

RESULTS OF MEETING
STATE OIL AND GAS BOARD OF ALABAMA
FEBRUARY 11, 2014

The State Oil and Gas Board of Alabama held a regular hearing at 10:00 a.m. on Tuesday, February 11, 2014 in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama, to consider the following petition(s):

1. 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: Granted with stipulation, 2/13/2014.

ORDER NO: 2014-01

2. 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: Granted, 2/13/2014.

ORDER NO: 2014-02

3. 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: Granted, 2/13/2014.

ORDER NO: 2014-03

4. DOCKET NO. 12-10-13-12A

Continued 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 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 13,600 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 to a special hearing on March 10, 2014, 2/13/2014.

5. 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, 2/13/2014.

6. 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: Granted, 2/13/2014.

ORDER NO: 2014-04

7. 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: Granted, 2/13/2014.

ORDER NO: 2014-05

8. 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: Granted with stipulation, 2/13/2014.

ORDER NO: 2014-06

9. DOCKET NO. 2-11-14-01

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, 2/13/2014.

ORDER NO: 2014-07

10. DOCKET NO. 2-11-14-02

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 an exceptional location for the Craft-Kinsey 31-13 #1 Well to be drilled on a 40-acre wildcat drilling unit consisting of the Southwest Quarter of Southwest Quarter of Section 31, Township 7 North, Range 6 East, Monroe County, Alabama, at a location 154 feet from the West line and 414 feet from the South line of said 40-acre wildcat drilling unit. Said location will be 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 located at least 330 feet from every exterior boundary of the unit.

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

ACTION: Granted, 2/13/2014.

ORDER NO: 2014-08

11. DOCKET NO. 2-11-14-03

Petition by SKLAR EXPLORATION COMPANY L.L.C., 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 to enter an order establishing a new oil field in Conecuh County, Alabama, to be named the Brooklyn Norphlet Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Norphlet Oil Pool, consists of the Southwest Quarter of Section 36, Township 4 North, Range 12 East, Conecuh County, Alabama, as underlain by the Norphlet Pool.

The Norphlet Oil Pool in said Field is defined as those strata of the Jurassic Norphlet Formation productive of hydrocarbons in the interval between 11,947 feet and 11,977 feet in the Kennedy 36-12 #1 Well, Permit No. 16827, as defined by the Schlumberger Quad

Combo (Array Induction/Compensated Sonic Lithodensity/Compensated Neutron) measured depth log for said well, including those strata which can be correlated therewith, 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 Kennedy 36-12 #1 Well, Permit No. 16827, consisting of the Southwest Quarter of Section 36, Township 4 North, Range 12 East, Conecuh County, Alabama, be approved as the permanent production unit for said well.

This petition is filed pursuant to Rule 400-1-1-.07 and Rule 400-7-1, *et seq.*, of the *State Oil and Gas Board of Alabama Administrative Code* and Section 9-17-1 *et seq.* of the Code of Alabama (1975).

ACTION: Continued, 2/13/2014.

12. DOCKET NO. 2-11-14-04

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 to enter an order amending Rule 1 of the Special Field Rules for the Bailey's Landing Field to add the West Half of Southwest Quarter of Southeast Quarter of Northeast Quarter and West Half of Northwest Quarter of Northeast Quarter of Southeast Quarter of Section 16, Township 5 North, Range 5 East, Monroe County, Alabama, to the field limits of said field.

That Petitioner has filed a companion petition bearing Docket No. 2-11-14-05 requesting to reform the 160-acre production unit for the Craft-Laurie 16-6 #1 Well, Permit No. 16866, to a 170-acre production unit in the Field.

ACTION: Continued, 2/13/2014.

13. DOCKET NO. 2-11-14-05

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 to reform the 160-acre production unit for the Craft-Laurie 16-6 #1 Well, Permit No. 16866, 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 and the South Half of Northwest Quarter of Northeast Quarter of Section 16, Township 5 North, Range 5 East, Monroe County, Alabama, in the Bailey's Landing Field, to a 170-acre production unit consisting of the Southeast Quarter of Northwest Quarter; South Half of Northeast Quarter of Northwest Quarter; South Half of Northwest Quarter of Northeast Quarter; Southwest Quarter of Northeast Quarter; West Half of Southwest Quarter of Southeast Quarter of Northeast Quarter; West Half of Northwest Quarter of Northeast Quarter of Southeast Quarter; North Half of Northwest Quarter of Southeast Quarter; and North Half of Northeast Quarter of Southwest Quarter of Section 16, Township 5 North, Range 5 East, Monroe County, Alabama, in the Bailey's Landing Field.

The Board is authorized to establish production units in excess of 160 acres in accordance with Section 9-17-12(b), *Code of Alabama* (1975), provided the action is justified by sufficient technical evidence indicating that the additional acreage is being drained or is in imminent danger of being drained and that the owners of the excess acreage cannot otherwise receive their just and equitable share of production from the pool being so drained.

Petitioner has filed a companion petition bearing Docket No. 2-11-14-04 requesting that the West Half of Southwest Quarter of Southeast Quarter of Northeast Quarter and the West Half of the Northwest Quarter of the Northeast Quarter of the Southeast Quarter of Section 16, Township 5 North, Range 5 East, Monroe County, Alabama, be added to the field limits for the Bailey's Landing Field.

ACTION: Continued, 2/13/2014.

14. DOCKET NO. 2-11-14-06

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 to enter an order establishing a new oil field in Monroe County, Alabama, to be named the Fletcher Branch Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Norphlet Oil Pool, consists of the Southwest Quarter; South Half of Northwest Quarter; Southwest Quarter of Northeast Quarter; and West Half of Southeast Quarter of Section 23, Township 5 North, Range 4 East, Monroe County, Alabama, underlain by the Norphlet Oil Pool.

The Norphlet Oil Pool in said Field is defined as those strata productive of hydrocarbons between the interval of 14,689 feet measured depth (MD) and 14,788 feet measured depth (MD) as indicated on the Schlumberger log entitled Neutron/Density/GR/Sonic/Laterolog for the Craft-Scott 23-13 #1 ST Well, Permit No. 16843-B-1, located in the Southwest Quarter of Section 23, Township 5 North, Range 4 East, Monroe 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 Craft-Scott 23-13 #1 ST Well, Permit No. 16843-B-1, consisting of the Southwest Quarter of Section 23, Township 5 North, Range 4 East, Monroe County, Alabama, be approved as the permanent production unit for said well.

This petition is filed pursuant to Rule 400-1-1-.07 and Rule 400-7-1, *et seq.*, of the *State Oil and Gas Board of Alabama Administrative Code*.

ACTION: Continued, 2/13/2014.

15. DOCKET NO. 2-11-14-07

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 amending Rule 4A of the Special Field Rules for the Gurnee Coal Degasification Field, Shelby and Bibb Counties, Alabama, to allow a second well to be drilled and produced within 80-acre drainage or production units in the Field, in accordance with the provisions of Section 9-17-12(b) of the *Code of Alabama* (1975), as amended.

ACTION: Granted, 2/13/2014.

BOARD ORDER: 2014-09

16. DOCKET NO. 2-11-14-08

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 Cedar Creek Land & Timber 22-15 #1 Well to be drilled on a 160-acre production unit in the Brooklyn Field consisting of the Southeast Quarter of Section 22, 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, 2/13/2014.

ORDER NO: 2014-10

17. DOCKET NO. 2-11-14-09

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 force pooling, with the imposition of a risk compensation penalty, all tracts and interest in hydrocarbons produced from the Smackover formation from the proposed Harrigan 19-11 No. 1 Well to be drilled on a 160-acre exceptional nongovernmental unit to consist of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter of Section 19, Township 10 North, Range 1 East, Clarke County, Alabama to be drilled as a wildcat well.

This Petition is in accordance of Section 19-17-13, *Code of Alabama*, (1975), as amended, and Rule 400-7-2-.01 of *The State Oil and Gas Board of Alabama Administrative Code*.

That this Petition is filed as a companion to a Petition under Docket No. 2-11-14-10 requesting approval of the exceptional nongovernmental 160-acre drilling unit for the proposed Harrigan 19-11 No. 1 Well to consist of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter of Section 19, Township 10 North, Range 1 East, Clarke County, Alabama to be drilled as a wildcat well.

ACTION: Granted, 2/13/2014.

ORDER NO: 2014-11

18. DOCKET NO. 2-11-14-10

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 approving an exceptional nongovernmental 160-acre drilling unit for the proposed Harrigan 19-11 No. 1 Well to consist of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter of Section 19, Township 10 North, Range 1 East, Clarke County, Alabama to be drilled as a wildcat well. The proposed drilling unit is an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code that requires all wells to be located on units consisting of a governmental quarter section of approximately 160 acres.

That this Petition is filed as a companion to a Petition under Docket No. 2-11-14-09 requesting that all tracts and interests in hydrocarbons produced from the 160-acre drilling unit be force pooled by the Board with the imposition of a risk compensation penalty.

ACTION: Granted, 2/13/2014.

ORDER NO: 2014-12

19. DOCKET NO. 2-11-14-11

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 force pooling, with the imposition of a risk compensation penalty, all tracts and interest in hydrocarbons produced from the Smackover formation from the proposed Morgan 21-9 No. 1 Well to be drilled on a 160-acre unit to consist of the Southeast Quarter of Section 21, Township 9 North, Range 2 West, Choctaw County, Alabama to be drilled as a wildcat well.

This Petition is in accordance of Section 19-17-13, *Code of Alabama*, (1975), as amended, and Rule 400-7-2-.01 of *The State Oil and Gas Board of Alabama Administrative Code*.

ACTION: Continued, 2/13/2014.

20. DOCKET NO. 2-11-14-12

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 Oil Field to add the Southeast Quarter of Section 10, Township 4 North, Range 12 East, and the Northeast Quarter of Section 6, Township 4 North, Range 13 East, Conecuh County, Alabama to the field limits of said field.

This petition is filed as a companion to a petition bearing Docket No. 2-11-14-13 requesting approval of the proposed enlargement of the Unit Area of the Little Cedar Creek Oil Unit and a petition bearing Docket No. 2-11-14-14 requesting a redetermination of Unit Tract participation factors for the original Little Cedar Creek Oil Unit.

ACTION: Continued to a special hearing on March 10, 2014, 2/13/2014.

21. DOCKET NO. 2-11-14-13

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 approving the proposed enlargement of the "Unit Area" of the Little Cedar Creek Oil Unit in the Little Cedar Creek Field, Conecuh County, Alabama, to include the following: Southeast Quarter of Section 10; Northeast Quarter and South Half of Section 11; All of Sections 12 and 13; the North Half and the North Half of the Northwest Quarter of Southwest Quarter; the Northwest Quarter of the Southwest Quarter of Northwest Quarter of Southwest Quarter, and the North Half of the Northwest Quarter of Northeast Quarter of Southwest Quarter of Section 24, Township 4 North, Range 12 East; and the Northeast Quarter and South Half of Section 6; the West Half and Southeast Quarter of Section 7, the West Half and Northeast Quarter of Section 18; and the Northwest Quarter of Section 19, all in Township 4 North, Range 13 East, all in Conecuh County, Alabama; so that, as enlarged, the Unit Area consists of the Southeast Quarter of Section 10; Northeast Quarter and South Half of Section 11; all of Sections 12, 13, 14, 15, and 16; South Half of Section 17; all of Sections 19, 20, 21, and 22; North Half and North Half of South Half of Section 23; North Half and the North Half of the Northwest Quarter of Southwest Quarter; the Northwest Quarter of the Southwest Quarter of Northwest Quarter of Southwest Quarter; and the North Half of the Northwest Quarter of Northeast Quarter of Southwest Quarter of Section 24; North Half of the North Half of Section 28; and the North Half of Sections 29 and 30, Township 4 North, Range 12 East, and the Northeast Quarter and South Half of Section 6; the West Half and Southeast Quarter of Section 7; West Half and Northeast Quarter of Section 18; and the Northwest Quarter of Section 19, all in Township 4 North, Range 13 East, all in Conecuh County, Alabama, in the Little Cedar Creek Field, containing approximately 10,050.96 acres, more or less.

This request is in accordance with Article 11 of the Unit Agreement and Section 9-17-85 of the Code of Alabama (1975), and said proposed enlargement is subject to approval by the owners of at least sixty-six and two-thirds percent (66 2/3%) in interests as costs are shared, and by at least sixty-six and two-thirds percent (66 2/3%) in interests of royalty owners in the area to be added to the Little Cedar Creek Oil Unit.

This petition is filed as a companion to a petition bearing Docket No. 2-11-14-12 requesting an amendment to Rule 1 of the Special Field Rules for the Little Cedar Creek Field to add to the field limits and a petition bearing Docket No. 2-11-14-14 requesting a redetermination of Unit Tract participation factors for the original Little Cedar Creek Oil Unit.

ACTION: Continued to a special hearing on March 10, 2014, 2/13/2014.

22. DOCKET NO. 2-11-14-14

Petition by PRUET PRODUCTION CO., a foreign corporation authorized to do and doing business in the State of Alabama, requesting that the Board approve the re-determination, pursuant to Section 9-17-86 of the *Code of Alabama* (1975), for the Unit Area in the Little Cedar Creek Oil Unit as established by the State Oil and Gas Board. Further, Pruet requests that the Board enter an order finding that the contribution of the separately owned Tracts in the Little Cedar Creek Oil Unit is due to be revised by the subsequently discovered pore volume data from certain wells drilled in the Unit Area and approving the correspondingly altered Tract Participation of each Tract in said Unit Area.

This petition is filed as a companion to a petition bearing Docket No. 2-11-14-13 requesting approval of the proposed enlargement of the Unit Area of the Little Cedar Creek Oil Unit and a petition bearing Docket No. 2-11-14-12 requesting an amendment to Rule 1 of the Special Field Rules for the Little Cedar Creek Field to add to the field limits.

ACTION: Continued to a special hearing on March 10, 2014, 2/13/2014.

23. DOCKET NO. 2-11-14-15

Petition by SKLAR EXPLORATION COMPANY L.L.C., a Louisiana liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama ("the 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 of Township 4 North, Range 13 East, Conecuh County, Alabama.

This petition is filed as a companion to a petition bearing Docket No. 2-11-14-16 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: Continued, 2/13/2014.

24. DOCKET NO. 2-11-14-16

Petition by SKLAR EXPLORATION COMPANY L.L.C., a Louisiana liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama (“the 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 from the North line and 1,800 feet from the East line 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

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 7: Northeast Quarter
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

All in Conecuh County, Alabama, in the Little Cedar Creek Field.

Said petition further seeks entry of an order by the 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 Sklar Exploration Company L.L.C. 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. 2-11-14-15 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: Continued, 2/13/2014.

25. DOCKET NO. 2-11-14-17

Petition by SKLAR EXPLORATION COMPANY L.L.C., 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 (“the Board”) to enter an order approving an exceptional 160-acre wildcat drilling unit for the proposed Cedar Creek Land & Timber 14-9 No. 1 Well, said unit to consist of the North Half of the Southeast Quarter and the South Half of the Northeast Quarter of Section 14, Township 3 North, Range 11 East, Escambia County,

Alabama. The proposed drilling unit is an exception to Rule 400-1-2-.02 (2) (b) of the *State Oil and Gas Board of Alabama Administrative Code*, which requires that a 160-acre drilling unit be drilled on a governmental quarter-section.

ACTION: Continued to a special hearing on March 10, 2014, 2/13/2014.

26. DOCKET NO. 2-11-14-18

Petition by SKLAR EXPLORATION COMPANY L.L.C., 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 (“the Board”) to enter an order approving an exceptional 160-acre wildcat drilling unit for the proposed Cedar Creek Land & Timber 17-9 No. 1 Well, said unit to consist of the North Half of the Southeast Quarter and the South Half of the Northeast Quarter of Section 17, Township 3 North, Range 12 East, Escambia County, Alabama. The proposed drilling unit is an exception to Rule 400-1-2-.02 (2) (b) of the *State Oil and Gas Board of Alabama Administrative Code*, which requires that a 160-acre drilling unit be drilled on a governmental quarter-section.

ACTION: Continued to a special hearing on March 10, 2014, 2/13/2014.

27. DOCKET NO. 2-11-14-19

Petition by SKLAR EXPLORATION COMPANY L.L.C., a Louisiana liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama (“the Board”) to enter an order approving an exceptional location for the proposed Cedar Creek Land & Timber 10-5 No. 1 Well to be drilled to a bottom hole location approximately 464 feet from the South line and 443 feet from the West line of a proposed 160-acre wildcat drilling unit consisting of the Northwest Quarter of Section 10, Township 3 North, Range 12 East, Escambia County, Alabama. Said location is an exception to Rule 400-1-2-.02(2)(b) of the *State Oil and Gas Board of Alabama Administrative Code* which requires that such a well be located 660 feet from every exterior boundary of the drilling unit.

ACTION: Dismissed without prejudice, 2/13/2014.

ORDER NO: 2014-13

28. DOCKET NO. 2-11-14-20

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 the Northwest Quarter of Section 35, Township 2 North, Range 2 East, Baldwin County, Alabama, as a 40-acre wildcat unit for the purpose of drilling a well to test formations down to and including the Paluxy Formation, (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) of the State Oil and Gas Board of Alabama Administrative Code.

ACTION: Continued, 2/13/2014.

29. 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, 2/13/2014.