RESULTS STATE OIL AND GAS BOARD OF ALABAMA EMERGENCY BOARD MEETING MARCH 14, 2008

1. DOCKET NO. 2-19-08-1A

Amended emergency petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exception to Rule 3(b) of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama, for the exceptional location of the Cunningham 16-12 #2 Well, Permit No. 5881. Petitioner proposes to re-enter and complete said well on a 320-acre unit consisting of the West Half of Section 16, Township 18 South, Range 14 West, Pickens County, Alabama, at a location 2,300 feet from the South line and 330 feet from the West line of said Section 16. Said Rule 3(b) requires that wells drilled in said Field be located at least 660 feet from every exterior boundary of the drilling unit, and the proposed location of the referenced well is only 330 feet from the West line of the 320-acre drilling unit for said well.

BOARD ACTION: Dismissed 3-14-08 ORDER NO. E-2008-48

2. DOCKET NO. 3-5-08-1

Emergency petition by GEOMET, INC., a Delaware corporation, requesting the State Oil and Gas Board to enter an order approving a 160-acre wildcat drilling unit consisting of the Northeast Quarter of Section 30, Township 12 South, Range 1 East, Blount County, Alabama, for the drilling of a vertical well and then a horizontal lateral, namely the proposed Fallin 30-07-03 Well, in accordance with Rule 400-1-2-.02(2)(b) of the <u>State Oil and Gas Board of Alabama Administrative Code</u> which provides that a well may be drilled on a drilling unit consisting of a governmental quarter section containing approximately 160 acres.

Petitioner permitted the Wittmeier 30-02-03 Well, Permit No. 15448, on a 40-acre unit consisting of the Northwest Quarter of the Northeast Quarter of said Section 30, but intends to cancel said permit.

This petition is filed as a companion to a petition bearing Docket No. 3-5-08-2 requesting approval of an exceptional location for the referenced well on the proposed 160-acre wildcat drilling unit, a petition bearing Docket No. 3-5-08-3 requesting forced pooling without imposition of a risk compensation penalty, and a petition bearing Docket No. 3-5-08-4A requesting an exception to Rule 400-1-4-.09(2)(c) pertaining to the setting and cementing of production casing. **BOARD ACTION**: Granted 3-14-08

ORDER NO. E-2008-49

3. DOCKET NO. 3-5-08-2

Emergency petition by GEOMET INC., a Delaware corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the proposed Fallin 30-07-03 Well located 573 feet from the South line and 386 feet from the West line of a 160-acre wildcat drilling unit consisting of the Northeast Quarter of Section 30, Township 12 South, Range 1 East, Blount County, Alabama, as an exception to Rule 400-1-2-.02(2)(b) of the <u>State Oil and Gas Board of Alabama Administrative Code</u> which requires that wells be drilled at least 660 feet from every exterior boundary of the drilling unit. Petitioner proposes to drill a vertical well into the Chattanooga Shale, evaluate the formation, then plug back the well and drill horizontally in the Chattanooga Shale in a northeasterly direction to a location that would be no closer than 330 feet from the North line and 330 feet from the East line of the unit. As such, said well will be no closer than 330 feet from every exterior boundary of the group exterior boundary of the unit. As such, said well will be no closer than 330 feet from every exterior boundary of the proposed 160-acre wildcat drilling unit for the referenced well and, as such, will be an exception to said Rule.

The petition is filed as a companion to a petition bearing Docket No. 3-5-08-1 requesting approval of a 160-acre wildcat drilling unit for the referenced well, a petition bearing Docket No. 3-5-08-3 requesting forced pooling without imposition of a risk compensation penalty, and a petition bearing Docket No. 3-5-08-4A requesting an exception to Rule 400-1-4-.09(2)(c) pertaining to the setting and cementing of production casing.

BOARD ACTION: Granted 3-14-08 ORDER NO. E-2008-50

4. DOCKET NO. 3-5-08-3

Emergency petition by GEOMET, INC., a Delaware corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the proposed Fallin 30-07-03 Well, located 573 feet from the South line and 386 feet from the West line of a 160-acre wildcat drilling unit consisting of the Northeast Quarter of Section 30, Township 12 South, Range 1 East, Blount County, Alabama.

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

This petition is filed as a companion to a petition bearing Docket No. 3-5-08-1 requesting approval of the above-described 160acre wildcat drilling unit for the referenced well, a petition bearing Docket No. 3-5-08-2 requesting approval of an exceptional location for the referenced well on the proposed 160-acre wildcat drilling unit, and a petition bearing Docket No. 3-5-08-4A requesting an exception to Rule 400-1-4-.09(2)(c)the statewide rule pertaining to the setting and cementing of production casing. **BOARD ACTION**: Granted 3-14-08 ORDER NO. E-2008-51

5. DOCKET NO. 3-5-08-4A

Amended emergency petition by GEOMET, INC., a Delaware corporation, requesting the State Oil and Gas Board to enter an order approving an exception to Rule 400-1-4-.09(2)(c) of the <u>State Oil and Gas Board of Alabama Administrative Code</u> pertaining to the requirements for setting and cementing production casing for the proposed Fallin 30-07-03 Well, to be drilled on a 160-acre wildcat drilling unit consisting of the Northeast Quarter of Section 30, Township 12 South, Range 1 East, Blount County, Alabama.

This petition is filed as a companion to a petition bearing Docket No. 3-5-08-1 requesting approval of the above-described 160acre wildcat drilling unit for the referenced well, a petition bearing Docket No. 3-5-08-2 requesting approval of an exceptional location for the referenced well on the proposed 160-acre wildcat drilling unit, and a petition bearing Docket No. 3-5-08-3 requesting the forced pooling, without imposition of a risk compensation penalty.

BOARD ACTION: Granted 3-14-08 ORDER NO. E-2008-52