

EXHIBIT "A"
To Order No. 2009-29

SPECIAL FIELD RULES
BIG CANOE CREEK FIELD
ST. CLAIR COUNTY, ALABAMA
(As Amended March 26, 2009)

RULE 1: PURPOSE.

The characteristics of the Conasauga Shale Gas Pool in the Big Canoe Creek Field, and the technical, economic and environmental considerations are such that the establishment of Special Field Rules providing for production units, each consisting of a governmental half section containing approximately 320 acres is in the best interest of prudent development and oil and gas conservation, will permit orderly development of the Conasauga Shale Gas Pool, avoid the drilling of unnecessary wells, and protect the correlative rights of all owners in said pool. The characteristics are such that wells drilled and operated according to the rules contained herein will permit production of gas from the shale-gas reservoir. The structural geology that produces the unique reservoir characteristics of this resource makes the physical process of drilling wellbores challenging and difficult, however, wells drilled and operated according to the rules herein contained will permit orderly development and production of gas from the Conasauga Shale Gas Pool. Furthermore, these Special Field Rules will promote prudent, efficient and economic development of hydrocarbons in this field without causing the drilling of unnecessary wells and causing waste.

RULE 2: FIELD LIMITS.

The Big Canoe Creek Field, as used herein, is that area underlain by the Conasauga Shale Gas Pool described as: Sections 19 through 36 of Township 13 South, Range 4 East and Sections 19, 20, and 29 through 32 of Township 13 South, Range 5 East, all in St. Clair County, Alabama, as underlain by the Conasauga Shale Gas Pool, and all zones in communication therewith and all productive extensions thereof.

RULE 3: GAS POOL DEFINED.

The Conasauga Shale Gas Pool should be defined as that interval of the Conasauga Formation productive of hydrocarbons between 1,956 feet and 8,971 feet as indicated on the Array Induction-Epithermal Neutron Gamma Ray – Three Lithology Density log of the Burgess E28-09-30 Well, Permit No. 15073, including those strata productive of hydrocarbons which can be correlated therewith, and all zones in communication therewith and productive extensions thereof.

thereof. Said pool constitutes a separate and distinct gas producing pool in said field, separate and distinct from any other producing pool in said field.

The characteristics of the Conasauga Shale Gas Pool in the Big Canoe Creek Field are such that wells located as hereinafter described and drilled upon a production unit consisting of a governmental half section containing approximately 320 acres conforming to the requirements of the rules herein contained will provide for orderly development, avoid the drilling of unnecessary wells, protection of correlative rights and allow production from units completed in the Conasauga Shale Gas Pool without causing avoidable waste.

RULE 4: SPACING OF GAS WELLS.

A. Every well drilled as a gas well in the Conasauga Shale Gas Pool shall be drilled on a production unit consisting of a governmental half section elongated in a north-south orientation containing approximately 320 acres upon which no other producible well is located in the same producing gas pool.

B. Unless an exception is granted by the Board, all wells in the Conasauga Shale Gas Pool shall be located at least six hundred sixty (660) feet from every exterior boundary of the production unit.

RULE 5: DRILLING AND COMPLETION OPERATIONS.

Drilling and Completion operations shall be subject to and in accordance with the following provisions:

A. Surface casing and/or intermediate casing shall be set at a depth sufficient to isolate all fresh water zones. At a minimum, surface casing shall be set at a depth and pressure tested in accordance with Rule 400-1-4-09(2)(a) of the *State Oil and Gas Board of Alabama Administrative Code*. Cement shall be circulated back to the ground surface.

B. The time of waiting on cement or cementing admixture shall be a minimum of twelve (12) hours before drilling the surface casing plug. Before drilling out of the surface casing, surface casing shall be tested in accordance with Rule 400-1-4-.09 (4)(a) of the *State Oil and Gas Board of Alabama Administrative Code*.

C. Wells may be completed open-hole as an exception to Rule 400-1-4-.09 (2)(c), otherwise production casing shall be set and tested in accordance with said rule before completing a well for production.

D. If production casing is not set and a well is to be produced beyond an initial test period, as approved by the Oil and Gas Supervisor, the operator will be required to set casing/tubing with

casing/tubing with a packer within 100 feet of the base of the surface casing so as not to expose the surface casing to flow during any extended testing or production operations. In addition, the surface casing is to be tested to a minimum of 1,000 pounds per square inch prior to initiating any testing or production operations.

E. The operator shall obtain a directional survey on each well to determine the wellbore trajectory and bottom hole location.

RULE 6: EQUIPMENT FOR TESTS.

Each producing well shall be so equipped that capacity, gas-oil ratio, water cut tests and bottom hole or other pressure tests may be performed.

Equipment shall be maintained in proper operating condition, which will permit the adequate testing of each producing well. Such equipment and connections thereto shall be subject to the approval of the Oil and Gas Supervisor.

RULE 7: MEASUREMENT OF PRODUCTION.

The operator of each producing well shall cause to be provided, either on or off the unit, proper metering devices and such connections thereto as shall be necessary to measure the total production therefrom.

RULE 8: USE OF METERS.

The use of meters for testing and for measurement of production shall be subject to and in accordance with the following provisions:

A. All meters shall be designed and installed in conformance with recognized industry metering practices and shall be acceptable to the Oil and Gas Supervisor.

B. All meters and equipment affecting meter accuracy shall be kept in good working order. Each meter shall be calibrated a minimum once each year to accepted industry standards. When a meter is found to deviate by more than 2%, it shall be adjusted to conform to the said tolerance limitations of 2% of the calibration factor corrected.

RULE 9: ALLOWABLES.

The Oil and Gas Supervisor shall establish a temporary allowable for each well in the Big Canoe Creek Field upon written request by the operator. The duration of the temporary allowable and the procedure for reporting engineering and production data gained during the temporary allowable period shall be to the specifications of the Oil and Gas Supervisor. Once sufficient

engineering and production data are gathered, the operator shall request that the Board establish permanent allowables after notice and hearing.

RULE 10: GENERAL RULES AND REGULATIONS.

In addition to the Special Field Rules recorded heretofore in this order, all of the provisions of *State Oil and Gas Board of Alabama Administrative Code* promulgated by this Board, and all amendments thereto, which code and all amendments thereto are made a part hereof by reference, shall remain in full force and effect with respect to the Big Canoe Creek Field, St. Clair County, Alabama, except as herein amended. In the event of conflict between the provisions of said *State Oil and Gas Board of Alabama Administrative Code*, or the amendments thereto, and the Special Field Rules prescribed by this order, then the Special Field Rules adopted herein shall govern and control.

The Board expressly reserves its rights, after notice and hearing, to grant exceptions, alter, amend or repeal any and all of the above rules and regulations.