

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
BOARD MEETING
OCTOBER 27 & 29, 2009

1. DOCKET NO. 2-2-09-11A

Continued amended petition by SPINDLETOP OIL & GAS CO., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Perkins-Young 33-10 #1 Well, Permit No. 4204, located in Lamar County, Alabama, in the North Fairview Oil Field, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said well has previously been granted temporarily abandoned status and said status has expired.

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

BOARD ACTION: Continued 10-29-09 to the next regularly scheduled meeting of the Board after March 31, 2010, with the stipulation that the temporarily abandoned status is extended to said meeting. Petitioner is directed to either produce the Perkins-Young 33-10 #1 Well, Permit No. 4204, or plug and abandon the well and restore the well site by said meeting.

2. DOCKET NO. 2-2-09-12

Continued petition by SPINDLETOP OIL & GAS CO., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Robertson 20-12 #1 Well, Permit No. 3227, located in Lamar County, Alabama, in the Fernbank Gas Field, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said well has previously been granted temporarily abandoned status and said status has expired.

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

BOARD ACTION: Continued 10-29-09

3. DOCKET NO. 2-2-09-13

Continued petition by SPINDLETOP OIL & GAS CO., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the S.H. Gilmer #1 Well, Permit No. 1425, and the S.H. Gilmer #3 Well, Permit No. 1920, located in Lamar County, Alabama, in the South Fairview Carter Oil Unit in the Fairview Oil Field, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said well has previously been granted temporarily abandoned status and said status has expired.

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

BOARD ACTION: Continued 10-29-09 to the next regularly scheduled meeting of the Board after March 31, 2010, with the stipulation that the temporarily abandoned status is extended to said meeting. Petitioner is directed to plug and abandon the S.H. Gilmer #1 Well, Permit No. 1425, and the S.H. Gilmer #3 Well, Permit No. 1920, and restore the well sites of these wells by said meeting.

4. DOCKET NO. 3-24-09-01

Continued petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the following wells all located in the Foshee Field, Escambia County, Alabama, for a period of one (1) year:

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
5213	A.T.I.C. 34-9 #1	Section 34, T2N-R8E
5335	Culpepper 34-7 #1	Section 34, T2N-R8E
5167	A.T.I.C. 35-13 #2	Section 35, T2N-R8E
5062	A.T.I.C. 35-14 #1	Section 35, T2N-R8E

Said wells are temporarily abandoned. Petitioner is requesting the Board to classify said wells as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because all of the wells have future utility in Durango Operating, LLC's operations in Foshee Field, Escambia County, Alabama and should not be plugged.

BOARD ACTION: Continued 10-29-09 with the stipulation that the temporarily abandoned status for the wells be extended to the next regularly scheduled meeting of the Board.

5. DOCKET NO. 3-24-09-02

Continued petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the Cedar Creek Land and Timber Co. 12-9 #1, Permit # 8685, located in Section 12, Township 1 North, Range 8 East in Osaka Field, Escambia County, Alabama, for a period of one (1) year:

Said well is temporarily abandoned. Petitioner is requesting the Board to classify said well as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility in Durango Operating, LLC's operations in Osaka Field, Escambia County, Alabama and should not be plugged.

BOARD ACTION: Continued 10-29-09 with the stipulation that the temporarily abandoned status for the well be extended to the next regularly scheduled meeting of the Board.

6. DOCKET NO. 3-24-09-03

Continued petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the R. E. Loper et al 12-11 #1, Permit # 2885, located in Section 12, Township 1 North, Range 8 East in Pollard Field, Escambia County, Alabama, for a period of one (1) year:

Said well is temporarily abandoned. Petitioner is requesting the Board to classify said well as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility in Durango Operating, LLC's operations in Pollard Field, Escambia County, Alabama and should not be plugged.

BOARD ACTION: Continued 10-29-09 with the stipulation that the temporarily abandoned status for the well be extended to the next regularly scheduled meeting of the Board.

7. DOCKET NO. 3-24-09-04

Continued petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the following wells all located in West Foshee Field, Escambia County, Alabama, for a period of one (1) year:

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
5475	A.T.I.C. 33-7 #3	Section 33, T2N-R8E
5359	A.T.I.C. 33-8 #1	Section 33, T2N-R8E
5528	A.T.I.C. Container 33-3 #1	Section 33, T2N-R8E

Said wells are temporarily abandoned. Petitioner is requesting the Board to classify said wells as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because all of the wells have future utility in Durango Operating, LLC's operations in West Foshee Field, Escambia County, Alabama and should not be plugged.

BOARD ACTION: Continued 10-29-09 with the stipulation that the temporarily abandoned status for the wells be extended to the next regularly scheduled meeting of the Board.

8. DOCKET NO. 3-24-09-10A

Continued amended 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 Grantham-Bass 14-10 No. 1 Well to be drilled on a 160-acre wildcat unit consisting of the Southeast Quarter of Section 14, 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: Continued 10-29-09

9. DOCKET NO. 5-5-09-13E

Continued 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 ("Board") to enter an order force pooling, without risk compensation, of all tracts and interests in a 640-acre production unit for the Godwin 14-3 No. 1 Well, Permit No. 15687-B, having a production unit consisting of all of Section 14, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek Field. On February 8, 2008, the Board in Order No. 2008-23, under Docket No. 2-6-08-23, on the petition by De Soto Oil & Gas, Inc. force pooled and integrated with risk compensation the above-described 640-acre production unit in the Big Escambia Creek Field. Following said order Petitioner drilled and completed the Well as a productive gas well in the Big Escambia Creek Field. Petitioner further requests that the Board terminate Board Order 2008-23, the nonconsenting owner under Board Order 2008-23 having consented. De Soto Oil & Gas, Inc. now requests the Board to force pool and integrate all remaining interests in said unit without risk compensation, De Soto Oil & Gas, Inc. having discovered such additional non-consenting owners in said unit subsequent to the drilling of said well.

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: Granted 10-29-09
ORDER NO. 2009-69

10. DOCKET NO. 7-23-09-05

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Roy J. Smith et al 6-10 #1A Well, Permit No. 2355-B, located in the Chunchula Unit in Section 6, Township 1 South, Range 1 West, Mobile County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

BOARD ACTION: Continued 10-29-09 with the stipulation that the temporarily abandoned status of the well be extended to the next regularly scheduled meeting of the Board.

11. DOCKET NO. 7-23-09-06B

Continued amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Winters 19-4 #1 Well, Permit No. 4765-A-1, located on a 320-acre drilling unit in the Coal Fire Creek Field consisting of the North Half of Section 19, Township 18 South, Range 14 West, Pickens County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

BOARD ACTION: Continued 10-29-09 with the stipulation that the temporarily abandoned status of the well be extended to the next regularly scheduled meeting of the Board.

12. DOCKET NO. 7-23-09-07

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the R.J. Newman et al 21-11 #1 Well, Permit No. 4412-A, located in the Turnerville Field on a 160-acre drilling unit consisting of the Southwest Quarter of Section 21, Township 1 South, Range 1 West, Mobile County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

BOARD ACTION: Continued 10-29-09 with the stipulation that the temporarily abandoned status of the well be extended to the next regularly scheduled meeting of the Board.

13. DOCKET NO. 7-23-09-09

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the shut-in status of the Northington 11-9 #2 Well, Permit No. 12740-A, located in the West Detroit Field on a 320-acre drilling unit consisting of the East Half of Section 11, Township 12 South, Range 16 West, Lamar County, Alabama, for one year in accordance with Rule 400-1-4-.17(2) of said State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

BOARD ACTION: Dismissed 10-29-09
ORDER NO. 2009-70

14. DOCKET NO. 9-8-09-02

Continued petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the Westervelt 17-08-572 Well to be drilled on a 40-acre unit consisting of the Southeast Quarter of the Northeast Quarter of Section 17, Township 20 South, Range 8 West, Tuscaloosa County, Alabama, in the Brookwood 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 10-29-09

15. DOCKET NO. 9-8-09-05A

Continued amended petition by HIGHMOUNT BLACK WARRIOR BASIN LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board, pursuant to Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status for the following wells located in St. Clair County, Alabama, in the Big Canoe Creek Field, for a period of one (1) year:

<u>WELL NAME</u>	<u>PERMIT NO.</u>	<u>LOCATION</u>
Bjornson 32-16-07	14620	S32-T13S-R5E
Sloss, et al 35-13-09	14621	S35-T13S-R4E
West 35-08-05	15268	S35-T13S-R4E.

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

BOARD ACTION: Continued 10-29-09 with the stipulation that the temporarily abandoned status of the wells be extended to the next regularly scheduled meeting of the Board.

16. DOCKET NO. 9-8-09-07

Continued petition by ESCAMBIA OPERATING CO., LLC, a foreign limited liability company, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the Powell Gas Unit 19-4 #1 Well, Permit No. 2991, located on a 640-acre unit consisting of Section 19, Township 1 North, Range 9 East, Escambia County, Alabama, in the Flomaton Field, for a period of one (1) year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code.

Petitioner has previously been granted temporarily abandoned status for the referenced well and requests that the Board grant a one year extension of such status because said well has future utility and should not be plugged.

BOARD ACTION: Continued 10-29-09 with the stipulation that the temporarily abandoned status of the well be extended to the next regularly scheduled meeting of the Board.

17. DOCKET NO. 10-27-09-01

Petition by CDM MAX, LLC, a Texas Limited Liability Company, qualified to do and doing business in the state of Alabama ("Petitioner") requesting the State Oil and Gas Board of Alabama ("Board"), pursuant to Rule 400-1-7-01 of the State Oil and Gas Board of Alabama Administrative Code to approve the construction and operation of its proposed North Beach Gas Processing Facility to be located in Section 17, Township 4 North, Range 13 East, Conecuh County, Alabama, for the purpose of processing natural gas from wells located in the Little Cedar Creek Field area.

BOARD ACTION: Granted 10-29-09
ORDER NO. 2009-71

18. DOCKET NO. 10-27-09-02

Petition by STETSON PETROLEUM CORP., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order extending the temporarily abandoned status of the Scott Paper Co. 25-14 No. 1 Well, Permit No. 6303, located on a 160-acre unit consisting of the West Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 25, Township 4 North, Range 7 East, Conecuh County, Alabama in the Northeast Barnett Field, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said Well has future utility to the operations of Stetson Petroleum Corp. and should not be plugged.

BOARD ACTION: Continued 10-29-09 with the stipulation that the temporarily abandoned status of the well be extended to the next regularly scheduled meeting of the Board.

19. DOCKET NO. 10-27-09-03

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, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation in Petitioner's proposed McMillan 36-4 Well to be drilled on a 160-acre wildcat drilling unit consisting of the Northwest Quarter of Section 36, Township 4 North, Range 10 East, Conecuh County, Alabama.

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

BOARD ACTION: Dismissed 10-29-09
ORDER NO. 2009-72

20. DOCKET NO. 10-27-09-04A

Amended petition by VENTEX OPERATING CORP., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a 160-acre wildcat drilling unit, the confirmation of which is defined by 3-D seismic, consisting of the South Half of Southeast Quarter of Northeast Quarter of Northwest Quarter, the South Half of South Half of Northwest Quarter of Northeast Quarter, the South Half of Southwest Quarter of Northeast Quarter of Northeast Quarter, the East Half of Southeast Quarter of Northwest Quarter, the Southwest Quarter of Northeast Quarter, the West Half of Southeast Quarter of Northeast Quarter, the Northeast Quarter of Northeast Quarter of Southwest Quarter, the North Half of Northwest Quarter of Southeast Quarter, the Northwest Quarter of Northeast Quarter of Southeast Quarter, the North Half of Southeast Quarter of Northeast Quarter of Southwest Quarter, the North Half of South Half of Northwest Quarter of Southeast Quarter and the North Half of Southwest Quarter of Northeast Quarter of Southeast Quarter, all in Section 15, Township 6 North, Range 7 East, Monroe County, Alabama. Petitioner proposes to drill the Andreeff-Floyd 15-7 No. 1 Well on said 160-acre drilling unit at a location 924 feet FNL and 715 feet FWL of said 160-acre wildcat drilling unit, 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.

This petition is filed as a companion to a petition bearing Docket No. 10-27-09-05 requesting the forced pooling, with imposition of the risk compensation fee, of all tracts and interests in hydrocarbons produced from the Smackover and/or Norphlet Formation in the referenced well.

BOARD ACTION: Dismissed 10-29-09
ORDER NO. 2009-73

21. DOCKET NO. 10-27-09-05

Petition by VENTEX OPERATING CORP., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover and/or Norphlet Formation in Petitioner's proposed Andreeff-Floyd 15-7 No. 1 Well to be drilled on a 160-acre wildcat drilling unit consisting of the South Half of Southeast Quarter of Northeast Quarter of Northwest Quarter, the South Half of South Half of Northwest Quarter of Northeast Quarter, the South Half of Southwest Quarter of Northeast Quarter of Northeast Quarter, the East Half of Southeast Quarter of Northwest Quarter, the Southwest Quarter of Northeast Quarter, the West Half of Southeast Quarter of Northeast Quarter, the Northeast Quarter of Northeast Quarter of Southwest Quarter, the North Half of Northwest Quarter of Southeast Quarter, the Northwest Quarter of Northeast Quarter of Southeast Quarter, the North Half of Southeast Quarter of Northeast Quarter of Southwest Quarter, the North Half of South Half of Northwest Quarter of Southeast Quarter and the North Half of Southwest Quarter of Northeast Quarter of Southeast Quarter, all in Section 15, Township 6 North, Range 7 East, Monroe County, Alabama.

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

This petition is filed as a companion to a petition bearing Docket No. 10-27-09-04 requesting the Board to enter an order approving said 160-acre wildcat drilling unit for said well.

BOARD ACTION: Dismissed 10-29-09
ORDER NO. 2009-74

22. DOCKET NO. 10-27-09-06B

Amended petition by SMACKCO, LTD., an Alabama limited partnership, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Appleton Unit 2-14 #1 Well, Permit No. 3854-B, and the Appleton Unit 2-15 #5 Well, Permit No. 6247-B, both located in Section 2, Township 3 North, Range 9 East, Escambia County, Alabama, in the Appleton Field Unit, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said wells have future utility and should not be plugged.

BOARD ACTION: Continued 10-29-09 and classify the wells as temporarily abandoned for one year or to the next regularly scheduled meeting of the Board following said one-year period with the stipulation that by the date of said Board meeting petitioner shall either commence sidetracking operations or commence workover operations to re-establish production in the Appleton Unit 2-14 #1 Well, Permit No. 3854-B, or the Appleton Unit 2-15 #5 Well, Permit No. 6247-B, or submit plugging and abandonment procedures for the wells.

23. DOCKET NO. 10-27-09-07A

Amended petition by SMACKCO, LTD., an Alabama limited partnership, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the McMillan Trust 12-11 #4 Well, Permit No. 4991, located on a 160-acre wildcat unit consisting of the Southwest Quarter of Section 12, Township 3 North, Range 9 East, Escambia County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

BOARD ACTION: Continued 10-29-09 and classify the well as temporarily abandoned for one year or to the next regularly scheduled meeting of the Board following said one-year period with the stipulation that by the date of said Board meeting petitioner shall either submit a Class II UIC permit application for the disposal of saltwater or submit plugging and abandonment procedures for the well.

24. DOCKET NO. 10-27-09-08

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving a 320-acre drilling unit for Petitioner's proposed Benton 25-1 No. 1 Well consisting of the Northeast Quarter of Section 25, Township 15 South, Range 15 West and the Northwest Quarter of Section 30, Township 15 South, Range 14 West, Lamar County, Alabama, as a productive extension of the Hells Creek Field, as an exception to Rule 3(a) of the Special Field Rules for said Field which states that a well shall be drilled on a drilling unit consisting of a governmental half section. The proposed Benton 25-1 No. 1 Well is located in the Northeast Quarter of said Section 25. The Northeast Quarter of said Section 25 is within the Hells Creek Field and the Northwest Quarter of said Section 30 is adjacent to the Hells Creek Field.

This petition is filed as a companion to a petition bearing Docket No. 10-27-09-09 requesting the forced pooling, with imposition of the risk compensation fee, of all tracts and interests in hydrocarbons produced from the Carter Sand in the referenced well.

BOARD ACTION: Continued 10-29-09

25. DOCKET NO. 10-27-09-09A

Amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Lewis Sand in Petitioner’s proposed Benton 25-1 No. 1 Well to be drilled on a 320-acre drilling unit consisting of the Northeast Quarter of Section 25, Township 15 South, Range 15 West and the Northwest Quarter of Section 30, Township 15 South, Range 14 West, as a productive extension of the Hells Creek Field, Lamar County, Alabama. The proposed Benton 25-1 No. 1 Well is located in the Northeast Quarter of said Section 25. The Northeast Quarter of said Section 25 is within the Hells Creek Field and the Northwest Quarter of said Section 30 is adjacent to the Hells Creek Field.

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

This petition is filed as a companion to a petition bearing Docket No. 10-27-09-08 requesting the Board to enter an order approving said 320-acre drilling unit for said well.

BOARD ACTION: Continued 10-29-09

26. DOCKET NO. 10-27-09-10A

Amended petition by ENERGEN RESOURCES CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order: 1) approving the termination of the field-wide Unit known as Unit I in the Taylor Creek Coal Degasification Field, Tuscaloosa and Greene Counties, Alabama, in accordance with Article 15.2 of the Unit Agreement and 2) amending the Special Field Rules to delete Rules 10, 11 and 12 relating to Unit Operations.

Upon petition by Meridian Oil, Inc., said Unit I was approved on January 30, 1992, by Board Order No. 92-5, the effective date for Unit I being February 1, 1992, consisting of the Southwest Quarter of Section 24, all of Sections 25 and 26, the East Half of Section 27, the East Half of Section 34, and all of Sections 35 and 36, all in Township 22 South, Range 13 West; the Southwest Quarter of Section 30 and the West Half of Section 31, all in Township 22 South, Range 12 West; and all of Sections 1, 2, and 3, the Northeast Quarter of Section 10, the North Half and the Southeast Quarter of Section 11, and the West Half of Section 12, all in Township 24 North, Range 2 East, all being in Tuscaloosa and Greene Counties, Alabama. On May 23, 2005, Energen Resources Corporation, successor operator to Meridian Oil, Inc., declared that said Unit I was terminated by the Working Interest Owners and that all wells in said Unit had been plugged and abandoned as of May 23, 2005.

BOARD ACTION: Granted 10-29-09

ORDER NO. 2009-75

27. DOCKET NO. 10-27-09-11A

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 approving an exceptional location for the re-entry of the Jones #1 8-15 Well, Permit No. 2722, for an attempted re-completion in the Upper Carter Sand as defined for the Southeast Bluff Upper Carter Oil Unit in the Bluff Oil Field, Fayette County, Alabama. Said well is located 1,980 feet from the east line and 1,100 feet from the south line of Section 8, Township 14 South, Range 13 West, Fayette County, Alabama. At that location the well is only 220 feet from the North line of the Unit boundary and, as such, is an exception to Rules 17(a) and 17(b) of the Special Field Rules for the Bluff Oil Field. Said Rules state that every well drilled as a producing well or an injection well in said Unit shall be located at least 330 feet from every exterior boundary of the Unit Area.

Said well was previously completed in 1979, in the Carter Sand Gas Pool as defined in the Special Field Rules for the Bluff Gas Field on a 320-acre unit consisting of the East Half of said Section 8, but was plugged and abandoned on March 29, 1989.

BOARD ACTION: Granted 10-29-09

ORDER NO. 2009-76

28. DOCKET NO. 7-23-09-12

Continued MOTION BY THE STATE OIL AND GAS BOARD for Operator Holland Operating Company, Inc., to show cause why the wells located in the Moundville Coal Degasification Field, Hale County, Alabama listed hereinbelow should not be ordered plugged and abandoned in accordance with Rule 400-3-4-.14 of the State Oil and Gas Board of Alabama Administrative Code relating to Plugging and Abandonment of Wells. Further, as a part of this Motion by the Board, the operator shall show cause why equipment, pipelines, and other facilities associated with these wells, including but not limited to natural gas pipelines, compressor stations, “tin” horns, pipeline risers, and water gathering lines should not be removed, cleaned up, or dismantled and all sites restored in accordance with the Board’s rules and regulations.

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
14811-C	Tubbs 10-5	Sec. 10, Township 23 North, Range 5 East
14812-C	Stephenson 10-4	Sec. 10, Township 23 North, Range 5 East
14813-C	Tubbs 9-8-1	Sec. 9, Township 23 North, Range 5 East
14814-C	Tubbs 9-1 No. 2	Sec. 9, Township 23 North, Range 5 East
14887-C	Tubbs 9-1 No. 3	Sec. 9, Township 23 North, Range 5 East

The Board may, as a part of this Motion, order that surety holding surety bonds on these wells pay the proceeds of the well bonds to the Board so that the Board's staff may plug and abandon the wells and restore the well sites and dismantle, remove and restore all associated sites.

Further, as a part of this Motion, the Board may order that a portion of the monies in the Alabama Coalbed Methane Gas Plugging Fund be collected by the Board pursuant to Section 9-17-133 et. seq. of the Code of Alabama (1975)

Failure of the operator to comply with the Board's rules, regulations, and orders may result in the Board issuing fines or taking other sanctions against operator, Holland Operating Company, Inc.

BOARD ACTION: Continued 10-29-09