

ARKANSAS OIL AND GAS COMMISSION

Director's Office:
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone: (501) 683-5814
Fax: (501) 683-5818
<http://www.aogc.state.ar.us>

Mike Beebe
Governor



Lawrence Bengal
Director

El Dorado Regional Office:
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823

Fort Smith Regional Office:
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

September 7, 2011

The Honorable Mary Ann Salmon, Chairperson
The Honorable Tommy Lee Baker, Chairperson
C/o Mr. David Ferguson
Legislative Council
Room 315, State Capitol
Little Rock, AR 72201

Dear Senator Salmon and Representative Baker:

In accordance with Section 7 of the Arkansas Oil and Gas Commission FY 2011-2012 Appropriation Act requiring quarterly reporting of activity in the Fayetteville Shale, the attached amended summary and supporting documentation is provided to the Arkansas Legislative Council and the Legislative Joint Budget Committee.

Included in this amended quarterly report are the following:

- (1) Amended Summary of Arkansas Oil & Gas Commission Activity in the "Fayetteville Shale;"
- (2) Notices of Non-Compliance issued to companies operating in the "Fayetteville Shale;"
- (3) Notices of Violations issued to companies operating in the "Fayetteville Shale;"
- (4) Minutes from Arkansas Oil & Gas Commission hearing for April - June, 2011 showing:
(a) applications submitted by operators requesting the integration of unleased mineral interests and/or uncommitted working interests within the "Fayetteville Shale;" and (b) applications submitted by Arkansas Oil & Gas Commission Staff requesting Commission action against various operators for failures to comply with Arkansas Oil & Gas Commission General Rules and Regulations.

If you have questions or require additional information please do not hesitate to contact my office.

Sincerely,

A handwritten signature in blue ink, appearing to read "L. Bengal".

Lawrence Bengal
Director

COMMISSION MEMBERS

Chad White, Chairman, Magnolia
W. Frank Morledge, Vice-Chairman, Forrest City
Charles Wohlford, Fort Smith • Mike Davis, Magnolia •
William L. Dawkins, Jr., Fort Smith • Jerry Langley, Smackover
Chris Weiser, Magnolia • Jim Phillips, Smackover •
George Carder, Searcy

AOGC Fayetteville Shale Activity Report
To Be Presented to the Arkansas Legislative Council
Reporting Period: April 1, 2011 through June 30, 2011

1. Inspection Staff	
A. Number of Full Time Inspector Staff (Statewide)	12
B. Number of Part Time Inspector Staff (Statewide)	3
C. Number of Full Time Inspector Staff (Fayetteville Shale Only)	4
D. Number of Part Time Inspector Staff (Fayetteville Shale Only)	3
2. Inspection/Compliance Reviews	
A. Number at Field Inspection Conducted	910
B. Number of Compliance Reviews Conducted	1458
(1) Form 2 Drilling/ Fracture Permit	193
(2) Form 3 Completion Report	253
(3) Form 3A Fracture Stimulation Report	96
(4) Form 4 Authority to Commence Production	264
(5) Form 12 Plugging Report	16
(6) Form 13 Production Test	183
(7) Form 14 Monthly Disposal Well Report	48
(8) Form 23 Well Transfer Report	0
(9) Form 25 Cross Unit Well Review	178
(10) Form 33 Temporary Abandonment	10
(11) Casing Setting Notice	217
3. Complaints Received	14
A. Resolved without Field Investigation	9
B. Complaints Requiring Field Investigation	5
C. Investigations Resulting in Enforcement Actions	0
4. Enforcement	
A. Number of Notices of Non-Compliance (NNC) Issued	36
(1) Operations-Related NNCs	11
(2) Administrative-Related NNCs	25
B. Number of Notices of Violation (NOV) Issued	24
(1) Operations-Related NOV	2
(2) Administrative-Related NOV	22
C. Number of Cessation Orders Issued	2
D. Number of Violations and/or Commission Orders Resulting in Penalties	1

5. Judicial Actions (See Summary Page for Details)

A. Number of Actions Filed0

B. Number of Actions Resolved.....0

6. Inspection / Compliance Reviews Anticipated Next Quarter.....2300

7. Detail Report / Summary

A. Section 3D – Civil Penalties

Company / Operator:	Poseidon Energy Services
Nature of Violation:	Exceeding Maximum Injection Pressure
Amount of Civil Penalty:	\$3,000.00

B. Section 4 – Judicial Action

No Cases Filed During This Reporting Period

AOGC Fayetteville Shale Activity Report
Summary & Report of Notices of Non-Compliance
Reporting Period: April 1, 2011 through June 30, 2011

Operators Receiving Notices of Non-Compliance (NNC)

1. Arkanova Development, LLC.....	1
2. BHP Billiton Petroleum (Fayetteville) LLC / Chesapeake Operating, Inc.	6
3. Hall Phoenix Energy, LLC.....	1
4. Seeco, Inc.	4
5. SH Exploration, LLC	10
6. Storm Cat Energy USA Corporation.....	6
7. XTO Energy, Inc.....	8



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
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Suite 102
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Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823

Date Mailed:

April 12, 2011

Issued to:

Arkanova Development, LLC
2441 High Timbers Drive, Suite 120
The Woodlands, Texas 77380

Attn: Mr. Pierre Mulacek

Location of Non-Compliance:

Permit # 40143
Arkanova – D.B. Griffin # 1
Section 33-3S-2E
B-43 Area
Phillips County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other: _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc: Lawrence E. Bengal, Director



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2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 12, 2011

Issued to:

Chesapeake Operating, Inc
P O Box 18496
Oklahoma City, OK 73154

Attn Ms Aletha Dewbre-King

Location of Non-Compliance:

Permit # 41848
Chesapeake - Merideth 7-16 #2-2H
Section 02-07N-16W
B-43 Field
Conway County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95308



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

May 18, 2011

Issued to:

Chesapeake Operating, Inc
P O Box 18496
Oklahoma City, OK 73154

Attn Ms Aletha Dewbre-King

Location of Non-Compliance:

Permit # 30450
Chesapeake – Ziegler # 1
Section 32-09N-22W
Knoxville Field
Johnson County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☐ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☒ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids,
☒ debris, ☒ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other Contaminated ground

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

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Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director



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El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

May 18, 2011

Issued to:

Chesapeake Operating, Inc
P O Box 18496
Oklahoma City, OK 73154

Attn Ms Aletha Dewbre-King

Location of Non-Compliance:

Permit # 43239
Chesapeake – Parker, Harry 7-8 # 1-32H
Section 32-07N-08W
B-43 Field
White County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
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- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95404



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
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Suite 102
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El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

May 18, 2011

Issued to:

Chesapeake Operating, Inc
P O Box 18496
Oklahoma City, OK 73154

Attn Ms Aletha Dewbre-King

Location of Non-Compliance:

Permit # 27306
Chesapeake - Hurley Enterprises Inc 1-20
Section 20-09N-23W
Spadra Field
Johnson County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☐ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☒ ☐ No containment for produced fluids storage tank or ☒ improper containment (Rule B-26 e))
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- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E. Bengal, Director



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Little Rock Office
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El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

June 21, 2011

Issued to:

BHP Billiton Petroleum (Fayetteville), LLC
1360 Post Oak Blvd, Ste 150
Houston, TX 77056-3030

Attn Mr Rod Skaufel

Location of Non-Compliance:

Permit # 39988
BHP- Caldwell Famrs 8-9 # 1-20H
Section 20-08N-09W
B-43 Field
White County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
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- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillshoro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

June 27, 2011

Issued to:

BHP Billiton Petroleum (Fayetteville), LLC
1360 Post Oak Blvd, Ste 150
Houston, Texas 77056-3030

Attn Mr Rod Skaufel

Location of Non-Compliance:

Permit # 42941
BHP - Webb, James 8-11 # 1-20
Section 20-08N-11W
B-43 Field
Faulkner County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
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- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95498



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone: (501) 683-5814
Fax: (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823

Notice of Non-Compliance

Date Mailed:

June 14, 2011

Issued to:

Hall Phoenix Energy, LLC
6801 Gaylord Parkway, Ste. 100
Frisco, Texas 75034

Attn: Mr. Matthew Bob

Rule Citation and Description of Violation: General Rule D-8

Arkansas Oil and Gas Commission (Commission) General Rule D-8 requires the permit holder to file a monthly gas report (Form 7) for any well that is not plugged and abandoned. Production reports for March, 2011 are delinquent.

Action Required:

The permit holder is hereby notified of this Non-Compliance issue and is instructed to comply with Commission Rules. The permit holder is further notified to provide the Commission with the required reports within thirty (30) days of this letter. Failure to comply with the terms of this Notice of Non-Compliance prior to the deadlines set forth within this document shall result in a Notice of Violation being issued by the Director of Production and Conservation.

COPY

Marcia Nicko
Fort Smith Regional Office
Arkansas Oil and Gas Commission



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
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Fort Smith, AR 72903
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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Non-Compliance

Date Mailed:

May 23, 2011

Issued to:

Seeco, Inc
Attn Amy Johnson
515 West Greens Road, Suite 127
Houston, TX 77067

Location of Non-Compliance:

Permit # 39148
Green Bay Packaging 09-17 #1-35H
Section 35-09N-17W
Field B-43
Conway County, Arkansas

Rule Citation and Description of Violation:

General Rule B-7 c) 1)

Any well in which production casing is not set and cemented shall be plugged in accordance with applicable commission rules, prior to the time that the equipment used to drill said well is released from the drilling operation. In the case of "staged" drilling operations, where multiple drilling rigs are used to drill the well over a period of time, production casing shall be set and cemented within 180 days after setting of the surface casing or the well shall be plugged, unless an extension of time to plug is granted in accordance with subparagraph 2)

General Rule B-7 c) 2)

The Director however, may grant an extension of time to plug an uncased well. In determining whether to grant an extension and in determining the length of an extension, the Director may consider

- A) The permit holders specific plans for further wellbore utilization,
- B) The total depth of the well,
- C) The depth of surface and any intermediate casing,
- D) A description of the current condition of the hole including a description of the type of drilling fluids currently in the well,
- E) The location of the well

Statement of Violation:

The above referenced well has no record of production casing being set as defined in Rule B-7 c) 1)

Action Required:

The permit holder is hereby notified of this Non-Compliance issue and is required to commence plugging operations in accordance with applicable rules and regulations or file a Form 33 "Application for Temporary Abandoned Well Status" and the required information as outlined in General Rule B-7 c) 2) with the Director within thirty (30) days of this Notice. Failure to comply with the terms of this Notice of Non-Compliance prior to the deadlines set forth within this document shall result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Jon Harris
Fort Smith Regional Office
Arkansas Oil and Gas Commission

cc Lawrence E Bengal, Director

Case # 95032



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Non-Compliance

Date Mailed:

May 23, 2011

Issued to:

SEECO, Inc
Attn Amy Johnson
515 West Greens Road, Suite 127
Houston, TX 77067

Location of Non-Compliance:

Permit # 42073
SEECO - Acklin 10-06 #1-13H
Section 13-10N-06W
Field B-43
White County, Arkansas

Rule Citation and Description of Violation:

General Rule B-7 (d)

All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h) Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1

Statement of Violation:

The subject well has not produced within the last 24 months

Action Required:

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

COPY

Jon Harris
Fort Smith Regional Office
Arkansas Oil and Gas Commission

Case # 95033



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
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El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 18, 2011

Issued to:

SEECO, Inc
515 W Greens Road
Houston, Texas 77067
Attn Mr Alan Stubblefield

Location of Non-Compliance:

Permit # 42612
Seeco- Felkins 9-18 # 1-14H
Section 14-09N-18W
B-43 Field
Pope County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
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- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E. Bengal, Director



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

June 20, 2011

Issued to:

SEECO, Inc
515 W Greens Road
Houston, Texas 77067
Attn Mr J Alan Stubblefield

Location of Non-Compliance:

Permit # 44306
Seeco- Hanna 9-17 #8-32H31
Section 32-09N-17W
B-43 Field
Conway County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95482



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



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301 Natural Resources Drive
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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 13, 2011

Issued to:

SH Exploration, LLC
1800 Valley View, Ste 300
Dallas, TX 75234

Attn Mr Richard D Morgan

Location of Non-Compliance:

Permit # 41081
SH - Chavez #1-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



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Little Rock, AR 72205
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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 13, 2011

Issued to:

SH Exploration, LLC
1800 Valley View, Ste 300
Dallas, TX 75234

Attn Mr Richard D Morgan

Location of Non-Compliance:

Permit # 41144
SH – Chavez #2-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95316



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 13, 2011

Issued to:

SH Exploration, LLC
1800 Valley View, Ste 300
Dallas, TX 75234

Attn Mr Richard D Morgan

Location of Non-Compliance:

Permit # 41225
SH - Chavez #3-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

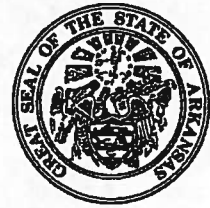
Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95317



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 13, 2011

Issued to:

SH Exploration, LLC
1800 Valley View, Ste 300
Dallas, TX 75234

Attn Mr Richard D Morgan

Location of Non-Compliance:

Permit # 41440
SH - Imboden #2-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95318



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 13, 2011

Issued to:

SH Exploration, LLC
1800 Valley View, Ste 300
Dallas, TX 75234

Attn Mr Richard D Morgan

Location of Non-Compliance:

Permit # 41439
SH – Imboden #1-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

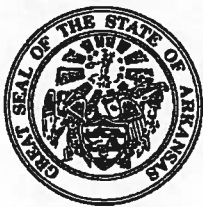
- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 13, 2011

Issued to:

SH Exploration, LLC
1800 Valley View, Ste 300
Dallas, TX 75234

Attn Mr Richard D Morgan

Location of Non-Compliance:

Permit # 41438
SH - Chavez #4-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
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- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

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Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone: (501) 683-5814
Fax: (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

El Dorado Regional Office
2215 West Hallsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823

Notice of Non-Compliance

Date Mailed:

April 13, 2011

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn: Mr. Richard D. Morgan

Location of Non-Compliance:

Permit # 41225
SH Exploration - Chavez #3-8H
Section 08-11N-16W
B-43 Area
Van Buren, Arkansas

Rule Citation and Description of Violation: General Rule B-5 h)

If completion activities are not completed within 90 days of the setting of the production casing or other production related casing, the required information specified in (f) (1), (2) and (3) are required to be submitted. Documents under B-5 have not been filed.

Statement of Violation:

The permit holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-5 h)

Action Required:

All required actions above shall be completed within (30) calendar days of the mailing or personal delivery of this Notice of Non-Compliance. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

COPY

Lisa Brown
Fort Smith Regional Office
Arkansas Oil and Gas Commission



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Non-Compliance

Date Mailed:

April 13, 2011

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn Mr Richard D Morgan

Location of Non-Compliance:

Permit # 41438
SH Exploration -Chavez #4-8H
Section 08-11N-16W
B-43 Area
Van Buren, Arkansas

Rule Citation and Description of Violation: General Rule B-5 h)

If completion activities are not completed within 90 days of the setting of the production casing or other production related casing, the required information specified in (f) (1), (2) and (3) are required to be submitted Documents under B-5 have not been filed

Statement of Violation:

The permit holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-5 h)

Action Required:

All required actions above shall be completed within (30) calendar days of the mailing or personal delivery of this Notice of Non-Compliance Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation

COPY

Lisa Brown
Fort Smith Regional Office
Arkansas Oil and Gas Commission

95327



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Non-Compliance

Date Mailed:

April 13, 2011

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn Mr Richard D. Morgan

Location of Non-Compliance:

Permit # 41439
SH Exploration -Imboden #1-8H
Section 08-11N-16W
B-43 Area
Van Buren, Arkansas

Rule Citation and Description of Violation: General Rule B-5 h)

If completion activities are not completed within 90 days of the setting of the production casing or other production related casing, the required information specified in (f) (1), (2) and (3) are required to be submitted Documents under B-5 have not been filed

Statement of Violation:

The permit holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-5 h)

Action Required:

All required actions above shall be completed within (30) calendar days of the mailing or personal delivery of this Notice of Non-Compliance Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation

COPY

Lisa Brown
Fort Smith Regional Office
Arkansas Oil and Gas Commission

95328



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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Little Rock, AR 72205
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Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Non-Compliance

Date Mailed:

April 13, 2011

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn Mr Richard D Morgan

Location of Non-Compliance:

Permit # 41440
SH Exploration -Imboden #2-8H
Section 08-11N-16W
B-43 Area
Van Buren, Arkansas

Rule Citation and Description of Violation: General Rule B-5 h)

If completion activities are not completed within 90 days of the setting of the production casing or other production related casing, the required information specified in (f) (1), (2) and (3) are required to be submitted. Documents under B-5 have not been filed

Statement of Violation:

The permit holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-5 h)

Action Required:

All required actions above shall be completed within (30) calendar days of the mailing or personal delivery of this Notice of Non-Compliance Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation

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Lisa Brown
Fort Smith Regional Office
Arkansas Oil and Gas Commission

95329



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



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301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
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Fort Smith Regional Office
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Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 18, 2011

Issued to:

Storm Cat Energy USA Corporation
1125 17th Street, Ste 2310
Denver Co, 80202

Attn Mr Keith J Knapstad

Location of Non-Compliance:

Permit # 40637
Storm Cat- Owen #1-18H
Section 18-11N-16W
B-43 Field
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other Water tank leak

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95356



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 18, 2011

Issued to:

Storm Cat Energy USA Corporation
1125 17th Street, Ste 2310
Denver Co, 80202

Attn: Mr Keith J Knapstad

Location of Non-Compliance:

Permit # 40658
Storm Cat- Roberts # 1-13H
Section 13-11N-17W
B-43 Field
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95357



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillshoro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 18, 2011

Issued to:

Storm Cat Energy USA Corporation
1125 17th Street, Ste 2310
Denver Co, 80202

Attn Mr Keith J Knapstad

Location of Non-Compliance:

Permit # 39698
Storm Cat- Vaughan # 1-18H
Section 18-11N-16W
B-43 Field
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☒ Containment area shall not contain ☒ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 18, 2011

Issued to:

Storm Cat Energy USA Corporation
1125 17th Street, Ste 2310
Denver Co, 80202

Attn Mr Keith J Knapstad

Location of Non-Compliance:

Permit # 40639
Storm Cat- Vaughan # 2-18
Section 18-11N-16W
B-43 Field
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☒ Containment area shall not contain ☒ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 18, 2011

Issued to:

Storm Cat Energy USA Corporation
1125 17th Street, Ste 2310
Denver Co, 80202

Attn Mr Keith J Knapstad

Location of Non-Compliance:

Permit # 40659
Storm Cat- Files # 2-12H
Section 12-11N-17W
B-43 Field
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
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- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E. Bengal, Director

Case # 95360



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 18, 2011

Issued to:

Storm Cat Energy USA Corporation
1125 17th Street, Ste 2310
Denver Co, 80202

Attn Mr Keith J Knapstad

Location of Non-Compliance:

Permit # 39749
Storm Cat- Kamalmaz # 1-13H
Section 13-11N-17W
B-43 Field
Van Buren County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☐ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☒ ☐ Improper equipment storage ☐ excessive vegetation ☒ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95361



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone: (501) 683-5814
Fax: (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823

Notice of Non-Compliance

Date Mailed:

May 19, 2011

Issued to:

XTO Energy, Inc.
210 Park Avenue, Suite. 2350
Oklahoma City, Oklahoma 73102

Attn: Mr. Douglas C. Schultze

Location of Non-Compliance:

Permit # 43277
XTO -Keathley #1-29H
Section 29-07N-11W
B-43 Area
Faulkner County, Arkansas

Rule Citation and Description of Violation: General Rule B-5 h)

If completion activities are not completed within 90 days of the setting of the production casing or other production related casing, the required information specified in (f) (1), (2) and (3) are required to be submitted. Documents under B-5 have not been filed.

Statement of Violation:

The permit holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-5 h).

Action Required:

All required actions above shall be completed within (30) calendar days of the mailing or personal delivery of this Notice of Non-Compliance. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

COPY

Lisa Brown
Fort Smith Regional Office
Arkansas Oil and Gas Commission



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Non-Compliance

Date Mailed:

May 19, 2011

Issued to:

XTO Energy, Inc
210 Park Avenue, Suite 2350
Oklahoma City, OK 73102

Attn Mr Douglas C Schultze

Location of Non-Compliance:

Permit # 43277
XTO - Keathley #1-29H
Section 29-07N-11W
Field B-43
Faulkner County, Arkansas

Rule Citation and Description of Violation: General Rule B-7 (d)

All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h) Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1

Statement of Violation:

The subject well has not produced within the last 24 months

Action Required:

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7 B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation

COPY

Jon Harris
Fort Smith Regional Office
Arkansas Oil and Gas Commission

Case # 95286



ARKANSAS OIL AND GAS COMMISSION

NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Non-Compliance

Date Mailed:

May 5, 2011

Issued to:

XTO Energy, Inc
810 Houston Street Ste 2350
Fort Worth, TX 76102
Attn Mr Douglas Schultze

Location of Non-Compliance:

Permit # 44604
Brown #2-28H33
Section 28-11N-05W
Field B-43
Independence County, Arkansas

Rule Citation and Description of Violation:

Violation stems from failure to follow "Procedures and Requirements for Surface Casing and Plugging of Wells" which is attached to the "Permit to Drill". The permit holder is required to notify a Commission representative prior to commencing drilling operations, to report the location of the drilling operation, the estimated time and amount of surface pipe to be set. Commission records indicate sufficient prior notice was not given prior to spud and setting surface casing on the above referenced well.

Statement of Violation:

Failure to notify Commission of spud and setting of surface casing

Action Required:

XTO is hereby notified of this Notice Non-Compliance and instructed to comply with Procedures and Requirements for setting of Surface Casing and Plugging of Wells. Failure to provide the Commission with required drilling operation notifications shall result in a Notice of Violation being issued by the Director of Production and Conservation.

COPY

Krystal Kopischke
Fort Smith Regional Office
Arkansas Oil and Gas Commission



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillshoro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Non-Compliance

Date Mailed:

May 19, 2011

Issued to:

XTO Energy, Inc
210 Park Avenue, Suite 2350
Oklahoma City, Oklahoma 73102

Attn Mr Douglas C Schultze

Location of Non-Compliance:

Permit # 43277
XTO -Keathley #1-29H
Section 29-07N-11W
B-43 Area
Faulkner County, Arkansas

Rule Citation and Description of Violation: General Rule B-5 h)

If completion activities are not completed within 90 days of the setting of the production casing or other production related casing, the required information specified in (f) (1), (2) and (3) are required to be submitted Documents under B-5 have not been filed

Statement of Violation:

The permit holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-5 h)

Action Required:

All required actions above shall be completed within (30) calendar days of the mailing or personal delivery of this Notice of Non-Compliance Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation

COPY

Lisa Brown
Fort Smith Regional Office
Arkansas Oil and Gas Commission



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
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Suite 102
Little Rock, AR 72205
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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

April 18, 2011

Issued to:

XTO Energy, Inc
810 Houston Street
Fort Worth, TX 76102

Attn Mr Douglas Schultze

Location of Non-Compliance:

Permit # 40818
XTO- Smith 11-13 # 2-31H
Section 31-11N-13W
B-43 Area
Van Buren County, Arkansas.

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☐ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
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- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95343



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7636

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

June 27, 2011

Issued to:

XTO Energy, Inc
810 Houston Street
Fort Worth, TX 76102

Attn Mr Douglas C Schultze

Location of Non-Compliance:

Permit # 44044
XTO - Wortham # 4-30H
Section 30-08N-09W
B-43 Field
White County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
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- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95493



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



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301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
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Fort Smith, AR 72903
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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

June 27, 2011

Issued to:

XTO Energy, Inc
810 Houston Street
Fort Worth, TX 76102

Attn Mr Douglas C Schultze

Location of Non-Compliance:

Permit # 44043
XTO - Wortham # 3-30H
Section 30-08N-09W
B-43 Field
White County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
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- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95494



ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



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Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

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Fort Smith, AR 72903
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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Date Mailed:

June 27, 2011

Issued to:

XTO Energy, Inc
810 Houston Street
Fort Worth, TX 76102

Attn Mr Douglas C Schultze

Location of Non-Compliance:

Permit # 44042
XTO – Wortham # 2-30H
Section 30-08N-09W
B-43 Field
White County, Arkansas

Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other _____

Required Action(s):

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Copy

Randy Young
District Petroleum Supervisor
Fort Smith Regional Office
Arkansas Oil and Gas Commission
cc Lawrence E Bengal, Director

Case # 95495

**AOGC Fayetteville Shale Activity Report
Summary & Report of Notices of Violations
Reporting Period: April 1, 2011 through June 30, 2011**

Operators Receiving Notices of Violations (NOVs)

1. BHP Billiton Petroleum (Fayetteville) LLC / Chesapeake Operating, Inc.	4
2. Hall Phoenix Energy, LLC.....	1
3. Poseidon Energy Services, LLC.....	2
4. Seeco, Inc.	2
5. SH Exploration, LLC	8
6. Storm Cat Energy USA Corporation.....	4
7. Typhoon Energy, LLC	1
8. XTO Energy, Inc.....	2



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
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Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

NOTICE OF VIOLATION

Date Mailed. June 15, 2011

Certified Mail # 91 7108 2133 3939 2367 8047

Issued to

Mr Rod Skaufel
BHP Billiton Petroleum (Fayetteville), LLC
1360 Post Oak Blvd, Suite 150
Houston, Texas 77056

Location of Violation:

Long, Billy 9-5 1-32H29, PN 43410
Section 32 – Township 9N – Range 5W
B-43 Field
White County, Arkansas

Rule Citation and Description of Violation.

OR# 226-2010-03 states that the following requirements are placed upon the drilling units from which production is allocated by applicant's proposed well

- b Within twelve (12) months following the date the well for which approval is granted is spud, there will be at least one well located, as defined in subsection (a)(2) of General Rule B-3, at a non-exceptional well location and located entirely within each included drilling unit that is either a well that is producing gas, or a well that is capable of producing gas and awaiting connection to a pipeline, or
- d Within twelve (12) months following the date the well for which approval is granted is spud, there will be at least one well or a combination of multiple wells, including cross unit wells and or encroaching wells located, as defined in subsection (a)(2) of General Rule B-3, within each included drilling unit that have a total combined perforated lateral length within the drilling unit of not less than 4160 feet, and are producing or are capable of producing gas and awaiting connection to a pipeline

The conditions and timeline set forth above have not been satisfied

Required Abatement Action(s).

The permit holder is hereby notified of this Notice of Violation and is instructed to comply with the requirements of OR# 226-2010-03 within thirty (30) calendar days of the mailing or personal delivery of this Notice of Violation. The workover completed June 9, 2011 where only one (1) non-stimulated perforation was shot at 4588' MD in order to obtain the required 4160' is not considered to be sufficient to meet the requirements of the Order

Enforcement Action

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty for failure to complete all required actions. The Director may also request the assessment of additional civil penalties for each and every day of continued failure to complete all required actions

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office.

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95471



ARKANSAS OIL AND GAS COMMISSION

NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone: (501) 683-5814
Fax: (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-5823

NOTICE OF VIOLATION

Date Mailed: April 8, 2011

Issued to:

Ms. Aletha Dewbre-King
Chesapeake Operating, Inc
P O. Box 18496
Oklahoma City, Oklahoma 73154

Certified Mail: # 91 7108 2133 3939 2367 8498

Location of Violation:

Harris, S 7-9 1-27H, Permit # 43206
Section 27 – Township 7N – Range 9W
B-43 Field
White County, Arkansas

Rule Citation and Description of Violation:

General Rule B-43 (o)2) allows for the administrative approval of wells that extend across or encroach upon drilling unit boundaries. Under General Rule B-43 (o)2)A, the following requirements are placed upon the drilling units from which production is allocated by applicant's proposed well.

ii) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well located, as defined in subsection (a)(2) of General Rule B-3, at a non-exceptional well location and located entirely within each included drilling unit that is either a well that is producing gas, or a well that is capable of producing gas and awaiting connection to a pipeline, or

iv) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well or a combination of multiple wells, including cross unit wells and or encroaching wells located, as defined in subsection (a)(2) of General Rule B-3, within each included drilling unit that have a total combined perforated lateral length within the drilling unit of not less than 4160 feet, and are producing or are capable of producing gas and awaiting connection to a pipeline

The conditions and timeline set forth above have not been satisfied

Required Abatement Action(s):

The permit holder is hereby notified of this Notice of Violation. Under General Rule B-43 (o)2)D, if administrative approval is granted, based upon either or both of subsection ii) or iv) above, and the applicant fails to satisfy one of the conditions specified in subsection, the drilling permit and all other authorities for the well shall be automatically revoked, and the well shall be shut in, unless the applicant has filed a request in accordance with General Rule A-2, A-3, and other applicable hearing procedures prior to the expiration of the time period specified in such subsections, or (ii) the Commission otherwise approves the application

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty for failure to complete all required actions. The Director may also request the assessment of additional civil penalties for each and every day of continued failure to complete all required actions

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

Copy

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95300



ARKANSAS OIL AND GAS COMMISSION

NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone: (501) 683-5814
Fax: (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: April 8, 2011

Certified Mail: # 91 7108 2133 3939 2367 8467

Issued to:

Ms. Aletha Dewbre-King
Chesapeake Operating, Inc
P.O. Box 18496
Oklahoma City, Oklahoma 73154

Location of Violation:

Cook, C K 8-11 1-17H20, Permit # 43172
Section 17 – Township 8N – Range 11W
B-43 Field
Faulkner County, Arkansas

Rule Citation and Description of Violation:

General Rule B-43 (o)(2) allows for the administrative approval of wells that extend across or encroach upon drilling unit boundaries. Under General Rule B-43 (o)(2)A, the following requirements are placed upon the drilling units from which production is allocated by applicant's proposed well:

ii) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well located, as defined in subsection (a)(2) of General Rule B-3, at a non-exceptional well location and located entirely within each included drilling unit that is either a well that is producing gas, or a well that is capable of producing gas and awaiting connection to a pipeline, or

iv) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well or a combination of multiple wells, including cross unit wells and or encroaching wells located, as defined in subsection (a)(2) of General Rule B-3, within each included drilling unit that have a total combined perforated lateral length within the drilling unit of not less than 4160 feet, and are producing or are capable of producing gas and awaiting connection to a pipeline.

The conditions and timeline set forth above have not been satisfied.

Required Abatement Action(s):

The permit holder is hereby notified of this Notice of Violation. Under General Rule B-43 (o)(2)D, if administrative approval is granted, based upon either or both of subsection ii) or iv) above, and the applicant fails to satisfy one of the conditions specified in subsection, the drilling permit and all other authorities for the well shall be automatically revoked, and the well shall be shut in, unless the applicant has filed a request in accordance with General Rule A-2, A-3, and other applicable hearing procedures prior to the expiration of the time period specified in such subsections, or (ii) the Commission otherwise approves the application.

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty for failure to complete all required actions. The Director may also request the assessment of additional civil penalties for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

Copy

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95301



ARKANSAS OIL AND GAS COMMISSION

NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone: (501) 683-5814
Fax: (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: April 8, 2011

Issued to:

Ms. Aletha Dewbre-King
Chesapeake Operating, Inc
P.O. Box 18496
Oklahoma City, Oklahoma 73154

Certified Mail: # 91 7108 2133 3939 2367 8481

Location of Violation:

Ransom, Kelly 7-8 1-27H22, Permit # 43205
Section 27 – Township 7N – Range 8W
B-43 Field
White County, Arkansas

Rule Citation and Description of Violation:

OR# 057-2010-01 states that the following requirements are placed upon the drilling units from which production is allocated by applicant's proposed well:

- a There is at least one well located, as defined in subsection (a)(2) of General Rule B-3, at a non-exceptional well location and located entirely within each included drilling unit that is producing or capable of producing gas, or
- b Within twelve (12) months following the date the well for which approval is granted is spud, there will be at least one well located, as defined in subsection (a)(2) of General Rule B-3, at a non-exceptional well location and located entirely within each included drilling unit that is either a well that is producing gas, or a well that is capable of producing gas and awaiting connection to a pipeline, or
- c There is at least one well or a combination of multiple wells, including cross unit wells and/or encroaching wells located, as defined in subsection (a)(2) of General Rule B-3, within each included drilling unit that have a total combined perforated lateral length within the drilling unit of not less than 4160 feet, and are producing or are capable of producing gas, or
- d Within twelve (12) months following the date the well for which approval is granted is spud, there will be at least one well or a combination of multiple wells, including cross unit wells and or encroaching wells located, as defined in subsection (a)(2) of General Rule B-3, within each included drilling unit that have a total combined perforated lateral length within the drilling unit of not less than 4160 feet, and are producing or are capable of producing gas and awaiting connection to a pipeline

No additional wells have been drilled within either of the affected sections and the conditions and timeline of OR# 057-21010-01 have not been satisfied

Required Abatement Action(s):

The permit holder is hereby notified of this Notice of Violation and is instructed to comply with the conditions of OR# 057-21010-01 within thirty (30) calendar days of the mailing or personal delivery of this Notice of Violation

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty for failure to complete all required actions. The Director may also request the assessment of additional civil penalties for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission

Copy

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95302



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone: (501) 683-5814
Fax: (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: April 20, 2011

Certified Mail: # 91 7108 2133 3939 2366 0585

Issued to:

Mr. Matthew Bob
Hall Phoenix Energy, LLC
6801 Gaylord Parkway, Suite 100
Frisco, Texas 75034

Location of Violation:

Permit # 39372
Hall Phoenix – Mille #1-12
Section 12-6N-10W
B-43 Area
White County, Arkansas

Rule Citation and Description of Violation: – Operating Violation - General Rule B-5 h).

General Rule B-5 h) requires issuance of a Certificate of Compliance prior to commencement of production. Hall Phoenix commenced production of the subject well on **March 25, 2011** according to the date listed on the Form 4a "Notice of Commencement of Production", which was received in the AOGC Fort Smith Regional Office on April 4, 2011. The Certificate of Compliance was not issued until **April 4, 2011**.

Required Action(s):

Hall Phoenix is hereby issued this Notice of Violation and is required to comply with the rules and regulations related to the outlined violations described above.

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty for failure to complete all required actions. The Director may also request the assessment of additional civil penalties for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office: *Not applicable*

☐ El Dorado Regional Office ☐ Fort Smith Regional Office ☐ Little Rock Office

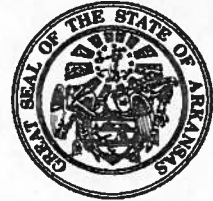
In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

Copy

Steve Gates
Assistant Director
Fort Smith Regional Office



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone: (501) 683-5814
Fax: (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: May 27, 2011

Certified Mail # 91 7108 2133 3936 6494 3060

Issued to:

Mr Marcus C Devine
Poseidon Energy Services, LLC
P O Box 241958
Little Rock, Arkansas 72223

Location of Violation:

Permit # 41072
Poseidon SWDW # 1
Section 6-9N-7W
White County, Arkansas

Location of Violation:

Permit # 41072
Poseidon SWDW # 1
Section 6-9N-7W
White County, Arkansas

Rule Citation and Description of Violation:

Poseidon Energy Services, LLC (Poseidon) is in violation of General Rule H-3(h) and Commission Order 557-2009-08 for exceeding the maximum allowable surface injection pressure. Commission Staff conducted an inspection of the Poseidon SWDW # 1 injection well operated by Poseidon on May 23, 2011. During that inspection, the injection pressure was recorded at approximately 1250 psig which exceeds the current permitted limit of 924 psig.

Required Abatement Action(s):

Poseidon is hereby issued a Notice of Violation (NOV) for exceeding the permitted maximum injection pressure and a Cessation Order (CO) requiring an immediate cessation of disposal operations that result in a surface injection pressure above 924 psig.

Enforcement Action:

All required actions above shall be completed immediately upon delivery of this Notice of Violation. A hearing will be scheduled for this violation at the next regularly scheduled hearing in June, 2011. The Director shall request, after notice and hearing, a civil penalty assessment in the amount of \$1500.00 for failure to comply with Commission orders and General Rules. The Director may also request the assessment of additional civil penalties in the amount of \$1500.00 per day for each and every day of continued failure to comply with Commission orders and General Rules regarding exceeding maximum injection pressure following the issuance of this NOV and until the matter is heard by the Commission at the June hearing.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

Copy

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95460



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: May 27, 2011

Certified Mail # 91 7108 2133 3936 6494 3077

Issued to:

Mr Marcus C Devine
Poseidon Energy Services, LLC
P O Box 241958
Little Rock, Arkansas 72223

Location of Violation:

Permit # 41072
Poseidon SWDW # 1
Section 6-9N-7W
White County, Arkansas

Rule Citation and Description of Violation:

Poseidon Energy Services, LLC (Poseidon) is in violation of Commission Orders 557-2009-08 and 774-2009-10 for failure to maintain an automatic injection well governor to prohibit injection into the well at any pressure which exceeds 924 psig. Commission Staff conducted an inspection of the Poseidon SWDW # 1 injection well operated by Poseidon on May 23, 2011. During that inspection, the injection pressure was recorded at approximately 1250 psig which exceeds the current permitted limit of 924 psig and injection of water was in progress.

Poseidon Energy Services, LLC (Poseidon) is also in violation of Commission Orders 557-2009-08 and 774-2009-10 for failure to maintain a pressure chart recorder to measure and accurately record continuous injection pressure. At the time the well was found to be injecting at 1250 psig, the chart recorder was recording a pressure of less than 900 psig.

Required Abatement Action(s):

Poseidon is hereby issued a Notice of Violation (NOV) for violations of Commission Orders 557-2009-08 and 774-2009-10 and Cessation Order (CO) to immediately cease disposal operations until the proper automatic injection well governor is operational and the chart recorder configured to properly document the actual injection pressures is installed properly. Poseidon is required to submit documentation of the installation or repair of the governor and chart recording system and provide written explanation as to why this equipment failed to operate as required and methods which will be put in place to insure proper operation of the governor and recording equipment in the future. All written documentation and explanations shall be submitted no later than thirty (30) days after receipt of this Notice of Violation Cessation Order.

Enforcement Action:

All required actions above shall be completed immediately upon delivery of this Notice of Violation. A hearing will be scheduled for this violation at the next regularly scheduled hearing in June, 2011. The Director shall request, after notice and hearing, a civil penalty assessment in the amount of \$1250.00 for failure to comply with Commission orders. The Director may also request the assessment of additional civil penalties in the amount of \$1250.00 per day for each and every day of well operations in violation of the CO following the issuance of this NOV/CO until the matter is heard by the Commission at the June hearing.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office.

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

Copy

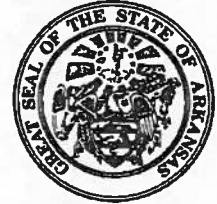
Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95461



ARKANSAS OIL AND GAS COMMISSION

NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: April 26, 2011

Certified Mail: # 91 7108 2133 3939 2361 4366

Issued to:

Mr. Alan Stubblefield
SEECO, Incorporated
515 West Greens Road
Houston, Texas 77067

Location of Violation:

Hester Henley Trust 07-16 2-17H18, PN 43328
Section 17 – Township 7N – Range 16W
B-43 Field
Conway County, Arkansas

Rule Citation and Description of Violation.

General Rule B-43 (o)2) allows for the administrative approval of wells that extend across or encroach upon drilling unit boundaries. Under General Rule B-43 (o)2)A, the following requirements are placed upon the drilling units from which production is allocated by applicant's proposed well:

ii) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well located, as defined in subsection (a)(2) of General Rule B-3, at a non-exceptional well location and located entirely within each included drilling unit that is either a well that is producing gas, or a well that is capable of producing gas and awaiting connection to a pipeline, or

iv) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well or a combination of multiple wells, including cross unit wells and/or encroaching wells located, as defined in subsection (a)(2) of General Rule B-3, within each included drilling unit that have a total combined perforated lateral length within the drilling unit of not less than 4160 feet, and are producing or are capable of producing gas and awaiting connection to a pipeline.

The conditions and timeline set forth above have not been satisfied.

Required Abatement Action(s)

The permit holder is hereby notified of this Notice of Violation. Under General Rule B-43 (o)2)D, if administrative approval is granted, based upon either or both of subsection ii) or iv) above, and the applicant fails to satisfy one of the conditions specified in subsection, the drilling permit and all other authorities for the well shall be automatically revoked, and the well shall be shut in, unless the applicant has filed a request in accordance with General Rule A-2, A-3, and other applicable hearing procedures prior to the expiration of the time period specified in such subsections, or (ii) the Commission otherwise approves the application.

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty for failure to complete all required actions. The Director may also request the assessment of additional civil penalties for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office.

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

Copy

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95391



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: April 26, 2011

Certified Mail: # 91 7108 2133 3939 2361 4441

Issued to

Mr Alan Stubblefield
SEECO, Incorporated
515 West Greens Road
Houston, Texas 77067

Location of Violation.

Hunters Heaven LLLP 09-10 1-8H5, PN 43378
Section 8 – Township 9N – Range 10W
B-43 Field
Cleburne County, Arkansas

Rule Citation and Description of Violation

General Rule B-43 (o)2) allows for the administrative approval of wells that extend across or encroach upon drilling unit boundaries. Under General Rule B-43 (o)2)A, the following requirements are placed upon the drilling units from which production is allocated by applicant's proposed well

ii) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well located, as defined in subsection (a)(2) of General Rule B-3, at a non-exceptional well location and located entirely within each included drilling unit that is either a well that is producing gas, or a well that is capable of producing gas and awaiting connection to a pipeline, or

iv) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well or a combination of multiple wells, including cross unit wells and or encroaching wells located, as defined in subsection (a)(2) of General Rule B-3, within each included drilling unit that have a total combined perforated lateral length within the drilling unit of not less than 4160 feet, and are producing or are capable of producing gas and awaiting connection to a pipeline

The conditions and timeline set forth above have not been satisfied

Required Abatement Action(s):

The permit holder is hereby notified of this Notice of Violation. Under General Rule B-43 (o)2)D, if administrative approval is granted, based upon either or both of subsection ii) or iv) above, and the applicant fails to satisfy one of the conditions specified in subsection, the drilling permit and all other authorities for the well shall be automatically revoked, and the well shall be shut in, unless the applicant has filed a request in accordance with General Rule A-2, A-3, and other applicable hearing procedures prior to the expiration of the time period specified in such subsections, or (ii) the Commission otherwise approves the application

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty for failure to complete all required actions. The Director may also request the assessment of additional civil penalties for each and every day of continued failure to complete all required actions

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission

Copy

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95394



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: April 13, 2011

Certified Mail # 91 7108 2133 3939 2361 4281

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn Mr Richard D Morgan

Location of Violation:

Permit # 41225
SH Exploration - Chavez #3-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation and Description of Violation:

General Rule B-7 (c) requires that any well in which production casing is not set and cemented shall be plugged in accordance with applicable commission rules, prior to the time that the equipment used to drill said well is released from the drilling operation. This well has no record of production casing being set or a record of being plugged per Commission rules and regulations.

Required Abatement Action(s):

SH Exploration is hereby notified of this Notice of Violation and is instructed to comply with the requirements of General Rule B-7. Rule B-7 (c) requires the Permit Holder to commence plugging within thirty (30) days.

Enforcement Action:

All required actions above shall be completed within (30) calendar days of the mailing or personal delivery of this Notice of Violation. Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$750.00 per day for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

Copy

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95322



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
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FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: April 13, 2011

Certified Mail # 91 7108 2133 3939 2361 4311

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn Mr Richard D Morgan

Location of Violation:

Permit # 41438
SH Exploration – Chavez #4-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation and Description of Violation:

General Rule B-7 (c) requires that any well in which production casing is not set and cemented shall be plugged in accordance with applicable commission rules, prior to the time that the equipment used to drill said well is released from the drilling operation. This well has no record of production casing being set or a record of being plugged per Commission rules and regulations.

Required Abatement Action(s):

SH Exploration is hereby notified of this Notice of Violation and is instructed to comply with the requirements of General Rule B-7. Rule B-7 (c) requires the Permit Holder to commence plugging within thirty (30) days.

Enforcement Action:

All required actions above shall be completed within (30) calendar days of the mailing or personal delivery of this Notice of Violation. Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$750.00 per day for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

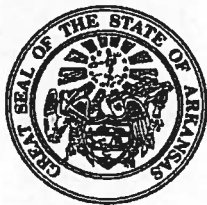
☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95323



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: April 13, 2011

Certified Mail # 91 7108 2133 3939 2361 4328

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn Mr Richard D Morgan

Location of Violation

Permit # 41439
SH Exploration - Imboden #1-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation and Description of Violation:

General Rule B-7 (c) requires that any well in which production casing is not set and cemented shall be plugged in accordance with applicable commission rules, prior to the time that the equipment used to drill said well is released from the drilling operation. This well has no record of production casing being set or a record of being plugged per Commission rules and regulations.

Required Abatement Action(s):

SH Exploration is hereby notified of this Notice of Violation and is instructed to comply with the requirements of General Rule B-7. Rule B-7 (c) requires the Permit Holder to commence plugging within thirty (30) days.

Enforcement Action:

All required actions above shall be completed within (30) calendar days of the mailing or personal delivery of this Notice of Violation. Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$750.00 per day for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95324



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

NOTICE OF VIOLATION

Date Mailed. April 13, 2011

Certified Mail # 91,7108 2133 3939 2361 4335

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn Mr Richard D Morgan

Location of Violation.

Permit # 41440
SH Exploration – Imboden #2-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation and Description of Violation:

General Rule B-7 (c) requires that any well in which production casing is not set and cemented shall be plugged in accordance with applicable commission rules, prior to the time that the equipment used to drill said well is released from the drilling operation. This well has no record of production casing being set or a record of being plugged per Commission rules and regulations.

Required Abatement Action(s):

SH Exploration is hereby notified of this Notice of Violation and is instructed to comply with the requirements of General Rule B-7. Rule B-7 (c) requires the Permit Holder to commence plugging within thirty (30) days.

Enforcement Action:

All required actions above shall be completed within (30) calendar days of the mailing or personal delivery of this Notice of Violation. Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$750.00 per day for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95325



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Violation

Date Issued: May 20, 2011

Certified Mail: # 91 7108 2133 3939 6494 3015

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn Mr Richard D Morgan

Location of Violation:

Permit # 41225
SH Exploration - Chavez #3-8
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation:

General B-5 h) If completion activities are not completed within 90 days of the setting of the production casing or other production related casing, the required information specified in (f), (1), (2) and (3) are required to be submitted General Rule A-5 d) requires that if abatement was not completed as specified in the written notification by a Notice of Non-Compliance, the Director, or his or her designee, may issue a formal Notice of Violation

Description of Violation:

A Notice of Non-Compliance was issued April 13, 2011 and the permit holder has not performed the required abatement

Required Abatement Action(s):

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on April 13, 2011

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750 00 for failure to complete all required actions The Director may also request the assessment of additional civil penalties in the amount of \$750 00 per day for each and every day of continued failure to complete all required actions

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission

COPY

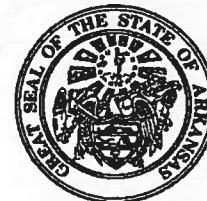
Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95326



ARKANSAS OIL AND GAS COMMISSION

NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX: (870) 862-8823

Notice of Violation

Date Issued: May 20, 2011

Certified Mail: # 91 7108 2133 3939 2361 4472

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn Mr Richard D Morgan

Location of Violation:

Permit # 41438
SH Exploration – Chavez #4-8
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation:

General B-5 h) If completion activities are not completed within 90 days of the setting of the production casing or other production related casing, the required information specified in (f), (1), (2) and (3) are required to be submitted General Rule A-5 d) requires that if abatement was not completed as specified in the written notification by a Notice of Non-Compliance, the Director, or his or her designee, may issue a formal Notice of Violation

Description of Violation:

A Notice of Non-Compliance was issued April 13, 2011 and the permit holder has not performed the required abatement

Required Abatement Action(s):

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on April 13, 2011

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750 00 for failure to complete all required actions The Director may also request the assessment of additional civil penalties in the amount of \$750 00 per day for each and every day of continued failure to complete all required actions

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95327



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Violation

Date Issued: May 20, 2011

Certified Mail: # 91 7108 2133 3939 2361 4489

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn: Mr. Richard D. Morgan

Location of Violation:

Permit # 41439
SH Exploration - Imboden #1-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation:

General B-5 h) If completion activities are not completed within 90 days of the setting of the production casing or other production related casing, the required information specified in (f), (1), (2) and (3) are required to be submitted. General Rule A-5 d) requires that if abatement was not completed as specified in the written notification by a Notice of Non-Compliance, the Director, or his or her designee, may issue a formal Notice of Violation.

Description of Violation:

A Notice of Non-Compliance was issued April 13, 2011 and the permit holder has not performed the required abatement.

Required Abatement Action(s):

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on April 13, 2011.

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$750.00 per day for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95328



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION

Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823



Notice of Violation

Date Issued: May 20, 2011

Certified Mail: # 91 7108 2133 3939 2361 4496

Issued to:

SH Exploration, LLC
1800 Valley View, Suite 300
Dallas, Texas 75234

Attn Mr Richard D Morgan

Location of Violation:

Permit # 41440
SH Exploration – Imboden #2-8H
Section 08-11N-16W
B-43 Area
Van Buren County, Arkansas

Rule Citation:

General B-5 h) If completion activities are not completed within 90 days of the setting of the production casing or other production related casing, the required information specified in (f), (1), (2) and (3) are required to be submitted General Rule A-5 d) requires that if abatement was not completed as specified in the written notification by a Notice of Non-Compliance, the Director, or his or her designee, may issue a formal Notice of Violation

Description of Violation:

A Notice of Non-Compliance was issued April 13, 2011 and the permit holder has not performed the required abatement

Required Abatement Action(s):

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on April 13, 2011

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750 00 for failure to complete all required actions The Director may also request the assessment of additional civil penalties in the amount of \$750 00 per day for each and every day of continued failure to complete all required actions

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95329



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Violation RECEIVED

Date Issued: May 26, 2011

MAY 31 2011

Certified Mail: # 91 7108 2133 3936 6494 3053

Issued to:

Storm Cat Energy USA Corporation
1125 17th Street, Ste 2310
Denver, CO 80202

Attn Mr Keith J Knapstad

Location of Violation:

Permit # 41099
Storm Cat – Woodham #1-24H
Section 24-11N-17W
B-43 Area
Van Buren County, Arkansas

Rule Citation:

General Rule B-7 d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with B-7 h) General Rule A-5 d) requires that if abatement was not completed as specified in the written notification by a Notice of Non-Compliance, the Director, or his or her designee, may issue a formal Notice of Violation

Description of Violation:

A Notice of Non-Compliance was issued March 23, 2011 and the permit holder has not performed the required abatement

Required Abatement Action(s):

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on March 23, 2011

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750 00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$750 00 per day for each and every day of continued failure to complete all required actions

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

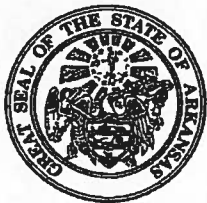
☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95249



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Violation

Date Issued: May 26, 2011

Issued to:

Storm Cat Energy USA Corporation
1125 17th Street, Ste 2310
Denver, CO 80202

Attn: Mr. Keith J. Knapstad

RECEIVED

MAY 31 2011

Certified Mail: # 91 7108 2133 3936 6494 3046

Location of Violation:

Permit # 40661
Storm Cat - Kamalmaz #2-13H
Section 13-11N-17W
B-43 Area
Van Buren County, Arkansas

RECEIVED
JUL 08 2011

ARKANSAS OIL & GAS COMMISSION
FORT SMITH, ARKANSAS

Rule Citation:

General Rule B-7 d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with B-7 h) General Rule A-5 d) requires that if abatement was not completed as specified in the written notification by a Notice of Non-Compliance, the Director, or his or her designee, may issue a formal Notice of Violation

Description of Violation:

A Notice of Non-Compliance was issued March 23, 2011 and the permit holder has not performed the required abatement

Required Abatement Action(s):

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on March 23, 2011

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$750.00 per day for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95250



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX: (870) 862-8823

Notice of Violation

Date Issued: May 26, 2011

RECEIVED
MAY 31 2011

Certified Mail: # 91 7108 2133 3936 6494 3039

Issued to:

Storm Cat Energy USA Corporation
1125 17th Street, Ste 2310
Denver, CO 80202

Attn Mr Keith J Knapstad

Location of Violation:

Permit # 41120
Storm Cat - Files #1-1
Section 11-11N-17W
B-43 Area
Van Buren County, Arkansas

RECEIVED
JUL 08 2011

ARKANSAS OIL & GAS COMMISSION
FORT SMITH, ARKANSAS

Rule Citation:

General Rule B-7 c) 1) any well in which production casing is not set and cemented shall be plugged in accordance with applicable commission rules, prior to the time that the equipment used to drill said well is released from the drilling operation. In the case of "staged" drilling operations, where multiple drilling rigs are used to drill the well over a period of time, production casing shall be set and cemented within 180 days after setting of the surface casing or the well shall be plugged, unless an extension of time to plug is granted in accordance with subparagraph 2) General Rule A-5 d) requires that if abatement was not completed as specified in the written notification by a Notice of Non-Compliance, the Director, or his or her designee, may issue a formal Notice of Violation.

Description of Violation:

A Notice of Non-Compliance was issued March 23, 2011 and the permit holder has not performed the required abatement.

Required Abatement Action(s):

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on March 23, 2011.

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$750.00 per day for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Violation

Date Issued: May 26, 2011

RECEIVED
MAY 31 2011

Certified Mail: # 91 7108 2133 3926 6494 8022

Issued to:

Storm Cat Energy USA Corporation
1125 17th Street, Ste 2310
Denver, CO 80202

Attn Mr Keith J Knapstad

Location of Violation:

Permit # 41100
Storm Cat - Vaughn #1-14H
Section 14-11N-17W
B-43 Area
Van Buren County, Arkansas

RECEIVED
JUL 08 2011
ARKANSAS OIL & GAS COMMISSION
FORT SMITH, ARKANSAS

Rule Citation:

General Rule B-7 c) 1) any well in which production casing is not set and cemented shall be plugged in accordance with applicable commission rules, prior to the time that the equipment used to drill said well is released from the drilling operation. In the case of "staged" drilling operations, where multiple drilling rigs are used to drill the well over a period of time, production casing shall be set and cemented within 180 days after setting of the surface casing or the well shall be plugged, unless an extension of time to plug is granted in accordance with subparagraph 2) General Rule A-5 d) requires that if abatement was not completed as specified in the written notification by a Notice of Non-Compliance, the Director, or his or her designee, may issue a formal Notice of Violation.

Description of Violation:

A Notice of Non-Compliance was issued March 23, 2011 and the permit holder has not performed the required abatement.

Required Abatement Action(s):

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on March 23, 2011.

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$750.00 per day for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office



ARKANSAS OIL AND GAS COMMISSION

NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7636

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

Notice of Violation

Date Issued: April 8, 2011

Certified Mail: # 91 7108 2133 3939 2361 4236

Issued to:

Typhoon Energy, LLC
510 Hearn Street
Austin, TX 78703

Location of Violation:

Permit # 43143
Typhoon - Rowdy #1-28H
Section 28-13N-08W
B-43 Area
Stone County, Arkansas

Rule Citation:

General Rule A-5(d) requires that if abatement was not completed as specified in the written notification by a Notice of Non-Compliance, the Director, or his or her designee, may issue a formal Notice of Violation

Description of Violation:

A Notice of Non-Compliance was issued March 3, 2011 and the permit holder has not performed the required abatement

Required Abatement Action(s):

The Permit Holder is hereby notified of this Notice of Violation and is required to commence plugging within thirty (30) days of the mailing or personal delivery of this Notice of Violation

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of \$750 00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$750 00 per day for each and every day of continued failure to complete all required actions

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission

COPY

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95159



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone: (501) 683-5814
Fax: (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: April 8, 2011

Issued to:

Douglas C. Schultze
XTO Energy Inc
210 Park Avenue; Suite 2350
Oklahoma City, Oklahoma 73102

Certified Mail: # 91 7108 2133 3939 2367 8474

Location of Violation:

Thomas 1-28H34, Permit # 43907
Section 28 – Township 11N – Range 7W
B-43 Area
Independence County, Arkansas

Rule Citation and Description of Violation:

General Rule B-43 (o)2) allows for the administrative approval of wells that extend across or encroach upon drilling unit boundaries. Under General Rule B-43 (o)2)A, the following requirements are placed upon the drilling units from which production is allocated by applicant's proposed well:

ii) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well located, as defined in subsection (a)(2) of General Rule B-3, at a non-exceptional well location and located entirely within each included drilling unit that is either a well that is producing gas, or a well that is capable of producing gas and awaiting connection to a pipeline, or

iv) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well or a combination of multiple wells, including cross unit wells and or encroaching wells located, as defined in subsection (a)(2) of General Rule B-3, within each included drilling unit that have a total combined perforated lateral length within the drilling unit of not less than 4160 feet, and are producing or are capable of producing gas and awaiting connection to a pipeline

The conditions and timeline set forth above have not been satisfied.

Required Abatement Action(s):

The permit holder is hereby notified of this Notice of Violation. Under General Rule B-43 (o)2)D, if administrative approval is granted, based upon either or both of subsection ii) or iv) above, and the applicant fails to satisfy one of the conditions specified in subsection, the drilling permit and all other authorities for the well shall be automatically revoked, and the well shall be shut in, unless the applicant has filed a request in accordance with General Rule A-2, A-3, and other applicable hearing procedures prior to the expiration of the time period specified in such subsections, or (ii) the Commission otherwise approves the application

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty for failure to complete all required actions. The Director may also request the assessment of additional civil penalties for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

Copy

Steve Gates
Assistant Director
Fort Smith Regional Office

Case # 95299



ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office
301 Natural Resources Drive
Suite 102
Little Rock, AR 72205
Phone (501) 683-5814
Fax (501) 683-5818

Fort Smith Regional Office
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone (479) 646-6611
FAX (479) 649-7656

El Dorado Regional Office
2215 West Hillsboro
El Dorado, AR 71730
Phone (870) 862-4965
FAX (870) 862-8823

NOTICE OF VIOLATION

Date Mailed: June 2, 2011

Issued to:

Douglas C. Schultze
XTO Energy Inc
210 Park Avenue, Suite 2350
Oklahoma City, Oklahoma 73102

Certified Mail: # 91 7108 2133 3939 2367 8030

Location of Violation:

Beene 7-16 2-7H6, Permit # 43458
Section 7 -- Township 7N -- Range 16W
B-43 Area
Conway County, Arkansas

Rule Citation and Description of Violation:

General Rule B-43 (o)2) allows for the administrative approval of wells that extend across or encroach upon drilling unit boundaries. Under General Rule B-43 (o)2)A, the following requirements are placed upon the drilling units from which production is allocated by applicant's proposed well:

ii) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well located, as defined in subsection (a)(2) of General Rule B-3, at a non-exceptional well location and located entirely within each included drilling unit that is either a well that is producing gas, or a well that is capable of producing gas and awaiting connection to a pipeline, or

iv) Within twelve (12) months following the date the well for which administrative approval is granted is spud, there will be at least one well or a combination of multiple wells, including cross unit wells and or encroaching wells located, as defined in subsection (a)(2) of General Rule B-3, within each included drilling unit that have a total combined perforated lateral length within the drilling unit of not less than 4160 feet, and are producing or are capable of producing gas and awaiting connection to a pipeline.

The conditions and timeline set forth above have not been satisfied.

Required Abatement Action(s):

The permit holder is hereby notified of this Notice of Violation. Under General Rule B-43 (o)2)D, if administrative approval is granted, based upon either or both of subsection ii) or iv) above, and the applicant fails to satisfy one of the conditions specified in subsection, the drilling permit and all other authorities for the well shall be automatically revoked, and the well shall be shut in, unless the applicant has filed a request in accordance with General Rule A-2, A-3, and other applicable hearing procedures prior to the expiration of the time period specified in such subsections, or (ii) the Commission otherwise approves the application.

Enforcement Action:

Failure to complete all required action may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty for failure to complete all required actions. The Director may also request the assessment of additional civil penalties for each and every day of continued failure to complete all required actions.

Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:

☐ El Dorado Regional Office ☒ Fort Smith Regional Office ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

Copy

Steve Gates
Assistant Director
Fort Smith Regional Office

**ARKANSAS OIL AND GAS COMMISSION
COMMISSION MINUTES
BEGINNING April 26, 2011– 9:00a.m.
LITTLE ROCK, ARKANSAS**

On or before April 26 2011, the Arkansas Oil and Gas Commission ordered the Director of the Commission to place the subjects designated Regular Docket Numbers 086-2011-04 thru 96-2011-04 and Dockets 508-2010-09 and 597-2010-12, and Commission Docket Numbers 85A-2011-03 and 116A-2011-04 thru 118A-2011-04, on the agenda for a public hearing held in Little Rock, Arkansas.

The hearing was called to order at 9:00 am on April 26, 2011, with the following Commissioners in attendance: Chad White Chairman, W. Frank Morledge Vice-Chairman, George Carder, Mike Davis, Lee Dawkins, Jerry Langley, Jim Phillips, Chris Weiser, and Charles Wohlford.

Chairman Chad White welcomed all parties who were present

1. REGULAR DOCKET

Following is a summary and Commission Staff analysis, comment and recommendations concerning the docketed matters scheduled to be heard at the April, 2011 Hearing.

NOTE: THE MINUTES CONTAINED HEREIN HAVE BEEN MODIFIED TO ONLY REFLECT THOSE DOCKETS COMING BEFORE THE ARKANSAS OIL & GAS COMMISSION THAT PERTAIN TO OPERATIONS OCCURRING IN THE GEOGRAPHICAL AREA REFERRED TO AS "THE FAYETTEVILLE SHALE." A COMPLETE RECORD OF MINUTES FROM THE APRIL 2011 HEARING CAN BE FOUND ON THE AOGC WEBSITE AT <http://www.aogc.state.ar.us>.

Docket #: 607-2010-12
Attorney: Butler
Applicant: Terra Renewal, LLC
Subject: Class II Commercial Disposal Well Permit
Location: Sec. 32-T9N-R17W
Field: B-43
County: Conway

A. SUMMARY:

Continued from March Hearing: Applicant requests an Order authorizing Commission Staff to reconsider an administrative application for the Class II Commercial Disposal Well. Applicant filed an application for Administrative Approval but Southwestern Energy Co. filed an objection, resulting in automatic permit denial. The objection has since been withdrawn. Per Rule H-1 there is no procedure to allow reinstatement of the Administrative Application once the filed objection has been withdrawn.

B. Commission Proceeding:

Docket dismissed at request of Docket dismissed at request of applicant.

Docket #: 070-2011-03
Attorney: Butler
Applicant: Chesapeake Exploration L.L.C.
Subject: Integration
Location: Sec. 26-T11N-R12W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2000.00 per net mineral acre and a 20% royalty. Absent an election, applicant requests the integration of the mineral interests at \$2000.00 per net mineral acre with a 20% royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDING:

Docket dismissed at request of Applicant

Docket #: 073-2011-03
Attorney: Butler
Applicant: Chesapeake Exploration L.L.C.
Subject: Integration
Location: Sec. 24-T11N-R11W
Field: B-43
County: Cleburne

A. SUMMARY:

Continued from March Hearing: Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2250.00 per net mineral acre and a 20% royalty. Absent an election, applicant requests the integration of the mineral interests at \$2250.00 per net mineral acre with a 20% royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDING:

Application continued until May 2011.

Docket #: 098-2011-04
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 13-T11N-R9W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1000.00 per net mineral acre and a 18.75% royalty, or alternatively \$625.00 per net mineral acre and a 20% royalty. Absent an election, applicant requests the integration of the mineral interests at \$1000.00 per net mineral acre with a 18.75% royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and 400% for all subsequent wells.

B. Commission Proceeding:

Application approved as submitted

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			8/0/1
Carder				R	
Davis	M	X			
Dawkins		X			
Langley		X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford	S	X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 099-2011-04
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 28-T9N-R9W
Field: B-43
County: Cleburne

A. SUMMARY:

Unit previously integrated in Order No. 722-2009-10. Applicant requests the integration of the non-consenting leasehold working interests. Applicant requests the Commission assess a reasonable risk factor penalty on all non-consenting interests.

B. COMMISSION PROCEEDINGS:

Application approved as submitted

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			7/0/2
Carder				R	
Davis	S	X			
Dawkins				R	
Langley		X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford	M	X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 100-2011-04
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 5-T8N-R5W
Field: B-43
County: White

A. SUMMARY:

Unit previously integrated in Order No. 453-2009-06. Applicant requests the integration of the unleased mineral interests. Applicant is proposing an election to lease at \$800.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests to be deemed to elect non-consent. Applicant requests the Commission assess a reasonable risk factor penalty on all non-consenting interests.

B. COMMISSION PROCEEDING:

Application approved as submitted.

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			8/0/1
Carder				R	
Davis		X			
Dawkins	S	X			
Langley		X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford	M	X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 101-2011-04
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 17-T9N-R5W
Field: B-43
County: White

A. SUMMARY:

Unit previously integrated in Order Nos. 039-2009-07 and 138-2009-02. Applicant requests the integration of the unleased mineral interests. Applicant is proposing an election to lease at \$750.00 per net mineral acre and a 3/16 royalty, or alternatively \$700.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests to be deemed to elect non-consent. Applicant requests the Commission assess a reasonable risk factor penalty on all non-consenting interests.

B. COMMISSION PROCEEDING:

Application continued until May 2011 hearing.

Docket #: 102-2011-04
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 35-T9N-R15W
Field: B-43
County: Conway

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2104.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$2104.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a reasonable risk factor penalty for the initial well, and for all subsequent wells.

B. COMMISSION PROCEEDING:

Application continued until May 2011 hearing.

Docket #: 114-2011-04
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Amendment of Order 059-2-2010-01
Location: Sec. 21-T7N-R8W
Sec. 28-T7N-R8W
Field: B-43
County: White

A. SUMMARY:

Applicant requests that Order No. 059-2-2010-01 be amended to remove the requirements in Paragraph 4 (A), (B), (C) and (D) as found in the Order section.

Order No. 059-2-2010-01, provides in part in Paragraph 4 (C) and (D) that the entirety of one well or a combination of wells have a perforated lateral length of at least 4,160 feet.

Applicant requests that the requirements in Paragraph 4 (A), (B), (C) and (D) be removed based upon the support of the mineral lessors. AOGC Rule B-43 has a provision that authorizes a cross unit if a minimum of 75% of the mineral lessors approve the cross unit well.

B. COMMISSION PROCEEDING:

Application continued until May 2011 hearing

Docket #: 121-2011-04
Attorney: Butler
Applicant: Chesapeake Exploration L.L.C.
Subject: Emergency Request – Authority to Produce
Location: Sec. 16-T9N-R5W
Field: B-43
County: White

A. SUMMARY:

BHP Billiton Petroleum (BHP) acquired the Arkansas assets of Chesapeake Exploration, L.L.C. (CHK) by assignment effective April 1, 2011. CHK is the contract operator for BHP during a transition period, and represents BHP in this application. CHK drilled a cross unit well identified as the Anna Hicks located in Section 16, Township 9N, Range 5W, White County, Arkansas. The subject well, which received the authority to produce through Order Reference 233-2010-03, had first sales on July 27, 2010. This well produced until April 15, 2011, at which time the well was shut in pursuant to a Notice of Violation, which in essence provides that the drilling permit is revoked for failure to comply with the provisions of Rule B 43 (A)(2).

B. COMMISSION PROCEEDING:

Docket dismissed at request of Applicant

Docket #: 122-2011-04
Attorney: Butler
Applicant: Chesapeake Exploration L.L.C.
Subject: Emergency Request – Authority to Produce – Amendment of Order No. 057-2-2010-01
Location: Sec. 27-T7N-R8W
Field: B-43
County: White

A. SUMMARY:

BHP Billiton Petroleum (BHP) acquired the Arkansas assets of Chesapeake Exploration, L.L.C. (CHK) by assignment effective April 1, 2011. CHK is the contract operator for BHP during a transition period, and represents BHP in this application. CHK drilled a cross unit well identified as the Kelly Ransom 7-8 1-27H22 located in Section 27, Township 7N, Range 8W, White County, Arkansas. The subject well, which received the authority to produce through Order Reference 057-2-2010-01, had first sales on July 2, 2010. This well produced until April 15, 2011, at which time the well was shut in pursuant to a Notice of Violation, which in essence provides that the drilling permit is revoked for failure to comply with the provisions of Rule B 43 (A)(2).

B. COMMISSION PROCEEDING:

Docket dismissed at the request of applicant.

Docket #: 123-2011-04
Attorney: Butler
Applicant: Chesapeake Exploration L.L.C.
Subject: Emergency Request – Authority to Produce
Location: Sec. 27-T7N-R9W
Field: B-43
County: White

A. SUMMARY:

BHP Billiton Petroleum (BHP) acquired the Arkansas assets of Chesapeake Exploration, L.L.C. (CHK) by assignment effective April 1, 2011. CHK is the contract operator for BHP during a transition period, and represents BHP in this application. CHK drilled a cross unit well identified as the S. Harris 7-9 1-27H located in Section 27, Township 7N, Range 9W, White County, Arkansas. The subject well, which received the authority to produce through a Form 25 application, had first sales on August 25, 2010. This well produced until April 15, 2011, at which time the well was shut in pursuant to a Notice of Violation, which in essence provides that the drilling permit is revoked for failure to comply with the provisions of Rule B 43 (A)(2).

B. COMMISSION PROCEEDING:

Docket dismissed at the request of applicant

Docket #: 124-2011-04
Attorney: Butler
Applicant: Chesapeake Exploration L.L.C.
Subject: Emergency Request - Authority to Produce
Location: Sec. 28-T7N-R8W
Field: B-43
County: White

A. SUMMARY:

BHP Billiton Petroleum (BHP) acquired the Arkansas assets of Chesapeake Exploration, L.L.C. (CHK) by assignment effective April 1, 2011. CHK is the contract operator for BHP during a transition period, and represents BHP in this application. CHK drilled a cross unit well identified as the C.W. Langley 7-8 1-28H21 located in Section 21 & 28, Township 17N, Range 8W, White County, Arkansas. The subject well, which received the authority to produce through Order Reference 059-2-2010-01, had first sales on July 24, 2010. Pending before the commission is Order Reference #114-2011-04 which is a request to modify the existing order in regard to Section 21. As of April 28, 2011, CHK will not have perforations totaling 4160' in Section 28.

B. COMMISSION PROCEEDING:

Application Denied.

Docket #: 055-2011-03
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 21-T10N-R9W
Field: B-43
County: Cleburne

A. SUMMARY:

Continued from March Hearing: Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1500.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$1500.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDING:

Application continued until May 2011 hearing.

Docket #: 105-2011-04
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Creation of Exceptional Unit & Integration
Location: Sec. 7-T11N-R9W
 Part of Sec. 18-T11N-R9W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests authority for creation of a proposed drilling unit containing 730 acres, more or less, described as: All of Section 7, Township 11 North, Range 9 West and all that part of Section 18, Township 11 North, Range 9 West lying North and West of the Old Cherokee Treaty Boundary line in Cleburne County, Arkansas. Due to section boundary irregularities created by the Old Cherokee Treaty Boundary, a "triangle" of Section 18 is surrounded by Section 7. The proposed unit would geographically conform with other special units created in the area affected by the Old Cherokee Treaty Boundary, specifically, Docket Reference No. 006-2009-01 and 329-2009-05.

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1350.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$1350.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDING:

Application approved as submitted.

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count 8/0/1
White	S	X			
Carder				R	
Davis	M	X			
Dawkins		X			
Langley		X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford		X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 106-2011-04
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Creation of Exceptional Unit & Integration
Location: Sec. 18-T11N-R9W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests authority for creation of an exceptional drilling unit containing 632 acres, more or less, described as: All of that part of Section 18, Township 11 North, Range 9 West lying South and East of the Old Cherokee Treaty Boundary line in Cleburne County, Arkansas. Due to section boundary irregularities created by the Old Cherokee Treaty Boundary, a "triangle" of Section 18 is surrounded by Section 7 to the North and will be included in another special unit (See Docket Reference No. 105-2011-04.) The proposed unit would geographically conform with other special units created in the area affected by the Old Cherokee Treaty Boundary, specifically, Docket Reference No. 006-2009-01 and 329-2009-05.

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1350.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$1350.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDINGS:

Application approved as submitted

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	
White		X			Vote Count 8/0/1
Carder				R	
Davis		X			
Dawkins		X			
Langley	S	X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford	M	X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 107-2011-04
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 24-T11N-R9W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1500.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$1500.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDING:

Application approved as submitted

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count 8/0/1
White		X			
Carder				R	
Davis		X			
Dawkins	S	X			
Langley		X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford	M	X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 108-2011-04
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 22-T10N-R9W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1850.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$1850.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDING:

Application approved as submitted

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			8/0/1
Carder				R	
Davis	S	X			
Dawkins		X			
Langley		X			
Morledge		X			
Phillips		X			
Weiser	M	X			
Wohlford		X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 109-2011-04
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 3-T9N-R10W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2200.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$2200.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDINGS:

Application approved with the following provisions: \$2500.00 per net mineral acre

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			7/0/2
Carder				R	
Davis		X			
Dawkins				R	
Langley	S	X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford	M	X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 110-2011-04
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Integration & Authority to Drill and Produce
Location: Sec. 34-10N-10W
 Sec. 2-T9N-R10W
 Sec. 3-T9N-R10W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2200.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$2200.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Applicant requests authority to drill and produce a proposed well and to share the costs of such well and the natural gas produced there from between the working interest owners and the royalty owners of the existing units. The applicant states it is the operator and that the applicant and its participating partners are the majority leasehold working interest owners in Sec. 34, Sec. 2 and Sec. 3. Applicant proposes the allocation of 45.47% to Sec. 34, 4.79% to Sec. 2 and 49.74% to Sec. 3 based upon a radius of 560' around the proposed wellbore be applicable to all actual costs for drilling the well through and including the setting of production casing.

B. COMMISSION PROCEEDING

Application approved w/ the following provisions:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			7/0/2
Carder				R	
Davis	S	X			
Dawkins				R	
Langley		X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford	M	X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 111-2011-04
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 10-T9N-R10W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2200.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$2200.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDING:

Application approved with the following provisions: \$2500.00 per net mineral acre

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White	M	X			7/0/2
Carder				R	
Davis		X			
Dawkins				R	
Langley	S	X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford		X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 112-2011-04
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 12-T8N-R11W
Field: B-43
County: Faulkner

A. SUMMARY:

Applicant requests the integration of the non-consenting leasehold working interests. Applicant requests the Commission assess a 400% risk factor for the initial well, and 400% for all subsequent wells.

B. COMMISSION PROCEEDING:

Application approved as submitted

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			8/0/1
Carder				R	
Davis		X			
Dawkins	S	X			
Langley		X			
Morledge	M	X			
Phillips		X			
Weiser		X			
Wohlford		X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 113-2011-04
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 1-T8N-R11W
Field: B-43
County: Faulkner

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1250.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$1250.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDING:

Application approved as submitted

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			8/0/1
Carder				R	
Davis	M	X			
Dawkins	S	X			
Langley		X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford		X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 059-2011-03
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 22-T7N-R16W
Field: B-43
County: Conway

A. SUMMARY:

Continued from March Hearing: Unit previously integrated in Order No. 839-2009-12. Applicant requests the integration of the unleased mineral interests. Applicant is proposing an election to lease at \$800.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests to be deemed to elect non-consent. Applicant requests the Commission assess a reasonable risk factor penalty on all non-consenting interests.

B. COMMISSION PROCEEDING:

Docket dismissed at request of applicant.

Docket #: 090-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Integration
Location: Sec. 24-T11N-R11W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the non-consenting leasehold working interests. Applicant requests the Commission assess a reasonable risk factor penalty on all non-consenting interests.

B. COMMISSION PROCEEDING:

Application continued until May 2011.

Docket #: 091-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Integration
Location: Sec. 26-T11N-R12W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the non-consenting leasehold working interests. Applicant requests the Commission assess a reasonable risk factor penalty on all non-consenting interests.

B. COMMISSION PROCEEDINGS:

Application continued until May 2011.

Docket #: 092-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Integration
Location: Sec. 35-T8N-R12W
Field: B-43
County: Faulkner

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1100.00 per net mineral acre and a 3/16 royalty. Absent an election, applicant requests the integration of the mineral interests at \$1100.00 per net mineral acre with a 3/16 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

B. COMMISSION PROCEEDINGS:

Application approved as submitted

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			8/0/1
Carder				R	
Davis		X			
Dawkins	S	X			
Langley		X			
Morledge	M	X			
Phillips		X			
Weiser		X			
Wohlford		X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 093-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Integration & Authority to Drill and Produce
Location: Sec. 12-T7N-R17W
 Sec. 1-T7N-R17W
Field: B-43
County: Conway

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$285.00 per net mineral acre and a 1/6 royalty. Absent an election, applicant requests the integration of the mineral interests at \$285.00 per net mineral acre with a 1/6 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Applicant requests authority to drill and produce a proposed well and to share the costs of such well and the natural gas produced there from between the working interest owners and the royalty owners of the existing units. The applicant states it is the operator and that the applicant and its participating partners are the majority leasehold working interest owners in Sec. 12 and Sec. 1. Applicant proposes the allocation of 83.31% to Sec. 12 and 16.69% to Sec. 1 based upon a radius of 560' around the proposed wellbore be applicable to all actual costs for drilling the well through and including the setting of production casing.

B. COMMISSION PROCEEDINGS:

Application approved with the following provisions: 1500.00 per net mineral acre and a 1/5 royalty.

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			
Carder				R	
Davis		X			
Dawkins		X			
Langley	S	X			
Morledge		X			
Phillips		X			
Weiser	M	X			
Wohlford		X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 094-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Integration & Authority to Drill and Produce
Location: Sec. 6-T8N-R10W
 Sec. 31-T9N-R10W
Field: B-43
County: White & Cleburne

A. SUMMARY:

Applicant requests the integration of the non-consenting leasehold working interests. Applicant requests the Commission assess a reasonable risk factor penalty on all non-consenting interests.

Applicant requests authority to drill and produce a proposed well and to share the costs of such well and the natural gas produced there from between the working interest owners and the royalty owners of the existing units. The applicant states it is the operator and that the applicant and its participating partners are the majority leasehold working interest owners in Sec. 6 (White) and Sec. 31 (Cleburne). Applicant proposes the allocation of 26.66% to Sec. 6 and 74.37% to Sec. 31 based upon a radius of 560' around the proposed wellbore be applicable to all actual costs for drilling the well through and including the setting of production casing.

B. COMMISSION PROCEEDING:

Application combined with 095-2011-04 and 096-2011-04 and approved as submitted.

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count 8/0/1
White		X			
Carder				R	
Davis	S	X			
Dawkins		X			
Langley		X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford	M	X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 095-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Authority to Drill and Produce
Location: Sec. 6-T8N-R10W
 Sec. 31-T9N-R10W
Field: B-43
County: White & Cleburne

A. SUMMARY:

Applicant requests authority to drill and produce a proposed well and to share the costs of such well and the natural gas produced there from between the working interest owners and the royalty owners of the existing units. The applicant states it is the operator and that the applicant and its participating partners are the majority leasehold working interest owners in Sec. 31 (Cleburne) and Sec. 6 (White). Applicant proposes the allocation of 73.27% to Sec. 31 and 26.73% to Sec. 6 based upon a radius of 560' around the proposed wellbore be applicable to all actual costs for drilling the well through and including the setting of production casing.

B. COMMISSION PROCEEDING:

Application combined with 094-2011-04 and 096-2011-04 and approved as submitted.

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			8/0/1
Carder				R	
Davis		X			
Dawkins	S	X			
Langley		X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford	M	X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 096-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Authority to Drill and Produce
Location: Sec. 6-T8N-R10W
 Sec. 31-T9N-R10W
Field: B-43
County: White & Cleburne

A. SUMMARY:

Applicant requests authority to drill and produce a proposed well and to share the costs of such well and the natural gas produced there from between the working interest owners and the royalty owners of the existing units. The applicant states it is the operator and that the applicant and its participating partners are the majority leasehold working interest owners in Sec. 31 (Cleburne) and Sec. 6 (White). Applicant proposes the allocation of 70.85% to Sec. 31 and 29.15% to Sec. 6 based upon a radius of 560' around the proposed wellbore be applicable to all actual costs for drilling the well through and including the setting of production casing.

B. COMMISSION PROCEEDINGS:

Application combined with 095-2011-04 and 095-2011-04 and approved as submitted.

Adjudication:

Commissioner	Motion/2 nd	Yes	No	A/D/R/Ab	Vote Count
White		X			8/0/1
Carder				R	
Davis	S	X			
Dawkins		X			
Langley		X			
Morledge		X			
Phillips		X			
Weiser		X			
Wohlford	M	X			

A = absent D = disqualified R = recused Ab = abstain

Docket #: 508-2010-09
Attorney: Morgan
Applicant: Poseidon Energy Services, LLC
Subject: Referral of Class II Commercial Injection Well Permit; Request for Authority to Hydraulically Frac the Injection Formations
Location: Sec. 15-T9N-R13W
Field: B-43
County: Van Buren

A. SUMMARY:

Applicant previously filed a Form 36, Application for a Class II UIC Disposal/Commercial Disposal Well Permit. The Commission received several objections to the Form 36, and in accordance with H-1, the application was administratively denied. Applicant now requests this matter be considered by the Commission.

B. COMMISSION PROCEEDING:

Application continued until July 2011.

Docket #: 597-2010-12
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Determination and Order; Exceptional Location
Location: Sec. 9-T8N-R14W
Field: B-43
County: Conway

A. SUMMARY:

Applicant submitted Form 36 for administrative approval for a permit pursuant to Rule H-1 for its proposed Class II-UIC disposal well. The application was denied because the proposed well location does not comply with Rule B-3(g). Rule B-3(g) provides for well location of a disposal well completed pursuant to Rule C-7. However Rule C-7 is repealed when Rules H-1, H-2 and H-3 were adopted, which govern the permitting and drilling of disposal wells and do not refer to Rule B-3(g). Applicant's proposed well is not a "unit well" so the reference in Rule C-7(g) appears to be inapplicable. The proposed well is on one tract and more than 280' from any property line of that tract. Applicant's Form 36 requested authority to drill for disposal into the Hunton, Viols, St. Peter and Everton Formations. Applicant wishes to amend that application to propose disposal, at this time in the Orr Formation only.

Applicant requests a determination that its proposed well is not in violation of C-7(g) or in the alternative, that it be granted a location exception for its proposed well. Applicant further requests approval for its amended application for a Class II-UIC disposal well.

B. COMMISSION PROCEEDING:

Application continued until July 2011.

2. COMMISSION DOCKET

Docket #: 085A-2011-03
Attorney: Staff
Applicant: Staff
Subject: Request for Continued Temporary Cessation
Location: Sec. 17-T8N-R12W
Sec. 6-T7N-R12W
Field: B-43
County: Faulkner

A. SUMMARY:

Staff ("Applicant") hereby requests a Commission Order requiring Chesapeake Operating, Inc. ("Chesapeake") to continue the cessation of all injection operations in its SRE 8-12 1-17 SWD Well in Sec. 17-T8N-R12W, and Clarita Operating LLC ("Clarita") to continue the cessation of all injection operations in its Wayne L. Edgmon No. 1 SWD Well in Sec. 6-T7N-R12W, both in Faulkner County, Arkansas, for an additional sixty (60) days.

A previous temporary cessation was agreed to by all parties in Order No. 051A-2011-03. Docket No. 085A-2011-03 is continued by agreement by all parties.

B. COMMISSION PROCEEDINGS:

Application continued until May 2011.

3. PUBLIC COMMENTS

No comments from the public or other interested parties were presented to the Commission.

4. DIRECTORS REPORT

- A) The Commissioners reviewed and approved the March 2011 Minutes.
- B) The Commissioners reviewed the monthly financial report of the Commission.
- C) The Director reviewed additional amendments to General Rule B-1 which was originally approved for adoption at the March hearing. The Commission approved the proposed amendments and the revised General Rule B-1 will be submitted for review by the Legislative Rules Committee in June.
- D) The Director reviewed the revised bidding procedure used for plugging abandoned wells under the Abandoned and Orphaned Well Plugging Program. A summary of the plugging program costs to date for the current fiscal year (FY11) was also reviewed.
- E) The Director reported that staff have been working on a compressor noise rule which will be presented at the next hearing.

The Hearing adjourned at 5:00 PM on April 26, 2011.

By:

A handwritten signature in black ink, appearing to read "Lawrence Bengal".

Lawrence Bengal
Director

**ARKANSAS OIL AND GAS COMMISSION
COMMISSION DOCKET REPORT
BEGINNING May 24, 2011 at 9:00 am.
FORT SMITH, ARKANSAS**

On or before May 24, 2011, the Arkansas Oil and Gas Commission ordered the Director of the Commission to place the subjects designated Regular Docket Numbers 144-2011-05, 086-2011-04, 125-2011-05, 127-2011-05, 128-2011-05, 055-2011-03, 147-2011-05, 145-2011-05, 133-2011-05, 151-2011-05, 090-2011-04, 091-2011-04, 129-2011-05, 130-2011-05, 132-2011-05, 146-2011-05, 131-2011-05, 114-2011-04, 141-2011-05, 138-2011-05, 139-2011-05, 140-2011-05, 142-2011-05, 097-2011-04, 126-2011-05, 070-2011-03, 073-2011-03, 101-2011-04, 102-2011-04, 134-2011-05, 135-2011-05, 137-2011-05, 508-2010-09, 597-2010-12, and Commission Docket Numbers 085A-2011-03, 116A-2011-04, 117A-2011-04, 118A-2011-04, 150A-2011-05, 152A-2011-05, 153A-2011-05, 154A-2011-05, 155A-2011-05, 156A-2011-05, 158A-2011-05, 159A-2011-05 on the agenda for a public hearing held in Fort Smith, Arkansas.

The hearing was called to order at 9:00 am on May 24, 2011, with the following Commissioners in attendance: Chad White Chairman, W. Frank Morledge Vice-Chairman, George Carder, Mike Davis, Lee Dawkins, Jerry Langley, Jim Phillips, Chris Weiser, and Charles Wohlford.

Chairman Chad White welcomed all parties who were present

NOTE: THE MINUTES CONTAINED HEREIN HAVE BEEN MODIFIED TO ONLY REFLECT THOSE DOCKETS COMING BEFORE THE ARKANSAS OIL & GAS COMMISSION THAT PERTAIN TO OPERATIONS OCCURRING IN THE GEOGRAPHICAL AREA REFERRED TO AS "THE FAYETTEVILLE SHALE." A COMPLETE RECORD OF MINUTES FROM THE MAY 2011 HEARING CAN BE FOUND ON THE AOGC WEBSITE AT <http://www.aogc.state.ar.us>.

1. REGULAR DOCKET

Following is a summary and Commission Staff analysis, comment and recommendations concerning the docketed matters scheduled to be heard at the May 2011 Hearing.

Docket #: 144-2011-05
Attorney: Lipsmeyer
Applicant: Bradke
Subject: Request for Findings and Order
Location: Sec. 7-T9N-R15W
Sec. 18-T7N-R15W
Field: B-43
County: Conway

A. SUMMARY:

DISMISSED - Applicant requested findings and an order confirming that Order Nos. 366-2007-08 and 596-2010-12 did not integrate the unleased mineral interests of the Ruby Jones Pierce heirs. Applicant states that information regarding the identity of the Ruby Jones Pierce heirs was provided to the integrating party, yet the integrating party took no action to contact the heirs prior to integration of the interests.

Docket #: 128-2011-05
Attorney: Morgan
Applicant: David H. Arrington Oil and Gas, Inc.
Subject: Integration & Authority to Drill & Produce
Location: Sec. 27-T11N-R12W
 Sec. 34-T11N-R12W
Field: B-43
County: Van Buren

A. SUMMARY:

The authority to drill and produce this well was previously approved by Order No. 002-3-2011-01 and Applicant comes requesting an amendment to its previously-approved and integration of any existing unleased mineral interests only. Applicant proposed an election to lease at \$750.00 per net mineral acre and a 20% royalty. Absent an election, applicant requested the integration of the mineral interests at \$750.00 per net mineral acre with a 20% royalty. Applicant requested the record be left open until unpresented documents be provided to AOGC Staff.

Adjudication: Amendment Approved as Applied For.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

Docket #: 055-2011-03
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 21-T10N-R9W
Field: B-43
County: Cleburne

A. SUMMARY:

Continued from March Hearing: Applicant presented an amended application for the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant proposed an election to lease at \$1500.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requested the integration of the mineral interests at \$1500.00 per net mineral acre with a 1/5 royalty. Applicant requested the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Staff comments applied to original application and parties identified therein were dismissed.

Adjudication: Application Approved As Applied For.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent **D = disqualified** **R = recused** **Ab = abstain**

Docket #: 147-2011-05
Attorney: Rankin
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 35-T11N-R8W
Field: B-43
County: Cleburne

A. SUMMARY:

Unit previously integrated in Order Nos. 469-2010-08. Applicant made an amended request for integration of existing unleased mineral interests. Applicant proposed an election to lease at \$1500.00 per net mineral acre a 1/5 royalty. Absent an election, applicant requested the integration of the mineral interests to be deemed to elect non-consent. Applicant requested the Commission assess a reasonable risk factor penalty on all non-consenting interests.

Adjudication: Application Approved as Applied For with Default Election Being Non-Consent.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

Docket #: 145-2011-05
Attorney: Honea
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 13-T10N-R12W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requested the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1000.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requested the integration of the mineral interests at \$1000.00 per net mineral acre with a 1/5 royalty. Applicant requested the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells. As to Staff comments re. General Rule A-3 and Cary and Aaron interests, applicant stated that both parties are dismissed, as well as Diamond Bluff Estate, and William H. and Louise Logan.

Adjudication: Application Approved as Applied For.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7/0/2
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A = absent D = disqualified R = recused Ab = abstain								

Docket #: 090-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Integration
Location: Sec. 24-T11N-R11W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requested the integration of the non-consenting leasehold working interests. Applicant requested the Commission assess a reasonable risk factor penalty on all non-consenting interests.

Adjudication: Continued until June 2011 Hearing at Request of Applicant.

Docket #: 091-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Integration
Location: Sec. 26-T11N-R12W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requested the integration of the non-consenting leasehold working interests. Applicant requested the Commission assess a reasonable risk factor penalty on all non-consenting interests.

Adjudication: Continued until June 2011 Hearing at Request of Applicant.

Docket #: 129-2011-05
Attorney: Daily
Applicant: XTO Energy, Inc.
Subject: Integration
Location: Sec. 13-T11N-R6W
Field: B-43
County: Independence

A. SUMMARY:

Applicant requested the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$750.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requested the integration of the mineral interests at \$750.00 per net mineral acre with a 1/5 royalty. Applicant requested the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Adjudication: Application Approved as Applied For.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

Docket #: 130-2011-05
Attorney: Daily
Applicant: XTO Energy, Inc.
Subject: Integration
Location: Sec. 22-T10N-R11W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requested the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at **\$2500.00** per net mineral acre and a **1/5 royalty**. Absent an election, applicant requested the integration of the mineral interests at **\$2500.00 per net mineral acre** with a **1/5 royalty**. Applicant requested the Commission assess a 400% risk factor penalty for the initial well, and a **400% risk factor** for all subsequent wells.

Adjudication: **Application Approved as Applied For.**

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A = absent D = disqualified R = recused Ab = abstain								

Docket #: 132-2011-05
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 31-T8N-R15W
Field: B-43
County: Conway

A. SUMMARY:

Applicant requested the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1000.00 per net mineral acre and a 1/6 royalty. Absent an election, applicant requested the integration of the mineral interests at \$1000.00 per net mineral acre with a 1/6 royalty. Applicant requested the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Adjudication: Continued until June 2011 Hearing at Request of Applicant.

Docket #: 146-2011-05
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Extension of Time under General Rule B-7
Location: Sec. 35-T10N-R14W
 Sec. 2-T9N-R14W
Field: B-43
County: Van Buren

A. SUMMARY:

Applicant spudded its cross-unit Sisson 10-14 #4-35H2 well on October 18, 2008, and at present is an uncased spudder well awaiting re-entry. Applicant states that the well was not re-entered within 180 days as required under General Rule B-7. Well is scheduled to be re-entered in August 2011. Applicant requested an extension of time to re-enter the subject well for an additional period of one year.

Adjudication: Application Approved as Applied For.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent **D = disqualified** **R = recused** **Ab = abstain**

Docket #: 131-2011-05
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Waiver of General Rule B-43 (o); Re-Instatement of Permit and Authority to Produce
Location: Sec. 18-T7N-R16W
 Sec. 17-T7N-R16W
 Sec. 8-T7N-R16W
 Sec. 7-T7N-R16W
Field: B-43
County: Conway

A. SUMMARY:

Applicant was granted the administrative authority to drill and produce its cross-unit Hester Henley Trust 07-16 #2-17H18 well through filing an AOGC Form 25 approval. Applicant requested that the administrative authority granted under the Form 25 approval be amended to not require Applicant to comply with the provisions of B-43(o) regarding the 4160' requirement. The year has expired, thus the drilling permit and authority to produce were automatically revoked by virtue of General Rule B-43.

Adjudication: Well will remain shut-in until a lateral length of 4,160 is achieved in each section, according to General Rule B-43. At such time that 4,160 is reached, the drilling permit and all other authorities will be reinstated.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge	2 nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent **D = disqualified** **R = recused** **Ab = abstain**

Docket #: 114-2011-04
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Amendment of Order 059-2-2010-01; Re-Instatement of Permit and Authority to Produce
Location: Sec. 21-T7N-R8W
Sec. 28-T7N-R8W
Field: B-43
County: White

A. SUMMARY:

Continued from April 2011- Applicant requested that Order No. 059-2-2010-01 be amended to remove the requirements in Paragraph 4 (A), (B), (C) and (D) as found in the Order section.

Order No. 059-2-2010-01, provides in part in Paragraph 4 (C) and (D) that the entirety of one well or a combination of wells have a perforated lateral length of at least 4,160 feet.

Applicant requested that the requirements in Paragraph 4 (A), (B), (C) and (D) be removed based upon the support of the mineral lessors. AOGC Rule B-43 has a provision that authorizes a cross unit if a minimum of 75% of the mineral lessors approve the cross unit well.

Application Dismissed at request of Applicant.

Docket #: 141-2011-05
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Amendment of Order 059-2-2010-01; Re-Instatement of Permit and Authority to Produce
Location: Sec. 28-T7N-R8W
 Sec. 21-T7N-R8W
Field: B-43
County: White

A. SUMMARY:

Applicant was granted the authority to drill and produce its cross-unit C.W. Langley 7-8 1-28H21 well through AOGC Order No. 059-2-2010-01. In anticipation of revocation of the drilling permit, Applicant shut-in the well April 28, 2011. Applicant requested that Order No. 059-2-2010-01 be amended to not require Applicant to comply with the provisions of B-43(o).

Applicant currently has Docket No. 114-2011-04 pending before this Commission regarding a similar request for Section 21.

Adjudication: **Approved as Amended**

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

Docket #: 138-2011-05
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Amendment of Order 223-2010-03; Re-Instatement of Permit and Authority to Produce
Location: Sec. 16-T9N-R5W
Sec. 9-T9N-R5W
Field: B-43
County: White

A. SUMMARY:

Applicant was granted the authority to drill and produce its cross-unit Hicks, Anna 9-5 1-16H well through AOGC Order No. 223-2010-03. A Notice of Violation was issued March 2, 2011 for Applicant failing to comply with the provisions of B-43(o) and the requirements of Order No. 223-2010-03. Applicant requested that Order No. 223-2010-03 be amended to not require Applicant to comply with the provisions of B-43(o).

Application continued at request of Applicant.

Docket #: 139-2011-05
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Amendment of Order 057-2-2010-01; Re-Instatement of Permit and Authority to Produce
Location: Sec. 22-T7N-R8W
 Sec. 7-T7N-R8W
Field: B-43
County: White

A. SUMMARY:

Applicant was granted the authority to drill and produce its cross-unit Kelly Ransom 7-8 1-27H22 well through AOGC Order No. 057-2-2010-01. A Notice of Violation was issued April 8, 2011 for Applicant failing to comply with the provisions of B-43(o) and the requirements of Order No. 057-2-2010-01. Applicant requested that Order No. 057-2-2010-01 be amended to not require Applicant to comply with the provisions of B-43(o).

Adjudication: Well will remain shut-in until lateral length of 4,160 is achieved in each section. At such time that 4,160 is reached, authority to produce this well will be reinstated.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent **D = disqualified** **R = recused** **Ab = abstain**

Docket #: 140-2011-05
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Modification of Form 25; Authority; Re-Instatement of Permit and Authority to Produce; Exceptional Location (Alternative)
Location: Sec. 27-T7N-R9W
 Sec. 34-T7N-R9W
Field: B-43
County: White

A. SUMMARY:

Applicant was granted the administrative authority to drill and produce its cross-unit S. Harris 7-9 1-27H well through filing an AOGC Form 25 approval. A Notice of Violation was issued April 8, 2011 for Applicant failing to comply with the provisions of B-43(o). Applicant requested that its Form 25 authority be amended to not require Applicant to comply with the provisions of B-43(o).

Alternatively, Applicant requested that it be granted an exceptional location regarding its encroachment upon Section 34. The encroachment upon Section 34 represented 0.012% of the allocation of the S. Harris 7-9 1-27H well.

Applicant seeks a waiver of B-43(o) until such time that it can achieve 4160' within each unit, or in the alternative, an exceptional location for the encroachment.

Adjudication: Well will remain shut-in until either the well is modified to be an in-unit well or upon a lateral length of 4,160 is achieved in each section. At such time that 4,160 is reached, authority to produce this well will be reinstated.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

Docket #: 142-2011-05
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Modification of Form 25 Authority; Re-Instatement of Permit and Authority to Produce
Location: Sec. 24-T7N-R9W
 Sec. 25-T7N-R9W
Field: B-43
County: White

A. SUMMARY:

Applicant was granted the administrative authority to drill and produce its cross-unit Langley Trust 7-9 1-25H24 well through filing an AOGC Form 25 approval. Applicant requested that the administrative authority granted under the Form 25 approval be amended to not require Applicant to comply with the provisions of B-43(o) until such time as Applicant can meet the 4160 requirement. Applicant expects to spud such well June 30, 2011.

Adjudication: Application approved as applied for.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent **D = disqualified** **R = recused** **Ab = abstain**

Docket #: 097-2011-04
Attorney: Fort Operating Company
Applicant: Butler
Subject: Amendment of Field Rules - Creation of Exceptional Unit; Exceptional Location; Integration
Location: Sec. 26-T11N-R27W
 Sec. 27-T11N-R27W (Integration)
Field: Jethro
County: Franklin

A. SUMMARY:

CONTINUED FROM APRIL 2011 - AMENDED APPLICATION- Applicant requested rehearing of application due to change to exceptional location. Applicant requested Amendment to the Field Rules in Jethro Field, to permit the formation of a 1,280 acre borehole unit composed of Sec. 26 and 27-11N-27W, and to permit the drilling of a well approximately on the section line between Sections 26 and 27.

Applicant testified that other commercially producible hydrocarbons lie underneath Sec. 26 and 27. Applicant stated they are confined to an area approximately on the section line between Sec. 26 and 27 and would like to drill at that location. However, such a location is not permitted under the Jethro Field Rules Field as they now exist.

Applicant requested the integration of the unleased mineral interests and the non-consenting leasehold working interests in Section 27. Applicant proposed an election to lease at \$100.00 per net mineral acre and a 1/8 royalty, or alternatively \$0.00 per net mineral acre and a 1/4 royalty. Absent an election, applicant requested the integration of the mineral interests at \$100.00 per net mineral acre with a 1/8 royalty. Applicant requested the Commission assess a reasonable risk factor penalty for the initial well, and for all subsequent wells.

Application requested approval of exceptional location. The Applicant proposed the drilling of a Hale test estimated to have a depth of approximately 2,450 feet, with the option, but not the obligation, to drill to a depth sufficient to test the Weddington Formation expected to be encountered at 2,800 feet. The location of the Jackson #2 is in the SW/4 SW/4 of Section 26, approximately 5,180 feet from the east unit line and 1,000 feet from the south unit line. Applicant agreed to the assessment of an arithmetical penalty by encroaching upon Sections 34 and 35. SEECO, Inc. is the offset operator. Applicant seeks an exceptional location for geological reasons.

Adjudication: Application Approved as Applied for.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A = absent D = disqualified R = recused Ab = abstain								

Docket #: 070-2011-03
Attorney: Butler
Applicant: Chesapeake Exploration L.L.C.
Subject: Integration
Location: Sec. 26-T11N-R12W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requested the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2000.00 per net mineral acre and a 20% royalty. Absent an election, applicant requested the integration of the mineral interests at \$2000.00 per net mineral acre with a 20% royalty. Applicant requested the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Continued until June 2011 hearing at the request of the Applicant.

Docket #: 073-2011-03
Attorney: Butler
Applicant: Chesapeake Exploration L.L.C.
Subject: Integration
Location: Sec. 24-T11N-R11W
Field: B-43
County: Cleburne

A. SUMMARY:

Continued from March Hearing: Applicant requested the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2250.00 per net mineral acre and a 20% royalty. Absent an election, applicant requested the integration of the mineral interests at \$2250.00 per net mineral acre with a 20% royalty. Applicant requested the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Continued until June 2011 hearing at the request of the Applicant.

Docket #: 101-2011-04
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 17-T9N-R5W
Field: B-43
County: White

A. SUMMARY:

Continued from April 2011; Unit previously integrated in Order Nos. 039-2009-07 and 138-2009-02. Applicant requested the integration of the unleased mineral interests. Applicant is proposing an election to lease at \$750.00 per net mineral acre and a 3/16 royalty, or alternatively \$700.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requested the integration of the mineral interests to be deemed to elect non-consent. Applicant requested the Commission assess a reasonable risk factor penalty on all non-consenting interests.

Adjudication: Approved as applied for with 100% risk factor on the first well and 400% risk factor on all future wells.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent D = disqualified R = recused Ab = abstain

Docket #: 102-2011-04
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 35-T9N-R15W
Field: B-43
County: Conway

A. SUMMARY:

Continued from April 2011- Applicant requested the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2104.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requested the integration of the mineral interests at \$2104.00 per net mineral acre with a 1/5 royalty. Applicant requested the Commission assess a reasonable risk factor penalty for the initial well, and for all subsequent wells.

Adjudication: Application approved as applied for.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A = absent D = disqualified R = recused Ab = abstain								

Docket #: 134-2011-05
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration; Authority to Drill and Produce
Location: Sec. 13-T7N-R13W
 Sec. 24-T7N-R13W
Field: B-43
County: Faulkner

A. SUMMARY:

Applicant requested the integration of the uncommitted leasehold working interests. Applicant requested the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Applicant requested authority to drill and produce a proposed well and to share the costs of such well and the natural gas produced there from between the working interest owners and the royalty owners of the existing units. The applicant states it is the operator and that the applicant and its participating partners are the majority leasehold working interest owners in Sec. 13 and Sec. 24. Applicant proposed the allocation of 10.82% to Sec. 13 and 89.18% to Sec. 24 based upon a radius of 560' around the proposed wellbore be applicable to all actual costs for drilling the well through and including the setting of production casing.

Adjudication: **Approved as applied for with applicable B-43 Language included.**

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

Docket #: 135-2011-05
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 19-T8N-R11W
Field: B-43
County: Faulkner

A. SUMMARY:

Applicant requested the integration of the uncommitted leasehold working interests only.
 Applicant requested the Commission assess a 400% risk factor penalty for all wells.

Adjudication: Application Approved as Applied for.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7/0/2
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Langley	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

Docket #: 137-2011-05
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Exceptional Location; Authority to Drill and Produce
Location: Sec. 1-T10N-R16W
Sec. 2-T10N-R16W
Sec. 11-T10N-R16W
Field: B-43
County: Van Buren

A. SUMMARY:

Applicant drilled a cross-unit well identified as the AGFC 10-16 1-2H11. The well was designed to be a cross-unit well involving Section 2 and Section 11. After drilling the well, the final survey revealed that there was an encroachment upon Section 1. The wellbore lies parallel to the Section line between Sections 1 and 2. The wellbore encroached upon Section 1 by approximately 14 feet for a distance of 318 feet.

Applicant requested the granting of an exceptional well location, or in the alternative, applicant requested a minimum of 24 additional months to drill and complete a well or combination of wells that have 4160 of perforated lateral in Section 1.

Application continued until June 2011 Hearing upon request of Applicant.

2. COMMISSION DOCKET

Docket #: 508-2010-09
Attorney: Morgan
Applicant: Poseidon Energy Services, LLC
Subject: Referral of Class II Commercial Injection Well Permit; Request for Authority to Hydraulically Frac the Injection Formations
Location: Sec. 15-T9N-R13W
Field: B-43
County: Van Buren

A. SUMMARY:

Applicant previously filed a Form 36, Application for a Class II UIC Disposal/Commercial Disposal Well Permit. The Commission received several objections to the Form 36, and in accordance with H-1, the application was administratively denied. Applicant now requested this matter be considered by the Commission.

Application Continued until July 2011 Hearing.

Docket #: 597-2010-12
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Determination and Order; Exceptional Location
Location: Sec. 9-T8N-R14W
Field: B-43
County: Conway

A. SUMMARY:

Applicant submitted Form 36 for administrative approval for a permit pursuant to Rule H-1 for its proposed Class II-UIC disposal well. The application was denied because the proposed well location does not comply with Rule B-3(g). Rule B-3(g) provides for well location of a disposal well completed pursuant to Rule C-7. However Rule C-7 is was repealed when Rules H-1, H-2 and H-3 were adopted, which govern the permitting and drilling of disposal wells and do not refer to Rule B-3(g). Applicant's proposed well is not a "unit well" so the reference in Rule C-7(g) appears to be inapplicable. The proposed well is on one tract and more that 280' from any property line of that tract. Applicant's Form 36 requested authority to drill for disposal into the Hunton, Viols, St. Peter and Everton Formations. Applicant wishes to amend that application to propose disposal, at this time in the Orr Formation only.

Applicant requested a determination that its proposed well is not in violation of C-7(g) or in the alternative, that it be granted a location exception for its proposed well. Applicant further requested approval for its amended application for a Class II-UIC disposal well.

Application Continued until July 2011 Hearing.

Docket #: 085A-2011-03
Attorney: Staff
Applicant: Staff
Subject: Request for Continued Temporary Cessation
Location: Sec. 17-T8N-R12W
Sec. 6-T7N-R12W
Field: B-43
County: Faulkner

A. SUMMARY:

Staff ("Applicant") hereby requested a Commission Order requiring Chesapeake Operating, Inc. ("Chesapeake") to continue the cessation of all injection operations in its SRE 8-12 1-17 SWD Well in Sec. 17-T8N-R12W, and Clarita Operating LLC ("Clarita") to continue the cessation of all injection operations in its Wayne L. Edgmond No. 1 SWD Well in Sec. 6-T7N-R12W, both in Faulkner County, Arkansas, for an additional sixty (60) days.

A previous temporary cessation was agreed to by all parties in Order No. 051A-2011-03; Chesapeake and Clarita both agree to continued cessation of injection for up to 60 days in accordance with any Commission Order.

Adjudication: **Approved as Applied for.**

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser	2 nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A = absent D = disqualified R = recused Ab = abstain								

3. PUBLIC COMMENTS

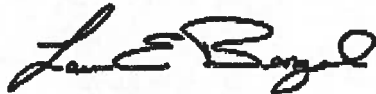
No public comments offered.

4. DIRECTORS REPORT

- A) The Commissioners reviewed and approved the April 2011 Minutes.
- B) The Commissioners reviewed the monthly financial report of the Commission.
- C) The Director reviewed proposed new General Rule B-20 - Noise Level Requirements For Non-wellhead Compressor Facilities. The Commission approved the proposed rule and directed staff to initiate the public comment period.
- D) The Director reviewed proposed amendments to General Rule B-3 resulting from comments received from the public comment period. The Commission approved the proposed amendments and the revised General Rule B-3 will be submitted for review by the Legislative Rules Committee in June.
- E) The Director reviewed proposed new language to be used in the Commission Integration Order dealing with informing the interested parties of the Commission standard lease form which can be signed as one of the options provided for in the Order.

The Hearing adjourned at 5:00 PM on May 24, 2011.

By:

A handwritten signature in black ink, appearing to read "Lawrence Bengal", written in a cursive style.

Lawrence Bengal
Director

**ARKANSAS OIL AND GAS COMMISSION
COMMISSION DOCKET REPORT
BEGINNING JUNE 21, 2011 at 9:00 am.
LITTLE ROCK, ARKANSAS**

On or before June 21, 2011, the Arkansas Oil and Gas Commission ordered the Director of the Commission to place the subjects designated Regular Docket Numbers 127-2011-05, 070-2011-03, 073-2011-03, 137-2011-03, 138-2011-05, 170-2011-06, 171-2011-06, 172-2011-06, 174-2011-06, 175-2011-06, 169-2011-06, 164-2011-06, 173-2011-06, 179-2011-06, 090-2011-04, 091-2011-04, 132-2011-05, 165-2011-06, 166-2011-06, 167-2011-06, 508-2010-09, 597-2010-12 and Commission Docket Numbers 176A-2011-06 and 177A-2011-06 on the agenda for a public hearing held in Little Rock, Arkansas.

The hearing was called to order at 9:00 am on June 21, 2011, with the following Commissioners in attendance: Chad White Chairman, W. Frank Morledge Vice-Chairman, George Carder, Mike Davis, Lee Dawkins, Jerry Langley, Jim Phillips, Chris Weiser, and Charles Wohlford.

Chairman Chad White welcomed all parties who were present.

1. REGULAR DOCKET

Following is a summary and Commission Staff analysis, comment and recommendations concerning the docketed matters scheduled to be heard at the June 2011 Hearing.

NOTE: THE MINUTES CONTAINED HEREIN HAVE BEEN MODIFIED TO ONLY REFLECT THOSE DOCKETS COMING BEFORE THE ARKANSAS OIL & GAS COMMISSION THAT PERTAIN TO OPERATIONS OCCURRING IN THE GEOGRAPHICAL AREA REFERRED TO AS "THE FAYETTEVILLE SHALE." A COMPLETE RECORD OF MINUTES FROM THE JUNE 2011 HEARING CAN BE FOUND ON THE AOGC WEBSITE AT <http://www.aogc.state.ar.us>.

Docket #: 127-2011-05
Attorney: Morgan
Applicant: Will Drill Operating, LLC
Subject: Exploratory Drilling Unit; Integration
Location: S/2 SE/4 Sec. 12-T19S-R20W
N/2 NE/4 Sec. 13-T19S-R20W
Field: Wildcat
County: Columbia

A. SUMMARY:

AMENDED APPLICATION - Applicant requests creation of an exploratory 160 acre drilling unit comprised of the S/2 SE/4 Sec. 12-T19S-R20W and the N/2 NE/4 Sec. 13-T19S-R20W to drill a Smackover Formation test located at a non-exceptional surface location within the proposed unit.

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$200.00 per net mineral acre and a 25% royalty. Absent an election, applicant requests the integration of the mineral interests at \$200.00 per net mineral acre with a 25% royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Adjudication: Application is approved as applied for.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

Docket #: 070-2011-03
Attorney: Butler
Applicant: Chesapeake Exploration L.L.C.
Subject: Integration
Location: Sec. 26-T11N-R12W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2000.00 per net mineral acre and a 20% royalty. Absent an election, applicant requests the integration of the mineral interests at \$2000.00 per net mineral acre with a 20% royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

CONTINUED UNTIL JULY 2011 AT REQUEST OF APPLCIANT.

Docket #: 073-2011-03
Attorney: Butler
Applicant: Chesapeake Exploration L.L.C.
Subject: Integration
Location: Sec. 24-T11N-R11W
Field: B-43
County: Cleburne

A. SUMMARY:

Continued from March Hearing: Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$2250.00 per net mineral acre and a 20% royalty. Absent an election, applicant requests the integration of the mineral interests at \$2250.00 per net mineral acre with a 20% royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Application Dismissed at Request of Applicant and Pursuant to Commission's Approval of 090-2011-03.

Docket #: 137-2011-05
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Exceptional Location; Authority to Drill and Produce
Location: Sec. 1-T10N-R16W
Sec. 2-T10N-R16W
Sec. 11-T10N-R16W
Field: B-43
County: Van Buren

A. SUMMARY:

Applicant drilled a cross-unit well identified as the AGFC 10-16 1-2H11. The well was designed to be a cross-unit well involving Section 2 and Section 11. After drilling the well, the final survey revealed that there was an encroachment upon Section 1. The wellbore lies parallel to the Section line between Sections 1 and 2. The wellbore encroached upon Section 1 by approximately 14 feet for a distance of 318 feet.

Applicant requests the granting of an exceptional well location, or in the alternative, applicant requests a minimum of 24 additional months to drill and complete a well or combination of wells that have 4160 of perforated lateral in Section 1.

DISMISSED AT REQUEST OF APPLICANT.

Docket #: 138-2011-05
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Amendment of Order 223-2010-03; Re-Instatement of Permit and Authority to Produce
Location: Sec. 16-T9N-R5W
Sec. 9-T9N-R5W
Field: B-43
County: White

A. SUMMARY:

Applicant was granted the authority to drill and produce its cross-unit Hicks, Anna 9-5 1-16H well through AOGC Order No. 223-2010-03. A Notice of Violation was issued March 2, 2011 for Applicant failing to comply with the provisions of B-43(o) and the requirements of Order No. 223-2010-03. Applicant requests that Order No. 223-2010-03 be amended to not require Applicant to comply with the provisions of B-43(o).

Applicant requests that if comes into compliance with 4160 rule, that authority to produce be reinstated. Plug back to 560' line or drill a well that complies with 4160 rule in Sec. 9. Applicant requests authority to turn well back on in Sec. 16.

Notice not published in newspaper, however, according to applicant, notice was sent to all royalty owners via first class mail prior to hearing.

Commission Discussion

Per Hearing Officer Khoury, official notice is to be published in newspaper with record left open until July 2011 hearing.

Adjudication: Continued until July 2011 to allow for publication of notice.

Docket #: 170-2011-06
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Amendment of Order No. 414-2010-06
Location: Sec. 34-T7N-R9W
 Sec. 3-T6N-R9W
Field: B-43
County: White

A. SUMMARY:

Applicant was granted the authority to drill and produce its cross-unit Peggy Webb 6-9 1-3H34 well through AOGC Order No. 414-2010-06 on July 2, 2010. Applicant plans to spud its Donald Brown 6-9 1-3H34 well on August 1, 2011. Applicant requests an extension of time to comply with the 4160 requirement under AOGC Order No. 414-2010-06 until October 15, 2011.

One objection received by AOGC; Objection withdrawn on 6/20/2011.

Adjudication: **Application Approved As Applied For.**

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6/2/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent D = disqualified R = recused Ab = abstain

Docket #: 171-2011-06
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 15-T10N-R13W
Field: B-43
County: Van Buren

A. SUMMARY:

Unit previously integrated in Order No. 192-2009-03 - Applicant requests the integration of the non-consenting leasehold working interests. Applicant requests the Commission assess a reasonable risk factor penalty on all non-consenting interests.

Continued until July 2011 at Request of Applicant.

Docket #: 172-2011-06
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 24-T9N-R11W
Field: B-43
County: Cleburne

A. SUMMARY:

Unit previously integrated in Order No. 140-2009-02 - Applicant requests the integration of the unleased mineral interests. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells. As awarded in 140-2009-02, default bonus of \$1000.00 and royalty of 20%, or \$1400.00 and 1/8th with 400% risk factor on all wells. Since then, one (1) well has been drilled and completed. Therefore, for this application, the request is for a default option will be **non-consent**, however, the above-referenced alternatives are also available.

Adjudication: Motion made and seconded for default election of non-consent with 100% risk factor for all existing wells and 400% risk factor on all future wells and alternative election being a bonus of \$1000.00 and royalty of 20%, or \$1400.00 and 1/8th.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

Docket #: 174-2011-06
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Integration
Location: Sec. 21-T10N-R10W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests. Applicant is proposing an election to lease at \$2000.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$2000.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Adjudication: Application approved with \$4,117 per net mineral acre cash bonus and 20% royalty.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7/1/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent **D = disqualified** **R = recused** **Ab = abstain**

Docket #: 175-2011-06
Attorney: Butler
Applicant: BHP Billiton Petroleum (Fayetteville) LLC
Subject: Amendment of Order No. 226-2010-03
Location: Sec. 32-T9N-R5W
 Sec. 29-T9N-R5W
Field: B-43
County: White

A. SUMMARY:

Applicant was granted the authority to drill and produce its cross-unit Billy Long 9-5 1-32H29 well through AOGC Order No. 226-2010-03 on April 9, 2010. Applicant requests an extension of time to October 15, 2011 to comply with the 4160 requirement under AOGC Order No. 226-2011-03.

NOV for failure to comply with B-43(o) issued on 6/13/2011 by AOGC Staff.

Adjudication: **Motion to accept the proposal of the additional perforations to satisfy the 4,160 requirement. Further, NOV will be ordered rescinded.**

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6/0/3
Davis	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

Docket #: 169-2011-06
Attorney: Honea
Applicant: SEECO Inc.
Subject: Integration
Location: Sec. 24-T10N-R7W
Field: B-43
County: White

A. SUMMARY:

Applicant requests the integration of the non-consenting leasehold working interests only. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Adjudication: Application Approved As Applied For.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent **D = disqualified** **R = recused** **Ab = abstain**

Docket #: 173-2011-06
Attorney: Rankin
Applicant: SEECO Inc.
Subject: Reinstatement of Drilling Permit and Authority to Produce
Location: Sec. 8-T9N-R10W
 Sec. 5-T9N-R10W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant was granted the authority to drill and produce its cross-unit Hunters Heaven 09-10 #1-08H5 well through approval of an AOGC Form 25. A Notice of Violation was issued April 26, 2011 for Applicant failing to comply with the provisions of B-43(o). Applicant requested a Director's Review of the Notice of Violation. Applicant states that the well has been shut in since receipt of the NOV. Applicant has completed an additional portion of the lateral.

Adjudication: **Application Approved As Applied For.**

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7/0/2
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser	2 nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent **D = disqualified** **R = recused** **Ab = abstain**

Docket #: 090-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Integration
Location: Sec. 24-T11N-R11W
Field: B-43
County: Cleburne

A. SUMMARY:

AMENDED APPLICATION - Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1600.00 per net mineral acre and a 1/5 royalty. Absent an election, applicant requests the integration of the mineral interests at \$1600.00 per net mineral acre with a 1/5 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Adjudication: **Application Approved As Applied For.**

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley	2 nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent **D = disqualified** **R = recused** **Ab = abstain**

Docket #: 091-2011-04
Attorney: Daily
Applicant: XTO Energy Inc.
Subject: Integration
Location: Sec. 26-T11N-R12W
Field: B-43
County: Cleburne

A. SUMMARY:

Applicant requests the integration of the non-consenting leasehold working interests. Applicant requests the Commission assess a reasonable risk factor penalty on all non-consenting interests.

Application Continued Until July 2011 At Request of Applicant.

Docket #: 132-2011-05
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Integration
Location: Sec. 31-T8N-R15W
Field: B-43
County: Conway

A. SUMMARY:

Applicant requests the integration of the unleased mineral interests and the non-consenting leasehold working interests. Applicant is proposing an election to lease at \$1000.00 per net mineral acre and a 1/6 royalty. Absent an election, applicant requests the integration of the mineral interests at \$1000.00 per net mineral acre with a 1/6 royalty. Applicant requests the Commission assess a 400% risk factor penalty for the initial well, and a 400% risk factor for all subsequent wells.

Application Continued Until July 2011 At Request of Applicant.

Docket #: 165-2011-06
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Exceptional Location
Location: Sec. 23-T10N-R16W
 Sec. 24-T10N-R16W
Field: B-43
County: Van Buren

A. SUMMARY:

Applicant requests approval of an exceptional well location pursuant to General Rule b-43(i)(5). Applicant drilled, but not completed the Jacobs 10-16 #7-23H24 well. Rule B-43 requires that all cross-unit wells shall be at least 560' from any other well within a common source of supply, unless all owners agree in writing. The Jacobs 10-16 #7-23H24 well encroaches closer than 560' to the Jacobs 10-16 #2-23H. Perforations are 531' apart at one depth resulting in necessity for exceptional location due to the encroachment.

Adjudication: **Application Approved As Applied For.**

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser	2 nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent D = disqualified R = recused Ab = abstain

Docket #: 166-2011-06
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Exceptional Location
Location: Sec. 28-T9N-R17W
Sec. 27-T9N-R17W
Field: B-43
County: Conway

A. SUMMARY:

Applicant requests approval of an exceptional well location pursuant to General Rule b-43(i)(5). Applicant proposes drilling its Norwood 09-17 #5-28H27 well. Rule B-43 requires that all cross-unit wells shall be at least 560' from any other well within a common source of supply, unless all owners agree in writing. The Norwood 09-17 #5-28H27 well, as proposed, encroaches closer than 560' to the Norwood 09-17 #1-28H and the Norwood 09-17 #1-28H wells. Perforations are anticipated to be as close as 350' apart at one depth resulting in necessity for exceptional location due to the encroachment.

Application Continued Until July 2011 At Request of Applicant.

Docket #: 167-2011-06
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Exceptional Location
Location: Sec. 28-T9N-R17W
Sec. 33-T9N-R17W
Field: B-43
County: Conway

A. SUMMARY:

Applicant requests approval of an exceptional well location pursuant to General Rule b-43(i)(5). Applicant proposes drilling its Norwood 09-17 #6-28H27 well. Rule B-43 requires that all cross-unit wells shall be at least 560' from any other well within a common source of supply, unless all owners agree in writing. The Norwood 09-17 #6-28H27 well, as proposed, encroaches closer than 560' to the Norwood 09-17 #2-28H and the Norwood 09-17 #4-28H wells. Perforations are anticipated to be as close as 300' apart at one depth resulting in necessity for exceptional location due to the encroachment.

Application Continued Until July 2011 At Request of Applicant.

Docket #: 508-2010-09
Attorney: Morgan
Applicant: Poseidon Energy Services, LLC
Subject: Referral of Class II Commercial Injection Well Permit; Request for Authority to Hydraulically Frac the Injection Formations
Location: Sec. 15-T9N-R13W
Field: B-43
County: Van Buren

A. SUMMARY:

Continued to July 2011: Applicant previously filed a Form 36, Application for a Class II UIC Disposal/Commercial Disposal Well Permit. The Commission received several objections to the Form 36, and in accordance with H-1, the application was administratively denied. Applicant now requests this matter be considered by the Commission.

Application Continued Until July 2011 Hearing.

Docket #: 597-2010-12
Attorney: Daily
Applicant: SEECO, Inc.
Subject: Determination and Order; Exceptional Location
Location: Sec. 9-T8N-R14W
Field: B-43
County: Conway

A. SUMMARY:

Continued to July 2011: Applicant submitted Form 36 for administrative approval for a permit pursuant to Rule H-1 for its proposed Class II-UIC disposal well. The application was denied because the proposed well location does not comply with Rule B-3(g). Rule B-3(g) provides for well location of a disposal well completed pursuant to Rule C-7. However Rule C-7 is was repealed when Rules H-1, H-2 and H-3 were adopted, which govern the permitting and drilling of disposal wells and do not refer to Rule B-3(g). Applicant's proposed well is not a "unit well" so the reference in Rule C-7(g) appears to be inapplicable. The proposed well is on one tract and more that 280' from any property line of that tract. Applicant's Form 36 requested authority to drill for disposal into the Hunton, Viols, St. Peter and Everton Formations. Applicant wishes to amend that application to propose disposal, at this time in the Orr Formation only.

Applicant requests a determination that its proposed well is not in violation of C-7(g) or in the alternative, that it be granted a location exception for its proposed well. Applicant further requests approval for its amended application for a Class II-UIC disposal well.

Application Continued Until July 2011 Hearing.

2. COMMISSION DOCKET

Docket #: 176A-2011-06
Attorney: Staff
Applicant: Staff – Poseidon Energy Services, LLC
Subject: Request for Order to Compel Compliance and Assessment of Civil Penalties.
Field: B-43
Location: Sec. 6-T9N-R7W
County: White

A. SUMMARY:

The AOGC Staff requests that the Poseidon SWDW 1 injection well, located in Sec. 6-T9N-R7W, White County, cease injections until Poseidon Energy Services complies with all applicable provisions of AOGC Orders; that Poseidon be compelled to comply with the maximum permitted maximum injection pressure issued in accordance with said Orders; and that Poseidon and be assessed civil penalties in accordance with General Rule A-5 for exceeding the permitted maximum injection pressure regarding the Poseidon SWDW 1 injection well.

Adjudication: Agreed to order approved as presented by Director Bengal.

Commissioner	Motion/2 nd	Yes	No	A	D	R	Ab	
White		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vote Count
Carder		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8/0/1
Davis	2nd	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dawkins		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Langley		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Morledge		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Phillips		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Weiser		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wohlford	Motion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

A = absent

D = disqualified

R = recused

Ab = abstain

3. PUBLIC COMMENTS

No public comments offered.

4. DIRECTORS REPORT

- A) The Commissioners reviewed and approved the May 2011 Minutes.
- B) Commission issued moratorium on disposal wells in December, 2010 and subsequently in January, 2011. Research period set to expire at July 2011 hearing. Presentation and Public Announcement of 180A-2011-07 to be presented at July 2011 hearing establishing a permanent moratorium area to exist in certain areas of Arkansas.
- C) Hearing on Drenco v. AOGC continued and likely settled by the parties and involves Drenco transferring some operations to new operator and remaining operations will remain in Drenco control and plugging requirements set to begin.
- D) Rules. B-20 is out on public comment and one comment received to date. Rules to be presented before Legislative Rules Committee in June 2011 were referred to Joint Agriculture, Forestry and Economic Development Committee for preliminary review prior to being presented and approved by the Joint Rules Committee. Date for hearing by Joint Agriculture Committee not yet set.

The Hearing adjourned at 11:45 AM on June 21, 2011.

By:

A handwritten signature in black ink, appearing to read "Lawrence Bengal". The signature is stylized with a large initial "L" and a cursive "B".

Lawrence Bengal
Director