

RESULTS OF MEETING

The State Oil and Gas Board of Alabama held its regular hearing at 10:00 a.m. on Tuesday, September 27, 2011, and Thursday, September 29, 2011, 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. 3-29-11-11B

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 McCullough 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 Northeast Quarter of Section 1, Township 2 North, Range 5 East, Escambia County, Alabama.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons between the interval of 15,146 feet (MD) and 15,303 feet (MD) as indicated on the Array Induction Log for the Mack 1-1 No. 1 Well, Permit No. 16200-B, located in the Northeast Quarter of Section 1, Township 2 North, Range 5 East, Escambia County, Alabama 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 160-acre drilling unit for the Mack 1-1 No. 1 Well, Permit No. 16200-B, consisting of the Northeast Quarter of Section 1, Township 2 North, Range 5 East, be approved as the permanent production unit for that Well.

BOARD ACTION: Granted.

ORDER NO.: 2011-72

2. DOCKET NO. 5-3-11-03B

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 Northwest McCullough 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 Southeast Quarter of Section 35, Township 3 North, Range 5 East, Escambia County, Alabama.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons between the interval of 15,088 feet (MD) and 15,440 feet (MD) as indicated on the Array Induction Log for the Neal 35-16 No. 1 Well, Permit No. 16387, located in the Southeast Quarter of Section 35, Township 3 North, Range 5 East, Escambia County, Alabama and all zones in communication therewith and all productive extensions thereof.

Petitioner requests well spacing of 160 acres and also requests the establishment of production allowables for said field. Additionally, Petitioner requests that the 160-acre drilling unit for the Neal 35-16 No. 1 Well, Permit No. 16387, consisting of the Southeast Quarter of Section 35, Township 3 North, Range 5 East be approved as the permanent production unit for that Well.

BOARD ACTION: Granted.

ORDER NO.: 2011-73

3. DOCKET NO. 5-3-11-12

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the re-entry of the Windham 35-6 #1 Well, Permit No. 6934, for an attempted re-completion in the Pottsville A Sand Oil Pool, on a 40-acre wildcat drilling unit consisting of the Southeast Quarter of the Northwest Quarter of Section 35, Township 18 South, Range 15 West, Pickens County, Alabama. Said well is located 315 feet from the South line and 510 feet from the West line of said 40-acre wildcat drilling unit and, as such, is an exception to Rule 400-1-2-.02(2)(a) of the *State Oil and Gas Board of Alabama Administrative Code* which requires that wells be located at least 330 feet from every exterior boundary of the drilling unit.

Said well was previously permitted as a gas well in 1989 on a 320-acre wildcat drilling unit consisting of the West Half of said Section 35 to test the Carter and Lewis Sand Gas Pools, but was plugged and abandoned on October 30, 1989.

This petition is filed pursuant to Section 9-17-12(c) of the *Code of Alabama* (1975), as amended.

BOARD ACTION: Continued 9.29.11.

4. DOCKET NO. 6-20-11-05A

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 gas field in Monroe County, Alabama, to be named the Goodway 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 Gas Pool, consists of the South Half of the Northeast Quarter and the North Half of the Southeast Quarter of Section 14, Township 4 North, Range 6 East, Monroe County, Alabama.

The Smackover Gas Pool in said field is defined as those strata productive of hydrocarbons between the interval of 13,817 feet (MD) and 13,928 feet (MD) as indicated on the Platform Express Borehole Sonic Array Induction/Lithology Density Compensated Neutron/Gamma Ray/ SP Log for the Coffin 14-10 No. 1 Well, Permit No.16388, 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 160-acre drilling unit for the Coffin 14-10 Well, Permit No. 16388, consisting of the South Half of the Northeast Quarter and the North Half of the Southeast Quarter of Section 14, Township 4 North, Range 6 East, Monroe County, Alabama, be approved as the permanent production unit for that Well. The noted drilling unit was approved by this Board as an exceptional drilling unit on October 28, 2010, pursuant to Order No. 2010-95.

BOARD ACTION: Granted 9.29.11

ORDER NO.: 2011-74

5. DOCKET NO. 9-27-11-01

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 classifying the following wells all located in the Foshee Field, Escambia County, Alabama, as temporarily abandoned for a period of one (1) year:

Permit No.	Well Name	Location
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-A #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: Granted 9.29.11

ORDER NO.: 2011-75

6. DOCKET NO. 9-27-11-02

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 classifying the following wells all located in West Foshee Field, Escambia County, Alabama, as temporarily abandoned for a period of one (1) year:

Permit No.	Well Name	Location
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: Granted 9.29.11

ORDER NO.: 2011-76

7. DOCKET NO. 9-27-11-03

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 classifying 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, as temporarily abandoned 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: Granted 9.29.11

ORDER NO.: 2011-77

8. DOCKET NO. 9-27-11-04

Petition by ANKOR E&P HOLDINGS CORPORATION, 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 permitting Petitioner, as the current operator of the Craft-Blackstone 17-5 No. 1 Well, Permit No. 16176, and the Craft-Huxford 18-2 No. 1 Well, Permit No. 16323-B, both located in the East Wallace Field in Escambia County, Alabama, to continue flaring or venting the gas produced from such Wells pending completion of a proposed gas processing facility.

Petitioner avers that the Craft-Blackstone 17-5 No. 1 Well, Permit No. 16176, and the Craft-Huxford 18-2 No. 1 Well, Permit No. 16323-B, both located in the East Wallace Field in Escambia County, Alabama, produce oil and gas. Petitioner is currently marketing the daily allowable of oil produced from the Wells. However, because the gas produced from the Wells contains hydrogen sulfide, Petitioner cannot market the gas until it has first been processed to remove the hydrogen sulfide. For this reason, Petitioner proposes to have a facility built to process the gas produced from the Wells.

Because Petitioner is currently unable to market the gas produced from the Wells, the Board entered Order No. 2011-17 on February 18, 2011, in Docket No. 02-08-11-12, permitting Petitioner to flare or vent the gas produced from the Wells located in the East Wallace Field pending completion of the proposed gas processing facility by Petitioner, but required Petitioner to report to the Board on its progress in constructing the gas processing facility within six months from the date of the Order. Accordingly, Petitioner will provide the Board at the hearing a status report on its progress in constructing the gas processing facility and will request that the Board permit Petitioner to continue flaring or venting the gas produced from the Wells pending completion of the gas processing facility.

The Petition is filed pursuant to Section 9-17-1 *et seq.*, Code of Alabama 1975.

BOARD ACTION: Continued until January 2012 hearing or the next regularly scheduled hearing thereafter 9.29.11

9. DOCKET NO. 9.27.11.05

Petition by FLETCHER PETROLEUM CORP., a domestic 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 pursuant to Ala. Code § 9-17-1, *et seq.* (and in particular, Ala. Code § 9-17-6) and *State Oil and Gas Board of Alabama Administrative Code Rules 400-1, et seq.* (i) establishing a new oil field in Conecuh County and Escambia County, Alabama, consisting of the Southeast Quarter of Section 25; the East Half of Section 35; and the North Half of Section 36, Township 4 North, Range 12 East; and the South Half of Section 29; the South Half of Section 30; the North Half of Section 31; and all of Section 32, Township 4 North, Range 13 East, all in Conecuh County, Alabama; and the Northeast Quarter of Section 5, Township 3 North, Range 13 East, in Escambia County, Alabama, to be named the Brooklyn Field, or such other name as the Board deems proper, and adopting Special Field Rules therefor, (ii) establishing spacing for the proposed field, (iii) establishing production allowables for the proposed field, and (iv) establishing the final 160-acre production units, which are the same as the 160-acre drilling units, for the following wells:

Conecuh County

1. Permit # 16406 Kendall 25-15; Southeast Quarter of Section 25, Township 4 North, Range 12 East
2. Permit # 16517 Cedar Creek Land & Timber 35-10; Southeast Quarter of Section 35, Township 4 North, Range 12 East
3. Permit # 16376 Amos 36-3; Northwest Quarter of Section 36, Township 4 North, Range 12 East
4. Permit # 16445 Mary Mack 30-15, Southeast Quarter of Section 30, Township 4 North, Range 13 East
5. Permit # 16398 Mary Mack 30-14; Southwest Quarter of Section 30, Township 4 North, Range 13 East
6. Permit # 16498 Mary Mack 31-2; Northeast Quarter of Section 31, Township 4 North, Range 13 East
7. Permit # 16453 Godwin 31-3; Northwest Quarter of Section 31, Township 4 North, Range 13 East
8. Permit # 16486 Cedar Creek Land & Timber 32-2; Northeast Quarter of Section 32, Township 4 North, Range 13 East
9. Permit # 16415 Hamiter 32-3; Northwest Quarter of Section 32, Township 4 North, Range 13 East
10. Permit #15934 Johnston-Stewart 32-12; Southwest Quarter of Section 32, Township 4 North, Range 13 East

Escambia County

1. Permit # 15363 Logan 5-7; Northeast Quarter of Section 5, Township 3 North, Range 13 East

The Smackover Oil Pool in the proposed Brooklyn Field is defined as those strata of the Smackover Formation productive of hydrocarbons in the interval between 11,572 feet and 11,769 feet in the Mary Mack 30-14 well, Permit # 16398, as defined by the Spectral Density Dual Spaced Neutron Log for said well, including those strata which can be correlated therewith, and all zones in communication therewith and all productive extensions thereof.

This petition is filed as a companion petition to Docket No. 9-27-11-06 in which Petitioner proposes to delete certain land from the Little Cedar Creek Field.

BOARD ACTION: Granted 9.29.11

ORDER NO.: 2011-78

10. DOCKET NO. 9-27-11-06

Petition by FLETCHER PETROLEUM CORP., a domestic 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 pursuant to Ala. Code § 9-17-1, *et seq.* (and in particular, Ala. Code § 9-17-6) and *State Oil and Gas Board of Alabama Administrative Code Rules 400-1, et seq.* (and, in particular, Rule 400-1-2-.02), amending Rule 1: Field Limits of the Special Field Rules for the Little Cedar Creek Field, Conecuh County, Alabama, to delete therefrom the South Half of Section 29, Township 4 North, Range 13 East, Conecuh County, Alabama. This Petition is filed as a companion petition to Docket No. 9-27-11-05, in which Petitioner proposes to establish the Brooklyn Field.

BOARD ACTION: Granted 9.29.11

ORDER NO.: 2011-79

11. DOCKET NO. 9-27-11-07

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 approving shut-in status for the following wells located in 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*:

<u>Well Name</u>	<u>Permit No.</u>	<u>Location</u>
T.A. Graham, et ux 6-7 #2	5053	S6-T1N-R8E
Scott Paper Co. Gas Unit 3-1	3714	S3-T1N-R7E
R.E. Loper Gas Unit 12 #1	1542	S12-T1N-R8E.

Petitioner requests that the Board grant shut-in status for these wells because said wells are capable of producing and should not be plugged.

BOARD ACTION: Granted 9.29.11

ORDER NO.: 2011-80

12. DOCKET NO. 9-27-11-08

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 approving shut-in status for the following wells located 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*:

<u>Well Name</u>	<u>Permit No.</u>	<u>Location</u>
Dora J. Steely #36-2	1869	S36-T1N-R8E
Scott Paper Co. et al #36-1	1966	S36-T1N-R8E
M.F. Powell et al #26-5	9426-B	S26-T1N-R8E.

Petitioner requests that the Board grant shut-in status for these wells because said wells are capable of producing and should not be plugged.

BOARD ACTION: Granted 9.29.11

ORDER NO.: 2011-81

13. DOCKET NO. 9-27-11-09

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 approving 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*. Petitioner requests that the Board grant temporarily abandoned status for said well because said well has future utility and should not be plugged.

BOARD ACTION: Granted 9.29.11

ORDER NO.: 2011-82

14. DOCKET NO. 9-27-11-10

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to amend Rule 2 of the Special Field Rules for the Elmore Creek Field, Pickens County, Alabama, to add the Fayette Sand Gas Pool, to be construed to mean those strata of the Fayette Sand productive of hydrocarbons in the interval between 2,910 feet measured depth and 3,006 feet measured depth in the Smith 5-12 #1 Well, Permit No. 16290, located on a 320-acre wildcat drilling unit consisting of the West Half of Section 5, Township 19 South, Range 13 West, Pickens County, as indicated on the Array Induction Log of said well, and including those strata productive of hydrocarbons which can be correlated therewith. Petitioner further requests the Board to approve the 320-acre wildcat drilling unit for the Smith 5-12 #1 Well as the production unit for said well, as completed in the Fayette Sand Gas Pool, in the Elmore Creek Field.

BOARD ACTION: Continued 9.29.11

15. DOCKET NO. 9-27-11-11B

Amended Petition by SAGA PETROLEUM LIMITED LIABILITY COMPANY OF COLORADO, 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 of the McShan-Timberlands 11-3 #1 Well, Permit No. 13274-A, located on a 320-acre wildcat drilling unit consisting of the North Half of Section 11, Township 19 South, Range 16 West, and the McShan 31-2-3 Well, Permit No. 15914, located on 320-acre wildcat drilling unit consisting of the East Half of Section 31, Township 18 South, Range 15 West, all in Pickens County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of said *State Oil and Gas Board of Alabama Administrative Code*, as said wells have future utility and should not be plugged.

BOARD ACTION: Granted 9.29.11

ORDER NO.: 2011-83

16. DOCKET NO. 9-27-11-12A

Amended Petition by CROSBYS CREEK OIL & GAS, 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 approving the exceptional bottom hole location of the McPhearson 32-12 No. 1 Well, Permit No. 16523, as an exception to Rule 3(b) of the Special Field Rules for the Gin Creek Field. Said well was drilled on a 160-acre non-governmental production unit in the Gin Creek Field consisting of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter of Section 32, Township 10 North, Range 4 West, Choctaw County, Alabama, at a exceptional surface location 435 feet from the West line and 1,042 feet from the South line of the 160-acre non-governmental production unit for said well, but said well unintentionally drifted such that the bottom hole location is 394 feet from the West line and 1,313 feet from the North line of said 160-acre production unit.

Rule 3(b) of the Special Field Rules for the Gin Creek Field requires that wells be located at least 660 feet from every exterior boundary of the drilling unit, but the bottom hole location of the referenced well, being only 394 feet from the West line of said 160-acre production unit is an exception to said Rule.

BOARD ACTION: Granted 9.29.11

ORDER NO.: 2011-84

17. DOCKET NO. 9-27-11-13

Petition by GEOMET, INC., a foreign corporation authorized to do and doing business in the State of Alabama, to submit a report to the State Oil and Gas Board on the status of its Class II water injection project in the Chattanooga Shale in Blount County, Alabama, as required by the Board in Order No. 2010-80 issued on September 2, 2010. The petition is filed pursuant to Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended.

BOARD ACTION: Granted 9.29.11

ORDER NO.: 2011-85

18. DOCKET NO. 9-27-11-14

Petition by PRUET PRODUCTION 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 force pooling, with imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from Smackover/Norphlet Formations in Petitioner's proposed Vick 33-9 No. 1 Well to be drilled on a 160-acre wildcat drilling unit consisting of the Southeast Quarter of Section 33, Township 4 North, Range 15 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: Dismissed without prejudice 9.29.11

ORDER NO.: 2011-86

19. DOCKET NO. 9-27-11-15B

Petition by EOR, 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 pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, *Code of Alabama* (1975), approving a partial field-wide Unit for the West Falco Field to be known as the "West Falco Field Unit," consisting of the hereinafter described "Unit Area" in Covington County, Alabama, and requiring the operation of said Unit Area as a partial field-wide Unit for enhanced recovery, development and production of oil, gas, gaseous substances, condensate, distillate and all associated and constituent liquid or liquefiable substances within or produced from the Unitized Formation in order to prevent waste, to maximize recovery of the unitized substances, to avoid the drilling unnecessary wells and to protect correlative rights of interested parties.

The "Unitized Formation" within the Unit Area for the proposed West Falco Field Unit is to be designated as that portion of the subsurface underlying the Unit Area between the top of the Haynesville Sand Oil Pool and the base of the Haynesville Sand Oil Pool which strata occur between the depths of -12,982 feet and -13,060 feet in the Paramount-Jeffers 17-9 #1 Well, Permit No. 6239, with a surface location 330 feet FEL and 1,684 feet FSL of Section 17, Township 1 North, Range 14 East, Covington County, Alabama, as defined by the Dual Induction Log for said well, including those strata which can be correlated therewith, and all zones in communication therewith and all productive extensions thereof, or such other interval as may be ordered by the State Oil and Gas Board.

The proposed "Unit Area" is designated as the Southwest Quarter of Section 16 and the Southeast Quarter of Section 17, all in Township 1 North, Range 14 East, Covington County, Alabama, in the West Falco Field, containing approximately 320 acres, more or less.

Said petition further seeks entry of an order by this Board unitizing, pooling and integrating the Unit Area, as underlain by the above-described Unitized Formation, into a partial field-wide Unit so as to require all owners or claimants of royalty, overriding royalty, mineral, leasehold and all other leasehold interests within said partial field-wide Unit to unitize, pool and integrate their interests and develop their lands or interests within the Unit Area as a Unit. Said petition further seeks to have EOR, LLC, designated as Operator of the Unit Area in accordance with the laws of the State of Alabama and seeks an order from the Board approving the Unit Agreement and Unit Operating Agreement, as ratified. Said petition also seeks approval of the amendments to the Special Field Rules for the West Falco Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

BOARD ACTION: Continued 9.29.11

20. DOCKET NO.: 9-27-11-16

Petition by MAYNE & MERTZ, 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 Clarke County, Alabama, to be known as the Perry Chapel Field, or such other name as the Board deems proper, to establish well spacing and production allowables, and to adopt Special Field Rules therefor. The proposed field is underlain by the Smackover Oil Pool and the proposed field limits include all of Section 24, and the East Half of Section 23, all in Township 6 North, Range 3 East, Clarke County, Alabama. This petition will be submitted along with a companion petition requesting that the Board reform the 40-acre drilling unit for the Bedsole Foundation 24-11 No. 2 Well to a 160-acre production unit to consist of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter, Section 24, Township 6 North, Range 3 East.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons between the interval of 14,058 feet (MD) and 14,326 feet (MD) as indicated on the ST1 Log for the Bedsole Foundation 24-11 No. 2 Well, Permit No. 16389-B and all zones in communication therewith and all productive extensions thereof.

This Petition is filed as a companion to a Petition under Docket No. 9-27-11-17, requesting that the 40-acre drilling unit for the Bedsole Foundation 24-11 No. 2 Well be reformed to a 160-acre production unit, as noted herein.

BOARD ACTION: Continued 9.29.11

21. DOCKET NO. 9-27-11-17

Petition by MAYNE & MERTZ, 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 Bedsole Foundation 24-11 No. 2 Well, Permit No. 16389-B to a 160-acre production unit.

Petitioner requests that the 40-acre drilling unit for the said Bedsole Foundation 24-11 No. 2 Well, Permit No. 16389-B, consisting of the Southeast Quarter of the Southwest Quarter of the Northwest Quarter, the Northeast Quarter of the Northwest Quarter of the Southwest Quarter, the Northwest Quarter of the Northeast Quarter of the Southwest Quarter, and the Southwest Quarter of the Southeast Quarter of the Northwest Quarter of Section 24, Township 6 North, Range 3 East, Clarke County, Alabama, be reformed to a 160-acre production unit to consist of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter of Section 24, Township 6 North, Range 3 East, Clarke County, Alabama.

This Petition is filed as a companion to a Petition under Docket No. 9-27-11-16, requesting that a new oil field be established in Clarke County, Alabama, to be known as the Perry Chapel Field.

BOARD ACTION: Continued 9.29.11

22. DOCKET NO. 9-27-11-18

Petition by SKLAR EXPLORATION COMPANY L.L.C. seeking an order of the Board expanding and reforming an existing drainage or production unit in the Lovetts Creek Field presently containing approximately 160 acres and consisting of the South Half of Southeast Quarter of the Southeast Quarter of Section 34 and the South Half of Southwest Quarter of the Southwest Quarter of Section 35, in T6N, R5E and the Northwest Quarter of the Northwest Quarter and the North Half of the Southwest Quarter of the Northwest Quarter of Section 2 and the Northeast Quarter of the Northeast Quarter and the North Half of the Southeast Quarter of the Northeast Quarter of Section 3 in T5N, R5E, Monroe County, Alabama (in which unit the Hoeffner-Broughton 35-13 No.1 ST Well, Permit No. 16405-B-1, has heretofore been completed) into a drainage and production unit consisting of approximately 200 acres comprised of the above described property and also including the following described property: the North Half of the Southwest Quarter of the Southwest Quarter of Section 35, and the North Half of the Southeast Quarter of the Southeast Quarter of Section 34, T6N, R5E, Monroe County, Alabama. The above-described expanded unit is requested to be established as an exception to the Special Field Rules for the Lovetts Creek Field and pursuant to authority granted by Ala. Code Section 9-17-12, which authorizes the Board to establish units for oil wells that exceed the normal limit of

approximately 160 acres if the inclusion of the additional acreage is justified by the technical evidence presented to the Board. This petition is filed pursuant to Ala. Code Section 9-17-1, et seq. (and, in particular, Section 9-17-12) and Rules 400-1-1-.01, et seq. (and in particular Rules 400-1-7-.01, et seq.) of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Continued 9.29.11

23. DOCKET NO. 9-27-11-19A

Petition by SKLAR EXPLORATION COMPANY, LLC requesting that the State Oil and Gas Board of Alabama enter an order (a) force pooling, without risk compensation, all tracts and interests in the Northwest Quarter of Section 35, Township 4 North, Range 12 East, Conecuh County, Alabama, as a 160-acre wildcat unit for the purpose of drilling a well to test formations down to and including the Smackover and Norphlet formations, (b) requiring all owners of tracts and interests in said unit to develop their tracts and interests as a unit, and (c) appointing Petitioner as the operator of said unit. This petition is filed pursuant to Ala. Code §§ 9-17-1, *et seq.* (and, in particular, § 9-17-13, as amended) and Rules 400-1, *et seq.* (and, in particular, Rule 400-7-1 *et seq.*) of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Granted 9.29.11

ORDER NO.: 2011-87

24. DOCKET NO. 8-26-08-05A

Continued amended MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, Block T Operating, LLC, 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> <u>(Tank Battery No.)</u>	<u>Well Name</u> <u>(Tank Battery)</u>	<u>Location</u>
190	A. M. Mosley #1	S3, T10N, R3W
1052	Leo Stewart	S2, T10N, R3W
3102	Stewart #3-9	S3, T10N, R3W
3469	Smith Trice #34-10	S34, T11N, R4W
(3469 TB)	(Smith Trice #34-10)	S34, 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 to the March 2012 hearing 9.29.11

