

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
SPECIAL HEARING OFFICER MEETING
OCTOBER 27, 2009

The State Oil and Gas Board of Alabama will hold a Special Hearing Officer Meeting at 10:00 a.m. on Tuesday, October 27, 2009, in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama, to consider among other items the following petition:

1. DOCKET NO. 9-25-09-01

Continued petition by EL PASO E&P COMPANY, L.P., a Delaware limited partnership, 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 through 9-17-33 and 9-17-80 through 9-17-88, Code of Alabama (1975) establishing a partial field-wide Unit, to be known as Unit I of the Blue Creek Coal Degasification Field, Tuscaloosa County, Alabama. The Board in Order No. 2009-67 dated September 10, 2009, approved a plan of unitization for Unit I of the Blue Creek Coal Degasification Field for the purpose of initiating injection of carbon dioxide into coal seams for the purpose of conducting experimental procedures to (1) examine the effect of injected carbon dioxide on coalbed methane gas; (2) determine the ability of coal seams to adsorb the carbon dioxide; and (3) consider the possibilities of enhanced coalbed methane gas recovery and permanent storage of carbon dioxide in coal seams. These experimental procedures are to be conducted as a field test of geologic carbon storage and enhanced resource recovery that is sponsored by the U. S. Department of Energy through the Southeastern Regional Carbon Sequestration Partnership. The proposed Unit shall consist of the hereinafter described "Unit Area" in said field, and shall require the operation of said Unit Area as a single Unit for enhanced recovery 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 and is defined as the productive coal seams found between the depths of 368 feet and 3,790 feet below ground surface of the CLC 10-08-51 Well, Permit No. 12778-C, located 621 feet FEL and 1,457 feet FNL of Section 10, Township 19 South, Range 9 West, Tuscaloosa County, Alabama, as indicated on the electric log and core from said well, and all zones in communication therewith and all productive extensions thereof.

Petitioner further seeks approval of the ratification of the Unit Agreement, in accordance with Section 9-17-84, Code of Alabama (1975), and approval of the amendments to the Special Field Rules for the Blue Creek Coal Degasification Field, Tuscaloosa and Fayette Counties, Alabama, in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

Petition 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 El Paso E&P Company, L.P. as operator of the Unit Area in accordance with the laws of Alabama. The proposed Unit Area, to be designated Unit I of the Blue Creek Coal Degasification Field, consisting of 80 acres, more or less, as described as follows:

The following lands lying and being in Tuscaloosa County, Alabama in the Blue Creek Coal Degasification Field:

Section 17, Township 18 South, Range 9 West
North Half of the Southeast Quarter

RECOMMENDATION: Continued 10-29-09.