

## RESULTS OF MEETING

The State Oil and Gas Board of Alabama held its regular hearing at 10:00 a.m. on Tuesday, February 8, 2011, and Thursday, February 10, 2011, and was continued on February 18, 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. 9-8-09-07A

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:** Granted 2.10.11.

**ORDER NO.:** 2011-02

### 2. DOCKET NO. 10-26-10-10

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., 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 Smackover Formation in the proposed Hattie Gibby 7-15 No. 2 Well to be drilled on a 160-acre drilling unit consisting of the South Half of the Southeast Quarter of Section 7 and the North Half of the Northeast Quarter of Section 18, all in Township 6 North, Range 5 East, Clarke County, Alabama, in the Barlow Bend 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. 10-26-10-11 requesting approval of an exceptional 160-acre drilling unit for the Hattie Gibby 7-15 No. 2 Well as an exception to Rule 3(a) of the Special Field Rules for the Barlow Bend Field.

**BOARD ACTION:** Continued 2.10.11.

### 3. DOCKET NO. 10-26-10-11

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving a 160-acre drilling unit for the proposed Hattie Gibby 7-15 No. 2 Well consisting of the South Half of the Southeast Quarter of Section 7 and the North Half of the Northeast Quarter of Section 18, all in Township 6 North, Range 5 East, Clarke County, Alabama, in the Barlow Bend Field, as an exception to Rule 3(a) of the Special Field Rules for said Field, which requires units consisting of governmental quarter sections.

This petition is filed as a companion to a petition bearing Docket No. 10-26-10-10 requesting the forced pooling, without imposition of the risk compensation fee, of all tracts and interests in hydrocarbons produced from the Smackover Formation in the Hattie Gibby 7-15 No. 2 Well.

**BOARD ACTION:** Continued 2.10.11.

### 4. DOCKET NO. 12-7-10-03B

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 amend Rule 2 of the Special Field Rules for the Molloy Gas Field, Lamar County, Alabama, to add the Chandler Sand Gas Pool, to be construed to mean those strata of the Chandler Sand productive of hydrocarbons in the interval between 3,878 feet and 3,931 feet in the Richards 33-11 #1 Well (formerly Richards Unit 33-11 #1 Well), Permit No. 2848, located on a 320-acre wildcat drilling unit consisting of the West Half of Section 33, Township 15 South, Range 16 West, Lamar County, as indicated on the Dual Induction-SFL Log of said well, and including those strata productive of hydrocarbons which can be correlated therewith.

Petitioner further requests the Board to approve the 320-acre wildcat drilling unit for the Richards 33-11 #1 Well as the production unit for said well, as completed in the Chandler Sand Gas Pool, in the Molloy Gas Field.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO.:** 2011-03

### 5. DOCKET NO. 12-7-10-14A

Amended petition by VENTURE OIL & GAS, INC., 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 establishing a new gas field in Escambia County, Alabama, to be known as the Jack Springs Field, or such other name as the Board deems proper, to establish well spacing and production allowables, and

to adopt Special Field Rules therefor. The proposed field is underlain by the Smackover Gas Pool and the proposed field limits include 480 acres to consist of the Northwest Quarter of Section 4 and the Northeast Quarter of Section 5, Township 2 North, Range 5 East and the South Half of the Southeast Quarter of Section 32 and the South Half of the Southwest Quarter of Section 33, Township 3 North, Range 5 East, Escambia County, Alabama. This petition will be submitted along with a companion petition requesting that the Board reform the 160-acre drilling unit for the Black Stone 4-4 No. 1 Well to a 480-acre production unit to consist of the same 480 acres described above, so that the proposed field limits of the proposed Jack Springs Field are the same as the proposed production unit for the Black Stone 4-4 No.1 Well.

The Smackover Gas Pool in said field is defined as those strata productive of hydrocarbons between the interval of 15,472 feet (MD) and 15,750 feet (MD) as indicated on the Platform Express Array Induction/Lithology Density Compensated Neutron/Gamma Ray/ SP Log for the Black Stone 4-4 No. 1 Well, Permit No. 16158, and all zones in communication therewith and all productive extensions thereof.

This Petition is filed as a companion to a Petition under Docket No. 12-7-10-15 requesting that the 160-acre drilling unit for the Black Stone 4-4 No. 1 Well be reformed to a 480-acre production unit, or any other unit as approved by the Board, and a Petition under Docket No. 12-7-10-16 requesting that all tracts and interests in hydrocarbons produced from the proposed 480-acre production unit, or any other unit as approved by the Board be force pooled by the Board without the imposition of a risk compensation penalty.

**BOARD ACTION:** Continued 2.18.11.

6. DOCKET NO. 12-7-10-15A

Amended petition by VENTURE OIL & GAS, INC., 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 reforming the 160-acre drilling unit for the Black Stone 4-4 No. 1 Well, Permit No. 16158, to a 480-acre production unit.

Petitioner requests that the 160-acre drilling unit for said Black Stone 4-4 No. 1 Well, Permit No. 16158, consisting of the Northwest Quarter of Section 4, Township 2 North, Range 5 East, Escambia County, Alabama, be reformed to a 480-acre production unit to consist of the Northwest Quarter of Section 4 and the Northeast Quarter of Section 5, Township 2 North, Range 5 East and the South Half of the Southeast Quarter of Section 32 and the South Half of the Southwest Quarter of Section 33, Township 3 North, Range 5 East, Escambia County, Alabama.

This Petition is filed as a companion to a Petition under Docket No. 12-7-10-14 requesting that a new gas field be established in Escambia County, Alabama, to be known as the Jack Springs Field and a Petition under Docket No. 12-7-10-16 requesting that all tracts and interests in hydrocarbons produced from the proposed 480-acre production unit of the subject well, or any other production unit as established by the Board, be force pooled by the Board without the imposition of a risk compensation penalty.

**BOARD ACTION:** Continued 2.18.11.

7. DOCKET NO. 12-7-10-16A

Amended petition by VENTURE OIL & GAS, INC., 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 force pooling, without the imposition of a risk compensation penalty, all tracts and interest in hydrocarbons produced from the proposed 480-acre production unit for the Black Stone 4-4 No. 1 Well, Permit No. 16158 to consist of the Northwest Quarter of Section 4 and the Northeast Quarter of Section 5, Township 2 North, Range 5 East and the South Half of the Southeast Quarter of Section 32 and the South Half of the Southwest Quarter of Section 33, Township 3 North, Range 5 East, Escambia County, Alabama or any other production unit approved by the Board for the subject well.

This Petition is in accordance of Section 19-17-13, *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 under Docket No. 12-7-10-14 requesting that a new gas field be established in Escambia County, Alabama, to be known as the Jack Springs Field and a Petition under Docket No. 12-7-10-15 requesting that the 160-acre drilling unit for the Black Stone 4-4 No. 1 Well be reformed to a 480-acre production unit to consist of Northwest Quarter of Section 4 and the Northeast Quarter of Section 5, Township 2 North, Range 5 East and the South Half of the Southeast Quarter of Section 32 and the South Half of the Southwest Quarter of Section 33, Township 3 North, Range 5 East, Escambia County, Alabama.

**BOARD ACTION:** Continued 2.18.11.

8. DOCKET NO. 02-08-11-01

Petition by BAY GAS STORAGE COMPANY, LTD. ("Petitioner"), an Alabama limited partnership whose general partner is Sempra Midstream Inc., an Alabama corporation, requesting that the State Oil and Gas Board of Alabama ("Board") enter an order amending the Special Gas Storage Rules for the Bay Gas Salt Dome Gas Storage Facility # 4 at McIntosh which is located in the Southwest Quarter of the Southwest Quarter, Section 37, Township 4 North, Range 1 East, Washington County, Alabama, and which includes a buffer zone extending into the Northwest Quarter of Section 29, Township 3 North, Range 1 East in said County, said amendment to revise the description of the Cavity Site for the Facility. The Bay Gas Salt Dome Gas Storage Facility # 4 at McIntosh was heretofore established and approved by the Board in Order No. 2007-64, and Petitioner was appointed as the Operator of the Facility by that order. The Special Gas Storage Rules for the Facility were amended by Order No. 2010-57. This petition is filed in accordance with the provisions of Ala. Code

Sections 9-17-150 *et seq.* and State Oil and Gas Board of Alabama Administrative Code Rules 400-6-1 *et seq.* and 400-7-1 *et seq.*

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO.:** 2011-04

9. DOCKET NO. 02-08-11-02

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order amending Rule 1 of the Special Field Rules for the Hells Creek Field to add the Northwest Quarter of Section 30, Township 15 South, Range 14 West, Lamar County, Alabama, to the field limits of said Field. This Petition is filed pursuant to Section 9-17-1, *et seq.* of the *Code of Alabama* (1975).

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO.:** 2011-05

10. DOCKET NO. 02-08-11-03B

Amended petition by PRUET PRODUCTION 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 establishing a new oil field in Escambia County, Alabama, to be named the West Robinson Creek Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Smackover Oil Pool, consists of the East Half of the Southwest Quarter and the West Half of the Southeast Quarter of Section 12, Township 3 North, Range 6 East, Escambia County, Alabama.

The Smackover Oil Pool should be defined as that interval of the Smackover Formation productive of hydrocarbons between 14,464 feet measured depth and 14,895 feet measured depth, as indicated on the Schlumberger Array Induction – Neutron/Density Log of the Chunn 12-10 #1 Well, Permit No. 16152, located in the West Half of the Southeast Quarter of Section 12, Township 3 North, Range 6 East, Escambia County, Alabama.

Petitioner is requesting well spacing of 160 acres, and is also requesting the establishment of production allowables for said field.

Petitioner is also requesting that the 160-acre drilling unit for the Chunn 12-10 #1 Well, Permit No. 16152, consisting of the East Half of the Southwest Quarter and the West Half of the Southeast Quarter of Section 12, Township 3 North, Range 6 East, Escambia County, Alabama, be approved as the permanent production unit for said well.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO.:** 2011-06

11. DOCKET NO. 02-08-11-04A

Amended petition by PRUET PRODUCTION 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 establishing a new oil field in Monroe County, Alabama, to be named the Excel Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Smackover Oil Pool, consists of the Northwest Quarter of Section 2, Section 3, Section 4, Township 5 North, Range 7 East, Monroe County, Alabama.

The Smackover Oil Pool should be defined as that interval of the Smackover Formation productive of hydrocarbons between 12,414 feet and 12,622 feet, as indicated on the Schlumberger Array Induction – Neutron/Density Log of the Simpson 4-9 #1 Well, Permit No. 16093, located in the Southeast Quarter of Section 4, Township 5 North, Range 7 East, Monroe County, Alabama.

Petitioner is requesting well spacing of 160 acres, and is also requesting the establishment of production allowables for said field.

Petitioner is also requesting that the 160-acre drilling unit for the Simpson 4-9 #1 Well, Permit No. 16093, consisting of the Southeast Quarter of Section 4, Township 5 North, Range 7 East, Monroe County, Alabama, be approved as the permanent production unit for said well.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO.:** 2011-07

12. DOCKET NO. 02-08-11-05

Petition by PRUET PRODUCTION 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 reforming the unit for the Shumack 3-7 #1 Well, Permit No. 16340, from a 40-acre wildcat drilling unit consisting of the Southwest Quarter of the Northeast Quarter of Section 3, Township 5 North, Range 7 East, Monroe County, Alabama, to a 160-acre production unit consisting of the Northeast Quarter of said Section 3 in the proposed Excel Field.

This petition is filed as a companion to a petition bearing Docket No. 2-8-11-07 requesting approval of the exceptional location of the Shumack 3-7 #1 Well on said proposed reformed 160-acre production unit and a companion petition bearing Docket No. 2-8-11-06 requesting the forced pooling, without imposition of a risk compensation penalty, of all tracts and interests in hydrocarbons produced in said well.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO.:** 2011-08

13. DOCKET NO. 02-08-11-06

Petition by PRUET PRODUCTION CO., a foreign 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 Shumack 3-7 #1 Well, Permit No. 16340, located on a proposed reformed 160-acre production unit consisting of the Northeast Quarter of Section 3, Township 5 North, Range 7 East, Monroe County, Alabama, in the proposed Excel 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. 2-8-11-05 requesting reformation of the 40-acre wildcat drilling unit for the Shumack 3-7 #1 Well to a 160-acre production unit in the proposed Excel Field and a petition bearing Docket No. 2-8-11-07 requesting approval of the exceptional location of said well on said proposed reformed 160-acre production unit.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO:** 2011-09

14. DOCKET NO. 02-08-11-07

Petition by PRUET PRODUCTION 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 approving the exceptional location of the Shumack 3-7 #1 Well, Permit No. 16340, on a proposed reformed 160-acre production unit consisting of the Northeast Quarter of Section 3, Township 5 North, Range 7 East, Monroe County, Alabama, in the proposed Excel Field, as an exception to Rule 3(b) of the Special Field Rules for said Field. Said Rule 3(b) requires that wells be located at least 660 feet from every exterior boundary of the drilling unit, and the location of the referenced well on said proposed reformed 160-acre unit is 550 feet from the West line and 430 feet from the South line of said proposed reformed 160-acre unit, and as such, is an exception to said Rule 3(b).

This petition is filed as a companion to a petition bearing Docket No. 2-8-11-05 requesting reformation of the 40-acre wildcat drilling unit for the Shumack 3-7 #1 Well to a 160-acre production unit in the proposed Excel Field, and another companion petition bearing Docket No. 2-8-11-06 requesting the forced pooling, without imposition of a risk compensation penalty, of all tracts and interests in hydrocarbons produced in the Shumack 3-7 #1 Well.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO:** 2011-10

15. DOCKET NO. 02-08-11-08C

Amended petition by SKLAR EXPLORATION COMPANY, LLC requesting that the State Oil and Gas Board of Alabama enter an order (a) force pooling, with a risk compensation fee, all tracts and interests in the Southeast Quarter of Section 32, Township 6 North, Range 14 East, Covington County, Alabama, as a 160-acre wildcat unit for the purpose of drilling a well to test formations down to and including the Smackover and Norphlet formation, (b) requiring all owners of tracts and interests in said unit to develop their tracts and interests as a unit, and (c) appointing Petitioner as the operator of said unit. This petition is filed pursuant to *Ala. Code* §§ 9-17-1, *et seq.* (and, in particular, § 9-17-13, as amended) and Rules 400-1, *et seq.* (and, in particular, Rule 400-7-1 *et seq.*) of the State Oil and Gas Board of Alabama Administrative Code.

**BOARD ACTION:** Granted without risk compensation 2.22.11.

**ORDER NO:** 2011-19

16. DOCKET NO. 02-08-11-09B

Amended 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 approving the exceptional bottom hole location of the Cedar Creek Land & Timber 13-12 ST Well, Permit No. 16175-B-1, as an exception to Rule 400-1-2-.02(2)(b) of the *State Oil and Gas Board of Alabama Administrative Code*. Said well was drilled on a 160-acre wildcat drilling unit consisting of the Southwest Quarter of Section 13, Township 5 North, Range 13 East, Conecuh County, Alabama, at a surface location 1,000 feet from the South line and 750 feet from the West line of the 160-acre unit for said well, and sidetracked to a bottom hole location 628 feet from the North line and 664 feet from the West line of said 160-acre wildcat drilling unit.

Rule 400-1-2-.02(2)(b) of the *State Oil and Gas Board of Alabama Administrative Code* requires that wells be located at least 660 feet from every exterior boundary of the drilling unit, but the bottom hole location of the referenced well, being only 628 feet from the North line of said 160-acre wildcat drilling unit is an exception to said Rule.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO:** 2011-11

17. DOCKET NO. 02-08-11-10A

Amended 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 approving the exceptional bottom hole location of the Cedar Creek Land & Timber 14-15 Well, Permit No. 16237, as an exception to Rule 400-1-2-.02(2)(b) of the *State Oil and Gas Board of Alabama Administrative Code*. Said well was drilled on a 160-acre wildcat drilling unit consisting of the Southeast Quarter of Section 14, Township

5 North, Range 13 East, Conecuh County, Alabama, at a surface location 749 feet from the South line and 1,435 feet from the East line of the 160-acre unit for said well, but said well unintentionally drifted such that the bottom hole location is 417 feet from the South line and 1,241 feet from the East line of said 160-acre wildcat drilling unit.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO:** 2011-12

18. DOCKET NO. 02-08-11-11A

Amended 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 approving the exceptional bottom hole location of the Mary Mack 30-14 Well, Permit No. 16398, as an exception to Rule 400-1-2-.02(2)(b) of the *State Oil and Gas Board of Alabama Administrative Code*. Said well was drilled on a 160-acre wildcat drilling unit consisting of the Southwest Quarter of Section 30, Township 4 North, Range 13 East, Conecuh County, Alabama, at a surface location 673 feet from the South line and 1,534 feet from the West line of the 160-acre unit for said well, but said well unintentionally drifted such that the bottom hole location is 522 feet from the South line and 1,399 feet from the West line of said 160-acre wildcat drilling unit.

Rule 400-1-2-.02(2)(b) of the *State Oil and Gas Board of Alabama Administrative Code* requires that wells be located at least 660 feet from every exterior boundary of the drilling unit, but the bottom hole location of the referenced well, being only 522 feet from the South line of said 160-acre wildcat drilling unit is an exception to said Rule.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO:** 2011-13

19. DOCKET NO. 02-08-11-12

Petition by RENAISSANCE PETROLEUM COMPANY, LLC, a Texas 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 (i) establishing a new oil field in Escambia County, Alabama, to be named the "East Wallace Field," or such other name as the Board deems proper, (ii) adopting Special Field Rules for the proposed field, (iii) establishing well spacing for the proposed field, (iv) establishing production allowables for the proposed field, and (v) approving production units for two wells in the proposed field. The proposed field, as underlain by the Smackover Oil Pool, is to consist of the Northwest Quarter of Section 17 and the Northeast Quarter of Section 18, Township 3 North, Range 9 East, Escambia County, Alabama.

The Smackover Oil Pool for the proposed field is to be defined as those strata productive of hydrocarbons between the interval of 13,410 feet and 13,476 feet in the Craft Blackstone 17-5 #1 Well, Permit #16176, with a surface location of 1,424 feet FNL and 868 feet FWL of Section 17, Township 3 North, Range 9 East, Escambia County, Alabama as defined by the Dual Induction Log for said well, and all zones in communication therewith and all productive extensions thereof.

Petitioner requests well spacing of 160 acres and also requests the establishment of production allowables of oil per day for said field. Additionally, Petitioner requests that the drilling units for the Craft Black Stone 17-5 #1 Well, Permit #16176, consisting of the Northwest Quarter of Section 17, Township 3 North, Range 9 East, and the Craft-Huxford 18-2 #1 Well, Permit #16323-B, consisting of the Northeast Quarter of Section 18, Township 3 North, Range 9 East, both of said wells being completed in the Smackover Oil Pool, be approved as the Production Units for the respective wells.

The Petition is filed pursuant to Section 9-17-1 *et seq.* of the Code of Alabama (1975).

**BOARD ACTION:** Granted with stipulation that Renaissance report to the Board on the status of the gas treatment plant at the August 2011 hearing 2.18.11.

**ORDER NO.:** 2011-17

20. DOCKET NO. 02-08-11-13

Petition by HILLWOOD ENERGY ALABAMA, 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 289-acre wildcat drilling unit consisting of the East Half of Section 19, Township 20 North, Range 3 East, Greene County, Alabama, for the drilling of the proposed Caldwell 19-15 No. 1 ST Well. Petitioner has drilled the vertical Caldwell 19-15 No. 1 Well (Permit No. 16220) to a total depth of 9,530 feet at a surface location 1,661 feet from the East line and 911 feet from the South line of Section 19, Township 20 North, Range 3 East, in Greene County, Alabama. Petitioner proposes to plug off the Paleozoic shales interval in the bottom of the vertical well and to drill directionally in a sidetrack well from the vertical well. The sidetrack well, the proposed Caldwell 19-15 No. 1 ST Well, will be drilled laterally from above the target Paleozoic shale interval to the point of entry within the Paleozoic shale interval. This lateral well will be located on an exceptional 289-acre wildcat drilling unit consisting of the East Half of Section 19, Township 20 North, Range 3 East, Greene County, Alabama, within the Paleozoic shales approximately 3,876 feet in length in a southwest to northeast direction such that the proposed borehole of the lateral well will have a point of entry within the Paleozoic shales no closer than 733 feet from the West line and 911 feet from the South line of said Unit, and will have a point of ending within the Paleozoic shales no closer than 660 feet from the East line and 660 feet from the North line of said Unit, and as such is an exception to Rule 400-1-2-.02(2) of the State Oil and Gas Board of Alabama Administrative Code which requires wells to be drilled on a drilling unit consisting of a governmental quarter section containing approximately 160 acres.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO: 2011-14**

21. DOCKET NO. 02-08-11-14

Petition by SPOONER PETROLEUM COMPANY, INC., 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 amending Rules 2 and 3 of the Special Field Rules for the East Lambeth Church Field, Escambia County, Alabama, to add and define the Washita-Fredericksburg 7300' Sand Oil Pool for said field and to provide for well spacing for the Washita-Fredericksburg 7300' Sand Oil Pool.

Petitioner requests that the Washita-Fredericksburg 7300' Sand Oil Pool in the East Lambeth Church Field be defined as that interval of the Washita-Fredericksburg 7300' Sand productive of hydrocarbons between the interval of 7280 feet and 7285 feet as indicated on the High Definition Induction Log for the Chavers 3-11 No. 1 Well, Permit No. 15385, and all zones in communication therewith and all productive extensions thereof. Said pool constitutes a separate and distinct oil producing pool in said field, separate and distinct from all other producing pools therein.

This Petition is filed as a companion to a Petition under Docket No. 02-8-11-15 requesting that the 40-acre drilling unit for the Chavers 3-11 No. 1 Well, Permit No. 15385, be approved as a 40-acre production unit for said well.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO:** 2011-15

22. DOCKET NO. 02-08-11-15

Petition by SPOONER PETROLEUM COMPANY, INC., 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 approving the 40-acre drilling unit for the Chavers 3-11 No. 1 Well, Permit No. 15385, as a 40-acre production unit pursuant to Section 9-17-12(2)(b) of the *Code of Alabama* (1975), as amended.

Petitioner requests that the 40-acre drilling unit for said Chavers 3-11 No. 1 Well, Permit No. 15385, consisting of the South Half of the Northeast Quarter of the Southwest Quarter and the North Half of the Southeast Quarter of the Southwest Quarter Section 3, Township 1 North, Range 8 East, Escambia County, Alabama, be approved as a 40-acre production unit for production from the Washita-Fredericksburg 7300' Sand Oil Pool in the East Lambeth Church Field.

This Petition is filed as a companion to a Petition under Docket No. 02-08-11-14 requesting the Board to amend Rules 2 and 3 of the Special Field Rules of the East Lambeth Church Field to add and define the Washita Fredericksburg 7300' Sand Oil Pool for said field and to provide for well spacing for the Washita Fredericksburg 7300' Sand Oil Pool.

**BOARD ACTION:** Granted 2.10.11.

**ORDER NO:** 2011-16

23. DOCKET NO. 02-08-11-16

Petition FLETCHER PETROLEUM CORP., a domestic 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 approving an exceptional bottom hole location for the Amos 36-3 Well (Permit No. 16376) drilled to a bottom hole location approximately 585 feet from the North line and 738 feet from the East line of a 160-Acre wildcat drilling unit consisting of the Northwest Quarter of Section 36, Township 4 North, Range 12 East, Conecuh County, Alabama. Said location is an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code which requires that such a well be located 660 feet from every exterior boundary of the drilling unit. Section 9-17-12(c) of the *Code of Alabama* (1975) authorizes the granting of exceptional locations for the drilling of wells in Alabama. On December 9, 2010, the State Oil and Gas Board of Alabama granted the petition of Fletcher Petroleum Corp. for an emergency order approving an exceptional bottom hole location for the Amos 36-3 Well with certain stipulations. See Docket No. 12-7-10-17 and Order No. E-2010-118. On January 12, 2011, an emergency hearing was held on the second petition of Fletcher Petroleum Corp. for an emergency order approving an exceptional bottom hole location for the Amos 36-3 Well.

**BOARD ACTION:** Granted 2.18.11.

**ORDER NO:** 2011-18

24. DOCKET NO. 02-08-11-17

Petition by FAIRWAYS EXPLORATION & PRODUCTION, LLC, a Delaware 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 hydrocarbons produced in a 160 acre drilling unit for the proposed Morgan 14-8 #1 Well, a well to be drilled to the Smackover formation, as a productive extension of Little Cedar Creek Field, having a unit consisting of all of the Northeast Quarter, Section 14, Township 5 North, Range 13 East, Conecuh County, Alabama. 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 2.10.11.

25. DOCKET NO. 02-08-11-18A

Amended petition by JOSALYN BARNETT, ET AL., requesting the State Oil and Gas Board to enter orders (1) establishing a new gas field

in Escambia County, Alabama to be known as the Jack Springs Field, or such other name as the Board deems proper, the field limits for which are described below, and promulgating Special Field Rules for said new gas field, (2) reforming a 160-acre drilling unit for the Black Stone 4-4 #1 Well, Permit No. 16158, consisting of the Northwest Quarter of Section 4, Township 2 North, Range 5 East, to a 480-acre production unit described below, and (3) force pooling all tracts and interests in the 480-acre production unit described below, without imposition of a risk compensation fee, and (4) naming Venture Oil & Gas, Inc., as Operator.

The field limits for the proposed Jack Springs Field, the proposed reformed 480-acre production unit and the force pooling of same, without imposition of a risk compensation fee, should consist of the following described parcels:

Northwest Quarter and West Half of West Half of Northeast of Section 4; East Half of Northeast Quarter and East Half of West Half of Northeast Quarter of Section 5, all in Township 2 North, Range 5 East; Southeast Quarter of Southeast Quarter and East Half of Southwest Quarter of Southeast Quarter of Section 32; South Half of Southwest Quarter and West Half of Southwest Quarter of Southeast Quarter of Section 33, all in Township 3 North, Range 5 East, all in Escambia County, Alabama.

The Board may take such action or enter such order that the Board deems appropriate concerning the Petition, even though the action or order of the Board may not be the precise relief requested by this Petitioner or other Petitioners or parties.

**BOARD ACTION:** Continued 2.18.11.

26. DOCKET NO. 08-26-08-25A

Continued amended MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, Block T Operating, LLC, to show cause why the following abandoned wells located in the Gilbertown 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 (non-unitized) grouped by wells that produce to a common Tank Battery

<u>Permit No.</u> <u>(Tank Battery No.)</u>	<u>Well Name</u> <u>(Tank Battery)</u>	<u>Location</u>
190	A. M. Mosley #1	S3, T10N, R3W
1052	Leo Stewart	S2, T10N, R3W
3102	Stewart #3-9	S3, T10N, R3W
3469 (3469 TB)	Smith Trice #34-10 (Smith Trice #34-10)	S34, T11N, R4W S34, T11N, R4W

Gilbertown Field Wells in the Gilbertown (Eutaw Sand) Unit grouped by wells that produce to a common Tank Battery and a former water injection well

129	F. M. Mosley #1	S3, T10N, R3W
1367	Rex Alman #4	S4, T10N, R3W
113	Johnson Unit #1	S4, T10N, R3W
131-A	E. A. Rentz #2	S4, T10N, R3W
136 (former injection well)	F. M. Johnson 4-7 #2	S4, T10N, R3W

**BOARD ACTION:** Continued 2.18.11.

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

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  
14887-C

Tubbs 9-1 No. 2  
Tubbs 9-1 No. 3

Sec. 9, Township 23 North, Range 5 East  
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 until the August 2011 hearing 2.18.11.

28. DOCKET NO. 10-26-10-14

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-1-9-.03(3), Rule 400-2-8-.05(3) and Rule 400-3-8-.02(3) of the State Oil and Gas Board of Alabama Administrative Code relating to the transportation of wastes associated with oil and gas operations. The proposed rule amendments would reduce the operator's filing requirements with the Board for the waste manifest, Form OGB-26, and would increase the period of time that the operator, transporter, and disposer must maintain file copies of the completed manifest from three to five years. The State Oil and Gas Board of Alabama was established pursuant to Alabama Oil and Gas Conservation Laws as set forth in the Section 9-17-1 et seq. of the Code of Alabama (1975).

**BOARD ACTION:** Continued 2.18.11.

29. DOCKET NO. 2-8-11-19

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-2-6-.10 of the State Oil and Gas Board of Alabama Administrative Code relating to production facilities, processing facilities and offshore plants. The proposed rule amendment would provide that onshore facilities processing hydrocarbons produced from submerged offshore lands are subject to this rule. The State Oil and Gas Board of Alabama was established pursuant to Alabama Oil and Gas Conservation Laws as set forth in the Section 9-17-1 et seq. of the Code of Alabama (1975).

**BOARD ACTION:** Continued 2.18.11.