

RESULTS OF MEETING

The State Oil and Gas Board of Alabama held a special hearing at 10:00 a.m. on Thursday, November 7, 2011, in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama.

1. DOCKET NO. 9-27-11-15C

Continued Amended Petition by EOR, 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 pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, *Code of Alabama* (1975), approving a partial field-wide Unit for the West Falco Field to be known as the "West Falco Field Unit," consisting of the hereinafter described "Unit Area" in Covington County, Alabama, and requiring the operation of said Unit Area as a partial field-wide Unit for enhanced recovery, development and production of oil, gas, gaseous substances, condensate, distillate and all associated and constituent liquid or liquefiable substances within or produced from the Unitized Formation in order to prevent waste, to maximize recovery of the unitized substances, to avoid the drilling unnecessary wells and to protect correlative rights of interested parties.

The "Unitized Formation" within the Unit Area for the proposed West Falco Field Unit is to be designated as that portion of the subsurface underlying the Unit Area between the top of the Haynesville Sand Oil Pool and the base of the Haynesville Sand Oil Pool which strata occur between the depths of -12,982 feet and -13,060 feet in the Paramount-Jeffers 17-9 #1 Well, Permit No. 6239, with a surface location 330 feet FEL and 1,684 feet FSL of Section 17, Township 1 North, Range 14 East, Covington County, Alabama, as defined by the Dual Induction Log for said well, including those strata which can be correlated therewith, and all zones in communication therewith and all productive extensions thereof, or such other interval as may be ordered by the State Oil and Gas Board.

The proposed "Unit Area" is designated as the Southwest Quarter of Section 16 and the Southeast Quarter of Section 17, all in Township 1 North, Range 14 East, Covington County, Alabama, in the West Falco Field, containing approximately 320 acres, more or less.

Said petition further seeks entry of an order by this Board unitizing, pooling and integrating the Unit Area, as underlain by the above-described Unitized Formation, into a partial field-wide Unit so as to require all owners or claimants of royalty, overriding royalty, mineral, leasehold and all other leasehold interests within said partial field-wide Unit to unitize, pool and integrate their interests and develop their lands or interests within the Unit Area as a Unit. Said petition further seeks to have EOR, LLC, designated as Operator of the Unit Area in accordance with the laws of the State of Alabama and seeks an order from the Board approving the Unit Agreement and Unit Operating Agreement, as ratified. Said petition also seeks approval of the amendments to the Special Field Rules for the West Falco Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

BOARD ACTION: Granted 11.7.2011.

ORDER NO.: 2011-95

2. DOCKET NO. 11-1-11-03

Continued 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 proposed re-entry of the Dorothy R. Carmack 9-13 #1 Well, Permit No. 11108, and proposed re-completion in the Millerella Formation, on a 320-acre production unit consisting of the South Half of Section 9, Township 17 South, Range 15 West, Lamar County, Alabama, in the Fernbank 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 11.7.2011.

ORDER NO.: 2011-96