

RESULTS OF MEETING
AUGUST 5 & 7, 2014

The State Oil and Gas Board of Alabama held its regular hearings at 10:00 a.m. on Tuesday, August 5, 2014, and Thursday, August 7, 2014, in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama, and heard the following petition(s):

1. DOCKET NO. 4-1-14-05

Continued Petition by GAS PROCESSORS, INC., a foreign corporation qualified to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an Order approving Gas Processors, Inc. as Operator of the Wildfork Gas Plant located in Section 7, Township 5 North, Range 7 East, Monroe County, Alabama, in accordance with Rule 400-1-2-.05 of the *State Oil and Gas Board of Alabama Administrative Code* and determining an appropriate security bond to be posted as to said operations. Gas Processors, Inc. avers that it is duly qualified to operate the Wildfork Gas Plant in a safe and prudent manner and in accordance with the rules and regulations of the State Oil and Gas Board of Alabama. The authority of the State Oil and Gas Board of Alabama is set forth in Section 9-17-1 *et seq.* of the *Code of Alabama* (1975).

ACTION: Granted, 8/7/2014.

BOARD ORDER: 2014-71

2. DOCKET NO. 4-1-14-06

Continued Petition by GAS PROCESSORS, INC., a foreign corporation qualified to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an Order approving Gas Processors, Inc. as Operator of the Atmore Plant located in Section 2, Township 2 North, Range 6 East, Escambia County, Alabama, in accordance with Rule 400-1-2-.05 of the *State Oil and Gas Board of Alabama Administrative Code* and determining an appropriate security bond to be posted as to said operations. Gas Processors, Inc. avers that it is duly qualified to operate the Atmore Plant in a safe and prudent manner and in accordance with the rules and regulations of the State Oil and Gas Board of Alabama. The authority of the State Oil and Gas Board of Alabama is set forth in Section 9-17-1 *et seq.* of the *Code of Alabama* (1975).

ACTION: Granted, 8/7/2014.

BOARD ORDER: 2014-72

3. DOCKET NO. 5-6-14-15

Continued 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 establishing a new oil field in Monroe County, Alabama, to be named the Scott Lake Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field consists of the East Half of the Southeast Quarter of Section 11; Southwest Quarter of Northwest Quarter of Southwest Quarter and West Half of Southwest Quarter of Southwest Quarter of Section 12; Northwest Quarter of Northwest Quarter of Northwest Quarter of Section 13; and Northeast Quarter of Northeast Quarter of Section 14, all in Township 5 North, Range 4 East, Monroe County, Alabama, underlain by the Norphlet Oil Pool.

The Norphlet Oil Pool in said Field is defined as those strata productive of hydrocarbons between the interval of 14,410 feet measured depth (MD) and 14,574 feet measured depth (MD) as indicated on the ThruBit Induction Log of the Craft-Ash 11-16 #1 Well, Permit No. 16902-B, located in the Southeast Quarter of Section 11, Township 5 North, Range 4 East, Monroe County, Alabama, and all zones in communication therewith and all productive extensions thereof.

Petitioner has filed a companion petition bearing Docket No. 5-6-14-16 requesting to reform the 40-acre wildcat drilling unit for the Craft-Ash 11-16 #1 Well to a 160-acre production unit in the proposed Scott Lake Field consisting of the East Half of the Southeast Quarter of Section 11; Southwest Quarter of Northwest Quarter of Southwest Quarter and West Half of Southwest Quarter of Southwest Quarter of Section 12; Northwest Quarter of Northwest Quarter of Northwest Quarter of Section 13; and Northeast Quarter of Northeast Quarter of Section 14, all in Township 5 North, Range 4 East, Monroe County, Alabama.

Petitioner requests well spacing of 160 acres, and also requests the establishment of production allowables for said field. Additionally, Petitioner requests that the proposed reformed 160-acre unit described hereinabove for the Craft-Ash 11-16 #1 Well be approved as the permanent production unit for said well.

This petition is filed pursuant to Rule 400-1-1-.07 and Rule 400-7-1, *et seq.*, of the *State Oil and Gas Board of Alabama Administrative Code*.

ACTION: Taken under advisement pending submission of parties' briefs, 8/7/2014.

4. DOCKET NO. 5-6-14-16

Continued 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 of Alabama to enter an order reforming the 40-acre wildcat drilling unit for the Craft-Ash 11-16 #1 Well, Permit No. 16902-B, consisting of the Southeast Quarter of the Southeast Quarter of Section 11, Township 5 North, Range 4 East, Monroe County, Alabama, to a 160-acre production unit to consist of the East Half of the Southeast Quarter of

Section 11; Southwest Quarter of Northwest Quarter of Southwest Quarter and West Half of Southwest Quarter of Southwest Quarter of Section 12; Northwest Quarter of Northwest Quarter of Northwest Quarter of Section 13; and Northeast Quarter of Northeast Quarter of Section 14, all in Township 5 North, Range 4 East, Monroe County, Alabama, in the proposed Scott Lake Field.

This Petition is filed as a companion to a Petition bearing Docket No. 5-6-14-15 requesting that a new oil field be established in Monroe County, Alabama, to be known as the Scott Lake Field.

ACTION: Taken under advisement pending the submission of parties' briefs, 8/7/2014.

5. DOCKET NO. 6-16-14-03A

Continued Petition by Mississippi Resources, LLC, doing business as MSR 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 amending Rule 2 and Rule 3 of the Special Field Rules for the Southeast Chatom Field, Washington County, Alabama, to provide that a well may be drilled on a unit consisting of Three Hundred Twenty (320) contiguous surface acres upon which no other drilling or producible well is located in the same pool. Presently the Special Field Rules for the Southeast Chatom Field provide 640-acre spacing. In this Petition Mississippi Resources, LLC is requesting the Board to Amend the Special Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

This Petition is filed pursuant to Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

ACTION: Continued, 8/7/2014.

6. DOCKET NO. 6-16-14-04A

Continued Petition by Mississippi Resources, LLC, doing business as MSR 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 pursuant to Section 9-17-1, et seq. CODE OF ALABAMA (1975), Rule 400-7-1-.01, et seq. of the State Oil and Gas Board of Alabama Administrative Code, and proposed Rule 3 of the Special Field Rules for the Southeast Chatom Field reforming the production unit for the Scott "A" 33-1 #1 Well, Permit No. 5100, from a 640-acre unit consisting of the East Half of Section 33 and the West Half of Section 34, Township 6 North, Range 4 West, to a 320-acre production unit comprised of the East Half of Section 33, Township 6 North, Range 4 West, Washington County, Alabama, in the Southeast Chatom Field. Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another well in the lands proposed to be eliminated from the current unit by formation of an additional 320 acre unit comprised of the West Half of said Section 34, Township 6 North, Range 4 West, Washington County, Alabama. Presently the Special Field Rules for Southeast Chatom Field provide 640-acre spacing. In this Petition Mississippi Resources, LLC is requesting the Board to Amend the Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

This Petition is filed pursuant to Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

ACTION: Continued, 8/7/2014.

7. DOCKET NO. 6-16-14-05A

Continued Petition by Mississippi Resources, LLC, doing business as MSR 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 approving an exception to the spacing requirements as set out in Rule 3 of the Special Field Rules for the Southeast Chatom Field, for the Scott "A" 33-1 #1 Well, at its present bottom hole location of 40 feet from the east line and 652 feet from the north line of a proposed 320-acre unit consisting of the East Half of Section 33, Township 6 North, Range 4 West, Southeast Chatom Field, Washington County, Alabama in the Southeast Chatom Field. Presently the Special Field Rules for Southeast Chatom Field provide 640-acre spacing. In a related Petition Mississippi Resources, LLC is requesting the Board to amend the Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

This Petition is filed pursuant to Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

This Petition is filed as a companion Petition to Docket No. 6-16-14-04 requesting that the unit for said well be reformed to a new 320-acre unit consisting of the East Half of Section 33, Township 6 North, Range 4 West, Washington County. After said unit is reformed, said well will be located 40 feet from the east line and 652 feet from the north of the unit, as reformed.

ACTION: Continued, 8/7/2014.

8. DOCKET NO. 6-16-14-06A

Petition by Mississippi Resources, LLC, doing business as MSR 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 approving an exception to the spacing requirements as set out in Rule 3 of the Special Field Rules for the Southeast Chatom Field, so as to allow the Petitioner to drill the proposed Scott "A" 34-5 #2 Well, with a proposed bottom hole location to be no closer than 330 feet from the west line of the unit and no closer than 660 feet from the north line of the 320-acre unit for said Scott "A" 34-5 #2 Well, which is comprised of the West Half of Section 34, Township 6 North, Range 4 West, Washington County, Alabama in the Southeast Chatom Field. Presently the Special Field Rules for the Southeast Chatom Field provide 640-acre spacing. In a related Petition Mississippi Resources, LLC is requesting the Board to Amend the Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

This Petition is filed pursuant to Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

ACTION: Continued, 8/7/2014.

9. DOCKET NO. 6-16-14-12

Continued Petition by Texas Petroleum Investment Company, Inc., a Texas corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order, pursuant to Section 9 17 1, et seq, ALABAMA CODE and Rule 400 1 4-.17 of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status of the Chavers Creek Norphlet 1-1-1 Well, Permit No. 5474, located in the Northeast Quarter of the Northeast Quarter of Section 1, Township 1 North, Range 8 East, in the Chavers Creek Field, Escambia County, Alabama.

ACTION: Continued with the stipulation that the temporarily abandoned status be extended to the next meeting of the Board, 8/7/2014.

10. DOCKET NO. 6-16-14-16

Continued 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 Conecuh County, Alabama, to be named the Feagin Creek Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field consists of the Southeast Quarter of Northwest Quarter and Southwest Quarter of Northeast Quarter of Section 28, Township 4 North, Range 12 East, Conecuh County, Alabama, underlain by the Smackover Oil Pool.

The Smackover Oil Pool in said Field is defined as those strata productive of hydrocarbons between the interval of 12,106 feet measured depth (MD) and 12,222 feet measured depth (MD) as indicated on the Quad Combo Log of the U.L. Jones 28-7 #1 Well, Permit No. 16852-B, and all zones in communication therewith and all productive extensions thereof.

Petitioner has filed a companion petition bearing Docket No. 6-16-14-17 requesting to reform the 40-acre wildcat drilling unit for the U.L. Jones 28-7 #1 Well to an 80-acre production unit in the proposed Feagin Creek Field consisting of the Southeast Quarter of Northwest Quarter and Southwest Quarter of Northeast Quarter of Section 28, Township 4 North, Range 12 East, Conecuh County, Alabama.

Petitioner requests well spacing of 80 acres, and also requests the establishment of production allowables for said field. Additionally, Petitioner requests that the proposed reformed 80-acre unit described hereinabove for the U.L. Jones 28-7 #1 Well be approved as the permanent production unit for said well.

This petition is filed pursuant to Rule 400-1-1-.07 and Rule 400-7-1, et seq., of the State Oil and Gas Board of Alabama Administrative Code.

ACTION: Continued, 8/7/2014.

11. DOCKET NO. 6-16-14-17

Continued 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 of Alabama to enter an order reforming the 40-acre wildcat drilling unit for the U.L. Jones 28-7 #1 Well, Permit No. 16852-B, consisting of the East Half of the Southeast Quarter of the Northwest Quarter and the West Half of the Southwest Quarter of the Northeast Quarter of Section 28, Township 4 North, Range 12 East, Conecuh County, Alabama, to an 80-acre production unit in the Feagin Creek Field consisting of the Southeast Quarter of Northwest Quarter and Southwest Quarter of Northeast Quarter of said Section 28.

This petition is filed as a companion to a petition bearing Docket No. 6-16-14-16 requesting to establish the Feagin Creek Field.

ACTION: Continued, 8/7/2014.

12. DOCKET NO. 6-16-14-18

Continued Petition by Texas Petroleum Investment Company, Inc., a Texas corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order, pursuant to Section 9 17 1, et seq, ALABAMA CODE and Rule 400 1 4-.17 of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status of the Tocumen et al. 1-3-1 Well, Permit No. 4060, located in a 40 acre unit described as the South Half of the North Half of the Northeast Quarter of the Northwest Quarter; the South Half of the Northeast Quarter of the Northwest Quarter; and the North Half of the North Half of the Southeast Quarter of the Northwest Quarter of Section 1, Township 1 North, Range 8 East, Escambia County, Alabama.

ACTION: Continued with the stipulation that the temporarily abandoned status be extended until the next meeting of the Board, 8/7/2014.

13. DOCKET NO. 8-5-14-01

Petition by South Carlton Operating Company, 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 extending the temporarily abandoned status and the shut-in status of the following wells located in Clarke and Baldwin Counties, Alabama, in the South Carlton Field-Wide Lower Tuscaloosa Unit, for one year each in accordance with Rules 400-1-4-.17(1) and (2) of the *State Oil and Gas Board of Alabama Administrative Code*:

<u>Well Name</u>	<u>Permit Number</u>	<u>Requested Status</u>
Ed L. Robinson et al #1 Well	272	Temporarily Abandoned
J. H. Wall Estate et al "C" #2-H Well	16547-BH	Temporarily Abandoned
J. H. Wall Estate et al #3-10 Well	286-A	Temporarily Abandoned
Wall et al #3-13 Well	2842	Temporarily Abandoned
Wall et al #3-6 Well	2180	Shut In
Williams 10-12 #2 Well	4611	Shut In
M. W. Davies #5 Well	1491	Shut In
Wall #11-4 Well	3331	Shut In
Wall et al #11-3 Well	3332	Shut In
Wall et al Unit #3-3 Well	2286-B	Shut In
J. H. Wall Estate Unit #3-2 Well	2017	Shut In
J. H. Wall Estate "E" #1 Well	975	Shut In
Wall et al #3-11 Well	2179	Shut In
C. O. Oswell 14-4 #6 Well	4631	Shut In

Petitioner requests that the Board grant the above extensions because the above-named wells proposed for temporarily abandoned status are capable of future utility and the above-named wells proposed for shut-in status are capable of producing hydrocarbons.

ACTION: Granted, 8/7/2014.

ORDER NO. 2014-73

14. DOCKET NO. 8-5-14-02

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board of Alabama to enter an order establishing a new gas field in Pickens County, Alabama, to be known as the Magby Creek Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field is underlain by the Chandler and Pottsville A Sand Gas Pools and Petitioner proposes that the field limits consist of the South Half of Section 23, Township 18 South, Range 16 West, Pickens County, Alabama, as underlain by the Chandler and Pottsville A Sand Gas Pools, as hereinafter defined, and all zones in communication therewith and all productive extensions thereof.

That the Chandler Sand Gas Pool in the proposed Magby Creek Field should be defined as those strata productive of hydrocarbons between the interval of 4,535 feet and 4,590 feet as indicated on the Schlumberger Gamma Ray/Microlog for the Brown 23-11 #1 Well, Permit No. 16821, and all zones in communication therewith, all productive extensions thereof and all strata which can be correlated therewith. Said pool constitutes a separate and distinct gas producing pool in the proposed field.

The Pottsville A Sand Gas Pool in the proposed Magby Creek Field should be defined as those strata productive of hydrocarbons between the interval of 4,762 feet and 4,792 feet as indicated on the Schlumberger Gamma Ray/Microlog for the Brown 23-11 #1 Well, Permit No. 16821, and all zones in communication therewith, all productive extensions thereof and all strata which can be correlated therewith. Said pool constitutes a separate and distinct gas producing pool in the proposed field.

This Petition is filed as a companion to a Petition bearing Docket No. 8-5-14-03 requesting that the 40-acre wildcat drilling unit for the Brown 23-11 #1 Well, Permit No. 16821, be reformed to a 320-acre production unit in the Magby Creek Field, and a Petition

bearing Docket No. 8-5-14-04 requested the forced pooling, without imposition of a risk compensation penalty, of all tracts and interests in hydrocarbons produced from the Brown 23-11 #1 Well.

ACTION: Granted, 8/7/2014.

ORDER NO. 2014-74

15. DOCKET NO. 8-5-14-03

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to reform the 40-acre wildcat drilling unit for the Brown 23-11 #1 Well, Permit No. 16821, consisting of the Northeast Quarter of the Southwest Quarter of Section 23, Township 18 South, Range 16 West, Pickens County, Alabama, to a 320-acre production unit in the Magby Creek Field, consisting of the South Half of said Section 23. Petitioner drilled the Brown 23-11 #1 Well to test the Pottsville A Sand, but encountered gas, and Petitioner dually completed said well as a gas well in the Chandler and Pottsville A Formations.

Petitioner has filed a companion petition bearing Docket No. 8-5-14-02 requesting the Board to establish the Magby Creek Field, which will consist of the proposed reformed 320-acre production unit for the Brown 23-11 #1 Well, and a companion petition bearing Docket No. 8-5-14-04 requesting the forced pooling, without imposition of a risk compensation fee, all tracts and interests in the proposed reformed 320-acre unit.

ACTION: Granted, 8/7/2014.

ORDER NO. 2014-75

16. DOCKET NO. 8-5-14-04

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 in the Brown 23-11 #1 Well, Permit No. 16821, located on a proposed reformed 320-acre production unit in the proposed Magby Creek Field, consisting of the South Half of Section 23, Township 18 South, Range 16 West, Pickens 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*.

Petitioner has filed a companion petition bearing Docket No. 8-5-14-02 requesting the Board to establish the Magby Creek Field, and a companion petition bearing Docket No. 8-5-14-03 requesting to reform the 40-acre wildcat drilling unit for the Brown 23-11 #1 Well to a 320-acre production unit in the Magby Creek Field.

ACTION: Granted, 8/7/2014.

ORDER NO: 2014-76

17. DOCKET NO. 8-5-14-05

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 in the Neal 23-5 #1 Well to be drilled on a 320-acre wildcat drilling unit consisting of the North Half of Section 23, Township 18 South, Range 16 West, Pickens 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*.

ACTION: Granted, 8/7/2014.

ORDER NO. 2014-77

18. DOCKET NO. 8-5-14-06

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 production 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.

ACTION: Continued with the stipulation that the temporarily abandoned status be extended to the next meeting of the Board, 8/7/2014.

19. DOCKET NO. 8-5-14-07

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board, pursuant to Rule 400-3-4-.17(1) of the *State Oil and Gas Board of Alabama Administrative Code* and Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended, to enter an order extending and/or approving the temporarily abandoned status for certain wells in the Brookwood Coal Degasification Field, all located in Tuscaloosa County, Alabama, in the following areas, for a period of one (1) year:

Township 19 South, Range 6 West, Tuscaloosa County
Section 30

Township 19 South, Range 7 West, Tuscaloosa County
Sections 15, 17, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30,
31, 32, 33, 34, 35, 36

Township 19 South, Range 8 West, Tuscaloosa County
Sections 13, 15, 21, 22, 23, 24, 25, 26, 27, 28, 29, 33, 34, 35, 36

Township 20 South, Range 6 West, Tuscaloosa County
Sections 5, 6, 7

Township 20 South, Range 7 West, Tuscaloosa County
Sections 1, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19,
20, 21, 22, 23, 27, 28, 29, 30, 33, 35

Township 20 South, Range 8 West, Tuscaloosa County
Sections 1, 2, 3, 4, 8, 9, 10, 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26

Township 21 South, Range 7 West, Tuscaloosa County
Sections 4, 5, 6.

Petitioner requests that the Board extend and/or approve temporarily abandoned status for these wells for one year in accordance with Rule 400-3-4-.17(1) of the *State Oil and Gas Board of Alabama Administrative Code* because said wells have future utility and should not be plugged.

ACTION: Continued with the stipulation that the temporarily abandoned status be extended until the next meeting of the Board, 8/7/2014.

20. DOCKET NO. 8-5-14-08

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board, pursuant to Rule 400-3-4-.17(1) of the *State Oil and Gas Board of Alabama Administrative Code* and Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended, to enter an order extending and/or approving temporarily abandoned status wells located Jefferson and Tuscaloosa Counties, Alabama, in the Oak Grove Coal Degasification Field, in the following areas, for a period of one (1) year:

Township 19 South, Range 5 West, Jefferson County
Section 7

Township 19 South, Range 6 West, Jefferson County
Sections 1, 2, 9, 11, 16, 19, 20, 21, 29, 30, 31, 32

Township 19 South, Range 7 West, Jefferson County
Section 7

Township 19 South, Range 6 West, Tuscaloosa County
Sections 19, 31, 32

Township 19 South, Range 7 West, Tuscaloosa County
Sections 16, 17

Township 19 South, Range 8 West, Tuscaloosa County
Sections 14, 15, 20.

Petitioner requests that the Board extend and/or approve temporarily abandoned status for these wells for one year in accordance with Rule 400-3-4-.17(1) of the *State Oil and Gas Board of Alabama Administrative Code* because said wells have future utility and should not be plugged.

ACTION: Continued with the stipulation that the temporarily abandoned status be extended until the next meeting of the Board, 8/7/2014.

21. DOCKET NO. 8-5-14-09

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 of Alabama to enter an order establishing a new oil field in Monroe County, Alabama, to be known as the Jeddo Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field is underlain by the Smackover Oil Pool and Petitioner proposes that the field limits consist of an irregular 160 acres described as the South Half of the Southwest Quarter of Section 22 and the North Half of the Northwest Quarter of Section 27, all in Township 5 North, Range 5 East, Monroe County, Alabama, as underlain by the Smackover Oil Pool, as hereinafter defined, and all zones in communication therewith and all productive extensions thereof.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons between the interval of 13,721 feet (MD) and 13,818 feet (MD) as indicated on the Schlumberger Platform Express Compensated Neutron/Lithodensity Log for the Craft-Chunn 22-14 #1 Well, Permit No. 16960-B, and all zones in communication therewith, all productive extensions thereof and all strata which can be correlated therewith.

This Petition is filed as a companion to a Petition bearing Docket No. 8-5-14-10 requesting that the 40-acre wildcat drilling unit for the Craft-Chunn 22-14 #1 Well, Permit No. 16960-B, be reformed to a 160-acre production unit.

This petition is filed pursuant to Rule 400-1-1-.07 of the *State Oil and Gas Board of Alabama Administrative Code* and §9-17-1 *et seq.* of the *Code of Alabama* (1975).

ACTION: Granted, 8/7/2014.

ORDER NO. 2014-78

22. DOCKET NO. 8-5-14-10

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 reform the 40-acre wildcat drilling unit for the Craft-Chunn 22-14 #1 Well, Permit No. 16960-B, consisting of the West Half of the Southeast Quarter of Southwest Quarter and East Half of Southwest Quarter of Southwest Quarter of Section 22, Township 5 North, Range 5 East, Monroe County, Alabama, to a 160-acre production unit in the proposed Jeddo Hill Field consisting of the South Half of the Southwest Quarter of Section 22 and the North Half of the Northwest Quarter of Section 27, all in Township 5 North, Range 5 East, Monroe County, Alabama.

This Petition is filed as a companion to a Petition bearing Docket No. 8-5-14-09 requesting that a new oil field be established in Monroe County, Alabama, to be known as the Jeddo Field.

ACTION: Granted, 8/7/2014.

ORDER NO. 2014-79

23. DOCKET NO. 8-5-14-11

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 the continued flaring of natural gas from the Craft-Laurie 16-6 #1 Well, Permit No. 16866, located on a 170-acre production unit in the Bailey's Landing Field consisting of the Southeast Quarter of Northwest Quarter; South Half of Northeast Quarter of Northwest Quarter; South Half of Northwest Quarter of Northeast Quarter; Southwest Quarter of Northeast Quarter; West Half of Southwest Quarter of Southeast Quarter of Northeast Quarter; West Half of Northwest Quarter of Northeast Quarter of Southeast Quarter; North Half of Northwest Quarter of Southeast Quarter; and North Half of Northeast Quarter of Southwest Quarter of Section 16, Township 5 North, Range 5 East, Monroe County, Alabama.

This request was previously approved by the Board on an emergency basis by Order No. E-2014-66, issued on June 18, 2014. Order No. 2014-66 is due to expire on August 1, 2014, and Petitioner has filed a second emergency request for approval to continue flaring gas from the Craft-Laurie 16-6 #1 Well.

ACTION: Granted with the stipulation that flaring of natural gas from the Craft-Laurie 16-6 #1 Well be permitted to continue until the next Board meeting following a period of one year, 8/7/2014.

ORDER NO: 2014-80

24. DOCKET NO. 8-5-14-12

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 the continued flaring of natural gas from the Craft-Brown 20-13 #1 Well, Permit No. 16888-B, located on a 160-acre production unit in the Homewood Field consisting of the West Half of the Southwest Quarter of Section 20 and the East Half of the Southeast Quarter of Section 19, Township 5 North, Range 5 East, Monroe County, Alabama.

This request was previously approved by the Board on an emergency basis by Order No. 2014-67, issued on June 18, 2014. Order No. 2014-67 is due to expire on August 1, 2014, and Petitioner has filed a second emergency request for approval to continue flaring gas from the Craft-Brown 20-13 #1 Well.

ACTION: Granted with the stipulation that the flaring of natural gas from the Craft-Brown 20-13 #1 Well be permitted to continue until the next Board meeting following a period of one year, 8/7/2014.

ORDER NO: 2014-81

25. DOCKET NO. 8-5-14-13

Petition by ROUNDTREE & ASSOCIATES, 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 amending Rule 1 of the Special Field Rules for the Smiths Church Gas Field to add the South Half of Section 35, Township 3 North, Range 7 East, Escambia County, Alabama, to the field limits of said field.

This petition is filed as a companion to a petition bearing Docket No. 8-5-14-14 requesting approval of an exceptional 640-acre production unit for the Kelly 2-4 #1 Well; a petition bearing Docket No. 8-5-14-15 requesting approval of an exceptional location for the Kelly 2-4 #1 Well on said 640-acre unit; and a petition bearing Docket No. 8-5-14-16 requesting to force pool, with imposition of a risk compensation fee, all tracts and interests in hydrocarbons produced from the Smackover Formation from the Kelly 2-4 #1 Well.

ACTION: Continued, 8/7/2014.

26. DOCKET NO. 8-5-14-14

Petition by ROUNDTREE & ASSOCIATES, 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 approving a non-governmental exceptional 640-acre production unit for the Kelly 2-4 #1 Well consisting of the South Half of Section 35, Township 3 North, Range 7 East, and the North Half of Section 2, Township 2 North, Range 7 East, Escambia County, Alabama, in the Smiths Church Gas Field, as an exception to Rule 3(a) of the Special Field Rules for said Field which requires that wells drilled in said Field be drilled on units consisting of a governmental section containing approximately 640 acres. This petition is filed pursuant to Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended.

This petition is filed as a companion to a petition bearing Docket No. 8-5-14-15 requesting approval of an exceptional location for the Kelly 2-4 #1 Well on said 640-acre unit; a petition bearing Docket No. 8-5-14-13 requesting to amend Rule 1 of the Special Field Rules for the Smiths Church Gas Field to add parcel to the field limits; and a petition bearing Docket No. 8-5-14-16 requesting to force pool, with imposition of a risk compensation fee, all tracts and interests in hydrocarbons produced from the Smackover Formation from the Kelly 2-4 #1 Well.

ACTION: Granted, 8/7/2014.

ORDER NO: 2014-82

27. DOCKET NO. 8-5-14-15

Petition by ROUNDTREE & ASSOCIATES, 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 approving an exceptional location for the proposed Kelly 2-4 #1 Well to be drilled on a 640-acre production unit in the Smiths Church Gas Field consisting of the South Half of Section 35, Township 3 North, Range 7 East, and the North Half of Section 2, Township 2 North, Range 7 East, Escambia County Alabama. The proposed location for said well on said 640-acre production unit is 1,250 feet from the West line and 2,063 feet from the South line of said 640-acre production unit and, as such, is an exception to Rule 3(b) of the Special Field Rules for the Smiths Church Gas Field. Said Rule requires that all wells located in said Field be located at least 1,320 feet from every exterior boundary of the drilling unit and the proposed location for the referenced well is 1,250 feet from the West line of said 640-acre production unit.

This petition is filed as a companion to a petition bearing Docket No. 8-5-14-14 requesting approval of an exceptional 640-acre production unit for the Kelly 2-4 #1 Well; a petition bearing Docket No. 8-5-14-13 requesting to amend Rule 1 of the Special Field Rules for the Smiths Church Gas Field to add parcel to the field limits; and a petition bearing Docket No. 8-5-14-16 requesting to force pool, with imposition of a risk compensation fee, all tracts and interests in hydrocarbons produced from the Smackover Formation from the Kelly 2-4 #1 Well.

ACTION: Granted, 8/7/2014.

ORDER NO: 2014-83

28. DOCKET NO. 8-5-14-16

Petition by ROUNDTREE & ASSOCIATES, 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 the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation from the Kelly 2-4 #1 Well to be drilled on a 640-acre production unit in the Smiths Church Gas Field consisting of the South Half of Section 35, Township 3 North, Range 7 East, and the North Half of Section 2, Township 2 North, Range 7 East, Escambia 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. 8-5-14-14 requesting approval of an exceptional 640-acre production unit for the Kelly 2-4 #1 Well; a petition bearing Docket No. 8-5-14-15 requesting approval of an exceptional location for the Kelly 2-4 #1 Well on said 640-acre unit; and a petition bearing Docket No. 8-5-14-13 requesting to amend Rule 1 of the Special Field Rules for the Smiths Church Gas Field to add parcel to the field limits.

ACTION: Granted, 8/7/2014.

ORDER NO: 2014-84

29. DOCKET NO. 08-05-14-17

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 amending the Special Field Rules for the Northeast Goodway Field, Monroe County, Alabama in order to (i) change the designation of the Smackover Oil Pool to the Lower Smackover Oil Pool, (ii) define the Upper Smackover Gas Pool, (iii) establish allowables for the Upper Smackover Gas Pool and (iv) approve a 160-acre gas condensate production unit for the Address 13-4 No. 1 Well, Permit No. 16722 to consist of the Northwest Quarter of Section 13, Township 4 North, Range 6 East, Monroe County, Alabama.

The Upper Smackover Gas Pool in said field is defined as those strata productive of hydrocarbons between the interval of 13,900 feet measured depth (MD) and 13,943 (MD) as indicated on the Platform Express/Array Induction/SP/GR/Neutron/Density/ MLT Log for the Address 13-4 No. 1 Well, Permit No.16722, located in the Northwest Quarter of Section 13, Township 4 North, Range 6 East, Monroe County, Alabama and all zones in communication therewith and all productive extensions thereof.

Petitioner requests well spacing of 160 acres and also requests the establishment of allowables for said Upper Smackover Gas Pool. Additionally, Petitioner requests that the 160-acre gas condensate drilling unit for the Address 13-4 No. 1 Well, Permit No.16722, consisting of the Northwest Quarter of Section 13, Township 4 North, Range 6 East be approved as the permanent production unit for that Well.

ACTION: Dismissed without prejudice, 8/7/2014.

ORDER NO: 2014-85

30. DOCKET NO. 8-5-14-18

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 non-governmental exceptional 40-acre wildcat drilling unit consisting of the South Half of the Northwest Quarter of the Northwest Quarter and the North Half of the Southwest Quarter of the Northwest Quarter of Section 22, Township 5 North, Range 5 East, Monroe County, Alabama, for the Craft-Dunn 22-4 #1 Well, as an exception to Rule 400-1-2-.02(2)(a) of the State Oil and Gas Board of Alabama Administrative Code. Said Rule requires that wells be drilled on drilling units consisting of a governmental quarter-quarter section containing approximately 40 acres.

ACTION: Granted, 8/7/2014.

ORDER NO: 2014-86

31. DOCKET NO. 08-05-14-19

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 allowing Spooner to drill the proposed Hill 34-6 No. 1 Well secured by its form OGB-4 Blanket Bond in the amount of \$100,000.00 pursuant to Rule 400-1-2-.03(2) of the State Oil and Gas Board Administrative Code rather than a single well bond in the amount of \$100,000.00. By Order 2013-101, dated December 12, 2013, the Board granted a Petition by Cinco NRG, LLC to establish an exceptional nongovernmental 160-acre unit consisting of the East Half of the Northwest Quarter and the West Half of the Northeast Quarter of Section 34, Township 6 North, Range 7 East, Monroe County, Alabama in the North Excel Field. In that Order, the Board granted the Petition with the stipulation that Cinco file with the Board a single well bond in the amount of \$100,000.00 for the Hill 34-6 No. 1 Well.

ACTION: Granted, 8/7/2014.

ORDER NO: 2014-87

32. DOCKET NO. 8-5-14-20

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 Rule 1 of the Special Gas Storage Rules for the Bay Gas Salt Dome Gas Storage Facility # 2 at McIntosh by revising the description of the Cavity Site set forth in that Rule and also amending that Rule to correct a typographical error in the General Location of the Facility set forth in the Rule by changing Northwest Quarter of Section 1 to read Northeast Quarter of Section 1. The Bay Gas Salt Dome Gas Storage Facility # 2 was heretofore established and approved by the Board in Order No. 2000-154, and Petitioner was appointed as the Operator of the facility by that order. This Facility is located in the Southeast Quarter, Section 36, Township 4 North, Range 1 West, the Northeast Quarter, Section 1, Township 3 North, Range 1 West, The Northwest Quarter, Section 29, Township 3 North, Range 1 East and the Southwest Quarter, Section 37, Township 4 North, Range 1 East, Washington County, Alabama. This petition is filed in accordance with and as authorized by the provisions of the Special Gas Storage Rules for the Bay Gas Salt Dome

Gas Storage Facility # 2, 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.

ACTION: Granted, 8/7/2014.

ORDER NO: 2014-88

33. DOCKET NO. 8-5-14-21

Petition by FAIRWAYS EXPLORATION & PRODUCTION, 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 1 of the Special Field Rules for the Clear Creek Field, Escambia County, Alabama, to add the North Half of the South Half of Section 17, Township 2 North, Range 12 East, Escambia County, Alabama to the field limits of said Field.

This petition is filed as a companion to a petition bearing Docket No. 8-5-14-22 requesting to establish a field-wide Unit in the Clear Creek Field to be known as the Clear Creek Oil Unit.

ACTION: Granted, 8/7/2014.

ORDER NO: 2014-89

34. DOCKET NO. 8-5-14-22

Petition by FAIRWAYS EXPLORATION & PRODUCTION, 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), establishing a field-wide oil Unit for the Clear Creek Field to be known as the "Clear Creek Oil Unit," consisting of the hereinafter described "Unit Area" in Escambia County, Alabama, and requiring the operation of said Unit Area as a single field-wide Unit for pressure maintenance, 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 Clear Creek Oil Unit means that portion of the subsurface underlying the Unit Area containing porous and hydrocarbon productive Smackover Formation, which includes the Smackover Oil Pool, in the interval between 12,980 feet measured depth and 13,022 feet measured depth in the Cedar Creek Land & Timber 17-14 #1 Well, Permit No. 16759, located in the Southwest Quarter of Section 17, Township 2 North, Range 12 East, Escambia County, Alabama, as defined by the Array Induction Spectral Density Dual Spaced Neutron Wavesonic Microlog Log, and 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 South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, containing 480 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 field-wide Unit so as to require all owners or claimants of royalty, mineral, leasehold and all other leasehold interests within said 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 Fairways Exploration & Production, 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, in accordance with Section 9-17-84, Code of Alabama (1975).

Said petition also seeks approval of the amendments to the Special Field Rules for the Clear Creek Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

The petition is filed as a companion to a petition bearing Docket No. 8-5-14-21 requesting to amend the Special Field Rules for the Clear Creek Field to add the North Half of the South Half of Section 17, Township 2 North, Range 12 East, Escambia County, Alabama to the field limits of said field.

ACTION: Granted, 8/7/2014.

ORDER NO: 2014-90

Hearings of the State Oil and Gas Board are public hearings, and members of the public are invited to attend and present their position concerning petitions. Requests to continue or oppose a petition should be received by the Board at least two (2) days prior to the hearing. The public should be aware that a petition may be set for hearing on the first day or second day of the hearing or may be continued to another hearing at a later date. We suggest, therefore, that prior to the hearing, interested parties contact the Board to determine the status of a particular petition. For additional information, you may contact the State Oil and Gas Board, P. O. Box 869999, Tuscaloosa, Alabama 35486-6999, Telephone Number (205) 349-2852, Fax Number (205) 349-2861, or by email at petitions@ogb.state.al.us.

