I N D E X

E X H I B I T S

STATE OIL & GAS BOARD OF ALABAMA

Butler, Alabama

November 17, 1967

Testimony and proceedings before the State Oil & Gas Board of Alabama, in the Choctaw County Court House, Butler, Alabama, pursuant to adjournment, on this the 17th day of November, 1967.

BEFORE:

BOARD MEMBERS

Mr. E. K. Hanby.....Chairman

Mr. C. D. Glaze.....Associate Member

Mr. E. O. Eddins.....Associate Member

BOARD PERSONNEL

Mr. Philip E. LaMoreaux.....Secretary & Supervisor

Mr. Gene White.....Ass't Supervisor & Chief Petroleum Engnr.

Mr. Gus Harris.....Attorney

(Reported by Lou M. Chambers)

A P P E A R A N C E S

	NAME	REPRESENTING
1.	J. B. Slattery Shreveport, Louisiana	Union Producing Co.
2.	J. M. Kates Shreveport, Louisiana	Union Producing Co.
3.	W. M. Beasley, Jr Jackson, Mississippi	Placid Oil Company
4.	S. W. Mason Laurel, Mississippi	Erickson Oil
5.	Ed Minihan Jackson, Mississippi	Erickson Oil
6.	W. C. Bryan Gilbertown, Alabama	Self (Land Owner)
7.	J. L. Herrington Gilbertown, Alabama	Self (Land Owner)
8.	Jim Jimerson Gilbertown, Alabama	Self (Land Owner)
9.	Vaden Jimerson Gilbertown, Alabama	Self (Land Owner)
10.	James Jimerson Gilbertown, Alabama	Self (Land Owner)
11.	Beulah Jimerson Gilbertown, Alabama	Self (Land Owner)
12.	Tom Mosley Gilbertown, Alabama	Self (Land Owner)
13.	William N. Mosley Gilbertown, Alabama	Self (Land Owner)
14.	Grady Mosley Gilbertown, Alabama	Commissioners

A P P E A R A N C E S

(Continued)

NAME	REPRESENTING
15. G. A. Rentz Gilbertown, Alabama	Self (Land Owner)
16. Lindsey C. Boney Gilbertown, Alabama	Self (Land Owner)
17. L. C. Boney, Jr Gilbertown, Alabama	Self (Land Owner)
18. Jack Haynes P. O. Box 685 (?)	Self (Land Owner)
19. W. G. Downey Butler, Alabama	Self (Land Owner)
20. Margie J. Reid Gilbertown, Alabama	Self (Land Owner)
21. C. R. Ezell Lisman, Alabama	Self
22. Richard E. McPhearson Butler, Alabama	Choctaw County
23. W. H. Lindsey, Jr. Butler, Alabama	Interim Oil & Gas Study Committee
24. W. H. Lindsey, III Butler, Alabama	Self
25. R. C. Wood Citronelle, Alabama	State Oil & Gas Board
26. Leon Slay Citronelle, Alabama	State Oil & Gas Board
27. Boyd L. Bailey Citronelle, Alabama	State Oil & Gas Board
28. Bill Tucker University, Alabama	State Oil & Gas Board

P R O C E E D I N G S

(At 10:00 A.M., November 17, 1967, the Board convened the hearing in Regular Session.)

CHMN. HANBY: Ladies and gentlemen, we want to start promptly, and I believe my time says exactly 10:00. That's the time we're starting our meeting this morning.

Let us all stand for a word of prayer.

(A prayer was then offered by Chairman Hanby)

CHMN. HANBY: I might say in the beginning that we are very, very happy, very honored that you fine people here in Butler and Choctaw County have seen fit to invite us here, and that we have had the opportunity to come here and to meet with you and to meet each other and to discuss matters which are very close to our hearts and to our minds.

We are very much encouraged with the prospects that are offered here in the oil exploration and development and production. We know that you people are very excited and are looking forward with great expectations to great oil production in this area, and certainly the Board, and I speak for the Board, is most interested in the prospects, and we want to assure each of you that it is our aim and our endeavor to cooperate in every way possible to foster and develop the oil production in this section of the state, as well as in

other sections of the state.

Now, we have here this morning the three Board Members; myself and Senator E. O. Eddins, who most of you know, to my left, and Mr. C. D. Glaze from Mobile, who is to my right; Mr. Philip LaMoreaux sitting over here, who is the Oil and Gas Supervisor, and Mr. Gene White, who sits at the end of the table; Mr. Gus Harris, A. J. Harris, who is the attorney for the Board. There are others here who, I am sure during the course of the day, you will all meet. We want to meet and shake hands with each one of you.

We will now begin the meeting. We do not have a long agenda. We do want to spend the day here and go out and visit the fields, and we want to accept and enjoy the kind hospitality that you have arranged for us. We're looking forward to it, but at this time, we will open the meeting, and I will ask the Oil and Gas Supervisor to state for the record whether or not this meeting has been properly and legally advertised in accordance with the law, and to cause a copy of the notice of advertisement that appeared in the papers to be placed in the minutes of this meeting. We will now hear from Mr. LaMoreaux.

MR. LaMOREAUX: Mr. Chairman, the meeting has been properly advertised in the Birmingham Post-Herald, Mobile

Press-Register, Montgomery Advertiser and the Alabama Legal Advertiser and the Choctaw Advocate. I hand the advertisement to the court reporter.

NOTICE OF MEETING

"The State Oil and Gas Board will hold its regular monthly meeting on Friday, November 17, 1967, at 10 a.m. in the auditorium of the west wing of the Choctaw County Courthouse, Butler, Alabama, to consider, among other items of business, the following petition:

"Petition by E. L. Erickson et al to drill a well at the following off-center location:

"James Jimmerson 4-7
330' SNL, 660' WEL
SW/4 NE/4
S4, T11N, R3W
Toxey Field
Choctaw County, Alabama

"The Board reserves the right to prorate in the event the above petition is granted and this well becomes a producer.

"Petitions before the State Oil and Gas Board of Alabama must be represented in person by the petitioner or by his duly authorized agent. In the absence of such representation, the petition before the said Board will be subject to dismissal.

"The Board was established by an act of the Legislature of Alabama in the regular session of 1945, an act that became effective May 22, 1945.

"The public is invited to attend this meeting."

"Philip E. LaMoreaux
Secretary to the Board
State Oil and Gas Supervisor"

CHMN. HANBY: The first item on the agenda this morning is:

"Petition by E. L. Erickson et al for approval to drill a well at the following off-center location:

"James Jimmerson 4-7
330' SNL, 660' WEL
SW/4 NE/4
S4, T11N, R3W
Toxey Field
Choctaw County, Alabama

"The Board reserves the right to prorate in the event the above petition is granted and this well becomes a producer."

Now, who is present representing the petitioner?

MR. MINIHAN: Mr. Chairman, Ed Minihan, geologist; and Bill Mason, an engineer; representing Mr. Erickson.

CHMN. HANBY: Is there anyone else present who wishes to be heard either for or against this petition? If so, will you please so state.

MR. MINIHAN: Mr. Chairman, we have several men from Union Producing Company here, and I'd like for them to stand and introduce themselves to the Board, if they would, please.

CHMN. HANBY: All right, gentlemen. Would you stand and for the record state your name and your position?

MR. SLATTERY: I'm J. B. Slattery. I'm District Land

Man with Union Producing Company.

MR. KATES: J. M. Kates, Manager of Reservoir Development, Union Producing Company.

CHMN. HANBY: Is there anyone who wishes to be recognized now for or against the petition?

(No response)

CHMN. HANBY: Let the record show that no other persons were here to be heard on this petition. Would you care to step forward and state the names of your witnesses and be sworn?

MR. MINIHAN: We will both act as our own witnesses, Mr. Chairman, the only ones we will present.

CHMN. HANBY: All right, sir. Will each of you raise your right hand.

(Witnesses Minihan and Mason were then duly sworn by Chairman Hanby)

CHMN. HANBY: All right, gentlemen. Be seated and proceed.

MR. MINIHAN: Mr. Chairman, if the Board will indulge me, I have prepared some slides that I would like to show prior to this or after, at the Board's convenience. I think everybody might understand a little bit more of what we're talking about if we show them prior to the testimony, if it's permissible with the Board.

CHMN. HANBY: Well, I see nothing wrong with it. It might give us a better idea, give all of us a concept of what you're planning to present to the Board. So we will now view the slides. Are you going to have any comments with the slides that ought to be recorded in your testimony in the case?

MR. MINIHAN: It doesn't matter to me.

CHMN. HANBY: Well, I believe it might be advisable, and you could identify these slides so that they will be recognized in the record. There is no way that we can place these slides in the record, unless you want to introduce them into evidence.

MR. MINIHAN: No sir. These are strictly for information that have no bearing...

CHMN. HANBY: All right.

MR. MINIHAN: I'd like to make just a few general comments, if I may.

CHMN. HANBY: All right.

MR. MINIHAN: The science of geology has improved some since 1860. We are able to better pinpoint the places we wish to drill and have reasons for drilling where we do drill. There are some things, for all the education of any, that any geologist has, that he can't tell you. We can't tell you how

oil is formed. We don't know, and we can't tell you why we find it in one place and then an identical set of circumstances won't have any oil. So if you will bear that in mind while I talk, it might be a little bit informative.

Oil, necessarily, is lighter than water. Consequently, it will float. If ever you've mixed oil and water together and let it sit for a little while, the oil will always come to the top of the container, and that's true in geology, and we base all of our search on that premise.

If you take a teacup and fill it full of water and oil and turn it upside down, the oil will rise to the top, and the top of the teacup acts as a trap. The oil can't get out of that tiny little perimeter of your teacup, and those are the things that we hunt. All oil has a trapping agent over the top to hold the oil in place and keep it from moving. People in the Lusk community over the last several years have seen sizemograph crews setting off dynamite charges up and down the roads and up and down the creeks and leaving their flags tied to trees and fences as markers.

Now, to talk just a little about the history of the Smackover, which is where our production comes from. The Smackover is primarily a lime bed. It was deposited roughly 120 million years ago. At that time -- if this little

pointer works -- I don't know if you can see or not, but right at the edge of that is the Toxey Field. Butler, where we are at the moment, is right about in here. Now, one time this whole area was under water -- the Gulf of Mexico. If you can see this dark line, one time this was the present seashore, and it is so marked. Along very close to this black line, as with any seashore, you have sand depositions. You have the beach sands, or else if any of you have been down to the coast, you know that out in the water a little way, you can see little items that are sands, and as the tide changes and moves and the currents change, they shift these sands around and eventually they sort them all out until they're smooth, and as time passes, you have changes over the whole countryside -- Alabama, Georgia, Louisiana -- changes that will allow the sea to progress further inward, or else, in this case, the sea water along this line became very stagnant and it no longer had good circulation with the rest of the Gulf of Mexico. Consequently, we had a change in the deposition. We no longer got limestone deposition, but were receiving anhydrite. Anhydrite is precipitated out of seawater just much the same way as the limestone deposition was. Now, this anhydrite is a trapping agent, or the top of the teacup, for a Smackover formation.

These little, if you can see them, little round circles that are drawn in all along here were islands sticking up out of the water at Smackover time. This is Toxey and this is a new discovery of Choctaw Ridge, and in Mississippi, this is the Quitman (phon.) Field, a very fine field, and this is the Nancy Field. Each of these are slowly being developed, and on further, we have the ~~Gallahale~~ Tallahatta (phon.) Creek; a new discovery in Mississippi is out in Rankin County, ~~Kolahatchee~~ Pelahatchie (phon.) Field, and by far the finest field we have had to date.

These wells are capable of making 2,000 barrels a day. The zone that produces here has not yet been tested at Toxey and Choctaw Ridge. It's much deeper than anything we've drilled, but eventually we will look at it. Maybe if we are lucky it will be there.

I believe I'll ask for questions as I go along. If anybody would like to ask me anything, I'll be happy to try to answer it as I can.

(No response -- Witness changed slides)

MR. MINIHAN: Now, to be more specific and get to a smaller area, this is the Toxey Field. All that showed on the map previously was just a little round circle. This is the new field down in Gilbertown, the Choctaw Ridge Field.

This area, if you can read it, says "No Smackover Deposition." At Smackover time, this was an island composed of a limestone or dolomite (phon.), much the same as we see off the shores of Florida and on Bahama banks at the present day time.

As you look at Toxey, it looks much larger than it did on the other scale map. There is a difference in the scale. This area, this one section, one inch on this map represents 2,000 feet. This is the discovery well at Toxey, 4-8 Scott-Bolinger. This is the 3-5 Mosley. This is the 3-6 Scott-Bolinger, which we are presently drilling, and this is our petition location, 4-7 James Jimerson. Each one of these lines represents 100 feet.

Go back and think about our teacup. If you start off at the top, down to the bottom, as you progress over the side, you go off from the top, you're 100 feet further down from the top of the teacup on each contour line.

To go in the history just a little bit, the first well drilled in the area was the Placid No. 1 Jackson, and the second well, Placid No. 1 Bolinger, and the third well, Placid 39 Land.

There are some other tests that it took. We went up here and then we had several down in this area. It took all

these wells at the cost of several million dollars to wind up with one prospect with oil on it.

To explain, now, what the map is, if you can see this little line, this represents a fault. To explain what a fault is, it's a discontinuity in the earth's surface, or a ledge, if you think of it in that manner. If you stood here and looked in this direction, you'd be looking over a ledge of about 400 feet drop down to the ground off the ledge. There was a small fault developed here which we knew nothing about when we started to explore for the field. Apparently, this little fault is going to control all of our production, and for all of our knowledge of geology, we didn't even know this little fault was here when we started.

Smackover oil is very easy to miss, and if we had drilled where Placid drilled to get a dry hole, we would have missed the whole field -- in all probability, it would have never even been found, and I'm not belittling Placid, because we really considered drilling there when we started, but as it worked out, we drilled this one and had a discovery.

Now, around each dry hole there is in a state, there are oil shows, and the Placid No. 1 Jackson did have oil shows in it, although they were not very good oil shows. You have to consider around each one of these dry holes, the probability

of this small fault which you don't know existed that will trap and control the oil accumulation.

There isn't much more that I can say about this particular map, but this whole area is underlain by fault -- not very much -- we feel probably in the neighborhood of 200 feet because this small... that caused this small uplift that trapped this oil. I can't tell you whether the oil we find here accumulated in this spot or whether it accumulated out in here somewhere and came at a later date to this particular spot. That's another small problem in geology we don't know the answer to.

Would anybody like to ask a question about this? Bud, would you care to ask one?

MR. BUD MOSLEY: I don't know whether this would be the appropriate time for questions concerning this, but I was just wondering if they had in mind of dropping back west from where they are and maybe come down lower on my property, which is adjoining this first well that was discovered.

MR. MINIHAN: Bud, would you give the lady your name?

MR. BUD MOSLEY: I'm William Mosley.

MR. MINIHAN: Bud, if you will hold your questions, on our next slide, I think I can answer you a little bit better.

MR. BUD MOSLEY: Thank you.

MR. MINIHAN: Did anyone else wish to ask a question -- Phil?

MR. LaMOREAUX: No.

(Witness changed slides)

MR. MINIHAN: Now, this is a very small map of the total map you saw. It's on a much larger scale. Here you're looking at Section 3 and this is Section 4.

Bud, to answer your question, we do not know where oil-water contact in this field is. We think it's approximately around the sub-sea depth, and by sub-sea, I'm talking about subtracting the surface elevation from our depth measurement that we log to form a plane that we can work from. You're talking about this 40 in this position, and the only answer that I can give you at the moment is that as far as we are concerned, that 40 is just as prospective as any other 40 out there as underlain by oil, and as far as we know, unless something happens on some of the wells that will be drilled very shortly, we will be moving the rig from here to this position, back out to this position, and then to here, which is the 40 you're interested in.

MR. JIM JIMERSON: Could I ask a question? Would you be moving later west of this well that you're going to put up?

MR. MINIHAN: This is Mr. James Jimerson.

MR. JIM JIMERSON: Jim -- Jim Jimerson.

MR. MINIHAN: Mr. Jim Jimerson -- I'm sorry. We will continue to drill -- that rig will stay there until we have defined the limits of the field and there's no place left to drill. That means we will continue drilling on to the west as long as we have any reason to drill.

MR. JIM JIMERSON: I'm adjoining the border.

MR. MINIHAN: On the west?

MR. JIM JIMERSON: On the west.

MR. MINIHAN: Mr. Jimerson, this is a 10-2 (phon.) 75-foot contour line. We would expect the oil-water contact to be out in this position, as we presently understand it, and your 40 to the west is prospective right now, as we understand the structure. Any well we drill out there may change the complexion or our understanding of the thing, and it's always subject to change, but as far as I can answer you right now, we will drill your 40.

MR. JIM JIMERSON: Thank you.

MR. VADEN JIMERSON: Could I ask you one?

MR. MINIHAN: This is Mr. Vaden Jimerson.

MR. VADEN JIMERSON: I own the north off-set of Mr. James Jimerson, the closest off-set, I understand -- is that

right, correct?

MR. MINIHAN: When this well is drilled, you will be a direct off-set as will Mr. Mosley, Mr. William Mosley, yes sir.

MR. VADEN JIMERSON: The question I would like to ask, do I stand a chance of getting a well put down on my property?

MR. MINIHAN: Mr. Jimerson, as I understand the structure at the moment, we will, we anticipate a well on your 40 to be as good as the well we are presently getting ready to drill.

MR. VADEN JIMERSON: Thank you.

MR. MINIHAN: That, again, is subject to change. If this well turned out to be a dry hole, then we'd have to change our thinking on the whole structure, but we do not anticipate that.

MR. VADEN JIMERSON: I understand. Thank you.

MRS. REID: Mr. Minihan, I'm Margie Reid. I'd like to know if you'll remain after the Jimerson well -- I notice you pointed to the northeast -- will you remain in Section 4 for the next well following the Jimerson well?

MR. MINIHAN: Mrs. Reid, we will drill in about this position for our next well. These people, Mr. Jimerson and

his relatives, certainly have first call on our time because this particular well has been here, oh, since last... it seems like... I've lost track of time, but it seems like last May. After this well is drilled, as I pointed out, we will probably come back to this side of the field and drill another well, and then come back here or here, depending on what we have found out by drilling these other wells, but in answer to your question, will we always stay in Section 4, no m'am, we won't.

MRS. REID: No -- I own property in Section 4, was why I was interested in the northwest.

MR. MINIHAN: Do you know the description of it?

MRS. REID: No, I don't. I'm not that well at it.

MR. MINIHAN: We will move from one side of that field to the other, north and south, to do our very best to be equitable in this thing. We can't drill all of these wells at once and we necessarily need to do it one at a time to learn as much as we possibly can as we go along, and I pointed out that one little fault that we didn't even know existed, and we might find other little faults that we don't know exist and we'll have to study each of these things to arrive at a place real well in order to avoid dry holes.

MRS. REID: Thank you.

MR. MINIHAN: Did I answer your question?

MRS. REID: Very satisfactorily.

MR. MINIHAN: That was a long speech. Are there anymore questions?

(No response -- Witness changed slides)

MR. MINIHAN: To better show you what we have been talking about, this is a cross section. If you're standing -- if you could imagine yourself in the ground and standing in about the position that we are presently drilling, the 3-6 Scott-Bolinger, and looking to the west, this is roughly what you would find. If you can see, the top part of my teacup right here, where the oil has accumulated from here down to this dash line, you can readily see, as I call off, and the top of my teacup is here, as I get lower and lower on down the side of that teacup, I finally reach a position where all of my oil has been trapped above me and all I have left is salt water.

All oil fields have an edge to them somewhere. We make a basic assumption -- this isn't always true -- that an oil-water contact is flat. There are some extenuating circumstances sometimes that it won't be flat. To date, we believe that this oil-water contact will be flat. Everyone who has asked me a question about a particular 40 is still within our

oil column. We do not know at this moment where the edge of that oil field will be, and there are also... you can also reach an economic edge to an oil field. Even though there may be oil further out, when you reach a position right in here, you can no longer produce that oil because the salt water will come before the oil.

Now, this is the Placid-Bolinger well, which we feel like got... this is the fault, the small fault I was talking about. If you can think of yourself standing on a cliff here looking to the north, the bed that you're standing on here is some 100 feet below you at this point.

Earlier, I stated that the sea had come north into Alabama, roughly, as far as the edge of Choctaw County and Sumter County. We do not know exactly where it is, but at this point, something changed to change the sea. We were getting limestone deposition and all of a sudden we had a change and we began to precipitate out of the sea water an anhydrite. It's not solid anhydrite. It has lime in it. It has shale. It has a little bit of sand occasionally, but all of this cross section is intended to show that it's only the teacup that I've been talking about and how it will trap the oil and water inside. Are there any questions anybody wants to ask about this slide?

(No response -- Witness changed slides)

MR. MINIHAN: We have one other slide after this, and this is only to acquaint you with what that blue truck does when it comes out there and when we get the hole down. This is a Schlumberger dual induction lateral log. If you think of it, perhaps, as a picture -- is the way we look at it. I'll explain it to you just briefly.

This line measures porosity. By porosity, I mean the holes in the limestone, and in these holes and in this limestone, which porosity is the measurement of, you have your oil trapped. It is not a big pool of oil just sitting down there. This oil is trapped inside the limestone in tiny holes.

We have another measurement that we have to have, which this log will not give to us, and that is measurement of permeability, and when we talk about permeability, we mean the small holes are connected with their neighbors, and the measurement of permeability is the measurement of how well these little holes are connected. If they're not connected, no matter how much oil was there, we couldn't get it out.

Now, these other curves are resistivity measurements. Oil, when a current, an electric current flows through the ground, and that's what that Schlumberger truck does, it

drops the tool in the hole and runs currents through it, and it measures the resistivity of the formation to this current, and what you're interested in is right here. This is the oil that is trapped inside the Smackover formation, and this is what we're producing. As of this point, we don't see any oil-water contact, as such. This is a very simplified discussion of this log. There is a great deal more to it than what I have said, but in essence, this is why we run it, to see what we've done after we finish the hole. Does anybody wish to ask a question about this?

MR. McPHEARSON: I'm Dick McPhearson. Ed, how many feet are we talking about there of oil-producing...

MR. MINIHAN: You're talking about effective feet?

MR. McPHEARSON: Yes.

MR. MINIHAN: Effective feet, Mr. McPhearson, approximately, we have 35 in this zone, and we feel probably 15 to 20 in this little low below. We find no water till we get down to this point, then this is water, but it is not connected with this zone at all. You have dense limestone with no porosity and permeability in between. Phil, did you want to ask a question?

MR. LaMOREAUX: No.

MR. MINIHAN: That's all I have for this particular

slide. We have one more, showing the well hook-up. We are using meters out there to meter our wells at the present, and we would like to explain the operation of those meters to you.

(Witness changed slides)

MR. MASON: You'll have to excuse this slide. He put it in backwards, and he'll have to turn the projector over so you can see it better.

I know most of you have been down to the Gilbertown Field and noticed the pumping units with the beams going up and down, and I know you've also been out to the Toxey Field and noticed that we don't have this type of equipment. Well, we're pumping this... actually, the principle is the same thing.

At Gilbertown Field, your pump is actuated by a string of rods that come all the way to the surface and the string of rods is raised and lowered by the surface pumping unit, while at the Toxey Field, we are essentially doing the same thing. This pump is actuated with hydraulic fluid. We're pumping oil down the tubing under pressure and it actuates this pump. At the bottom of the pump, there's a series of valves and switches that makes the pump go up and down, and all of your oil is discharged out into your casing, and your oil it takes to pump the pump, plus your production, all

comes back through the casing.

Out of this diagram -- we had a lot of trouble getting it all on one picture here, and that's one reason we had to turn the slide the other way -- but this, essentially, is our triplex or power package which is used to pump the wells. We have a tank here, which we call the gunbarrel. If you've been out to Toxey, you'll notice one of the tanks is considerably larger or taller than the other tank. Well, this is our gunbarrel. This is what we take our power out of, what we call our power oil that we use to pump this pump. Our power oil comes out of our gunbarrel and comes to our triplex here, which then is pumped under pressure through our manifold. This is our manifold here, which will go to... this particular drawing here shows three wells. As you come out of your discharge on your triplex and come to your header (phon.) and you go through this control here, say, to this first well, this well 1, 2 and 3, well, as your power oil goes through your control, it is metered with a meter at this position, and your power oil continues; it goes to the well and goes down here to actuate the pump and it's discharged into the casing with the production. It comes back up the casing and then it will go to a treating facility. It just shows one separator over here. I have a separator on here,

but as the fluid comes back to the separator, you have a mixture of oil, water and gas. At this point, as the fluid enters the separator, the oil and water is separated, your gas is separated, it comes off the top of your vessel, the water comes off the bottom and goes out to your pit, and all of your production, now, understand, this is your power oil plus your production that comes out of your meter at this point, and at this point, we have another meter, which this meters the total fluid coming back to the well from your meter here. Then all of your fluid goes back into this central gunbarrel, and this gunbarrel holds a constant level at all times. All of your production that is made from the wells will then go over to your stock tanks.

Now, in order to arrive at your production, you know, I told you that we have a power oil that we pump down there. We will get that back. We meter it. Well, then it is subtracted from your total fluid that comes back from the well and this gives you production. This meter reading should equal what has gone into the tank the next morning on the gauge.

This is a relatively simple diagram here. I know I've probably lost some of you. If there are any questions on it, I'll be happy to explain it. I know Ed's getting tired of

holding that thing.

MR. BUD MOSLEY: I would like to know how many wells you can pump from one pump.

MR. MASON: Well, it really depends on the size of your pump. In Toxey Field, we have Scott-Bolinger consolidated battery. I have two pumps, two triplex pumps installed, 'though, actually, I can... there's another factor involved also, which is the size pump you have down at the bottom of the hole, how much oil it takes to pump this type of pump, and normally with a 60 horsepower triplex, you can pump two wells. Of course, then if you go to a larger horsepower triplex, you can pump more wells, and then another respect there, say, if you had one 60 horsepower triplex, your bottom down hole pump, you can run a different size there, you can run a high volume pump, if this triplex could only pump the one pump, you see what I mean?

MR. BUD MOSLEY: Yes sir.

MR. MASON: It depends really on your down hole equipment as to what your requirement is at the surface, but the rule of thumb is for a 60 horsepower triplex, you can pump two wells.

MR. BUD MOSLEY: Each well has an individual meter, correct?

MR. MASON: That's right.

MR. BUD MOSLEY: Thank you.

MR. MASON: You see, as you come into... you come out of your discharge on your triplex, and this is what you call your header (phon.), see, those three wells. Here's well number 1, well number 2, and well number 3. As you go through your controller, you have a controller that you control how much oil goes through a well. If you want to control it, you can set your speed how fast you pump, your pump pumps. As you go through the controller, you have a meter on this station on every well which measures your fluid going through the well.

MR. BUD MOSLEY: Thank you.

MR. MASON: Are there any other questions?

(No response)

MR. MINIHAN: Mr. Chairman, that is all the presentation on the slides that we have.

CHMN. HANBY: All right, Mr. Minihan. That's an excellent job and I know everybody appreciates your explaining it in such detail. Now, you will want now to proceed with your petition and present the evidence and testimony you have?

MR. MINIHAN: Yes sir. Mr. Chairman, I have three exhibits prepared for our petition. Exhibit A is a Mineral

Ownership Plat, which I will distribute for the Board's information.

CHMN. HANBY: Do you have all these exhibits already marked?

MR. MINIHAN: Yes sir, they are marked.

CHMN. HANBY: They will be identified by those markings.

(Mr. Minihan distributed copies of Exhibit A to members of the Board and Staff and to interested parties at the hearing who requested same)

MR. MINIHAN: In discussion of Exhibit A marked "Mineral Ownership," concerning the Southwest Quarter of the Northeast Quarter of Section 4, Township 11 North, Range 3 West, Choctaw County, Alabama, the mineral ownership is laid out on a scale of 1 inch equals 500 feet, with the location marked for the Erickson, et al, 4-7 Jimerson. Mineral ownership of this 40 in approximate acres, Mr. James Jimerson, whose interest is colored yellow, owns approximately 34.5 net acres. Mr. Jim Jimerson, his father, owns approximately 4 acres. His land is colored green. Mr. Earl Jimerson, in the Southwest Corner, owns approximately 1 acre. We're having that surveyed at the moment to ascertain exactly, because the boundary line, Mr. Chairman, is a creek, and it needs to be surveyed. Mr. L. V. Mosley, who is not present today, owns ½ acre up

near the Northwest Corner. His is colored grey. That is about the extent of our discussion on this exhibit. We own or control all the leases for each of these gentlemen.

MR. LaMOREAUX: Mr. Minihan, who prepared this map?

MR. MINIHAN: It was prepared by me or under my direction. All these exhibits were either prepared by me or under my direction.

CHMN. HANBY: Mr. Minihan, are you going to give us information on the adjoining ownership at this time?

MR. MINIHAN: Most of the adjoining ownership is here present today. I do not have at my fingertips the exact breakdown on the adjoining 40 to the north. Mr. Vaden Jimerson owns most of it.

CHMN. HANBY: That's the Northwest?

MR. MINIHAN: That would be the Northwest and the Northeast, and in the Southwest and the Southeast, which is the 40 immediately south, Mr. William Mosley, his uncles, Mr. Buck Mosley and Mr. Jim Mosley and his father and cousin, Jim, Jr., own the 40 in its entirety, and it is under lease to Mr. Erickson or either Placid Oil Company, and is controlled in its entirety by us. There are no open acres. There isn't any open acres in either of these 40's.

CHMN. HANBY: Have there been any objections to this?

MR. MINIHAN: I don't believe, and at such time, we would petition the Board to question these land owners if they do have any objection to our petition. I have found none, and I have canvassed the area, at your suggestion. That is the extent of anything I would have about this particular exhibit, Mr. Chairman.

CHMN. HANBY: All right. Do you want this at this time to be received in evidence?

MR. MINIHAN: Yes sir.

CHMN. HANBY: Are there any objections?

(No response)

CHMN. HANBY: Let it be received in evidence as Exhibit A to the petition.

(The document referred to above, which had previously been marked, was received in evidence as Petitioner's Exhibit A)

MR. MINIHAN: Exhibit B, Mr. Chairman, is Approximate Surface Topography Map, which was made by me or under my supervision or under my direction.

(Mr. Minihan distributed copies of Exhibit B to members of the Board and Staff and to interested parties at the hearing who requested same)

MR. MINIHAN: Mr. Chairman, Exhibit B is an approximate surface topography map of the questioning 40, the Southeast-

Northeast, Section 4, Township 11 North, Range 3 West, Choctaw County, Alabama. The scale of this map is 1 inch equals 500 feet. The map itself is drawn only to show the approximate condition of the surface, and as such, the contour lines have no value except to indicate the high position to a low position. The topography condition of our present location is a relatively flat low area, easily accessible to our rig, giving a minimum amount of damage to the surface sand.

MR. LaMOREAUX: Mr. Minihan, how did you prepare this map? Was this done with aerial photographs?

MR. MINIHAN: Mr. LaMoreaux, I made a physical inspection of the ground myself. I could do nothing but estimate the contour lines, but I think they are fairly accurate, within a tolerance of eyeing something.

MR. LaMOREAUX: This shows that the relative difference in elevation across the area is not more than 100 feet. In other words...

MR. MINIHAN: It isn't quite that much, sir.

MR. LaMOREAUX: ...flat land.

MR. MINIHAN: I think 30 feet, possibly 40, across the center position of this section.

MR. LaMOREAUX: So actually, on the basis of topography, you can actually drill a well at any place in there?

MR. MINIHAN: That is correct. I'm not asking for this exception on the basis of topography. This is merely for the Board's information, the typically physical characteristics of this 40-acre tract.

CHMN. HANBY: Any other questions?

(No response)

CHMN. HANBY: Do you wish at this time to have this Exhibit B introduced in evidence?

MR. MINIHAN: Yes sir, we do.

CHMN. HANBY: If there are no objections, let it be received in evidence.

(The document referred to above, which had previously been marked, was received in evidence as Petitioner's Exhibit B)

MR. MINIHAN: Mr. Chairman, this is Exhibit C. It is a structural map contoured on top of the Smackover.

(Mr. Minihan distributed copies of Exhibit C to members of the Board and Staff and to interested parties at the hearing who requested same)

MR. MINIHAN: Exhibit C, Mr. Chairman, is a map of the Southwest of the Northeast, showing the Southwest-Northeast, Section 4, Township 11 North, Range 3 West, Toxey Field, Choctaw County, Alabama. The 40-acre tract from which we petition the Board for a location is colored yellow. The

datum for this map is the top of the Smackover. Our contour interval is approximately 25 feet, and the scale of the map is 1 inch equals 1000 feet.

MR. LaMOREAUX: Mr. Minihan, what is your datum plane? Is it ~~mid~~ mean sea-level or below feet land surface?

MR. MINIHAN: It is sea-level, or sub-sea, I think is what you're asking, sub-sea datum. We feel that on the basis of what we know and understand about this field at the moment that the location we have petitioned the Board for is the optimum position on this 40-acre tract at which to drill the field to obtain the best well that we can.

MR. LaMOREAUX: So in summary, what you're saying then is, you're asking for this off-center location on the basis of structural control working towards the best structural position?

MR. MINIHAN: Yes sir, as we know and understand the field at this moment, Mr. LaMoreaux.

MR. HARRIS: Mr. Minihan, was this map also prepared by you or at your direction?

MR. MINIHAN: This map was prepared by me.

MR. LaMOREAUX: Mr. Minihan, is the total structural control for this map shown on this map? Now, I presume at least part of this is from ~~the electric logs and sand~~ geophysical control. Are

there other structural controls in here?

MR. MINIHAN: The additional controls on which I base this, Mr. LaMoreaux, I believe what you wish to know is part of this is based on a ~~sizemic~~ seismic (phon.) interpretation. This was the shooting done by Placid Oil Company, which has been available to us to look at as we need it. ~~Sizemic~~ Seismic work, necessarily, is going to be wrong at times. At this moment, we feel that this is the proper place to drill a well to make the best well we can. I believe this map is the same map presented with the testimony last month when we applied for a permit to drill the 3-6 Scott-Bolinger. Based on drill time on our present well that we are drilling, this map has held up and is fairly accurate.

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Mr. Chairman, unless the Board has any questions on this particular map, that's all the testimony I have. I would like to make one comment. As soon as this particular well, the 3-6 Scott-Bolinger that we're drilling at the moment, is down, we will run some bottom hole pressure surveys in order to gain a little bit more knowledge of the formation condition.

CHMN. HANBY: Do you wish to have this received in evidence?

MR. MINIHAN: I do, Mr. Chairman.

CHMN. HANBY: If there are no objections, let Exhibit C be received in evidence. I might at this point ask, is there anyone present who has heard this testimony relative to this exhibit who has... are there any objections to be expressed by anyone at this meeting?

(No response)

CHMN. HANBY: Let the record so reflect.

(The document referred to above, which had previously been marked, was received in evidence as Petitioner's Exhibit C)

MR. VADEN JIMERSON: Mr. Chairman --

CHMN. HANBY: State your name, now.

MR. VADEN JIMERSON: Vaden Jimerson. I'm the direct north off-set owner of this well, and I don't want to ~~rock~~ knock this well. I wouldn't do it for anything. All I want is insurance of chances of getting me a well out of this well, because I'm the closest owner to it. You can see, my 40 is north of where the wells are laid, on your Exhibit A.

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CHMN. HANBY: Yes.

MR. VADEN JIMERSON: I've already talked to Mr. Minihan about the situation.

CHMN. HANBY: You understand, now, the Board can't give any assurance as to where the drilling might take place?

MR. VADEN JIMERSON: That's right.

CHMN. HANBY: It's not in the province of the Board.

MR. VADEN JIMERSON: He and I have worked that out.

CHMN. HANBY: But you have no objection to this off-center location?

MR. VADEN JIMERSON: I have no objection, no sir.

MR. WHITE: Mr. Chairman, I have a couple of questions.

CHMN. HANBY: All right, go right ahead.

MR. WHITE: Mr. Minihan, would drilling of this well at the off-center location reasonably avoid the possibility of waste of oil and gas?

MR. MINIHAN: I believe it will, Mr. White. I believe that you can if your well is on the highest optimum position, you stand the least chance of wasting it or having oil drained.

MR. WHITE: Mr. Minihan, would drilling a well at this location encroach or violate the drilling rights of owners of crude oil or gas in the Toxey Field in any manner? Hearing 12-4-67

MR. MINIHAN: No sir, Mr. White. We do not feel that it will. I think that each land owner will have equal correlative rights taken care of by both the Board and ourselves.

MR. WHITE: Does this drilling unit comply in all other respects with the statutes and the rules and regulations of the State Oil & Gas Board?

MR. MINIHAN: Yes sir, it does.

MR. WHITE: Thank you. I don't have any further questions, Mr. Chairman.

CHMN. HANBY: All right.

MR. MINIHAN: Mr. Chairman, I would at this time... it has no bearing on our testimony here, but I would like to introduce to the Board or petition the Board to adopt Special Field Rules for Toxey Field.

CHMN. HANBY: I think the first thing at this point would be to get through with this particular petition, Mr. Minihan.

MR. MINIHAN: Oh, I'm sorry.

CHMN. HANBY: If you have nothing further...

MR. HARRIS: Mr. Chairman, no one seems to be in opposition. Maybe someone would like to testify in favor of this petition.

CHMN. HANBY: Is there anyone here that would like to be heard in favor of this petition?

MR. KATES: James Kates, with Union Producing Company. We'd like to go on record as concurring in the proposal by Erickson for this location.

CHMN. HANBY: Would you state your interest in this area?

MR. KATES: We're a working interest owner in the well.

CHMN. HANBY: Working interest owner. Anyone else?

MR. BUD MOSLEY: I'm William Mosley. I'd like to see the well go ahead and be put down on Mr. Jimerson's place in order that I might be able to get one just south of the adjoining 40 there, if it would be possible.

CHMN. HANBY: Yes sir. Anyone else?

MR. JIM JIMERSON: Jim Jimerson, the father of this boy that's having the well put down. I'd be glad to see the well put down because I own five acres of it, three acres off of it, on the west side.

CHMN. HANBY: Thank you, Mr. Jimerson.

MR. JAMES JIMERSON: I'm James Jimerson, and I would certainly be glad to see it.

(Laughter)

CHMN. HANBY: Thank you, Mr. Jimerson. Anyone else?

(No response)

CHMN. HANBY: Any other questions from the Staff or Board Members?

(No response)

CHMN. HANBY: If not, what is the pleasure of the Board in regard to this petition?

MR. EDDINS: I make a motion that the petition by E. L.

Erickson and others to drill a well at the following off-center location,

James Jimerson 4-7
330' SNL, 660' WEL
SW/4 NE/4
S4, T11N, R3W
Toxey Field
Choctaw County, Alabama,

be granted.

CHMN. HANBY: You've heard the motion. Is there a second?

MR. GLAZE: I second the motion.

CHMN. HANBY: It's been moved and seconded that this petition be granted. The Board, of course, reserves the right to prorate in the event the well becomes a producer. Those in favor, let it be known by saying "aye" -- opposed, "no."

(All Board Members voted "aye")

CHMN. HANBY: It's unanimous and the petition is granted.

MR. MINIHAN: Thank you, Mr. Chairman. At this time, under Mr. White's direction at the last meeting held in Tuscaloosa, we have written Special Field Rules for Toxey Field, which we will now submit to the Board for your consideration and necessary publication for a hearing for the next meeting.

CHMN. HANBY: All right, sir. We will receive those,

Mr. Minihan.

MR. MINIHAN: These are not necessarily, I don't think, an exhibit -- just for the Board's consideration.

CHMN. HANBY: Yes.

(Mr. Minihan distributed copies of Special Field Rules for Toxey Field to members of the Board and Staff)

MR. MINIHAN: We ran out of time, so I won't be positive that there are no typographical errors in this thing. I did not have a chance to go over it before...

CHMN. HANBY: Well, the Board and Staff will take this under consideration and we will make a decision on it.

MR. WHITE: Mr. Minihan, I might suggest, if you would, to furnish some of the interested people in the Toxey Field...

MR. MINIHAN: If anybody would like to have a copy of these Special Field Rules, they are available to you. I didn't bring but 10 copies.

CHMN. HANBY: Well, I'd like to compliment Mr. Minihan at this time on such a cooperative attitude with you people. That's not always to be found in every situation, I can assure you, and I mean by that, he's bent over backwards, more or less, to try to keep you informed as to the efforts of his company, and certainly furnishing you with every bit of information that he has and that you wish. So that's

something you can well appreciate, and it certainly is real confidence, I'm sure, in he and his company.

At this time, since that has taken care of the first item on the agenda and the next item will be the approval of the minutes, I wonder if there's any question that any of you good people would like to ask the Board or any discussions you would like to have. We are very happy to be here and we certainly want to know you better and answer any questions, if we can, that you might have.

(No response)

CHMN. HANBY: If not, the next item on the agenda is:

"Approval of Minutes of October 20, 1967, Meeting."

MR. LaMOREAUX: Mr. Chairman, the minutes of the October 20, 1967, meeting have been reviewed in detail by Mr. Harris, Mr. White and myself and found to be in order. From our standpoint, we recommend that they be approved.

CHMN. HANBY: I have personally gone over the minutes and I find them in order. What is the pleasure of the Board?

MR. GLAZE: I move that the minutes of the meeting of October 20, 1967, be approved.

MR. EDDINS: I second it.

CHMN. HANBY: It's been moved and seconded that the minutes of October 20, 1967, be approved. Those in favor,

let it be known by saying "aye" -- opposed, "no."

(All Board Members voted "aye")

CHMN. HANBY: The minutes of that date are unanimously approved.

As a discussion matter, we will now hear from Mr. LaMoreaux on the U.S.G.S. report on water quality in our oil field areas.

MR. LaMOREAUX: Mr. Chairman, each of you have in your folder a copy of the report by the U. S. Geological Survey dated November 16, 1967, on their monitoring of surface water and well water in each of the fields -- the Pollard, Citronelle and Gilbertown Fields.

As you know, by agreement with the Water Improvement Commission, ~~they~~ we make available this ~~the~~ same report to the Commission each month on the status of how ~~much~~ oil field is controlled. ~~no~~ waste ~~in salt water~~.

You will be interested to note that last meeting, we were concerned about one of the observation wells in the Pollard Field, that the sample of water that had been collected from one of these observation wells in the center of the field had shown a definite increase in chlorides or salt content. You will be pleased to note that the chlorides have started back down for ~~and~~ the water in that well, and for ~~is~~ the springs in the Pollard Field, ~~seem to be ship shape, they're~~ or

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~~in good shape.~~

In Citronelle Field, the water samples were collected from the monitoring wells and the springs in the area, and you remember last time we discussed the chloride increase in the water from one of the creeks, ~~Poss Cuss~~ Puppy Creek at the county bridge, and you will be interested to know that the chlorides in that creek are still nowhere near the danger limit as far as contamination is concerned.

In the Gilbertown Field, you will note that... you remember last time, we were greatly concerned because the chlorides had increased at our sampling station at ~~Pushtas~~ Puss Cuss (phon.) Creek at Water Valley Bridge, and you will notice on the chart at the end of the report that the chlorides have come back closer to normal. They're not high as far as detrimental effects, and that problem area is not facing us, probably owing to the rain that they've had there in the county during the last month. There is one other well there on the chart that shows a definite increase in chlorides, one of the observation wells, and this month one of the men will go back into the area and make a duplicate study of it to see what is causing the problem.

CHMN. HANBY: Thank you, Mr. LaMoreaux, for that report. Of course, we are all constantly interested in the explora-

tion activity that we're having in the state, and surprisingly enough, very few people in the state realize how much, really, activity goes on in the state. I know on numerous occasions when I'd discuss it with people unfamiliar with drilling activities in our state, they are amazed that there is so much interest, and I'm sure you would like to know that we on the Oil and Gas Board and our Staff feel that Alabama is entering upon a great exploration period in oil and gas discovery in Alabama.

MR. LaMOREAUX: Mr. Chairman, I might make one other mention of the monitoring of wells and springs for the benefit of the people here. The work is done by either members of the Oil and Gas Board who help in the collection of water samples from creeks, springs and from observation wells that have been drilled in the vicinity of the field or in the field. In addition, we have a cooperative project with the Water Resources Division of the U. S. Geological Survey, and their engineers and geologists also work on a contract basis with us for the study of each of the fields. We do these studies because we have to watch the amount of salt water that has access to ~~the springs~~ fresh water to see that the chlorides do not increase to a point where fish would be killed or vegetation, trees, could be killed. We also watch the wells because

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where salt water is allowed to stand on the ground, it could seep down into the ground and actually contaminate fresh water sands in an area. This actually happened many years ago down in the Pollard Field, and we stopped the use of pit disposal of brine in oil fields, and with the stoppage of the use of pits for storage of this brine, now rainfall onto the land surface in the Pollard Field area is pushing out that salt water that had gotten into the formations over there, and in recent months, the water bearing sands that had been contaminated or polluted are now freshening and the salt water is being replaced by fresh water, and the farmers over in that area that had suffered can begin using those wells again one of these days. We stopped the pit disposal of salt water in the Citronelle area where underground pollution of water supplies could have taken place if pit disposal was continued. We still have problems here in the Gilbertown Field, but the Board has been patient and lenient in keeping a close watch on the area because of the field's history and age, and we realize that the economics are such that it would be very difficult to impose some very sharp regulations on the disposal of salt water at this time. So what they're doing is actually watching disposal practices very close and carefully, trying to work with the operators in the area to

get rid of brine that is produced. With that much close surveillance, a control is possible.

CHMN. HANBY: Thank you, Mr. LaMoreaux. Now, Mr. Bill Tucker, a fine member of our Staff, will make a report on exploration activities, which we're all vitally interested in.

MR. TUCKER: Mr. Chairman, may it please the Board, we've prepared a map of the state showing the exploration activity in Alabama for the past week which, incidentally, was the highest that we've had since Pollard Field was discovered in 1952. This is primarily the results of the two discoveries in Choctaw County in Toxey and Choctaw Ridge. All of these wells in this group, there are eight wells, all wells had the Smackover as the target horizon with the exception of one well south of Gilbertown which was Eutaw test. From this group of drilling, this drilling program, we had three dry holes. The ~~Carl~~ Coral Finch (phon.) well in Clarke County and then the Humble well in Clarke County was dry and also the Brandon well in Wilcox County. I understand Humble proposes to drill two other wells in the vicinity of their dry hole. There are two other wells being commenced in Wilcox County that will be drilled to the Smackover formation. ATH 12-4-67

MR. LaMOREAUX: Mr. Tucker, what was the result of the Wilcox test? Was there any indication of oil and gas, any

encouragement?

MR. TUCKER: They found encouragement in porosity and permeability in the limestone. Incidentally, they found 150 feet of salt. This is probably the furthermost eastern extension of salt in the Mississippi salt basin.

MR. LaMOREAUX: That's encouraging from the standpoint of extending the exploration potential to the north.

MR. TUCKER: It fits in with what Mr. Minihan said earlier about the updip limit of this place. Although the three dry holes were discouraging, we had an encouraging report on the Eutaw test south of Gilbertown. The Superior Oil Company took over the operation of that well and they set pipe and currently are swab testing it. I understand in one day they recovered twelve barrels of oil from swab test and are still proceeding on that test. This is 16 or 18 gravity oil and it seems as though they have approximately 6 feet of pay (phon.) in this well. This is a separate pool from the older Gilbertown Field, and they feel like it might be a new fault block immediately south of Gilbertown, looks like just three-quarters of a mile south in open production. Incidentally, it is interesting to note in the Oil and Gas Journal this week that they advised that the Mississippi-Alabama ~~geristive~~ Jurassic (phon.) play is one of the ~~highest~~ hottest areas

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in the United States, and we look forward to seeing a lot of rigs operating in this area. A rig employs 25 men directly. This is not counting the service companies, the bit people, more salesmen, and the associate services. So when you have five or six rigs operating in the state, you have a major industry in itself. A lot of these people are based in Mississippi. They commute back and forth into Alabama, and we hope they'll start living in Alabama if we have an active enough drilling program to keep them here. That's what we think will happen in this Smackover play. We have two shallow wells being drilled in northern Alabama and they are something like pee-wee wells when you think about the deep Smackover, 12,000-foot wells. These are on the order of 1,000 to 2,000 feet. Are there any questions about...

(No response)

MR. LaMOREAUX: Mr. Chairman, you might be interested to know that there is beginning to develop some interest in the Madison and Jackson Counties up in the northeastern corner of the state, and I think we'll see some exploration drilling up in that area.

CHMN. HANBY: That Warrior Basin has great possibilities. Thank you, Bill -- a mighty good report. Now, that completes the agenda of our open meeting today. We want to express to

each of you our appreciation for your being here. We hope that you have gained some knowledge of what we are trying to do. It certainly has been a pleasure to meet some of you and we hope to meet all of you before today is over. It is the plan of the Board to try to hold more of its meetings out in the field. I think these are very helpful things to do, because there's no better way for us to know how you feel as a royalty owner or as a person interested in your area than to meet in your vicinity where you are. So the plan is that the Board is going to make better use of that in the future. So you might just look forward to us coming down here quite often, and we hope that your production down here is going to be so great that we'll just have to come down here a lot of times, and we are certainly ready and willing to do it. So if there's nothing further to be said...

MR. HARRIS: Mr. Chairman, may I make one statement or announcement?

CHMN. HANBY: Yes.

MR. HARRIS: I have been in contact with Mr. O. D. Mason, President of the First National Bank here and I guess his Assistant President, Mr. Lindsey Boney, Sr., about making arrangements for us to be here. It was certainly nice for the beautiful flowers and the hospitable arrangements -- with

Judge McPhearson, I'm sure -- for the use of the Court House, and the Staff, and I'm sure the Board, appreciates it, and of course, the hospitality which is to follow.

CHMN. HANBY: Yes, and certainly one thing, we are very happy to see again Mr. Lindsey Boney who is a very, very good friend of mine. I've known him for many years. We're glad to have him here. He is a prior member of the Board and has done a lot to develop, help develop, the oil and gas industry in this state. We're very glad that we could meet him here again.

MR. LaMOREAUX: Some of you here may be interested to know that there are two new publications of the Board. They are now available for distribution. We didn't bring copies of these for distribution. However, we will take your name and mail them to you. One is Order No. 1, which has been reprinted and updated a little bit, and the other is the Oil and Gas Laws of the State of Alabama. So that if any of you are interested in these two publications, you need to give us your signature on a tablet that we'll put up here on the desk. There are also a couple of other publications here that you might want to register a request for.

CHMN. HANBY: I notice Senator Pat Lindsey in back there. Would you care to say something, Senator?

SENATOR LINDSEY: I would just like to say we're certainly glad to have you here, glad these folks are here, and I'm with them -- I hope they'll drill as many wells as are possible.

CHMN. HANBY: Lindsey, we'd like to have you say something if you would. We feel honored with your presence.

MR. BONEY: I appreciate that, but I think there's been plenty said already. We're awful happy to have y'all down with us, anyway.

CHMN. HANBY: We certainly appreciate the courtesy of all you good people here. If there's nothing further, then, I will entertain a motion to adjourn this regular open meeting.

MR. EDDINS: I move that we adjourn.

MR. GLAZE: I second it.

CHMN. HANBY: It's moved and seconded that we adjourn. Those in favor, let it be known by saying "aye" -- opposed, "no."

(All Board Members voted "aye")

CHMN. HANBY: It's unanimous. So we're adjourned. Thank you very much.

(Whereupon, at 11:25 A.M., November 17, 1967, the Board adjourned the regular session of the hearing.)

REPORTER'S CERTIFICATE

I, Mrs. Lou M. Chambers, Hearings Reporter for the State of Alabama, do hereby certify that on Friday, November 17, 1967, in the auditorium of the Choctaw County Court House, Butler, Alabama, I reported the proceedings before the State Oil and Gas Board of Alabama in Regular Session; that the foregoing 52 typewritten pages contain a true and accurate verbatim transcription of said proceedings to the best of my ability, skill, knowledge and belief.

I further certify that I am neither of kin nor of counsel to the parties to said cause, nor in any manner interested in the results thereof.

Done this 29th day of November, 1967.

Lou M. Chambers

LOU M. CHAMBERS
Hearings Reporter
State of Alabama