

November 6, 2014

Mr. James H. Griggs
Mr. Charles E. Pearson
Mr. M. Barnett Lawley

Re: Report of Hearing Officer

Dear Messrs. Griggs, Pearson, and Lawley:

I have attached hereto a report to the State Oil and Gas Board on the Hearing I have conducted as Hearing Officer at 10:00 a.m. on Tuesday, November 4, and Thursday, November 6, 2014 in the Board Room of the State Oil and Gas Board. The staff has examined petitions, proposed orders, exhibits, and other evidence presented for the items contained in this Hearing Officer Report.

In discharging my duties as Hearing Officer, I have heard or reviewed the evidence submitted and the argument of counsel relating to the petitions presented. My recommendations as Hearing Officer are attached. Should this report meet your approval, please sign below. Thank you.

Sincerely,

S. Marvin Rogers
Hearing Officer
Counsel for the Board

RESULTS OF MEETING

The State Oil and Gas Board of Alabama held its regular hearing at 10:00 a.m. on Tuesday, November 4, 2014, and on Thursday, November 6, 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. 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, 11/6/2014.

2. 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, 11/6/2014.

3. 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, 11/6/2014.

4. 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, 11/6/2014.

5. DOCKET NO. 6-16-14-12B

Continued Petition by Texas Petroleum Investment Company, a Texas corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board 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; to enter an order granting temporarily abandoned status for the Steward Estate Unit 6-5 #2 Well, Permit No. 4723 located in the Southwest Quarter of the Northwest Quarter, Section 6, Township 1 North, Range 9 East and granting temporarily abandoned status for the Steward Estate Unit 6-5 #1 Well, Permit No. 4347-A-SWD-89-8, located in the Southwest quarter of the Northwest Quarter, Section 6, Township 1 North, Range 9 East; and to enter an order granting temporarily abandoned status for the Tract 1-2 (Water Source Well) #1, Permit No. 5448, located in the Northwest Quarter of the Northeast Quarter, Section 1, Township 1 North, Range 8 East, all in the Chavers Creek Field, Escambia County, Alabama.

ACTION: Granted with the stipulations, 11/6/2014.

ORDER NO: 2014-107

6. 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, 11/6/2014.

7. 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, 11/6/2014.

8. 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: Granted with stipulations, 11/6/2014.

ORDER NO: 2014-108

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

Continued 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: Granted, 11/6/2014.

ORDER NO: 2014-109

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

Continued 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: Granted, 11/6/2014.

ORDER NO: 2014-110

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

Continued 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, 11/6/2014..

12. DOCKET NO. 9-23-14-06A

Continued 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 (i) amending Rule 1 of the Special Field Rules for the Brooklyn Field, Conecuh and Escambia Counties, Alabama, to add the Northwest Quarter of Section 1 and North Half of Section 2, all in Township 3 North, Range 12 East, Escambia County, Alabama; the West Half of Section 25, North Half and Southeast Quarter of Section 26 and South Half of Section 32, all in Township 4 North, Range 12 East, Conecuh County, Alabama; and the South Half of Section 33 and all of Section 34, all in Township 4 North, Range 13 East, Conecuh County, Alabama, to the field limits of said Field, and (ii) establishing the final 160-acre production units, which are the same as the 160-acre drilling units for the following wells: Holley 1-4 #1 Well, Permit No. 16905: Northwest Quarter of Section 1, Township 3 North, Range 12 East, Escambia County, Alabama

Cedar Creek Land & Timber 2-2 #1 Well, Permit No. 16844: Northeast Quarter of Section 2, Township 3 North, Range 12 East, Escambia County, Alabama

Cedar Creek Land & Timber 2-4 #1 Well, Permit No. 16798: Northwest Quarter of Section 2, Township 3 North, Range 12 East, Escambia County, Alabama

Bradley 25-5 #1 Well, Permit No. 16943-B: Northwest Quarter of Section 25, Township 4 North, Range 12 East, Conecuh County, Alabama

Bradley 25-12 #1 Well, Permit No. 17025-B: Southwest Quarter of Section 25, Township 4 North, Range 12 East, Conecuh County, Alabama

Benjamin 26-4 Well, Permit No. 17011-B: Northwest Quarter of Section 26, Township 4 North, Range 12 East, Conecuh County,

Alabama

Roy Thomas 26-2 Well, Permit No. 16807: Northeast Quarter of Section 26, Township 4 North, Range 12 East, Conecuh County, Alabama

Cedar Creek Land & Timber 32-9 #1 Well, Permit No. 16809: Southeast Quarter of Section 32, Township 4 North, Range 12 East, Conecuh County, Alabama

Cedar Creek Land & Timber 32-11 #1 Well, Permit No. 16956: Southwest Quarter of Section 32, Township 4 North, Range 12 East, Conecuh County, Alabama

Cedar Creek Land & Timber 33-10 #1 Well, Permit No. 17022-B: Southeast Quarter of Section 33, Township 4 North, Range 13 East, Conecuh County, Alabama

Thomasson 33-12 #1 Well, Permit No. 16983-B: Southwest Quarter of Section 33, Township 4 North, Range 13 East, Conecuh County, Alabama

Cedar Creek Land & Timber 34-4 #1 Well, Permit No. 16896: Northwest Quarter of Section 34, Township 4 North, Range 13 East, Conecuh County, Alabama

Cedar Creek Land & Timber 34-2 #1 Well, Permit No. 17043-B: Northeast Quarter of Section 34, Township 4 North, Range 13 East, Conecuh County, Alabama.

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

ACTION: Continued, 11/6/2014.

13. DOCKET NO. 9-23-14-10

Petition by SKLAR EXPLORATION COMPANY L.L.C., a Louisiana limited liability company, authorized to do and doing business in the State of Alabama, requesting that the State Oil and Gas Board of Alabama enter an order (a) force pooling, without risk compensation, all tracts and interests in the Southwest Quarter of Section 27, Township 3 North, Range 13 East, Conecuh and Escambia Counties, Alabama, as a 160-acre wildcat unit for the purpose of drilling the Douglas 27-14 No. 1 Well to test formations down to and including the Smackover and Norphlet formations, (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 Sections 9-17-1, *et seq.* Ala. Code (1975) (and, in particular, Section 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.

This petition is filed as a companion to a petition bearing Docket No. 9-23-14-11 requesting that the State Oil and Gas Board of Alabama approve an exceptional location for the said Douglas 27-14 No. 1 Well.

ACTION: Continued, 11/6/2014.

14. DOCKET NO. 9-23-14-11

Petition by SKLAR EXPLORATION COMPANY L.L.C., a Louisiana limited liability company, authorized to do and doing business in the State of Alabama, requesting that the State Oil and Gas Board of Alabama enter an order approving an exceptional location for the proposed Douglas 27-14 No. 1 Well to be drilled to a bottom hole location approximately 484 feet from the South line and 698 feet from the East line of a proposed 160-acre wildcat drilling unit consisting of the Southwest Quarter of Section 27, Township 3 North, Range 13 East, Conecuh and Escambia Counties, 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.

This petition is filed as a companion to a petition bearing Docket No. 9-23-14-10 requesting that the State Oil and Gas Board of Alabama force pool all tracts and interests in the proposed drilling unit for the Douglas 27-14 No. 1 Well.

ACTION: Continued, 11/6/2014.

15. DOCKET NO. 9-23-14-14

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 amending Rule 1 of the Special Field Rules for the Bluff Oil Field, Fayette County, Alabama, to add the Southwest Quarter of the Southwest Quarter of Section 5, Township 14 South, Range 13 West, Fayette County, Alabama to the field limits of said Field.

This petition is filed as a companion to a petition bearing Docket No. 9-23-14-15 requesting to establish a partial field-wide Unit in the Bluff Oil Field to be known as the Northwest Bluff Oil Unit.

ACTION: Continued, 11/6/2014.

16. DOCKET NO. 9-23-14-15

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 pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, *Code of Alabama* (1975), establishing a partial field-wide oil Unit in the Bluff Oil Field to be known as the "Northwest Bluff Oil Unit," consisting of the hereinafter described "Unit Area" in Fayette County, Alabama, and requiring the operation of said Unit Area as a partial 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 Northwest Bluff Oil Unit means that strata of the Gilmer and Carter Formations productive of hydrocarbons in the interval between 1,853 feet and 2,120 feet in the #1 Sizemore Fowler 6-16, Well, Permit No. 4517, located in the Southeast Quarter of Section 6, Township 14 South, Range 13 West, Fayette 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 Southwest Quarter of Section 5; Southeast Quarter and East Half of Southwest Quarter of Section 6; Northeast Quarter of Section 7; and Northwest Quarter of Section 8, all in Township 14 South, Range 13 West, Fayette County, Alabama, in the Bluff Oil Field, containing approximately 600 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 abovedescribed Unitized Formation, into a partial field-wide Unit so as to require all owners or claimants of 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 Hughes Eastern Corporation 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 Bluff Oil Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

That Petitioner has filed a companion petition bearing Docket No. 9-23-14-14 requesting to amend Rule 1 of the Special Field Rules for the Bluff Oil Field to add the Southwest Quarter of the Southwest Quarter of Section 5, Township 14 South, Range 13 West, Fayette County, Alabama, to the Field.

ACTION: Continued, 11/6/2014.

17. DOCKET NO. 11-4-14-01

Petition by SAGA PETROLEUM LIMITED LIABILITY COMPANY OF COLORADO, 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 reforming the unit for the RGGG 8-12-266 Well, Permit No. 16953-C, from a 40-acre production unit consisting of the Northwest Quarter of Southwest Quarter of Section 8, Township 22 South, Range 5 West, Bibb County, Alabama, in the Gurnee Coal Degasification Field to an 80-acre production unit consisting of the North Half of the Southwest Quarter of said Section 8.

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

ACTION: Granted, 11/6/2014.

ORDER NO: 2014-111

18. DOCKET NO. 11-4-14-02

Petition by SAGA PETROLEUM LIMITED LIABILITY COMPANY OF COLORADO, 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 reforming the unit for the RGGG 7-16-270 Well, Permit No. 16954-C, from a 40-acre production unit consisting of the Southeast Quarter of Southeast Quarter of Section 7, Township 22 South, Range 5 West, Bibb County, Alabama, in the Gurnee Coal Degasification Field to an 80-acre production unit consisting of the South Half of the Southeast Quarter of said Section 7.

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

ACTION: Granted, 11/6/2014.

ORDER NO: 2014-112

19. DOCKET NO. 11-4-14-03

Petition by SAGA PETROLEUM LIMITED LIABILITY COMPANY OF COLORADO, 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 reforming the unit for the RGGS 7-8-254 Well, Permit No. 16955-C, from a 40-acre production unit consisting of the Southeast Quarter of Northeast Quarter of Section 7, Township 22 South, Range 5 West, Bibb County, Alabama, in the Gurnee Coal Degasification Field to an 80acre production unit consisting of the South Half of the Northeast Quarter of said Section 7.

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

ACTION: Granted, 11/6/2014.

ORDER NO: 2014-113

20. DOCKET NO. 11-4-14-04

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 an exceptional non-governmental 40-acre wildcat drilling unit for the Craft-Brown 19-5 #1 Well consisting of the East Half of the Southwest Quarter of Northwest Quarter and the West Half of Southeast Quarter of Northwest Quarter of Section 19, Township 5 North, Range 5 East, Monroe County, Alabama as an exception to Rule 400-1-2-.02(2)(a) of the *State Oil and Gas Board of Alabama Administrative Code*, which provides that such wells be drilled on units consisting of a governmental quarter-quarter section containing approximately 40 acres. This petition is filed pursuant to Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended

ACTION: Granted, 11/6/2014.

ORDER NO: 2014-114

21. DOCKET NO. 11-4-14-05

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order amending Rules 4B and 4E of the Special Field Rules for the Oak Grove Coal Degasification Field, Tuscaloosa and Jefferson Counties, Alabama, to provide for rules compatible with the Brookwood Coal Degasification Field to allow gob wells and/or gob production wells to be located no closer than 150 feet from the exterior boundary of the Field and to allow the drilling of and production simultaneously from multiple gob and/or gob production wells in the same unit in areas that are subject to underground mining operation so as to enhance mine safety just as is currently allowed in the Brookwood Coal Degasification Field. Both the Oak Grove and Brookwood Coal Degasification Fields have ongoing underground longwall mining operations. The petition is filed pursuant to Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended.

ACTION: Granted, 11/6/2014.

ORDER NO: 2014-115

22. DOCKET NO. 11-4-14-06

Petition by Mississippi Resources, LLC, dba 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.*, ALABAMA CODE and Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code, extending the temporarily abandoned status of Chatom Unit #1-2 Well, Permit No. 2235, the Chatom Unit #3-2 Well, Permit No. 3938, the Chatom Unit 20-1 #1-05 Well, Permit No. 7200, the Chatom Unit #1-G01 Well, Permit No. 1543, and the Chatom Unit #1-G3 Well, Permit No. 2354, all located in the Chatom Field Unit in Washington County, Alabama.

ACTION: Granted, 11/6/2014.

ORDER NO: 2014-116

23. DOCKET NO. 11-4-14-07

Petition by SKLAR EXPLORATION COMPANY L.L.C. requesting that the State Oil and Gas Board of Alabama enter an order (a) force pooling without risk compensation all tracts and interests in the NE 1/4 of Section 2, Township 3 North, Range 11 East, Escambia County, Alabama, as a 160-acre wildcat drilling unit for the purpose of drilling a well to test formations down to and including the Smackover and Norphlet formations (the "Unit"), (b) requiring all owners of tracts and interests in the Unit to develop their tracts and interests as a unit, and (c) appointing Petitioner as the operator of the Unit. This petition is filed pursuant to Ala. Code Section 9-17-1 (1975), *et seq.* (and, in particular, Ala. Code Section 9-17-13 (1975)) and Rules 400-1, *et seq.* (and, in particular, Rules 400-7-1 and 400-7-2) of the State Oil and Gas Board of Alabama Administrative Code.

ACTION: Dismissed, 11/6/2014.

ORDER NO: 2014-117

24. DOCKET NO. 7-20-10-07

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, S. Lavon Evans Jr., Operating Co., Inc., to show cause why the following wells located in Tuscaloosa, Lamar, Pickens, and Jefferson Counties, 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.

The Board may consider, as a part of this Motion, that the proceeds from the surety bond be utilized to plug and abandon wells and restore well sites.

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

County Line Field Well, Pickens Co.

Permit No.	Well Name	Location
11797	Holliman 36-10 #1	S36, T17S, R14W
11865	Williamson 1-1 #1	S1, T18S, R14W

SE Watson Field Wells, Lamar Co.

Permit No.	Well Name	Location
12548	Collins 12-11 #1	S12, T15S, R15W
12919	Gearn 14-1 #1	S14, T15S, R15W

Wiley Dome Field Wells, Lamar Co.

Permit No.	Well Name	Location
9986-A	Holman 34-10 #1	S34, T17S, R9W
13041	Holman 35-6 #1	S35, T17S, R9W
13042	Shepherd 35-16 #1	S35, T17S, R9W
13310-BH	Holman 34-10 #2	S34, T17S, R9W
13311	Alawest 34-13 #1	S34, T17S, R9W
13905	Earnest 26-14 #1	S26, T17S, R9W

Lamar County Wildcats

Permit No.	Well Name	Location
13640	Gartman 2-4 #1	S2, T17S, R16W

Tuscaloosa County Wildcats

Permit No.	Well Name	Location
13133	Earnest 26-15 #1	S26, T17S, R9W
13307	Christian 3-8 #1	S3, T18S, R9W
13384	Champion International 35-13 #1	S35, T17S, R9W
13387	Alawest 2-3 #1	S2, T18S, R9W
13388	Bane 36-14 #1	S36, T17S, R9W
13680	Bolton 1-4 #1A	S1, T18S, R9W
13710	Champion International 3-10 #1	S3, T18S, R9W
13711	Alawest 1-12 #2	S1, T18S, R9W

Jefferson County Wildcat

Permit No.	Well Name	Location
13389	U.S. Steel Corporation 21-13 #1	S21, T19S, R5W

ACTION: Dismissed, 11/6/2014.

ORDER NO: 2014-118