

## RESULTS OF MEETING

The State Oil and Gas Board of Alabama held its regular hearing at 10:00 a.m. on Tuesday, December 10, 2013, and Thursday, December 12, 2013 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. 6-18-13-12

Petition by CINCO NRG, 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 to enter an order approving an exceptional 160-acre production unit for the proposed Hill 34-6 No. 1 Well, said exceptional 160-acre production unit to consist of the West Half of the Northeast Quarter and the East Half of the Northwest Quarter of Section 34, Township 6 North, Range 7 East, Monroe County, Alabama, in the North Excel Field. The proposed production unit is an exception to Rule 3(a) of the Special Field Rules for the North Excel Field that requires all such wells to be located on units consisting of governmental quarter sections of approximately 160 acres. This matter is filed as a companion to a Petition requesting that all tracts and interests be force pooled with risk compensation under Docket No. 06-18-13-13.

Presently Delphi Oil, Inc. operates the 9216 JV-P Hill 34-3 #1 Well, Permit No. 10727-B, on a 160-acre governmental production unit in the North Excel Field consisting of the Northwest Quarter of Section 34, Township 6 North, Range 7 East, Monroe County, Alabama. The 9216 JV-P Hill 34-3 #1 Well was drilled in March, 1995. The exceptional 160-acre production unit proposed by CINCO NRG, LLC will include a part of the present 160-acre production unit for the 9216 JV-P Hill 34-3 #1 Well.

**ACTION: Granted with stipulation that should the well produce in the Frisco City oil sands the Petitioner will then Petition the Board for a permanent production unit, 12/12/2013.**

**ORDER NO: 2013-101**

### 2. DOCKET NO. 7-30-13-10A

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board, pursuant to Rule 400-3-4-.17(1) of the *State Oil and Gas Board of Alabama Administrative Code* and Section 9-17-1, *et seq.* of the *Code of Alabama (1975)*, as amended, to enter an order extending the temporarily abandoned status for certain wells in the Brookwood Coal Degasification Field, all located in Tuscaloosa County, Alabama, in the following areas, for a period of one (1) year:

**Township 19 South, Range 7 West, Tuscaloosa County**

Sections 20, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 36

**Township 19 South, Range 8 West, Tuscaloosa County**

Sections 15, 21, 23, 25, 26, 27, 28, 33, 34, 35 and 36

**Township 20 South, Range 6 West, Tuscaloosa County**

Sections 6 and 7

**Township 20 South, Range 7 West, Tuscaloosa County**

Sections 1, 3, 4, 7, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 21, 22, 23, 27, 28 and 29

**Township 20 South, Range 8 West, Tuscaloosa County**

Sections 4, 10, 12, 13, 14, 15, 16, 23, 24 and 25

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

**ACTION: Continued, 12/12/2013.**

### 3. DOCKET NO. 10-22-13-03A

Petition by FAIRWAYS EXPLORATION & PRODUCTION, 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 amending Rule 1 of the Special Field Rules for the Clear Creek Field to add the Southwest Quarter of the Southwest Quarter and Southeast Quarter of Southeast Quarter of Section 17 and the Northwest Quarter of the Northwest Quarter and Northeast Quarter of Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, to the field limits of said Field.

The mineral ownership is common in the South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, and said common mineral ownership extends beyond and is contiguous and, all together, includes more than 560 acres.

This petition is filed as a companion to a petition bearing Docket No. 10-22-13-05 requesting reformation of the 160-acre production unit for the Cedar Creek Land & Timber 17-14 #1 Well, Permit No. 16759, to an alternate 160-acre production unit and also a companion

petition bearing Docket No. 10-22-13-04 requesting approval of the exceptional bottom hole location of the referenced well on said proposed reformed 160-acre production unit.

This petition is filed pursuant to Section 9-17-1 *et seq.*, *Code of Alabama* (1975) and Rules 400-1, *et seq.*, of the *State Oil and Gas Board of Alabama Administrative Code*.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-102**

4. DOCKET NO. 10-22-13-04A

Petition by FAIRWAYS EXPLORATION & PRODUCTION, 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 Cedar Creek Land & Timber 17-14 #1 Well, Permit No. 16759, on a proposed reformed 160-acre production unit consisting of the South Half of the Southwest Quarter of Section 17 and the North Half of the Northwest Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, in the Clear Creek Field, as an exception to Rule 3(b) of the Special Field Rules for said Field. Said Rule 3(b) requires that wells be drilled at least 660 feet from every exterior boundary of the drilling unit, and the bottom hole location of the referenced well on said proposed reformed 160-acre production unit is 466 feet from the North line and 635 feet from the East line of said proposed reformed 160-acre unit, and as such, is an exception to said Rule 3(b).

The mineral ownership is common in the South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, and said common mineral ownership extends beyond and is contiguous and, all together, includes more than 560 acres.

Petitioner has filed a companion petition bearing Docket No. 10-22-13-05 requesting to reform the 160-acre production unit for the Cedar Creek Land & Timber 17-14 #1 Well to an alternate 160-acre production unit for said well.

Petitioner has filed a companion petition bearing Docket No. 10-22-13-03 requesting that the Southwest Quarter of the Southwest Quarter and Southeast Quarter of Southeast Quarter of Section 17 and the Northwest Quarter of the Northwest Quarter and Northeast Quarter of Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, be added to the field limits for the Clear Creek Field.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-103**

5. DOCKET NO. 10-22-13-05A

Petition by FAIRWAYS EXPLORATION & PRODUCTION, 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 reform the 160-acre production unit for the Cedar Creek Land & Timber 17-14 #1 Well, Permit No. 16759, consisting of the Southeast Quarter of the Southwest Quarter and Southwest Quarter of Southeast Quarter of Section 17, and the Northeast Quarter of the Northwest Quarter and Northwest Quarter of Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, in Clear Creek Field, to an alternate 160-acre production unit consisting of the South Half of the Southwest Quarter of Section 17 and the North Half of the Northwest Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, in said Field.

The mineral ownership is common in the South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, and said common mineral ownership extends beyond and is contiguous and, all together, includes more than 560 acres.

Petitioner has filed a companion petition bearing Docket No. 10-22-13-03 requesting that the Southwest Quarter of the Southwest Quarter and Southeast Quarter of Southeast Quarter of Section 17 and the Northwest Quarter of the Northwest Quarter and Northeast Quarter of Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, be added to the field limits for the Clear Creek Field.

Petitioner has also filed a companion petition bearing Docket No. 10 -22-13-04 requesting approval of an exceptional bottom hole location for the Cedar Creek Land & Timber 17-14 #1 Well on the alternate 160-acre production unit for said well described hereinabove.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-104**

6. DOCKET NO. 10-22-13-06

Petition by FAIRWAYS EXPLORATION & PRODUCTION, 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 a 160-acre production unit for the Cedar Creek Land & Timber 17-15 #1 Well consisting of the South Half of the Southeast Quarter of Section 17 and the North Half of the Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, in the Clear Creek Field, in accordance with Rule 3(a) of the Special Field Rules for said Field which provides that such wells be drilled on units designated by the

operator in the permit application and subject to the approval of the State Oil and Gas Supervisor containing 160 contiguous surface acres upon which no other drilling or producible well is located in the Smackover Oil Pool.

The mineral ownership is common in the South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, and said common mineral ownership extends beyond and is contiguous and, all together, includes more than 560 acres.

This petition is filed pursuant to Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-105**

7. DOCKET NO. 10-22-13-12

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 the plans for consolidating the Flomaton and Big Escambia Creek Plants and the allocation and metering procedures for production from wells located in the Flomaton Field and third party production currently coming into the Flomaton Plant, all of which is separated at the Flomaton Plant with sour gas being transported and treated at the Big Escambia Creek Plant, Escambia County, Alabama.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-106**

8. DOCKET NO. 10-22-13-17

Petition by SKLAR EXPLORATION COMPANY L.L.C. requesting that the State Oil and Gas Board of Alabama enter an order (a) force pooling, with a risk compensation fee, all tracts and interests in the Southwest Quarter of Section 20, Township 4 North, Range 13 East, Conecuh County, Alabama, as a 160-acre production unit for the purpose of drilling a well to test formations down to and including the Smackover Oil Pool of the Little Cedar Creek Field 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 Sections 9-17-1, *et seq.* Ala. Code (1975) (and, in particular, Section 9-17-13, as amended) and Rules 400-1-1-.01, *et seq.* (and, in particular, Rule 400-7-2-.01, *et seq.*) of the State Oil and Gas Board of Alabama Administrative Code.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-107**

9. DOCKET NO. 12-10-13-01

Petition by Alta Mesa Services, LP, a foreign limited partnership 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 Choctaw County, Alabama, to be known as the East Okatuppa Creek Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field is underlain by the Smackover Oil Pool and the proposed field limits include 80 acres to consist of the Northwest Quarter of the Northwest Quarter of Section 4, Township 11 North, Range 4 West, and the Southwest Quarter of the Southwest Quarter of Section 33, Township 12 North, Range 4 West, Choctaw County, Alabama.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons between the interval of 10,602 feet (MD) and 10,660 feet (MD) as indicated on the Platform Express Array Induction/GR/SP/Neutron/Density Log for the Harrell-Carney 4-4 # 1 Well, Permit No. 16833-B, and all zones in communication therewith, all productive extension thereof and all strata which can be correlated therewith.

Petitioner further requests spacing units of 80 contiguous surface acres and production allowables of 200 barrels of oil per day for wells drilled in the field.

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

This Petition is filed as a companion to a Petition under Docket No. 12-10-13-02 requesting that the 40-acre drilling unit for the Harrell-Carney 4-4 # 1 Well be reformed to an 80-acre production unit consisting of the Northwest Quarter of the Northwest Quarter of Section 4, Township 11 North, Range 4 West, and the Southwest Quarter of the Southwest Quarter of Section 33, Township 12 North, Range 4 West, Choctaw County, Alabama.

**ACTION: Continued, 12/12/2013.**

10. DOCKET NO. 12-10-13-02

Petition by Alta Mesa Services, LP a foreign limited partnership 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 Harrell-Carney 4-4 # 1 Well, Permit No. 16833-B, to an 80-acre production unit. Petitioner requests that the 40-acre drilling unit for said Harrell-Carney 4-4 # 1 Well, Permit No. 16833-B, consisting of the Northwest Quarter of the Northwest Quarter of Section 4, Township 11 North, Range 4 West, Choctaw County, Alabama, be reformed to an 80 acre production unit to consist of the Northwest Quarter of the Northwest Quarter of Section 4,

Township 11 North, Range 4 West and the Southwest Quarter of the Southwest Quarter of Section 33, Township 12 North, Range 4 West, Choctaw County, Alabama.

This Petition is filed as a companion to a Petition under Docket No. 12-10-13-01 requesting that a new oil field be established in Choctaw County, Alabama, to be known as the East Okatuppa Creek Field.

The proposed 80-acre production unit is consistent with the well spacing requested in the companion petition.

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

**ACTION: Continued, 12/12/2013.**

11. DOCKET NO. 12-10-13-03

Petition by VENTEX OPERATING CORP., 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 a 40-acre exceptional non-governmental wildcat drilling unit for the Craft-Chunn 22-14 #1 Well consisting of the West Half of the Southeast Quarter of Southwest Quarter and the East Half of the Southwest Quarter of Southwest Quarter of Section 22, Township 5 North, Range 5 East, Monroe County, Alabama, as an exception to Rule 400-1-2-.02(2)(a) of the *State Oil and Gas Board of Alabama Administrative Code*, which provides that such wells be drilled on units consisting of a governmental quarter-quarter section containing approximately 40 acres. This petition is filed pursuant to Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-108**

12. DOCKET NO. 12-10-13-04

Petition by VENTEX OPERATING CORP., 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 known as the Bailey's Landing Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. Petitioner proposes that the field limits consist of the South Half of Northeast Quarter of Northwest Quarter, Southeast Quarter of Northwest Quarter, North Half of Northeast Quarter of Southwest Quarter, North Half of Northwest Quarter of Southeast Quarter, Southwest Quarter of Northeast Quarter, the Southwest Quarter of Northwest Quarter of Northeast Quarter, and the Southeast Quarter of Northwest Quarter of Northeast Quarter of Section 16, Township 5 North, Range 5 East, Monroe County, Alabama, as underlain by the Smackover Oil Pool, as hereinafter defined, and all zones in communication therewith and all productive extensions thereof.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons between the interval of 13,512 feet (MD) and 13,598 feet (MD) as indicated on the Schlumberger Measured Depth Induction/Density/Neutron Log for the Craft-Laurie 16-6 #1 Well, Permit No. 16866, and all zones in communication therewith, all productive extensions thereof and all strata which can be correlated therewith. In this field, Petitioner is proposing 160-acre spacing and production allowables of 250 barrels per day.

This Petition is filed as a companion to a Petition bearing Docket No. 12-10-13-04 requesting that the 40-acre wildcat drilling unit for the Craft-Laurie 16-6 #1 Well, Permit No. 16866, be reformed to a 160-acre production unit.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-109**

13. DOCKET NO. 12-10-13-05

Petition by VENTEX OPERATING CORP., 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 wildcat drilling unit for the Craft-Laurie 16-6 #1 Well, Permit No. 16866, to a 160-acre production unit in the proposed Bailey's Landing Field consisting of the South Half of Northeast Quarter of Northwest Quarter, Southeast Quarter of Northwest Quarter, North Half of Northeast Quarter of Southwest Quarter, North Half of Northwest Quarter of Southeast Quarter, Southwest Quarter of Northeast Quarter, the Southwest Quarter of Northwest Quarter of Northeast Quarter, and the Southeast Quarter of Northwest Quarter of Northeast Quarter of Section 16, Township 5 North, Range 5 East, Monroe County, Alabama.

This Petition is filed as a companion to a Petition bearing Docket No. 12-10-13-04 requesting that a new oil field be established in Monroe County, Alabama, to be known as the Bailey's Landing Field.

**ACTION: Granted with the stipulation that the Craft-Laurie 16-6 No. 1 Well be allowed to flare gas for six months, 12/12/2013.**

**ORDER NO: 2013-110**

14. DOCKET NO. 12-10-13-06

Petition by VENTEX OPERATING CORP., 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 known as the Homewood Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field is underlain by the Smackover Oil Pool and the proposed field limits include 160 acres to consist of the West Half of the Southwest Quarter

of Section 20 and the East Half of the Southeast Quarter of Section 19, all in Township 5 North, Range 5 East, Monroe County, Alabama, as underlain by the Smackover Oil Pool, as hereinafter defined, and all zones in communication therewith and all productive extensions thereof.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons in the Smackover Formation between the interval of 13, 840 feet measured depth (MD) and 14,143 feet (MD) as indicated on the Schlumberger Measured Depth Induction/Density/Neutron Log for the Craft-Brown 20-13 #1 Well, Permit No. 16888-B, and all zones in communication therewith, all productive extensions thereof and all strata productive of hydrocarbons which can be correlated therewith. Said pool constitutes a separate and distinct oil producing pool in the proposed field. In the proposed field, Petitioner proposes 160-acre well spacing and production allowables.

This Petition is filed as a companion to a Petition bearing Docket No. 12-10-13-07 requesting that the 40-acre wildcat drilling unit for the Craft-Brown 20-13 #1 Well, Permit No. 16888-B, be reformed to a 160-acre production unit in the proposed Homewood Field.

This Petition is filed pursuant to Section 9-17-1 *et seq.* of the *Code of Alabama* (1975), as amended.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-111**

15. DOCKET NO. 12-10-13-07

Petition by VENTEX OPERATING CORP., 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 wildcat drilling unit for the Craft-Brown 20-13 #1 Well, Permit No. 16888-B, to a 160-acre production unit in the proposed Homewood Field.

Petitioner requests that the 40-acre wildcat drilling unit for said Craft-Brown 20-13 #1 Well consisting of the East Half of the Southeast Quarter of Southeast Quarter of Section 19 and the West Half of the Southwest Quarter of Southwest Quarter of Section 20, Township 5 North, Range 5 East, Monroe County, Alabama, be reformed to a 160-acre production unit to consist of the West Half of the Southwest Quarter of Section 20 and the East Half of the Southeast Quarter of Section 19, all in Township 5 North, Range 5 East, Monroe County, Alabama.

This Petition is filed as a companion to a Petition bearing Docket No. 12-10-13-06 requesting that a new oil field be established in Monroe County, Alabama, to be known as the Homewood Field.

**ACTION: Granted with the stipulation that the Craft-Brown 20-13 #1 Well be allowed flare gas for six months, 12/12/2013.**

**ORDER NO: 2013-112**

16. DOCKET NO. 12-10-13-08

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 extending the shut-in status for the Dora J. Steely #36-2, Permit No. 1869, and the Scott Paper Co. et al #36-1, Permit No. 1966, both located in Section 36, Township 1 North, Range 8 East, 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*.

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

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-113**

17. DOCKET NO. 12-10-13-09

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 extending the shut-in status for the Scott Paper Co. Gas Unit 3-1 Well, Permit No. 3714, located in Section 3, Township 1 North, Range 7 East, 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*.

Petitioner requests that the Board extend the shut-in status for said well because it is capable of producing and should not be plugged.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-114**

18. DOCKET NO. 12-10-13-10

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 extending the 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 extend the temporarily abandoned status for said well because said well has future utility and should not be plugged.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-115**

19. DOCKET NO. 12-10-13-11

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 pursuant to *Ala. Code* § 9-17-1, *et seq.* (and, in particular, *Ala. Code* § 9-17-13) and *State Oil and Gas Board of Alabama Administrative Code* Rules 400-1, *et seq.* (and, in particular, Rules 400-7-1 and 400-7-2), force pooling, without risk compensation, all tracts and interests in hydrocarbons produced in the Jones 28-7, 4-13 Well to be drilled on a 160-acre production unit in the Brooklyn Field consisting of the Northeast Quarter of Section 28, Township 4 North, Range 13 East, Conecuh County, Alabama, and requiring all owners of tracts and interests in said unit to develop their tracts and interests as a unit, and appointing Petitioner as the operator of said unit.

**ACTION: Granted, 12/12/2013.**

**ORDER NO: 2013-116**

20. DOCKET NO. 12-10-13-12

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 pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, *Code of Alabama* (1975), establishing a partial field-wide oil Unit for the Gin Creek Field to be known as the "Gin Creek Oil Unit," consisting of the hereinafter described "Unit Area" in Choctaw County, Alabama, and requiring the operation of said Unit Area as a single partial field-wide Unit for pressure maintenance, 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 Gin Creek Oil Unit means that portion of the subsurface underlying the Unit Area containing porous and hydrocarbon productive Smackover Formation, which includes the Smackover Oil Pool, the productive interval of which is found between the Dual Induction log depths of 13,570 feet and 13,620 feet in the Choctaw Lumber Co. 31-5 #1 Well, Permit No. 4546, located in the Southwest Quarter of the Northwest Quarter of Section 31, Township 10 North, Range 4 West, Choctaw County, Alabama, and 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 North Half, Southeast Quarter, and Northeast Quarter of Southwest Quarter of Section 31 and the South Half of Northwest Quarter, North Half of Southwest Quarter and Southwest Quarter of Southwest Quarter of Section 32, all in Township 10 North, Range 4 West, Choctaw County, Alabama, containing 720 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, 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 Crosbys Creek Oil & Gas, 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, in accordance with Section 9-17-84, *Code of Alabama* (1975).

Said petition also seeks approval of the amendments to the Special Field Rules for the Gin Creek Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

**ACTION: Continued, 12/12/2013.**

21. DOCKET NO. 12-10-13-13

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the Wesley West 17-01-17 Well on a 40-acre production unit in the Oak Grove Coal Degasification Field consisting of the Northeast Quarter of the Northeast Quarter of Section 17, Township 19 South, Range 7 West, Tuscaloosa County, Alabama, said location being 29 feet from the South line and 223 feet from the West line of said 40-acre production unit. The Petition for the exceptional location is filed pursuant to Section 9-17-12 of the Code of Alabama (1975).

This petition was previously granted by the Board in Emergency Order No. 2013-100, issued on November 13, 2013.

**ACTION: Granted, 12/12/2013**

**ORDER NO: 2013-117**

22. DOCKET NO. 12-10-13-14

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

**ACTION: Continued, 12/12/2013.**

23. DOCKET NO. 12-10-13-15

Petition by SKLAR EXPLORATION COMPANY L.L.C. requesting that the State Oil and Gas Board of Alabama enter an order (a) force pooling with risk compensation all tracts and interests in the SW 1/4 of Section 33, Township 4 North, Range 13 East, Conecuh County, Alabama, as a 160-acre drilling unit as a productive extension of the Brooklyn Field for the purpose of drilling a well to test formations down to and including the Smackover formation and the Norphlet formation (the "Unit"), (b) requiring all owners of tracts and interests in the Unit to develop their tracts and interests as a unit, and (c) appointing Petitioner as the operator of the Unit. This petition is filed pursuant to Ala. Code Section 9-17-1 (1975), et seq. (and, in particular, Ala. Code Section 9-17-13 (1975)) and Rules 400-1, et seq. (and, in particular, Rules 400-7-1 and 400-7-2) of the State Oil and Gas Board of Alabama Administrative Code.

**ACTION: Dismissed without prejudice, 12/12/2013.**

**ORDER NO: 2013-118**

24. DOCKET NO. 12-10-13-16

Petition by JL RESOURCES, LLC a limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to (i) establish a new oil field in Choctaw County, Alabama, to be known as the "Eiler Field", or such other name as the Board deems proper; (ii) adopt Special Field Rules for the new oil field which establish spacing requirements and production allowables for wells drilled in the field, and (iii) establish field limits for the new oil field.

Petitioner requests that the proposed Eiler Field be approved and established to consist of the East Half of the Northwest Quarter of Section 6, Township 11 North, Range 4 West and the East Half of the Southwest Quarter of Section 31, Township 12 North, Range 4 West, Choctaw County, Alabama, as underlain by the Smackover Oil Pool, as defined below, including all zones in communication therewith, all productive extensions thereof and all strata which can be correlated therewith.

Petitioner requests that the Smackover Oil Pool in the proposed Eiler Field be defined as those strata productive of hydrocarbons between the interval of 10,796 feet measured depth (MD) and 10,832 feet (MD) as indicated on the Platform Express Array Induction/Gamma Ray/

Neutron/ Density/BHC/MLT Log for the Bar L, LLC 6-3 No. 1 Well, Permit No. 16853-B, and all zones in communication therewith, all productive extensions thereof and all strata which can be correlated therewith.

Petitioner further requests spacing units of 80 contiguous surface acres and production allowables of 300 barrels of oil per day for wells drilled in the field.

This Petition is filed as a companion to a Petition under Docket No. 12-10-13-17 requesting that the 40-acre drilling unit for the Bar L, LLC 6-3 No. 1 Well be reformed to an 80-acre production unit consisting of the East Half of the Northwest Quarter of Section 6, Township 11 North, Range 4 West, Choctaw County, Alabama.

**ACTION: Continued, 12/12/2013.**

25. DOCKET NO. 12-10-13-17

Petition by JL Resources, 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 to enter an order reforming the 40-acre drilling unit for the Bar L, LLC 6-3 No. 1 Well, Permit No. 16853-B, to a 80-acre production unit. Petitioner requests that the 40-acre drilling unit for said Bar L, LLC 6-3 No. 1 Well, consisting of the Northeast Quarter of the Northwest Quarter of Section 6, Township 11 North, Range 4 West, Choctaw County, Alabama, be reformed to a 80-acre production unit to consist of the East Half of the Northwest Quarter of Section 6, Township 11 North, Range 4 West, Choctaw County, Alabama.

This Petition is filed as a companion to a Petition under Docket No. 12-10-13-16 requesting that a new oil field be established in Choctaw County, Alabama, to be known as the Eiler Field.

**ACTION: Continued, 12/12/2013.**

26. DOCKET NO. 12-10-13-18

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board, pursuant to Rule 400-3-4-.17(1) of the *State Oil and Gas Board of Alabama Administrative Code* and Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended, to enter an order approving temporarily abandoned status wells located Jefferson and Tuscaloosa Counties, Alabama, in the Oak Grove Coal Degasification Field, in the following areas, for a period of one (1) year:

Township 19 South, Range 5 West, Jefferson County  
Section 7

Township 19 South, Range 6 West, Jefferson County  
Sections 1, 2, 9, 11, 16, 21, 32

Township 19 South, Range 7 West, Jefferson County  
Section 7

Township 19 South, Range 6 West, Tuscaloosa County  
Sections 31 and 32

Township 19 South, Range 7 West, Tuscaloosa County  
Sections 16 and 17

Township 19 South, Range 8 West, Tuscaloosa County  
Sections 14 and 15.

Petitioner requests that the Board approve temporarily abandoned status for these wells because said wells have future utility and should not be plugged.

**ACTION: Continued, 12/12/2013.**

27. DOCKET NO. 12-10-13-19

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 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: Southeast Quarter of Southeast Quarter of Southeast Quarter and the South Half of the Southwest Quarter of Southeast Quarter of Southeast Quarter of Section 32 of Township 5 North, Range 13 East, and the West Half of Northwest Quarter of Southeast Quarter of Section 4, and the Southeast Quarter of the Southeast Quarter of the Southeast Quarter of the Southeast Quarter of the Northeast Quarter of Section 6 of Township 4 North, Range 13 East, and the South Half of the Southeast Quarter of the Southeast Quarter of Section 10 Township 4 North, Range 12 East, Conecuh County, Alabama.

That Petitioner has filed a companion petition bearing Docket No. 12-10-13-20A requesting approval of the plans to establish the Little Cedar Creek Oil Unit II in the Little Cedar Creek Field, and the above-described parcels are requested to be included within the proposed Little Cedar Creek Oil Unit II.

**ACTION: Dismissed without prejudice, 12/12/2013.**

**ORDER NO: 2013-119**

28. DOCKET NO. 12-10-13-20

Amended 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 pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, *Code of Alabama* (1975), approving the plans for a partial field-wide oil Unit for the Little Cedar Creek Field to be known as the "Little Cedar Creek Oil Unit II," consisting of the hereinafter described "Unit Area" in Conecuh County, Alabama, and requiring the operation of said Unit Area as a single partial field-wide Unit for pressure maintenance, 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 Little Cedar Creek Oil Unit II is designated as the Smackover Formation which includes the Smackover Oil Pool defined as the productive interval found between the depths of 11,490 feet measured depth (MD) and 11,580 feet measured depth (MD) in the Pugh 22-2 Well, Permit No. 13472, with a surface location 900 feet FNL and 1,800 feet FEL of Section 22, Township 4 North, Range 12 East, Conecuh County, Alabama, as defined by the High Resolution Induction Long Spaced Sonic log for said well, including those strata which can be correlated therewith and which are in communication therewith and all productive extensions thereof, or such other enlarged interval as may be ordered by the State Oil and Gas Board of Alabama.

The proposed "Unit Area" is designated as the following described areas:

Township 5 North, Range 13 East

Section 32: Southeast Quarter of Southeast Quarter of Southeast Quarter and South Half of Southwest Quarter of Southeast Quarter of Southeast Quarter

Section 33: South Half of Section 33

Township 4 North, Range 13 East

Section 4: North Half and Southwest Quarter and West Half of Northwest Quarter of Southeast Quarter

Section 5: All

Section 6: Southeast Quarter of Southeast Quarter of Southeast Quarter of Southeast Quarter of Northeast Quarter and Southeast Quarter and Southeast Quarter of Southwest Quarter and South Half of Northeast Quarter of Southwest Quarter and Northeast Quarter of Southwest Quarter of Southwest Quarter and South Half of Southwest Quarter of Southwest Quarter

Section 7: All

Section 8: North Half and Southwest Quarter and four acre square in the Northwest Corner of Southeast Quarter

Section 9: North Half of Northwest Quarter of Northwest Quarter

Section 17: Northwest Quarter of Northwest Quarter of Northwest Quarter

Section 18: North Half and Southwest Quarter

Section 19: West Half of Northwest Quarter of Northwest Quarter

Township 4 North, Range 12 East

Section 10: South Half of Southeast Quarter of Southeast Quarter

Section 11: South Half of Southwest Quarter of Southwest Quarter and Northeast Quarter of Southwest Quarter of Southwest Quarter and Southeast Quarter of Southwest Quarter and East Half of Northeast Quarter of Southwest Quarter and South Half of South Half of Northeast Quarter and Southeast Quarter

Section 12: Southeast Quarter of Southeast Quarter of Northwest Quarter and Northeast Quarter and South Half

Section 13: All

Section 24: 16 acres of even width off the North side of the Northwest Quarter of the Southwest Quarter and a 6-acre tract starting in the Southwest corner of the Northwest Quarter of the Southwest Quarter running East along the South line of said Quarter-Quarter 330 feet to a point; thence run North approximately 792 feet to the South line of the North 16 acres of the Northwest Quarter of the Southwest Quarter; thence run along said South line 330 feet to the West line of the Northwest Quarter of the Southwest Quarter; thence run South along said West line to the point of beginning, and North Half, all in Conecuh County, Alabama, in the Little Cedar Creek Field, containing approximately 5,293 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, 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 Pruet Production Co. 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 form of the Unit Agreement and Unit Operating Agreement.

Said petition also seeks approval of the amendments to the Special Field Rules for the Little Cedar Creek Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

This petition is filed as a companion to a petition bearing Docket No. 12-10-13-19 requesting to amend Rule 1 of the Special Field Rules for the Little Cedar Creek Field to add certain parcels which are not presently in said Field but which are included within the proposed Little Cedar Creek Oil Unit II.

**ACTION: Dismissed without prejudice, 12/12/2013.**

**ORDER NO: 2013-120**

29. DOCKET NO. 10-22-13-20

Motion by the State Oil and Gas Board of Alabama to (1) consider issuing sanctions against operator Delphi Oil, Inc., for violating an order of the Board and (2) ordering that the proceeds of the wells bonds covering the two wells operated by Delphi be paid to the State Oil and Gas Board of Alabama pursuant to surety bonds covering the two wells.

On June 20, 2013, in Order No. 2013-44, the State Oil and Gas Board of Alabama ordered operator Delphi to plug and abandon the JV-P Jordan 33-8 #1 Well, Permit No. 10600, and the 9216 JV-P Hill 34-3 #1 Well, Permit No. 10727-B, in the North Excel Field, Monroe County, Alabama.

The 9216 JV-P Jordan 33-8 #1 Well is located in the Northeast Quarter, Section 33, Township 6 North, Range 7 East. The 9216 JV-P Hill 34-3 #1 Well is located in the Northwest Quarter, Section 34, Township 6 North, Range 7 East. Further, Delphi operates an associated site utilized for equipment in Section 27, Township 6 North, Range 7 East, Monroe County, Alabama.

Pursuant to Section 9-17-1 et seq. of the *Code of Alabama* (1975), as amended, the Board may issue sanctions against an operator to enforce the orders of the Board and may collect the proceeds of surety bonds to plug and abandon wells and to restore well sites.

**ACTION: Sanctions granted, 12/12/2013.**

**ORDER NO: 2013-121**

30. DOCKET NO. 7-20-10-07

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, S. Lavon Evans Jr., Operating Co., Inc., to show cause why the following wells located in Tuscaloosa, Lamar, Pickens, and Jefferson Counties, 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.

The Board may consider, as a part of this Motion, that the proceeds from the surety bond be utilized to plug and abandon wells and restore well sites.

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

County Line Field Well, Pickens Co.

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
11797	Holliman 36-10 #1	S36, T17S, R14W
11865	Williamson 1-1 #1	S1, T18S, R14W

SE Watson Field Wells, Lamar Co.

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
12548	Collins 12-11 #1	S12, T15S, R15W
12919	Gearn 14-1 #1	S14, T15S, R15W

Wiley Dome Field Wells, Lamar Co.

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
9986-A	Holman 34-10 #1	S34, T17S, R9W
13041	Holman 35-6 #1	S35, T17S, R9W
13042	Shepherd 35-16 #1	S35, T17S, R9W
13310-BH	Holman 34-10 #2	S34, T17S, R9W
13311	Alawest 34-13 #1	S34, T17S, R9W
13905	Earnest 26-14 #1	S26, T17S, R9W

Lamar County Wildcats

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
13640	Gartman 2-4 #1	S2, T17S, R16W

Tuscaloosa County Wildcats

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
13133	Earnest 26-15 #1	S26, T17S, R9W
13307	Christian 3-8 #1	S3, T18S, R9W
13384	Champion International 35-13 #1	S35, T17S, R9W
13387	Alawest 2-3 #1	S2, T18S, R9W
13388	Bane 36-14 #1	S36, T17S, R9W
13680	Bolton 1-4 #1A	S1, T18S, R9W
13710	Champion International 3-10 #1	S3, T18S, R9W
13711	Alawest 1-12 #2	S1, T18S, R9W

Jefferson County Wildcat

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
13389	U.S. Steel Corporation 21-13 #1	S21, T19S, R5W

**ACTION: Continued, 12/12/2013.**

Hearings of the State Oil and Gas Board are public hearings, and members of the public are invited to attend and present their position concerning petitions. Requests to continue or oppose a petition should be received by the Board at least two (2) days prior to the hearing. The public should be aware that a petition may be set for hearing on the first day or second day of the hearing or may be continued to another hearing at a later date. We suggest, therefore, that prior to the hearing, interested parties contact the Board to determine the status of a particular petition. For additional information, you may contact the State Oil and Gas Board, P. O Box 869999, Tuscaloosa, Alabama 35486-6999, Telephone Number (205) 349-2852, Fax Number (205) 349-2861, or by email at [petitions@ogb.state.al.us](mailto:petitions@ogb.state.al.us).