2			Pleasant Home
11096-B		Smak-Murphy 13-4#1	S13, T3N, R14E
			Pleasant Home
			Pleasant Home
			Pleasant Home
			Pleasant Home
			South Copeland Creek

Conecuh County Well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>	<u>Field</u>
12049-B		D. W. McMillan 31-15#1	S31, T4N, R10E
			Juniper Creek

Mobile County Well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>	<u>Field</u>
4412-A	R. J. Newman et al 21-11#1	S21, T1S, R1W	Turnerville

Walker County Well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>	<u>Field</u>
3246	U. S. Steel 17-14#1	S17, T13S, R10W	Eldridge
5131	McPoland et al 7-16#1	S7, T13S, R10W	Eldridge
5132	McPoland et al 8-13#1	S8, T13S, R10W	Eldridge
5283	McPoland et al 8-7#1	S8, T13S, R10W	Eldridge
5539	U. S. Steel 8-10#1	S8, T13S, R10W	Eldridge
5622	U. S. Steel 9-12#1	S9, T13S, R10W	Eldridge
5916	Gordon Davis 17-12#1	S17, T13S, R10W	Eldridge
6254	McPoland et al 18-16#1	S18, T13S, R10W	Eldridge
6310	U. S. Steel 20-4#1	S20, T13S, R10W	Eldridge
6355	Calvin 19-2#1	S19, T13S, R10W	Eldridge
6388	Aultman 18-6#1	S18, T13S, R10W	Eldridge
6972	U. S. Steel 19-10#1	S19, T13S, R10W	Eldridge

An Involuntary Petition for Bankruptcy has been filed in the U.S. Bankruptcy Court, Eastern District of Texas, Case No. 06-41568 relating to Energy Recovery Group, LLC. In order to ensure that the subject wells are operated properly in accordance with the Alabama oil and gas laws and to ensure the protection of the citizens of Alabama, the Board may consider whether the transfer of operatorship is in the best interest of the State of Alabama. Various proposals for transfer or change of operator are being considered relating to the subject wells.

The jurisdiction of the State Oil and Gas Board of Alabama is set out in Section 9-17-1 et seq. of the Code of Alabama (1975). The Board may take any action it deems appropriate to ensure that the wells are operated properly and in accordance with Alabama oil and gas laws.

BOARD ACTION: Continued 2-8-08