

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
AUGUST 22 & 24, 2006

1. DOCKET NO. 9-28-05-4A

Continued amended petition by S. LAVON EVANS, JR. OPERATING COMPANY, 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, without imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the Earnest 26-15 #1 Well, Permit No. 13133, located on a 320-acre drilling unit consisting of the South Half of Section 26, Township 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Wiley Dome Field.

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

BOARD ACTION: Continued 8-24-06

2. DOCKET NO. 9-28-05-5A

Continued amended petition by S. LAVON EVANS, JR. OPERATING COMPANY, 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, without imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the Earnest 26-14 #1 Well, Permit No. 13905, located on a 320-acre unit consisting of the South Half of Section 26, Township 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Wiley Dome Field.

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

BOARD ACTION: Continued 8-24-06

3. DOCKET NO. 1-31-06-23

Continued petition by LOCAL, 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 reforming the unit for the Richards 23-5 #1 Well, Permit No. 12294-A, from a 320-acre gas unit consisting of the North Half of Section 23, Township 16 South, Range 15 West, Lamar County, Alabama, in the East Mt. Zion Gas Field to a 40-acre oil unit consisting of the Southwest Quarter of the Northwest Quarter of said Section 23.

The Board established the East Mt. Zion Gas Field by Order 2002-34, dated April 19, 2002, and Petitioner alleges that the Richards 23-5 # 1 Well currently produces as an oil well and should not be classified as a gas well. Although Petitioner requests the Board to eliminate certain lands from the present 320-acre gas unit, Petitioner proposes to drill one or more additional oil wells as warranted in the lands proposed to be eliminated.

This petition is a companion to petition bearing Docket No. 1-31-06-24 requesting establishment of a new oil field in Lamar County, Alabama.

BOARD ACTION: Continued 8-24-06

4. DOCKET NO. 1-31-06-24

Continued petition by LOCAL, 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 establishing a new oil field to be known as the East Mt. Zion Oil Field, or by such other name as the Board deems appropriate and to adopt Special Field Rules therefor. The proposed field, as underlain by the Lewis Sand Oil Pool, consists of the North Half of Section 23, Township 16 South, Range 15 West, Lamar County, Alabama.

The Lewis Sand Oil Pool should be defined as that interval of the Lewis Sand Formation productive of hydrocarbons between 4,924 feet and 4,940 feet, as indicated on the Dual Induction Log of the Richards 23-5 #1 Well, Permit No. 12294-A, located 360 feet FNL and 660 feet FWL of the proposed 40-acre unit for said well consisting of the Southwest Quarter of the Northwest Quarter of said Section 23 in

Lamar County, Alabama. Petitioner is requesting well spacing of a governmental quarter-quarter section containing approximately 40 acres, and is also requesting the establishment of allowables for said field.

This petition is a companion to petition bearing Docket No. 1-31-06-23 requesting reformation of the 320-acre gas unit for the Richards 23-5 #1 Well, Permit No. 12294-A, to a 40-acre oil unit.

BOARD ACTION: Continued 8-24-06

5. DOCKET NO. 3-7-06-10A

Continued amended petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Champion 8-7-248 Well, Permit No.11693-C, from an 80-acre unit consisting of the West Half of the Northeast Quarter of Section 8, Township 20 South, Range 8 West, Tuscaloosa County, Alabama, in the Brookwood Coal Degasification Field to a 40-acre unit consisting of the Southwest Quarter of the Northeast Quarter of said Section 8.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Continued 8-24-06

6. DOCKET NO. 4-25-06-5

Continued petition by ROBINSON'S BEND OPERATING II, 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 reforming the unit for the Findley #21-2-89 Well, Permit No.7843-C, from an 80-acre unit consisting of the Northwest Quarter of the Northeast Quarter and the Northeast Quarter of the Northwest Quarter of Section 21, Township 21 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Northwest Quarter of the Northeast Quarter of said Section 21.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Continued 8-24-06

7. DOCKET NO. 4-25-06-6

Continued petition by ROBINSON'S BEND OPERATING II, 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 reforming the unit for the Findley #20-8-248 Well, Permit No. 9342-C, from an 80-acre unit consisting of East Half of the Northeast Quarter of Section 20, Township 21 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Southeast Quarter of the Northeast Quarter of said Section 20.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Dismissed 8-24-06
ORDER NO. 2006-117

8. DOCKET NO. 6-19-06-5

Continued petition by ROBINSON'S BEND OPERATING II, 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 reforming the unit for the Maxwell Crossing B11 11-1 #631 Well, Permit No. 8186-C, from an 80-acre unit consisting of the East Half of the Northeast Quarter of Section 11, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Northeast Quarter of the Northeast Quarter of said Section 11.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Continued 8-24-06

9. DOCKET NO. 6-19-06-6

Continued petition by ROBINSON'S BEND OPERATING II, 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 reforming the unit for the Maxwell Crossing A11 2-15 #679 Well, Permit No. 8505-C, from an 80-acre unit consisting of the West Half of the Southeast Quarter of Section 2, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to a 40-acre unit consisting of the Southwest Quarter of the Southeast Quarter of said Section 2.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Continued 8-24-06

10. DOCKET NO. 7-24-06-7

Continued petition by EOG RESOURCES, 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 reforming the drilling unit for its Bayne Etheridge 36-9 No. 1 Well, Permit No. 14673, from a 40-acre unit consisting of the Northeast Quarter of the Southeast Quarter of Section 36, Township 20 North, Range 2 East, Greene County, Alabama to a 160-acre wildcat gas unit, consisting of the North Half of the Southeast Quarter and the South Half of the Northeast Quarter of said Section 36, as an exception to Rule 400-1-2-.02 (2)(b) of the State Oil and Gas Board of Alabama Administrative Code, which provides that a well may be drilled on a drilling unit consisting of a governmental quarter-section containing approximately 160 acres.

The referenced well was originally permitted to be drilled as a straight hole, and Petitioner has commenced drilling operations on the Etheridge 36-9 No. 1 Well at a surface location 600 feet from the east line and 580 feet from the south line of the Northeast Quarter of the Southeast Quarter of Section 36, Township 20 North, Range 2 East. Although the surface location would be an exceptional location under Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code, petitioner plans to drill said well as a horizontal well in the Chattanooga Shale Formation. The point of entry of the wellbore in said formation and the bottom hole location at the end of the horizontal well will be at least 660 feet from all exterior boundaries of the proposed 160-acre unit, and as such, will not be an exceptional location.

This petition is in accordance with Section 9-17-1, et seq., Code of Alabama (1975) as amended, and Rule 400-7-1 of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Dismissed 8-24-06
ORDER NO. 2006-118

11. DOCKET NO. 7-24-06-8

Continued petition by CDX GAS, L.L.C., a Texas 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) and Rule 400-3-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code and as an exception to the Special Field Rules for the Gurnee Coal Degasification Field requesting approval of the permit, construction method, completion technique, and casing requirements for the drilling of a Z-PINNATE[®] coalbed methane well, the 240-acre unit for which well shall be the Northwest Quarter and the West Half of the Northeast Quarter of Section 14, Township 22 South, Range 4 West, Shelby County, Alabama in the Gurnee Coal Degasification Field in order to avoid the drilling of unnecessary wells, minimize surface disturbance, increase the efficiency of operations, and avoid waste.

BOARD ACTION: Continued 8-24-06

12. DOCKET NO. 7-24-06-9

Continued petition by CDX GAS, L.L.C., a Texas 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) and Rule 400-3-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code and as an exception to the Special Field Rules for the Gurnee Coal Degasification Field requesting approval of the permit, construction method, completion technique, and casing requirements for the drilling of a Z-PINNATE[®] coalbed methane well, the 640-acre unit for which well shall be the entire Section 2, Township 22 South, Range 4 West, Shelby County, Alabama in the Gurnee Coal Degasification Field in order to avoid the drilling of unnecessary wells, minimize surface disturbance, increase the efficiency of operations, and avoid waste.

BOARD ACTION: Continued 8-24-06

13. DOCKET NO. 8-22-06-1

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exception to Rule 3(b) of the Special Field Rules for the Coal Fire Creek Field, Pickens County, Alabama, for the exceptional location of the proposed Brookshire 20-1 No. 2 Well. Petitioner proposes to drill said well on a 320-acre unit consisting of the N/2 of Section 20, Township 18 South, Range 14 West, Pickens County, Alabama, at a location 1100 feet from the North line and 330 feet from the East line of said Section 20. Said Rule 3(b) requires that wells drilled in said Field be located at least 660 feet from every exterior boundary of the drilling unit, and the proposed location of the referenced well is only 330 feet from the East line of the 320-acre drilling unit for said well.

BOARD ACTION: Continued 8-24-06

14. DOCKET NO. 8-22-06-2

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Chevron 12-07-157 Well, Permit No.12026-C, from a 40-acre unit consisting of the Southwest Quarter of the Northeast Quarter of Section 12, Township 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field to an 80-acre unit consisting of the South Half of the Northeast Quarter of said Section 12.

BOARD ACTION: Dismissed 8-24-06

ORDER NO. 2006-119

15. DOCKET NO. 8-22-06-3

Petition by MIDROC OPERATING COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order finding that the contribution of the separately owned Tracts in the Little Cedar Creek Oil Unit have been shown to be erroneous by subsequently discovered productivity data from a well in the Little Cedar Creek Oil Unit, namely, the Cedar Creek Land and Timber 15-6 Well, Permit No. 14692, said well having a surface location in Section 15, Township 4 North, Range 12 East, Conecuh County, Alabama, in the Little Cedar Creek Field. The Unit Operator has calculated the new Tract participation factors to reflect the altered Tract contribution and requests the Board to approve the revised Tract participation factors of each affected Tract in the Little Cedar Creek Oil Unit in Conecuh County, Alabama.

The redetermination of Unit Tract participation factors for the Little Cedar Creek Oil Unit, Conecuh County, Alabama, is in accordance with the provisions of the Unit Agreement and Section 9-17-86 of the Code of Alabama (1975).

This petition is filed as a companion to a petition bearing Docket No. 8-22-06-4 requesting redetermination of Unit Tract participation for the Little Cedar Creek Oil Unit based on subsequently discovered pore volume data from the Cedar Creek Land and Timber 15-6 Well.

BOARD ACTION: Continued 8-24-06

16. DOCKET NO. 8-22-06-4A

Amended petition by MIDROC OPERATING COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order finding that the contribution of the separately owned Tracts in the Little Cedar Creek Oil Unit have been shown to be erroneous by subsequently discovered pore volume data from a well in the Little Cedar Creek Oil Unit, namely, the Cedar Creek Land and Timber 15-6 Well, Permit No. 14692, said well having a surface location in Section 15, Township 4 North, Range 12 East, Conecuh County, Alabama, in the Little Cedar Creek Field. The Unit Operator has calculated the new Tract participation factors to reflect the altered Tract contribution and requests the Board to approve the revised Tract participation factors of each affected Tract in the Little Cedar Creek Oil Unit in Conecuh County, Alabama.

The redetermination of Unit Tract participation factors for the Little Cedar Creek Oil Unit, Conecuh County, Alabama, is in accordance with the provisions of the Unit Agreement and Section 9-17-86 of the Code of Alabama (1975).

This petition is filed as a companion to petition bearing Docket No. 8-22-06-3 requesting redetermination of Unit Tract participation for the Little Cedar Creek Oil Unit based on subsequently discovered productivity data from the Cedar Creek Land and Timber 15-6 Well.

BOARD ACTION: Granted 8-24-06

ORDER NO. 2006-120

17. DOCKET NO. 8-22-06-5

Petition by MIDROC OPERATING COMPANY, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving the exceptional bottom hole location of the Horton 11-14 Well, Permit No.14708, located on a 160-acre unit consisting of the Southwest Quarter of Section 11, Township 4 North, Range 12 East, Conecuh County, Alabama, in the Little Cedar Creek Field, as an exception to Rule 3(b) of the Special Field Rules for said Field. Said Rule requires that all wells in said Field be located at least six hundred sixty (660) feet from any exterior boundary of the drilling unit, and the bottom hole location of the referenced well is 2,036 feet from the West line and 836 feet from the South line of said Section 11, making the bottom hole location of the said well only 562 feet from the East line of the 160-acre unit, and as such, is an exception to said Rule 3(b).

BOARD ACTION: Granted 8-24-06

ORDER NO. 2006-121

18. DOCKET NO. 8-22-06-6A

Amended petition by SPOONER PETROLEUM COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Cotton Valley, Haynesville, Smackover and Norphlet Formations from a well to be drilled on a 160-acre wildcat unit consisting of the South Half of the Northeast Quarter and the North Half of the Southeast Quarter of Section 21, Township 6 North, Range 7 East, Monroe 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: Granted 8-24-06

ORDER NO. 2006-122

19. DOCKET NO. 8-22-06-7

Petition by SPOONER PETROLEUM COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Cotton Valley, Haynesville, Smackover and Norphlet Formations from a well to be drilled on a 160-acre

wildcat unit consisting of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter of Section 21, Township 6 North, Range 7 East, Monroe 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: Dismissed 8-24-06
ORDER NO. 2006-123

20. DOCKET NO. 8-22-06-8

Petition by SPOONER PETROLEUM COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover and Norphlet Formations in a well to be drilled on a 160-acre wildcat unit consisting of the Northwest Quarter of Section 18, Township 9 North, Range 4 East, Clarke 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: Dismissed 8-24-06
ORDER NO. 2006-124

21. DOCKET NO. 8-22-06-9A

Amended petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order pursuant to Sections 9-17-1 through 9-17-33 and 9-17-80 through 9-17-88, Code of Alabama (1975) approving and establishing a partial field-wide unit, to be known as "Cahaba Unit II," consisting of the hereinafter described "Unit Area" in the Gurnee Coal Degasification Field, Shelby and Bibb Counties, Alabama, and requiring the operating of said Unit Area as a single unit in order to avoid the drilling of unnecessary wells, increase the efficiency of operations and improve the ultimate recovery of occluded natural gas from the Unitized Formation, as hereinafter defined, and avoid waste. The "Unitized Formation" is to be designated as the Pottsville Coal Interval underlying the Unit Area, the productive interval of which is found between 482 feet measured depth and 2,642 feet measured depth as encountered in the RGGGS 31-01-248 Well, Permit No. 14483-C, located in the NE¹/₄ of the NE¹/₄ of Section 31, as indicated on the Density Log of said well, and between the depths of 573 feet measured depth and 2,788 feet measured depth as encountered in the RGGGS 35-06-102 Well, Permit No. 13784-C, located in the SE¹/₄ of the NW¹/₄ of Section 35, as indicated on the Density Log of said well, both wells being in Township 21 South, Range 4 West, Shelby County, Alabama, and all zones in communication therewith and all productive extensions thereof, including any coal seam stringer that might occur within a depth of either 80 feet above or 80 feet below the Pottsville Coal Interval, as defined in said wells, and including those coal seams which can be correlated therewith. Petitioner further seeks approval of the Unit Agreement, as ratified, in accordance with Section 9-17-84, Code of Alabama (1975), and approval of the amendments to the Special Field Rules for the Gurnee Coal Degasification Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

Petitioner further seeks entry of an order unitizing, pooling and integrating the Unit Area, as underlain by the above defined Unitized Formation so as to require all owners or claimants of royalty, overriding royalty, mineral, and leasehold interests within the Unit Area to unitize, pool and integrate their interests and develop their lands or interests as a unit, and designating GeoMet, Inc. as operator of the Unit Area in accordance with the laws of Alabama. The proposed Unit Area, to be designated Cahaba Unit II, containing approximately 8,160.00 acres, more or less, consists of the following described parcels in Shelby and Bibb Counties, Alabama:

Township 21 South, Range 4 West

Section 14: W¹/₂ of SE¹/₄; Section 15: NW¹/₄, W¹/₂ of NE¹/₄, SE¹/₄ of NE¹/₄, NE¹/₄ of SW¹/₄, SE¹/₄;
Section 20: E¹/₂, less and except the NW¹/₄ of NE¹/₄; Section 21: All; Section 22: All; Section 23: All;
Section 24: W¹/₂; Section 25: NW¹/₄ of NW¹/₄; Section 26:
All; Section 27: All; Section 28: All; Section 29: All; Section 31: E¹/₂;
Section 32: All; Section 33: All; Section 34: All; Section 35: N¹/₂ of N¹/₂, S¹/₂ of NW¹/₄.

BOARD ACTION: Granted 8-24-06
ORDER NO. 2006-125

22. DOCKET NO. 8-22-06-10

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Hassinger 16-11-403 Well, Permit No. 14159-C, from an 80-acre unit consisting of the Southeast Quarter of the Northwest Quarter and the Northeast Quarter of the Southwest Quarter of Section 16, Township 19 South, Range 7 West, Tuscaloosa County, Alabama, in the Oak Grove Coal Degasification Field, to a 40-acre unit consisting of the Northeast Quarter of the Southwest Quarter of said Section 16. The Hassinger 16-6-424 Well, Permit No. 14465-C, is located on a 40-acre unit consisting of the Southeast Quarter of the Northwest Quarter of said Section 16. The aforementioned and described 80-acre unit for the Hassinger 16-11-403 Well is common ownership.

BOARD ACTION: Granted 8-24-06
ORDER NO. 2006-126

23. DOCKET NO. 8-22-06-11A

Amended petition by DENBURY ONSHORE, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama, pursuant to Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order approving the temporarily abandoned status and pursuant to Rule 400-4-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code to enter an order approving the extension of the Class II injection permits with the approvals applying to certain wells located in the Citronelle Field, Mobile County, Alabama, in the following areas for a period of one (1) year:

Citronelle Unit

Township 2 North, Range 3 West
Sections 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36

Township 2 North, Range 2 West
Sections 17, 18, 19, 20, 29, 30, 31

Township 1 North, Range 3 West
Sections 1, 2, 3, 10, 11, 12, 13, 14

Township 1 North, Range 2 West
Sections 5, 6, 7, 8, 9, 16, 17, 18

Southeast Citronelle Unit

Township 1 North, Range 2 West
Sections 4, 5, 8, 9, 10

Township 2 North, Range 2 West
Sections 32 and 33

East Citronelle Unit

Township 1 North, Range 2 West
Section 6

Township 2 North, Range 2 West
Sections 29, 31, 32

BOARD ACTION: Granted 8-24-06
ORDER NO. 2006-127

24. DOCKET NO. 8-22-06-12

Petition by MIDROC OPERATING COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, without imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from Petitioner's proposed Cedar Creek Land and Timber 25-12 Well to be drilled on a 160-acre unit consisting of the Southwest Quarter of Section 25, Township 4 North, Range 11 East, Conecuh 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: Granted 8-24-06
ORDER NO. 2006-128

25. DOCKET NO. 8-22-06-13A

Amended petition by GEOMET, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order amending Rule 10 of the Special Field Rules for the Gurnee Coal Degasification Field by enlarging the "Unit Area" of the Cahaba Unit I as described in the Unit Agreement and Board Order No. 2005-1 to include the South Half of the North Half; the Northeast Quarter of the Northwest Quarter; the Northwest Quarter of the Northeast Quarter; the North Half of the Southwest Quarter; and the Southeast Quarter of Section 31, Township 20 South, Range 3 West, Shelby County, Alabama so that, as enlarged, the Unit Area will consist of the following:

Township 20 South, Range 3 West

Section 31: S ½ of N ½; NE ¼ of NW ¼; NW ¼ of NE ¼; SW ¼; SE ¼

Township 20 South, Range 4 West

Section 36: E ½ of SE ¼

Township 21 South, Range 3 West

Section 5: N ½ of NW ¼

Section 6: W ½, NE ¼, N ½ of SE ¼

Section 7: W ½, N ½ of NE ¼, W ½ of SE ¼

Township 21 South, Range 4 West

Section 1: E ½, SW ¼

Section 2: S ½ of SE ¼

Section 10: SE ¼, S ½ of SW ¼

Section 11: All

Section 12: N ½, SW ¼, E ½ of SE ¼

Section 13: N ½ of NW ¼

Section 14: NE ¼,

all in the Gurnee Coal Degasification Field, Shelby County, Alabama, and containing approximately 4,000 acres.

This request is in accordance with Article 8 of the Unit Agreement and said proposed enlargement is subject to approval by the owners of at least sixty-six and two-thirds percent (66 2/3%) in interests as costs are shared, and by at least sixty-six and two-thirds percent (66 2/3%) in interests of royalty and overriding royalty owners in the area to be added to the Cahaba Unit I.

BOARD ACTION: Granted 8-24-06
ORDER NO. 2006-129

26. DOCKET NO. 8-22-06-14

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exception to Rule 400-1-2-.02 (2)(a) of the State Oil and Gas Board of Alabama Administrative Code for the Dawson 34-03-001 Well, Permit No. 13911, located on a 40-acre wildcat unit consisting of the Northeast Quarter of the Northwest Quarter of Section 34, Township 13 South, Range 4 East, St. Clair County, Alabama. Petitioner permitted and drilled said well at a surface location 865 feet FNL and 2,316 feet FWL of said Section 34. However, the bottom hole location of the well is 220 feet FNL and 627 feet FWL of the 40-acre wildcat drilling unit for said well, and as such, is an exception to Rule 400-1-2-.02 (2)(a) which requires all wells to be located at least 330 feet from every exterior boundary of the drilling unit.

BOARD ACTION: Granted 8-24-06 with stipulations

ORDER NO. 2006-130

27. DOCKET NO. 8-22-06-15

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to notify Operator, Escambia Operating Co. LLC that in accordance with Rule 400-1-2-.03(4) of the State Oil and Gas Board of Alabama Administrative Code the Board may require a higher amount of blanket bond than is specified in Rule 400-1-2-.03(2) relating to blanket bonds. The Motion is an opportunity for Escambia Operating Co. LLC to present evidence to the Board in support of a proposed blanket bond amount regarding the wells that it proposes to operate in Alabama.

BOARD ACTION: Continued 8-24-06

28. DOCKET NO. 4-30-03-7

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to consider issuing an order for Vintage Petroleum, Inc., Hunt Refining Company, and Pruet Production Company to clean up and remove the oil on the lands of Lois Ezell and the adjoining pipeline right-of-way located in Section 29, Township 11 North, Range 3 West, Choctaw County, Alabama. Vintage Petroleum, Inc., operates the Ezell 29-5 Well, Permit No. 1844, on the lands of Lois Ezell, and certain oil pipelines on the pipeline right-of-way adjoining the lands of Lois Ezell. Hunt Oil Company operates an oil pipeline on the pipeline right-of-way adjoining the lands of Lois Ezell. Pruet Production Company operates a natural gas pipeline and a salt-water pipeline on the pipeline right-of-way adjoining the lands of Lois Ezell. The jurisdiction and authority of the Board is set forth in Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

BOARD ACTION: Continued 8-24-06