

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
BOARD MEETING
APRIL 28 & 30, 2010

1. DOCKET NO. 2-2-09-11A

Continued amended petition by SPINDLETOP OIL & GAS 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 extending the temporarily abandoned status of the Perkins-Young 33-10 #1 Well, Permit No. 4204, located in Lamar County, Alabama, in the North Fairview Oil Field, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said well has previously been granted temporarily abandoned status and said status has expired.

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced well because said well has future utility and should not be plugged.

BOARD ACTION: Dismissed 4-30-10.

ORDER NO. 2010-47

2. DOCKET NO. 2-2-09-12

Continued petition by SPINDLETOP OIL & GAS 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 extending the temporarily abandoned status of the Robertson 20-12 #1 Well, Permit No. 3227, located in Lamar County, Alabama, in the Fernbank Gas Field, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said well has previously been granted temporarily abandoned status and said status has expired.

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced well because said well has future utility and should not be plugged.

BOARD ACTION: Granted 4-30-10.

ORDER NO. 2010-48

3. DOCKET NO. 2-2-09-13

Continued petition by SPINDLETOP OIL & GAS 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 extending the temporarily abandoned status of the S.H. Gilmer #1 Well, Permit No. 1425, and the S.H. Gilmer #3 Well, Permit No. 1920, located in Lamar County, Alabama, in the South Fairview Carter Oil Unit in the Fairview Oil Field, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said well has previously been granted temporarily abandoned status and said status has expired.

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced well because said well has future utility and should not be plugged.

BOARD ACTION: Dismissed 4-30-10.

ORDER NO. 2010-49

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

Continued 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 4-30-10 with the stipulation that the temporarily abandoned status of the well be extended to the next regularly scheduled meeting of the Board.

5. DOCKET NO. 7-23-09-06B

Continued amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Winters 19-4 #1 Well, Permit No. 4765-A-1, located on a 320-acre drilling unit in the Coal Fire Creek Field consisting of the North Half of Section 19, Township 18 South, Range 14 West, Pickens 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 because said well has future utility and should not be plugged.

BOARD ACTION: Continued 4-30-10 with the stipulation that the temporarily abandoned status of the well be extended to the next regularly scheduled meeting of the Board.

6. DOCKET NO. 9-8-09-07

Continued petition by ESCAMBIA OPERATING CO., LLC, a foreign limited liability company, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the Powell Gas Unit 19-4 #1 Well, Permit No. 2991, located on a 640-acre unit consisting of Section 19, Township 1 North, Range 9 East, Escambia County, Alabama, in the Flomaton Field, for a period of one (1) year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code.

Petitioner has previously been granted temporarily abandoned status for the referenced well and requests that the Board grant a one year extension of such status because said well has future utility and should not be plugged.

BOARD ACTION: Continued 4-30-10 with the stipulation that the temporarily abandoned status of the well be extended to the December 7 & 9, 2010, meeting of the Board.

7. DOCKET NO. 2-9-10-01A

Continued amended petition by COLUMBIA PETROLEUM, LLC, a Mississippi limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order force pooling, with the imposition of a risk compensation fee, all tracts and interests in hydrocarbons produced from the Smackover Formation in a well to be drilled on a proposed 160-acre drilling unit consisting of the South Half of the Southeast Quarter of Section 23, and the North Half of the Northeast Quarter of Section 26, all in Township 4 North, Range 12 East, Conecuh County, Alabama, as a productive extension of the Little Cedar Creek Field.

This petition is filed as a companion petition to the petition bearing Docket No. 2-9-10-02 requesting the approval of a 160-acre drilling unit as a productive extension of the Little Cedar Creek Field.

BOARD ACTION: Continued 4-30-10.

8. DOCKET NO. 2-9-10-02A

Continued amended petition by COLUMBIA PETROLEUM, LLC, a Mississippi limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order approving a 160-acre drilling unit for the proposed Sanders 23-16 Well consisting of the South Half of the Southeast Quarter of Section 23, and the North Half of the Northeast Quarter of Section 26, all in Township 4 North, Range 12 East, Conecuh County, Alabama, as a productive extension of the Little Cedar Creek Field, in accordance with Rule 3(a) of the Special Field Rules for said field.

This petition is filed as a companion petition to the petition bearing Docket No. 2-9-10-01 requesting the force pooling, with the imposition of a risk compensation fee, of all tracts and interests in hydrocarbons produced from the Smackover Formation in the proposed Sanders 23-16 Well.

BOARD ACTION: Continued 4-30-10.

9. DOCKET NO. 2-9-10-16A

Continued 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 4-30-10.
ORDER NO. 2010-50

10. DOCKET NO. 2-9-10-19B

Continued amended petition by SKLAR EXPLORATION COMPANY L.L.C. ("Petitioner"), 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 (the "Board") enter an order approving an exceptional bottom hole location for the Craft-Ralls 33-7 No. 1 well, Permit No. 16115, drilled as a productive extension of the Little Cedar Creek Field on a 160-acre unit consisting of the Northeast Quarter of Section 33, Township 5 North, Range 13 East, Conecuh County, Alabama. Petitioner requests approval for a bottom hole location that is located no closer than 560 feet from the South line and 610 feet from the West line of the unit. Said bottom hole location is an exception to the Special Field Rules for said Field which requires a well to be located at least 660 feet from every exterior boundary of the drilling unit. This petition is filed pursuant to Ala. Code Sections 9-17-1, et seq. (and, in particular, Section 9-17-12, as amended) and Rules 400-1, et seq. (and, in particular, Rule 400-7-1-.04) of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Granted 4-30-10.
ORDER NO. 2010-51

11. DOCKET NO. 2-9-10-20

Continued petition by ENERGEN RESOURCES CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Williams 29-12-101 Well, Permit No. 14313, located on a 40-acre wildcat drilling unit consisting of the Northwest Quarter of the Southwest Quarter of Section 29, Township 14 South, Range 3 East, St. Clair County, Alabama, in accordance with Rule 400-1-4-.17 (1) of the State Oil and Gas Board of Alabama Administrative Code.

Said well was previously granted temporarily abandoned status and Petitioner requests that the Board grant a one year extension of said status because said well has future utility and should not be plugged.

BOARD ACTION: Continued 4-30-10 with the stipulation that the temporarily abandoned status for the well be extended to the August 31 and September 2, 2010, meeting of the Board.

12. DOCKET NO. 3-23-10-02A

Continued amended 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 2 and 3 of the Special Field Rules for the East Lambeth Church Field, Escambia County, Alabama, to add and define the Pilot Sand Oil Pool for said field and to provide for well spacing for the Pilot Sand Oil Pool.

Petitioner requests that the Pilot Sand Oil Pool in the East Lambeth Church Field be defined as that interval of the Pilot Sand productive of hydrocarbons between the interval of 6432 feet and 6482 feet MD as indicated on the High Definition Induction Log for the Chavers 3-14 No. 1 Well, Permit No. 16042, 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 under Docket No. 3-23-10-03 requesting that the 40-acre drilling unit for the Chavers 3-14 No. 1 Well, Permit No. 16042, be reformed to a 120-acre production unit or to a smaller production unit in the event that the Board should determine that the maximum area efficiently and economically drained by the subject well is less than 120 acres.

BOARD ACTION: Continued 4-30-10.

13. DOCKET NO. 3-23-10-03A

Continued amended 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 Chavers 3-14 No. 1 Well, Permit No. 16042, to a 120-acre production unit pursuant to Section 9-17-12(2)(b) of the *Code of Alabama* (1975), as amended.

Petitioner requests that the 40-acre drilling unit for said Chavers 3-14 No. 1 Well, Permit No. 16042, consisting of the Southeast Quarter of the Southwest Quarter of Section 3, Township 1 North, Range 8 East, Escambia County, Alabama, be reformed to a 120-acre production unit consisting of the South Half of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter of Section 3, Township 1 North, Range 8 East, Escambia County, Alabama, in the East Lambeth Church Field. In the alternative, if the Board should determine that a smaller production unit should be approved, Petitioner requests that the Board establish a production unit for said well less than the noted 120 acres, but covering the maximum area which would be efficiently and economically drained by the subject Well.

This Petition is filed as a companion to a Petition under Docket No. 3-23-10-02 requesting the Board to amend Rules 2 and 3 of the Special Field Rules of the East Lambeth Church Field to add and define the Pilot Sand Oil Pool for said field and to provide for well spacing for the Pilot Sand Oil Pool.

BOARD ACTION: Continued 4-30-10.

14. DOCKET NO. 3-23-10-06B

Continued amended 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 Escambia County, Alabama, to be named the Southeast Huxford 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 East Half of the Southwest Quarter and the West Half of the Southeast Quarter of Section 36, Township 3 North, Range 6 East, Escambia County, Alabama.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons between the interval of 14,904 feet (MD) and 14,956 feet (MD) as indicated on the Ray Induction Log for the Venture Oil & Gas, Inc. – Mason 36-4 No. 1 Well, Permit No. 16048, 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. – Mason 36-4 No. 1 Well, Permit No. 16048, consisting of the East Half of the Southwest Quarter and the West Half of the Southeast Quarter of Section 36, Township 3 North, Range 6 East, be approved as the production unit for that Well.

BOARD ACTION: Granted 4-30-10.

ORDER NO. 2010-52

15. DOCKET NO. 3-23-10-07A

Continued amended petition by SHELL OFFSHORE INC. ("Shell"), a foreign corporation authorized to do and doing business in the State of Alabama. Shell is requesting the State Oil and Gas Board to grant an extension of the temporarily abandoned status to Shell's Fairway MB 113a JD-3 Well, Permit No. 9477-0S-41-B; Fairway Field, Mobile Co., Alabama, for a one year period pursuant to Alabama Oil & Gas Rule 400-2-4-.14(1). Petitioner avers that this well has future utility. The jurisdiction and authority of the Oil and Gas Board is provided in Section 9-17-1, *et seq.*, Code of Alabama (1975) as amended.

BOARD ACTION: Granted 4-30-10.

ORDER NO. 2010-53

16. DOCKET NO. 3-23-10-11C

Continued amended 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 force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the Powell Gas Unit 19-4 #1 Well, Permit No. 2991, to be re-entered and completed on a 640-acre unit consisting of Section 19, Township 1 North, Range 9 East, Escambia County, Alabama, in the Flomaton 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.

This petition is filed as a companion to a petition bearing Docket No. 3-23-10-10 requesting the Board to enter an order approving the exceptional surface and bottom hole locations for the Powell Gas Unit 19-4 #1 Well on the hereinabove described 640-acre.

BOARD ACTION: Granted 4-30-10.

ORDER NO. 2010-54

17. DOCKET NO. 3-23-10-13

Continued petition by SKLAR EXPLORATION COMPANY, LLC, a Louisiana limited liability company 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 1 of the Special Field Rules for the Little Cedar Creek Field to add the following described parcels to the field limits of said field: the Northeast Quarter and the Southeast Quarter of Section 33, Township 5 North, Range 13 East, Conecuh County, Alabama. This petition is filed pursuant to Ala. Code Sections 9-17-1, *et seq.* and Rules 400-1, *et seq.* of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Continued 4-30-10.

18. DOCKET NO. 3-23-10-20

Continued petition by SAGA PETROLEUM LIMITED LIABILITY COMPANY OF COLORADO, a Colorado limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an order force pooling, with risk compensation, of all tracts and interests in a 320 acre drilling unit for the proposed Winters 35-08-05 Well, to be drilled as a wildcat well, having a unit consisting of the East Half of Section 35, Township 18 South, Range 16 West, Pickens County, Alabama, with an objective depth of the Pottsville Sands. This petition is in accordance with Section 9-17-13, ALABAMA CODE (1975), as amended, and Rules 400-7-1 and 400-7-2 of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Dismissed 4-30-10.

ORDER NO. 2010-55

19. DOCKET NO. 4-28-10-01

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 & Gas Board of Alabama to enter an Order approving an exception to the spacing requirements as set out in Rule 4(b) of the Special Field Rules for the Oak Grove Coal Degasification Field, so as to allow the Petitioner to drill a Well known as the CLC 36-12-346, with a proposed drilling location to be no closer than 150 feet from the west line of exterior boundary of the Oak Grove Coal Degasification Field, and no closer than 150 feet from the west line of the unit for said CLC 36-12-346 Well, which is comprised of the Northwest Quarter of the Southwest Quarter, 36, Township 17 South, Range 5 West, Jefferson County, Alabama. The Special Field Rules for the Oak Grove Coal Degasification Field require that a well be located at least 150 feet from every exterior boundary of the drilling unit, and at least 300 feet from every exterior boundary of the Field. As stated above the proposed location is no closer than 150 feet from the exterior boundary of the Oak Grove Coal Degasification Field and is therefore an exception to the special field rules requiring that the wells be at least 300 feet from the exterior boundaries of the field.

BOARD ACTION: Granted 4-30-10. Mr. Pearson recused himself and will not vote on this item.

ORDER NO. 2010-56

20. DOCKET NO. 4-28-10-02A

Amended 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 2 and 3 of the Special Field Rules for the East Lambeth Church Field, Escambia County, Alabama, to add and define the Pilot Sand Oil Pool for said field, to provide for well spacing for the Pilot Sand Oil Pool and to approve a permanent production unit for the Chavers 3-14 No. 1 Well.

Petitioner requests that the Pilot Sand Oil Pool in the East Lambeth Church Field be defined as that interval of the Pilot Sand productive of hydrocarbons between the interval of 6432 feet and 6482 feet MD as indicated on the High Definition Induction Log for the Chavers 3-14 No. 1 Well, Permit No. 16042, 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 requests that well spacing of 40 contiguous surface acres be established for the Pilot Sand Oil Pool in East Lambeth Church Field.

Petitioner also requests that the 40-acre drilling unit for the Chavers 3-14 No. 1 Well, Permit No. 16042, consisting of the Southeast 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: Continued 4-30-10.

21. DOCKET NO. 4-28-10-03

Petition by BAY GAS STORAGE COMPANY, LTD. ("Petitioner"), an Alabama limited partnership whose general partner is Sempra Midstream Inc., an Alabama corporation, requesting that the State Oil and Gas Board of Alabama ("Board") enter an order amending the Special Gas Storage Rules for the Bay Gas Salt Dome Gas Storage Facility # 4 at McIntosh which is located in the Southwest Quarter of the Southwest Quarter, Section 37, Township 4 North, Range 1 East, Washington County, Alabama, and which includes a buffer zone extending into the Northwest Quarter of Section 29, Township 3 North, Range 1 East in said County, said amendment to, among other things, authorize Solution Mining Under Gas (SMUG) Operations at said Facility. The Bay Gas Salt Dome Gas Storage Facility # 4 at McIntosh was heretofore established and approved by the Board in Order No. 2007-64, and Petitioner was appointed as the Operator of the Facility by that order. . This petition is filed in accordance with the provisions of Ala. Code Sections 9-17-150 et seq. and State Oil and Gas Board of Alabama Administrative Code Rules 400-6-1 et seq. and 400-7-1 et seq.

BOARD ACTION: Granted 4-30-10.

ORDER NO. 2010-57

22. DOCKET NO. 4-28-10-04A

Amended petition by BAY GAS STORAGE COMPANY, LTD. ("Petitioner"), an Alabama limited partnership whose general partner is Sempra Midstream Inc., an Alabama corporation, requesting that the State Oil and Gas Board of Alabama ("Board") enter an order: approving the underground storage of gas by Petitioner in a cavity to be created in a salt dome, said cavity and related equipment to be located in the Southeast Quarter of the Southeast Quarter of Section 36, T4N, R1W, Washington County, Alabama; designating the horizontal and vertical boundaries of the

"Bay Gas Salt Dome Gas Storage Facility #5 at McIntosh" (or such other name as may be deemed appropriate by the Board) including a buffer zone which will extend into the Southwest Quarter of the Southeast Quarter of said Section 36 and into the Northeast Quarter of Section 1, T3N, R1W, Washington County, Alabama; promulgating Special Gas Storage Rules for said facility and the operation thereof; and designating Petitioner as the storage operator for said facility thereby authorizing Petitioner to exercise the rights and authorities of such operator including operating rights and condemnation authority, all as authorized by and in accordance with the provisions of Ala. Code Sections 9-17-150 et seq. (and in particular Section 9-17-152) and State Oil and Gas Board of Alabama Administrative Code Rules 400-6-1 et seq.

BOARD ACTION: Granted 4-30-10.

ORDER NO. 2010-58

23. DOCKET NO. 8-26-08-25

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, Daybreak Oil and Gas, Inc., to show cause why the following abandoned wells located in the Gilbertown Field in Choctaw County, 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.

Gilbertown Field Wells (non-unitized) grouped by wells that produce to a common Tank Battery

<u>Permit No.</u> (Tank Battery No.)	<u>Well Name</u> (Tank Battery)	<u>Location</u>
190	A. M. Mosley #1	S3, T10N, R3W
1052	Leo Stewart	S2, T10N, R3W
3102	Stewart #3-9	S3, T10N, R3W
3094	Long #5-5	S5, T10N, R3W
4231	Kingree #5-12	S5, T10N, R3W
(102 TB)	(Carolyn Moseley #1)	S5, T10N, R3W
271	F. A. Adams et al #1	S6, T10N, R3W
(258 TB)	(Cooper Wigham # 1)	S6, T10N, R3W
3469	Smith Trice #34-10	S34, T11N, R4W
(3469 TB)	(Smith Trice #34-10)	S34, T11N, R4W

Gilbertown Field Well (non-unitized) with no tanks or salt water disposal well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
3096	Steve Scruggs #32-10	S32, T11N, R4W

Gilbertown Field Wells in the Gilbertown (Eutaw Sand) Unit grouped by wells that produce to a common Tank Battery and a former water injection well

129	F. M. Mosley #1	S3, T10N, R3W
1367	Rex Alman #4	S4, T10N, R3W
113	Johnson Unit #1	S4, T10N, R3W
131-A	E. A. Rentz #2	S4, T10N, R3W
136 (former injection well)	F. M. Johnson 4-7 #2	S4, T10N, R3W

BOARD ACTION: Continued 4-30-10 to the October 26 & 28, 2010, meeting of the Board.

24. DOCKET NO. 7-23-09-12

Continued MOTION BY THE STATE OIL AND GAS BOARD for Operator Holland Operating Company, Inc., to show cause why the wells located in the Moundville Coal Degasification Field, Hale County, Alabama listed hereinbelow should not be ordered plugged and abandoned in accordance with Rule 400-3-4-.14 of the State Oil and Gas Board of Alabama Administrative Code relating to Plugging and Abandonment of Wells. Further, as a part of this Motion by the Board, the operator shall show cause why equipment, pipelines, and other facilities associated with these wells, including but not limited to natural gas pipelines, compressor stations, "tin" horns, pipeline risers, and water gathering lines should not be

removed, cleaned up, or dismantled and all sites restored in accordance with the Board's rules and regulations.

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
14811-C	Tubbs 10-5	Sec. 10, Township 23 North, Range 5 East
14812-C	Stephenson 10-4	Sec. 10, Township 23 North, Range 5 East
14813-C	Tubbs 9-8-1	Sec. 9, Township 23 North, Range 5 East
14814-C	Tubbs 9-1 No. 2	Sec. 9, Township 23 North, Range 5 East
14887-C	Tubbs 9-1 No. 3	Sec. 9, Township 23 North, Range 5 East

The Board may, as a part of this Motion, order that surety holding surety bonds on these wells pay the proceeds of the well bonds to the Board so that the Board's staff may plug and abandon the wells and restore the well sites and dismantle, remove and restore all associated sites.

Further, as a part of this Motion, the Board may order that a portion of the monies in the Alabama Coalbed Methane Gas Plugging Fund be collected by the Board pursuant to Section 9-17-133 et. seq. of the Code of Alabama (1975).

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

BOARD ACTION: Continued 4-30-10.

25. DOCKET NO. 12-8-09-09

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend the State Oil and Gas Board of Alabama Administrative Code to make the Board's regulations consistent with recent amendments to the Alabama Oil and Gas Laws in Act. No. 2008-450 addressing drilling and drainage and production units. Under this Motion, the following regulations of the Board are proposed to be amended:

Onshore Lands Operations—Rule 400-1-1-.01, Applicability; Rule 400-1-1-.05, Definitions; 400-1-2-.01, Well Permit; Rule 400-1-2-.02, Spacing of Wells; Rule 400-1-5-.09, Permissible Tolerance in Production Volumes Allowed for Oil Wells; Rule 400-1-5-.10, Permissible Tolerance in Production Volumes Allowed for Gas Wells.

Submerged Offshore Lands Operations—Rule 400-2-1-.01, Applicability; Rule 400-2-1-.05, Definitions; Rule 400-2-2-.01, Well Permit; Rule 400-2-2-.02, Spacing of Wells; Rule 400-2-5-.09, Permissible Tolerance in Production Volumes Allowed for Oil Wells; Rule 400-2-5-.10, Permissible Tolerance in Production Volumes Allowed for Gas Wells.

Coalbed Methane Gas Operations—Rule 400-3-1-.05, Definitions; Rule 400-3-2-.01, Well Permit; Rule 400-3-2-.02, Spacing of Wells.

Practice and Procedure—Rule 400-7-1-.11, Notice.

Forced Integration or Forced Pooling—Rule 400-7-2-.01, Forced Integration or Forced Pooling.

The jurisdiction and authority of the Board are set forth in the Alabama Oil and Gas Conservation statutes, Sections 9-17-1, et seq. of the Code of Alabama (1975), as amended.

BOARD ACTION: Continued 4-30-10.

26. DOCKET NO. 3-23-10-21

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-1-2-.05 of the State Oil and Gas Board of Alabama Administrative Code relating to change of operator to provide that within 60 days of the effective date of any agreement causing a change of operator, the new operator must submit the Application for Change of Operator. Further, under the proposed rule, the new operator shall attest that it has ownership or control of one hundred percent (100%) of the rights to drill and produce in the unit. Further, under the proposed rule, the Board may delay the time period for filing the application for an additional period of time. The State Oil and Gas Board of Alabama was established pursuant to Alabama Oil and Gas Conservation Laws as set forth in the Section 9-17-1 et seq. of the Code of Alabama (1975).

BOARD ACTION: Continued 4-30-10.