

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
BOARD MEETING
MARCH 24 & 26, 2009

1. DOCKET NO. 11-4-08-2C

Continued 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 of Alabama to enter an Order amending Rule 2 of the Special Field Rules for the East Lambeth Church Field, Escambia County, Alabama, to add and define the Cogle Sand Oil Pool for said Field and to approve the permanent production unit for the Powell-Rabon 3-11 No. 1 Well, Permit No. 15711-AB.

Petitioner requests that the Cogle Sand Oil Pool in the East Lambeth Church Field be defined as that interval of the Cogle Sand productive of hydrocarbons between the interval of 6550 feet and 6570 feet TVD (6576 feet and 6598 feet MD) as indicated on the High Definition Induction Log for the Powell-Rabon 3-11 No. 1 Well, Permit No. 15711-AB, and all zones in communication therewith and all productive extensions thereof. Said pool constitutes a separate and distinct oil producing pool in said Field, separate and distinct from all other producing pools therein.

Petitioner also requests that the drilling unit for the Powell-Rabon 3-11 No. 1 Well, Permit No. 15711-AB, consisting of the East Half of the Northwest Quarter of the Southwest Quarter and the West Half of the Northeast Quarter of the Southwest Quarter of Section 3, Township 1 North, Range 8 East, Escambia County, Alabama, be approved as the permanent production unit for said well.

BOARD ACTION: Dismissed 3-26-09

ORDER NO. 2009-20

2. DOCKET NO. 3-24-09-01

Petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the following wells all located in the Foshee Field, Escambia County, Alabama, for a period of one (1) year:

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
5213	A.T.I.C. 34-9 #1	Section 34, T2N-R8E
5335	Culpepper 34-7 #1	Section 34, T2N-R8E
5167	A.T.I.C. 35-13 #2	Section 35, T2N-R8E
5062	A.T.I.C. 35-14 #1	Section 35, T2N-R8E

Said wells are temporarily abandoned. Petitioner is requesting the Board to classify said wells as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because all of the wells have future utility in Durango Operating, LLC's operations in Foshee Field, Escambia County, Alabama and should not be plugged.

BOARD ACTION: Continued 3-26-09 with the stipulation that the temporarily abandoned status be extended for six months or until the next regularly scheduled Board meeting following said six month period.

3. DOCKET NO. 3-24-09-02

Petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the Cedar Creek Land and Timber Co. 12-9 #1, Permit # 8685, located in Section 12, Township 1 North, Range 8 East in Osaka Field, Escambia County, Alabama, for a period of one (1) year:

Said well is temporarily abandoned. Petitioner is requesting the Board to classify said well as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility in Durango Operating, LLC's operations in Osaka Field, Escambia County, Alabama and should not be plugged.

BOARD ACTION: Continued 3-26-09 with the stipulation that the temporarily abandoned status be extended for six months or until the next regularly scheduled Board meeting following said six month period.

4. DOCKET NO. 3-24-09-03

Petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the R. E. Loper et al 12-11 #1, Permit # 2885, located in Section 12, Township 1 North, Range 8 East in Pollard Field, Escambia County, Alabama, for a period of one (1) year:

Said well is temporarily abandoned. Petitioner is requesting the Board to classify said well as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility in Durango Operating, LLC's operations in Pollard Field, Escambia County, Alabama and should not be plugged.

BOARD ACTION: Continued 3-26-09 with the stipulation that the temporarily abandoned status be extended for six months or until the next regularly scheduled Board meeting following said six month period.

5. DOCKET NO. 3-24-09-04

Petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the following wells all located in West Foshee Field, Escambia County, Alabama, for a period of one (1) year:

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
5475	A.T.I.C. 33-7 #3	Section 33, T2N-R8E
5359	A.T.I.C. 33-8 #1	Section 33, T2N-R8E
5528	A.T.I.C. Container 33-3 #1	Section 33, T2N-R8E

Said wells are temporarily abandoned. Petitioner is requesting the Board to classify said wells as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because all of the wells have future utility in Durango Operating, LLC's operations in West Foshee Field, Escambia County, Alabama and should not be plugged.

BOARD ACTION: Continued 3-26-09 with the stipulation that the temporarily abandoned status be extended for six months or until the next regularly scheduled Board meeting following said six month period.

6. DOCKET NO. 3-24-09-05A

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 amending Rule 1 of the Special Field Rules for the Little Cedar Creek Field to add the Southeast Quarter of Section 8 and all of Sections 9, 15, 16, 20, 21, 22, 27, 28 and 29, all in Township 4 North, Range 13 East, Conecuh County, Alabama, to the field limits of said field.

BOARD ACTION: Granted 3-26-09
ORDER NO. 2009-21

7. DOCKET NO. 3-24-09-06

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 Banks 8-13-305 Well, Permit No. 8602-C, from a 40-acre unit consisting of the Southwest Quarter of the Southwest Quarter of Section 8, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to an 80-acre unit consisting of the West Half of the Southwest Quarter of said Section 8.

The Banks 8-13-305 Well was permitted and drilled on the existing 40-acre unit consisting of the Southwest Quarter of the Southwest Quarter of said Section 8. Upon the request of Torch Operating Company, the Board issued Order No. 90-545 on November 2, 1990, reforming the 40-acre unit for said well to an 80-acre unit consisting of the West Half of the Southwest Quarter of said Section 8. Subsequently, upon the request of Petitioner, the Board issued Order No. 2008-137 on August 28, 2008, reforming the 80-acre unit for said well to the existing 40-acre unit.

BOARD ACTION: Granted 3-26-09
ORDER NO. 2009-22

8. DOCKET NO. 3-24-09-07A

Amended 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 14-1 #648 Well, Permit No. 8803-C, from a 40-acre unit consisting of the Northeast Quarter of the Northeast Quarter of Section 14, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to an 80-acre unit consisting of the North Half of the Northeast Quarter of said Section 14.

The Maxwell Crossing B11 14-1 #648 Well was permitted and drilled on the above-described 80-acre unit consisting of the North Half of the Northeast Quarter of said Section 14. Upon the request of Petitioner, the Board issued Order No. 2008-138 on August 28, 2008, reforming the 80-acre unit for said well to the existing 40-acre unit.

BOARD ACTION: Granted 3-26-09
ORDER NO. 2009-23

9. DOCKET NO. 3-24-09-08A

Amended 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 11-3 #626 Well, Permit No. 8185-C, from a 40-acre unit consisting of the Northeast Quarter of the Northwest Quarter of Section 11, Township 22 South, Range 11 West, Tuscaloosa County, Alabama, in the Robinson's Bend Coal Degasification Field to an 80-acre unit consisting of the East Half of the Northwest Quarter of said Section 11.

The Maxwell Crossing B11 11-3 #26 Well (later named the Maxwell Crossing B11 11-3 #626 Well) was permitted and drilled on the existing 40-acre unit consisting of the Northeast Quarter of the Northwest Quarter of said Section 11. Upon the request of Arco Oil & Gas Company, the Board issued Order No. 90-237 on July 27, 1990, reforming the 40-acre unit for said well to an 80-acre unit consisting of the East Half of the Northwest Quarter of said Section 11. Subsequently, upon the request of Petitioner, the Board issued Order No. 2008-136 on August 28, 2008, reforming the

80-acre unit for said well to the existing 40-acre unit.

BOARD ACTION: Granted 3-26-09

ORDER NO. 2009-24

10. DOCKET NO. 3-24-09-09

Petition by FOUR STAR OIL & GAS COMPANY, a subsidiary of Chevron U.S.A. 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 extending the temporarily abandoned status of the Hatter's Pond Unit 34-10 #1 ST Well, Permit No. 2735-B, located in Section 34, Township 1 South, Range 1 West, Mobile County, Alabama, in the Hatter's Pond Unit, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code.

Petitioner previously requested a six-month extension of the temporarily abandoned status of said well as additional time was needed to evaluate the future utility of said well, and the Board granted said request by Order No. 2008-125 issued on August 28, 2008. Petitioner has completed its evaluation of said well and finds that it has future utility and should not be plugged.

BOARD ACTION: Granted 3-26-09

ORDER NO. 2009-25

11. DOCKET NO. 3-24-09-10A

Amended petition by PALMER PETROLEUM, 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 a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation in Petitioner's proposed Grantham-Bass 14-10 No. 1 Well to be drilled on a 160-acre wildcat unit consisting of the Southeast Quarter of Section 14, Township 4 North, Range 14 East, Covington 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 3-26-09

12. DOCKET NO. 3-24-09-11

Petition by CORONADO ALABAMA, LLC, an Alabama 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 of the Bolden-GSPC 32-1-1 Well, Permit No. 8434-A, located on a 40-acre wildcat drilling unit consisting of the Northeast Quarter of the Northeast Quarter of Section 32, Township 21 North, Range 4 East, Hale 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 and extending the shut-in status of the Burke 29-7 No. 1 Well, Permit No. 3939-A, located on a 40-acre wildcat drilling unit consisting of the Southwest Quarter of the Northeast Quarter of Section 29, Township 21 North, Range 4 East, Hale County, Alabama, for one year in accordance with Rule 400-1-4-.17(2) of said State Oil and Gas Board of Alabama Administrative Code because said wells have future utility and should not be plugged.

BOARD ACTION: Continued 3-26-09 with the stipulation that the temporarily abandoned status of the Bolden-GSPC 32-1-1 Well and the shut-in status of the Burke 29-7 #1 Well be extended to the next regularly scheduled meeting of the Board.

13. DOCKET NO. 3-24-09-12

Petition by VENTURE OIL & GAS, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order establishing a new oil field in Monroe County, Alabama, to be named the West Jeddo Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Smackover Oil Pool, consists of the West Half of the Southwest Quarter of Section 28 and the East Half of the Southeast Quarter of Section 29, Township 5 North, Range 5 East, Monroe County, Alabama.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons between the interval of 13,900 feet (MD) (-13,728 feet Subsea MD) and 13,928 feet (MD) (-13,756 feet Subsea MD) as indicated on the Triple Combo Log for the Venture Oil & Gas, Inc. – Uriah Land *et al.* No. 1 Well, Permit No. 15673, 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 field. Additionally, Petitioner requests that the drilling unit for the Venture Oil & Gas, Inc. – Uriah Land *et al.* No. 1 Well, Permit No. 15673, consisting of the West Half of the Southwest Quarter of Section 28 and the East Half of the Southeast Quarter of Section 29, Township 5 North, Range 5 East, be approved as the production unit for that Well.

BOARD ACTION: Granted 3-26-09

ORDER NO. 2009-26

14. DOCKET NO. 3-24-09-13B

Amended petition by HUGHES EASTERN CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving the exceptional location of the SE Bluff Oil Unit 17-4 #1 Well, Permit No. 15174, on a proposed 320-acre unit consisting of the North Half of Section 17, Township 14 South, Range 13 West, Fayette County, Alabama, as an exception to Rule 3(b) of the Special Field Rules for the Bluff Field, Fayette and Lamar Counties, Alabama. Said well was previously completed in the Carter Sand, as defined in the Special Field Rules for the Southeast Bluff Upper Carter Oil Unit. Petitioner has now completed said well in the Gilmer Sand Gas Pool as defined in the said Special Field Rules for the Bluff Field, on the proposed 320-acre unit at a location 670 feet from the

West line and 350 feet from the North line of said Section 17. Said Rule 3(b) of the Special Field Rules for the Bluff Field requires that wells drilled in said Field be located at least 660 feet from every exterior boundary of a 320-acre unit and the proposed location will be an exception to said Rule.

BOARD ACTION: Granted 3-26-09 with the stipulation (1) that the well previously named the SE Bluff Oil Unit 17-4 #1 Well be renamed to indicate that the well is no longer a well in the SE Bluff Upper Carter Oil Unit and that the appropriate Oil and Gas Board forms and surveyors plat for the renamed well be resubmitted to the Board within 30 days to reflect the new well name and (2) that the operator comply with the provisions of Article 18 of the Unit Operating Agreement for the SE Bluff Upper Carter Oil Unit related to Abandonment of Wells.

ORDER NO. 2009-27

15. DOCKET NO. 3-24-09-14A

Amended petition by UNION OIL COMPANY OF CALIFORNIA, 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 of the following wells, all located in Mobile County, Alabama, in the Chunchula Fieldwide Unit, for a period of one year, in accordance with Rule 400-1-4-.17 (1) of the State Oil and Gas Board of Alabama Administrative Code because said wells have future utility and should not be plugged:

<u>Well Name</u>	<u>Permit No.</u>	<u>Location</u>
International Paper Co. 14-6 #1	2085	Sec. 14-T1S-R2W
E.T. Stapleton 27-7 #1	2120	Sec. 27-T1S-R2W
George Radcliff, et al. 19-11 #2	2295	Sec. 19-T1S-R1W
E.M. Maddox 26-7 #1	2310	Sec. 26-T1S-R2W.

BOARD ACTION: Granted 3-26-09

ORDER NO. 2009-28

16. DOCKET NO. 3-24-09-15B

Amended petition by HIGHMOUNT BLACK WARRIOR BASIN 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 establishing production units and amending Rules 1, 2, 3, 4 and 5A of the Special Field Rules for the Big Canoe Creek Field, St. Clair County, Alabama. Petitioner proposes to amend Rule 1 (Purpose) to provide for the establishment of drilling and production units; to amend Rule 2 (Field Limits) to delete Sections 24, 25 and 36 in Township 13 South, Range 3 East, and Sections 1 and 12 in Township 14 South, Range 3 East, and Sections 1 through 11 in Township 14 South, Range 4 East, all in St. Clair County, Alabama; to amend Rule 3 (Gas Pool Defined) to define the Conasauga Shale Gas Pool as that interval of the Conasauga Formation productive of hydrocarbons between 1,956 feet and 8,971 feet as indicated on the Array Induction-Epithermal Neutron Gamma Ray – Three Lithology Density Log of the Burgess E28-09-30 Well, Permit No. 15073, including those strata productive of hydrocarbons which can be correlated therewith, and all zones in communication therewith and all productive extensions thereof; to amend Rule 4 (Spacing of Gas Wells) to establish the existing 320-acre drilling units as production units in said Field, and to allow the distribution of all escrowed production royalties to persons legally entitled thereto in the established 320-acre production units in said Field; and to amend Rule 5A (Drilling and Completion Operations) to provide that surface casing shall be set and tested in accordance with Rule 400-1-4-.09 (2)(a) of the State Oil and Gas Board of Alabama Administrative Code.

That Petitioner files this request in compliance with Board Order No. 2008-53 issued on April 11, 2008, which gave Petitioner until March 16, 2009, to petition the Board for unitization, establishment of production units or such other action as the Board may deem appropriate.

BOARD ACTION: Granted 3-26-09

ORDER NO. 2009-29

17. DOCKET NO. 3-24-09-16

Petition by SPOONER PETROLEUM COMPANY, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an Order amending Rules 1, 2 and 3 of the Special Field Rules for the East Lambeth Church Field, Escambia County, Alabama, to add the Northeast Quarter of Section 3, Township 1 North, Range 8 East to the field limits of said field, to add and define the Cogle Sand Oil Pool for said field and to provide for 160-acre well spacing for the Cogle Sand Oil Pool.

Petitioner requests that the Cogle Sand Oil Pool in the East Lambeth Church Field be defined as that interval of the Cogle Sand productive of hydrocarbons between the interval of 6550 feet and 6570 feet TVD (6576 feet and 6598 feet MD) as indicated on the High Definition Induction Log for the Powell-Rabon 3-11 No. 1 Well, Permit No. 15711-AB, and all zones in communication therewith and all productive extensions thereof. Said pool constitutes a separate and distinct oil producing pool in said field, separate and distinct from all other producing pools therein.

This Petition is filed as a companion to a Petition requesting that the 40-acre drilling unit for the Powell-Rabon 3-11 No. 1 Well, Permit No. 15711-AB, be reformed to a 157.59-acre production unit.

BOARD ACTION: Granted 3-26-09

ORDER NO. 2009-30

18. DOCKET NO. 3-24-09-17

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 reforming the 40-acre drilling unit for the Powell-Rabon 3-11 No. 1 Well, Permit No. 15711-AB, to a 157.59-acre production unit.

Petitioner requests that the 40-acre drilling unit for said Powell-Rabon 3-11 No. 1 Well, Permit No. 15711-AB, consisting of the East Half of the Northwest Quarter of the Southwest Quarter and the West Half of the Northeast Quarter of the Southwest Quarter of Section 3, Township 1 North, Range 8 East, Escambia County, Alabama, be reformed to a 157.59-acre production unit consisting of the North Half of the Southwest Quarter, the West Half of the West Half of the Northwest Quarter of the Southeast Quarter, the South Half of the Southwest Quarter of the Northwest Quarter, the South Half of the Southeast Quarter of the Northwest Quarter, the West Half of the West Half of the South Half of the Southwest Quarter of the Northeast Quarter, the South Half of the North Half of the Southwest Quarter of the Northwest Quarter, the South Half of the North Half of the Southeast Quarter of the Northwest Quarter and the Southwest Quarter of the Northwest Quarter of the Southwest Quarter of the Northeast Quarter of Section 3, Township 1 North, Range 8 East, Escambia County, Alabama.

This Petition is filed as a companion to a Petition requesting the Board to amend Rules 1, 2 and 3 of the Special Field Rules of the East Lambeth Church Field to include the Northeast Quarter of Section 3, Township 1 North, Range 8 East to the field limits, to add and define the Cogle Sand Oil Pool for said field and to provide for well spacing for the Cogle Sand Oil Pool.

BOARD ACTION: Granted 3-26-09

ORDER NO. 2009-31

19. 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: Dismissed 3-26-09

ORDER NO. 2009-32

20. DOCKET NO. 3-24-09-18

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend (1) Rule 400-7-1-.05, Rule 400-7-1-.11, Rule 400-7-1-.17 and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code to provide that (a) Notices of Petitions shall be filed twenty-five (25) days prior to the hearing of the Petition, (b) Petitions shall be filed twenty-five (25) days prior to the hearing of the Petition, and (c) exhibits shall be filed at least twenty (20) days prior to the hearing. Further, in this Motion the Board proposes to address the procedure for filing and publishing notices of petitions.

BOARD ACTION: Granted 3-26-09

ORDER NO. 2009-33