



RESULTS

STATE OIL AND GAS BOARD OF ALABAMA BOARD MEETING

The State Oil and Gas Board of Alabama held its regular hearing at 10:00 a.m. on Tuesday, February 2, and Thursday, February 4, 2016, 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. 12-08-15-06

Petition by Calera Gas, LLC, a Nevada 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(2) of the State Oil and Gas Board of Alabama Administrative Code, extending the shut-in status of the Segco-KCB 18-14-244 Well, Permit No. 14818-C located in the Gurnee Coal Degasification Field, Shelby County, Alabama.

BOARD ACTION: Granted 2/4/2016

ORDER NO. 2016-02

2 DOCKET NO. 02-02-16-01

Petition by NATURAL GAS & OIL, INC., an Alabama company, requesting the State Oil and Gas Board of Alabama to enter an order approving an exceptional location for the proposed re-entry of the Cunningham 15-5 Well, Permit No. 4359, at a location 330 feet from the South line and 660 feet from the West line of a 320-acre unit consisting of the North Half of Section 15, Township 18 South, Range 14 West, in the Coal Fire Creek Field, Pickens County, Alabama. Said location is an exception to Rule 3 of the Special Field Rules for the Coal Fire Creek Field that requires all wells to be located at least 660 feet from every exterior boundary of the drilling unit.

BOARD ACTION: Granted 2/4/2016

ORDER NO. 2016-03

3 DOCKET NO. 02-02-16-02

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
Sections 30, 31, 32

Township 19 South, Range 7 West, Tuscaloosa County
Sections 15, 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, 17, 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, 32, 33, 35

Township 20 South, Range 8 West, Tuscaloosa County
Sections 1, 2, 3, 4, 5, 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.

BOARD ACTION: GRANTED with the STIPULATION that operator Black Warrior Methane Corp. shall plug and abandon at least fifteen (15) percent of the total wells shown on Exhibits "A" and "B" with a year from this date. 2/4/2016

ORDER NO. 2016-04

4 **DOCKET NO. 02-02-16-03**

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 18 South, Range 7 West, Tuscaloosa County
Section 31

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

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

Township 19 South, Range 8 West, Tuscaloosa County
Sections 14, 15, 17, 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.

BOARD ACTION: GRANTED with the STIPULATION that operator Black Warrior Methane Corp. shall plug and abandon at least fifteen (15) percent of the total wells shown on Exhibits "A" and "B" with a year from this date. 2/4/2016

ORDER NO. 2016-05

5 **DOCKET NO. 02-02-16-04**

Petition by ESCAMBIA OPERATING CO. 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 extending the shut-in status for the Dora J. Steely #36-2, Permit No. 1869, located in Section 36, Township 1 North, Range 8 East, in Escambia County, Alabama, in the Fanny Church Field, in accordance with Rule 400-1-4-.17 (2) of the State Oil and Gas Board of Alabama Administrative Code.

Petitioner requests that the Board extend the shut-in status for this well because said well is capable of producing and should not be plugged.

BOARD ACTION: CONTINUED with the STIPULATION that the temporarily abandoned status for the Dora J. Steely #36-2 Well, Permit 1869, be extended to the next regularly scheduled hearing of the Board. 2/4/2016

6 **DOCKET NO. 02-02-16-05**

Petition by ESCAMBIA OPERATING CO. 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 extending the shut-in status for the Scott Paper Co. Gas Unit 3-1 Well, Permit No. 3714, located in Section 3, Township 1 North, Range 7 East, Escambia County, Alabama, in the Flomaton Field, in accordance with Rule 400-1-4-.17 (2) of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Granted 2/4/2016

ORDER NO. 2016-06

7 **DOCKET NO. 02-02-16-06**

Petition by ESCAMBIA OPERATING CO. 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 extending the temporarily abandoned status for the Manning 4-14 #1 Well, Permit No. 14250-B, located on a 640-acre production unit consisting of Section 4, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek Field, in accordance with Rule 400-1-4-.17 (1) of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Granted 2/4/2016

ORDER NO. 2016-07

8 **DOCKET NO. [02-02-16-07](#)**

First Amended Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving the exceptional location for re-entry of the Winters 19-5 #1 Well, Permit No. 5459, on an alternate 40-acre wildcat oil drilling unit consisting of the Southwest Quarter of the Northwest Quarter of Section 19, Township 18 South, Range 14 West, Pickens County, Alabama, said location being 240 feet from the South line and 320 feet from the East line of said 40-acre wildcat oil drilling unit. Said location is an exception to Rule 400-1-2-.02(2)(a) of the State Oil and Gas Board of Alabama Administrative Code.

Petitioner filed a permit application for a 320-acre wildcat gas unit for said well consisting of the West Half of Section 19, Township 18 South, Range 14 West, Pickens County, Alabama, to test the Pottsville sands for gas. Approval of the above-referenced exceptional location for the 40-acre wildcat oil drilling unit will be necessary should the well not be completed as a gas well on the 320-acre wildcat gas unit.

This request was previously granted by the Board on an emergency basis by Order No. 2015-81, issued on December 10, 2015.

BOARD ACTION: Granted 2/4/2016

ORDER NO. 2016-08

9 **DOCKET NO. [02-02-16-08](#)**

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 North Jeddo Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. Petitioner proposes that the field limits consist of the East Half of the Northeast Quarter of Section 21 and the West Half of the Northwest Quarter of Section 22, 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 13,734 feet (MD) and 13,772 feet (MD) as indicated on the Schlumberger Quad Combo log for the Craft-Dunn 22-4 #1 Well, Permit No. 17072-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. 2-2-16-09 requesting that the 40-acre wildcat drilling unit for the Craft-Dunn 22-4 #1 Well 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).

BOARD ACTION: Granted 2/4/2016

ORDER NO. 2016-09

10 **DOCKET NO. [02-02-16-09](#)**

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 to reform the 40-acre wildcat drilling unit for the Craft-Dunn 22-4 #1 Well, Permit No. 17072-B, consisting of the South Half of the Northwest Quarter of Northwest Quarter and North Half of Southwest Quarter of Northwest Quarter of Section 22, Township 5 North, Range 5 East, Monroe County, Alabama, to an exceptional non-governmental 160-acre production unit in the proposed North Jeddo Field consisting of the East Half of the Northeast Quarter of Section 21 and the West Half of the Northwest Quarter of Section 22, Township 5 North, Range 5 East, Monroe County, Alabama.

This Petition is filed as a companion to a Petition bearing Docket No. 2-2-16-08 requesting that a new oil field be established in Monroe County, Alabama, to be known as the North Jeddo Field.

BOARD ACTION: Granted 2/4/2016

ORDER NO. 2016-09

11 DOCKET NO. 02-02-16-10

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 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.

The Board, in Order No. 2015-66 issued on August 13, 2015, approved the continued flaring of gas from the Craft-Brown 20-13 #1 Well until the next Board meeting following a period of six (6) months from the date of said Order.

BOARD ACTION: GRANTED with the STIPULATION that operator Ventex shall submit by the end of the calendar year an annual written report to the Supervisor stating (1) the average monthly volume of gas flared from the Craft-Brown 23-10 Well; (2) the average monthly volume of gas utilized in the operation of the subject well on which royalties and severance taxes are paid; and (3) a statement addressing the market conditions relative to the gas flared from the well. 2/4/2016

ORDER NO. 2016-010

12 DOCKET NO. 02-02-16-11

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.

The Board, in Order No. 2015-65 issued on August 13, 2015, approved the continued flaring of gas from the Craft-Laurie 16-6 #1 Well until the next Board meeting following a period of six (6) months from the date of said Order.

BOARD ACTION: GRANTED with the STIPULATION that operator Ventex shall submit by the end of the calendar year an annual written report to the Supervisor stating (1) the average monthly volume of gas flared from the Craft-Laurie 16-6 #1 Well; (2) the average monthly volume of gas utilized in the operation of the subject well on which royalties and severance taxes are paid; and (3) a statement addressing the market conditions relative to the gas flared from the well. 2/4/2016

ORDER NO. 2016-011

13 DOCKET NO. 02-02-16-12

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, with imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Carter Formation from the Ogden 26-5 #1 Well to be drilled on a 320-acre wildcat gas drilling consisting of the West Half of Section 26, Township 15 South, Range 16 West, Lamar County, Alabama.

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

BOARD ACTION: Continued 2/4/2016