

Approved by
Board 6-11-80
JS.

6/9/80
140#

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John S. 5/8/80
11-11-80

EXHIBITS

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Exhibit No. 1 (Terra Resources)	Affidavit of Nick Wavers	32	32
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Exhibit G-1 (Texaco, Inc.)	Correlation section Vocation Field, Monroe County	35	35
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(Contd.)

TITLE	DESCRIPTION	OFFERED	RECEIVED
Exhibit No. 1 (5-9-8010A) (Hughes & Hughes)	Affidavit of Charles W. Cook	45	45
Exhibit No. 1 (Pruet Production Co.)	Affidavit of Michael Dubussion	47	47
Exhibit No. 1 (Moon & Hines)	Affidavit of Scott Hines	50	50
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Exhibit No. 2 (Grace Petroleum)	Isopach map, Carter Sand, Beaverton Field, Lamar County	52	52
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Exhibit No. 1 (Kenny Tidwell)	Plat, Hatter's Pond Field, Mobile County	70	70
Exhibit No. 2 (Kenny Tidwell)	Copy of letter and parties owning interest in S22, T2S, R1W, Mobile County	70	70

EXHIBITS
(Contd.)

<u>TITLE</u>	<u>DESCRIPTION</u>	<u>OFFERED</u>	<u>RECEIVED</u>
Exhibit No. 3 (Kenny Tidwell)	Lease	70	70
Exhibit No. 4 (Ralph Armstrong)	Contour map, Smackover Hatter's Pond Field, Mobile County	75	75

STATE OIL AND GAS BOARD OF ALABAMA

Tuscaloosa, Alabama

May 9, 1980

Testimony and proceedings before the State Oil and Gas Board of Alabama, in the Board Room of the State Oil and Gas Board Building, University Campus, Tuscaloosa, Alabama, on this the 9th day of May, 1980.

BEFORE:

BOARD MEMBERS

Dr. Ralph Adams..... Chairman
Mr. Gaines C. McCorquodale..... Associate Member
Mr. James G. Lee..... Associate Member

BOARD STAFF

Mr. Thomas J. Joiner.....Secretary & Supervisor
Mr. Ken Hanby.....Assistant Supervisor
Mr. Charles Freeman.....Attorney
Mr. John Carey.....Attorney
Mr. Jay Masingill.....Geologist
Mr. Phil Meadows.....Geologist
Mr. Wayne Payton.....Geologist
Mr. Dale Smith.....Geologist
Mr. Mark Wyatt.....Southern Regional Supervisor

(Reported by Jean W. Smith)

APPEARANCES

	<u>NAME</u>	<u>REPRESENTING</u>
1.	Nick Kramer Fayette, Alabama	Terra Resources
2.	W. E. Sistrunk Mountain Brook, Alabama	Petroleum Corp. of Texas and Skelton Operating Co.
3.	Robert J. Veal Jackson, Mississippi	Not listed
4.	R. H. Nordwell P. O. Box 60252 New Orleans, La. 70160	Texaco
5.	Norman L. Porterfield New Orleans, Louisiana	Getty Oil Company
6.	Ralph D. Armstrong New Orleans, Louisiana	Getty Oil Company
7.	Kenny W. Tidwell New Orleans, Louisiana	Getty Oil Company
8.	Jack E. Truitt New Orleans, Louisiana	Getty Oil Company
9.	Craig Forshner New Orleans, Louisiana	Amoco
10.	David Webb New Orleans, Louisiana	Texaco
11.	Roy E. Wood Oklahoma City, Oklahoma	Terra Resources, Inc.
12.	John L. Ousley Fayette, Alabama	Charles L. Cherry
13.	Jack W. Urelm New Orleans, Louisiana	Amoco
14.	Gary Ross New Orleans, Louisiana	Amoco

APPEARANCES
(Contd.)

	<u>NAME</u>	<u>REPRESENTING</u>
15.	J. D. Ambrose Fort Worth, Texas	Interstate Gas
16.	Conrad Armbrecht II Mobile, Alabama	Getty Oil Company & Terra Resources
17.	Edward P. Turner, Jr. Chatom, Alabama	J. C. Searcy, Jr.
18.	Charles T. Gilmer Sulligent, Alabama	Alabama House of Representatives
19.	Philip R. Reeves Jackson, Mississippi	Hughes & Hughes
20.	William T. Watson	Hughes & Hughes, Skelton Operating Co., Pruet Production Co., Moon & Hines, Grace

PROCEEDINGS

(The hearing was convened at 10:28 A.M. on Friday, May 9, 1980, at Tuscaloosa, Alabama)

CHMN. ADAMS: Let the record reflect that the Oil and Gas Board is now in session.

MR. JOINER: Mr.Chairman, the meeting has been properly advertised and I transmit herewith a copy of the Notice to the recording secretary.

NOTICE OF MEETING

"The State Oil and Gas Board of Alabama will hold its regular monthly meeting on Friday, May 9, 1980, at 10 A.M. in the Board Room of the State Oil and Gas Board Building, University Campus, Tuscaloosa, Alabama, to consider, among other items of business, the following petitions and applications:

"1. DOCKET NO. 2-8-8012

Continued petition by Warrior Drilling & Engineering Co., Inc., requesting the State Oil and Gas Board to enter an order:

1. Establishing a new oil field, designated as the North Blowhorn Creek Oil Field, and establishing and adopting Special Field Rules for said field in the Carter Sand.

The proposed field limits for said North Blowhorn Creek Oil Field would be the Northwest Quarter of Section 11 and the East Half of Section 10, all in Township 14 South, Range 14 West, Lamar County, Alabama; and

2. Reforming the producing unit for the Gordon 11-5 Well, Permit No. 2751, located 660 feet from the West line and 1340 feet from the North line in Section 11, Township 14 South, Range 14 West, Lamar County, said producing unit to consist of the West Half of the Northwest Quarter of said Section 11.

"2. DOCKET NO. 3-7-8019

Continued petition by S. H. Gilmer, an individual, requesting the Board to enter an order shutting in the Skelton Oil Company's Frank Ogden #1 well (Permit No. 2337), and the Skelton Oil Company's Frank Ogden #2 well (Permit No. 2486), petitioner alleging that he is the owner of the following described land in Lamar County:

The E/2 of Section 18, Township 14 South, Range 14 West, Lamar County, Alabama, less

the NW/4 of NE/4 and the W/4 of NE/4 of NE/4, consisting of 270 acres, more or less. Petitioner alleges that the Skelton Operating Company has drilled and completed as a gas well the S. H. Gilmer #3 well (Permit No. 1920), in the Carter Sand Gas Pool, the E/2 of said Section 18 being the 320-acre unit for said well. Petitioner alleges that the said Frank Ogden #1 well is an oil well completed in the Carter Sand Oil Pool in the Fairview Oil Field, in Section 19, Township 14 South, Range 14 West, Lamar County, Alabama. Petitioner further alleges that the said Frank Ogden #2 well is an oil well completed in the Carter Sand Oil Pool, in the Fairview Oil Field, said Frank Ogden #2 well being located in the NE/4 of NW/4 of Section 19, Township 14 South, Range 14 West, Lamar County, Alabama. Petitioner further alleges that his lands, as described above, are being drained by the said Frank Ogden #1 well and the Frank Ogden #2 well and that such drainage amounts to waste; that the coequal and correlative rights of petitioner are not being protected; and, rather, said rights are being abused due to nonuniform, disproportionate

and unratable withdrawals causing undue drainage between tracts of land.

"3. DOCKET NO. 4-11-807

Continued petition by Transcontinental Oil Corporation to delete the SW/4 of the SW/4 of Section 5, Township 10 North, Range 3 West, Choctaw County, Alabama, from the East Gilbertown Field, as defined in Board Order No. 2, because the Eutaw Oil Pool which is productive in the Clark 5-13 well (Permit No. 2876) in said Section 5 is correlative with the Eutaw Oil Pool which is productive in the area commonly referred to as the South Gilbertown Field, which has producing wells or past producing wells in Sections 7 and 8, Township 10 North, Range 3 West, Choctaw County, Alabama.

"4. DOCKET NO. 4-11-8017

Continued petition by Houston Oil & Minerals Corporation, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order establishing a new oil field in the Smackover Oil Pool, as defined in the Houston

Oil & Minerals Corporation-U.S.A. 2-7 No. 1
Well, Permit No. 2684B, located 1549 feet FNL
and 1843 feet FEL of Section 2, Township 1 North,
Range 13 East, Escambia County, Alabama, including
intervals correlated therewith, and all productive
extensions thereof, and adoption of Special Field
Rules for said field. Petitioner requests that
the field limits consist of all of Sections 1, 2,
11, and 12, Township 1 North, Range 13 East,
Escambia County, Alabama, with unit spacing of
160 contiguous acres, more or less, and Petitioner
requests the establishment of allowables and to
be appointed operator. Petitioner suggests that
the new oil field be named the Blackwater Creek
Oil Field.

"5. DOCKET NO. 4-11-8018

Continued petition by Houston Oil & Minerals
Corporation, a foreign corporation authorized
to do and doing business in the State of Ala-
bama, requesting the State Oil and Gas Board
to enter an order reforming the following de-
scribed wells from 40-acre units to 160-acre
units in the proposed Blackwater Creek Oil Field,
Escambia County, Alabama:

Houston Oil & Minerals Corporation-U.S.A.

2-7 No. 1 Well, Permit No. 2684B, located 1549 feet FNL and 1843 feet FEL of Section 2, Township 1 North, Range 13 East, Escambia County, Alabama, from a 40-acre unit consisting of the S/2 of NW/4 and the N/2 of SW/4 of said Section 2 to a 160-acre unit consisting of the NE/4 of said Section 2.

Houston Oil & Minerals Corporation-J. J. Giles et al Unit 12-1 Well No. 1 located 1003.7 feet FNL and 983.8 feet FEL of Section 12, Township 1 North, Range 13 East, Escambia County, Alabama, from a 40-acre unit consisting of the NE/4 of NE/4 of said Section 12 to a 160-acre unit consisting of the NE/4 of said Section 12.

"6. DOCKET NO. 5-9-801

Petition by Terra Resources, Inc., a foreign corporation authorized to do and doing business in the State of Alabama, seeking an order of the Board: force integrating lands and interests in the East 1/2 of Section 25, Township 14 South, Range 14 West, Lamar County, Alabama, in the Blowhorn Creek Field, into and establishing

them as a gas drilling and producing unit; approving and issuing a permit for the drilling of a well thereon; requiring all the other oil and gas interests within said gas drilling unit to integrate their interests and to develop their lands as a gas drilling and producing unit; designating and approving Petitioner as the operator of said unit; and allowing Petitioner, as operator, to recover its costs of developing said unit.

"7. DOCKET NO. 5-9-802

Petition by Terra Resources, Inc., a foreign corporation authorized to do and doing business in the State of Alabama with its principal place of business in Tulsa, Oklahoma, seeking an order of the Board establishing a gas drilling and producing unit comprised of the South Half (S 1/2) of Section 21, Township 15 South, Range 12 West, Fayette County, Alabama, in the Musgrove Creek Field; designating and approving petitioner as operator of said unit; approving the location of a well thereon and issuance of a permit for said well on said unit; and requiring all owners or claimants of royalty, mineral, leasehold and all

other oil and gas interests within said gas drilling and producing unit to integrate their interests and develop their lands as a drilling and producing unit and providing that petitioner as operator of said unit shall have the right to charge against the interests of each other owner in the production from the well drilled by petitioner the actual expenditures required for such purpose, not in excess of what are reasonable, including a reasonable charge for supervision and that Petitioner shall have the right to receive first production from such well drilled by petitioner thereon which otherwise would be delivered or paid to the other parties jointly interested in the drilling of the well so that the amount due by each of them for his share of the expenses of drilling, equipping and operating the well may be paid to petitioner, as the operator of the well, out of production, all in accordance with the provisions of Section 9-17-13, Code of Alabama 1975.

- "8. DOCKET NO. 5-9-803
Petition by Energy Explorations, Inc., a

corporation authorized to do and doing business in the State of Alabama, requesting the Board to amend the Special Field Rules for the Jasper Gas Field, Walker County, Alabama, so as to establish an allowable rule for all pools in said field. The said field consists of Sections 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, and 36, all in Township 13 South, Range 7 West, Walker County, Alabama, and all productive extensions thereof.

"9. DOCKET NO. 5-9-804

Petition by Getty Oil Company, a foreign corporation authorized to do and doing business in the State of Alabama, seeking an order of the Board: force integrating lands and interests in Section 22, Township 2 South, Range 1 West, Mobile County, Alabama, into and establishing them as a gas drilling and production unit; approving and issuing a permit for the drilling of a well into said unit at an exceptional location (the surface location of said well to be in the East Half of Section 21, Township 2 South, Range 1 West, Mobile County, Alabama, and the bottom hole location of said well to be approximately 660 feet east of the West line and approxi-

mately 1800 feet north of the South line of said Section 22); requiring all the other owners or claimants of royalty, mineral, leasehold and all other oil and gas interests within said unit to integrate their interests and to develop their lands as a gas drilling and production unit; designating and approving petitioner as the operator of said unit; and allowing petitioner, as operator, to recover its costs of developing said unit. Said Sections 21 and 22 are currently in the Hatter's Pond Field.

"10. DOCKET NO. 5-9-805

Petition by Texaco, Inc., a foreign corporation qualified to do and doing business in Alabama. Petitioner has filed the following notice with the Board:

To all owners and persons interested in the following described lands in Monroe County, Alabama, to-wit:

The Southwest Quarter of Section 26,
Township 4 North, Range 6 East,
Monroe County, Alabama.

Take notice that Texaco, Inc., has filed a petition with the State Oil and Gas Board of Alabama under

Docket No. 5-9-805 requesting the Board to issue an order making permanent Emergency Order No. E-80-59 dated April 2, 1980, which reformed the drilling unit for its M.J. Byrd, et ux (26-13) No. 1 Well from a 40-acre drilling unit consisting of the Southwest Quarter of the Southwest Quarter of Section 26, Township 4 North, Range 6 East, Monroe County, Alabama, to a 160-acre drilling unit consisting of the Southwest Quarter of said Section 26, and amending the Special Field Rules for the Vocation Field to include the said 160-acre drilling unit within the limits of said field; and for such other relief as may be deemed proper by the Board in the premises. Said field, as amended, would consist of the Southwest Quarter of Section 26, the South Half of Section 27, and the North Half of Section 34, all in Township 4 North, Range 6 East, Monroe County, Alabama.

"11. DOCKET NO. 5-9-806

Petition by Hughes & Hughes, a partnership, with its principal places of business located in Jackson, Mississippi, and Beeville, Texas, authorized to do and doing business in the State of Alabama, request-

ing the State Oil and Gas Board to establish a new gas field known as the Armstrong Branch Gas Field, Lamar County, Alabama, consisting of Sections 16, 17, 20, and 21, Township 13 South, Range 14 West, for the Carter Sand Gas Pool as defined in the Hughes & Hughes-Warrior Drilling & Engineering Co., Inc. -Sizemore 21-4 No. 1 Well, Permit No. 2796, located 750 feet FNL and 750 feet FWL of Section 21, Township 13 South, Range 14 West, Lamar County, Alabama. Petitioner also requests the establishment and adoption of Special Field Rules which would include 320-acre spacing and allowables for said gas field.

"12. DOCKET NO. 5-9-807

Petition by Hughes & Hughes, a partnership, with its principal places of business located in Jackson, Mississippi, and Beeville, Texas, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling tracts and interests in the West Half of Section 21, Township 13 South, Range 14 West, Lamar County, Alabama, in the proposed Armstrong Branch Gas Field, and Petitioner requests to be named operator of said unit.

"13. DOCKET NO. 5-9-808

Petition by Hughes & Hughes, a partnership, with its principal places of business located in Jackson, Mississippi, and Beeville, Texas, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order reforming the drilling unit for the Hughes & Hughes-Warrior Drilling & Engineering Co., Inc. - Sizemore 21-4 No. 1 Well, Permit No. 2796, located 750 feet FNL and 750 feet FWL of Section 21, Township 13 South, Range 14 West, Lamar County, Alabama, from a forty(40) acre unit consisting of the NW/4 of NW/4 of said Section 21, to a three hundred twenty (320) acre unit consisting of the West Half (W/2) of said Section 21, Township 13 South, Range 14 West, Lamar County, Alabama, in the proposed Armstrong Branch Gas Field.

"14. DOCKET NO. 5-9-809

Petition by Hughes & Hughes, a partnership, with its principal place of business located in Jackson, Mississippi, and Beeville, Texas, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order

force pooling tracts and interests in the West Half of Section 31, Township 14 South, Range 15 West, Lamar County, Alabama, in the Watson Creek Field, and Petitioner requests to be named operator of said unit.

"15. DOCKET NO. 5-9-8010

Petition by Hughes & Hughes, a partnership, with its principal place of business located in Jackson, Mississippi, and Beeville, Texas, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling ~~tracts~~ and interests in the West Half of Section 33, Township 15 South, Range 16 West, Lamar County, Alabama, in the Molloy Gas Field, and Petitioner requests to be named operator of said unit. This request was granted on an emergency basis by Board Order No. E-80-79, promulgated April 11, 1980.

"16. DOCKET NO. 5-9-8011

Petition by Pruet Production Co., a foreign corporation authorized to do and doing business in the State of Alabama, with its principal place of business in Jackson, Mississippi, requesting

the State Oil and Gas Board to enter an order force pooling tracts and interests in the East Half of Section 23, Township 17 South, Range 15 West, Lamar County, Alabama, in the Millport Field.

"17. DOCKET NO. 5-9-8012

Petition by Moon & Hines, a partnership, with its principal place of business located in Jackson, Mississippi, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling tracts and interests in the South Half of Section 30, Township 12 South, Range 15 West, Lamar County, Alabama, as a productive extension of the Beaverton Field, and Petitioner requests to be named operator of said unit.

"18. DOCKET NO. 5-9-8013

Petition by Grace Petroleum Corporation, a foreign corporation authorized to do and doing business in the State of Alabama, with its principal place of business in New York, New York, requesting the State Oil and Gas Board to enter an order amending the Special Field Rules for all pools in the

Beaverton Field by adding the following described lands, to-wit: Sections 28, 29, and 31, Township 12 South, Range 15 West, Lamar County, Alabama.

"19. DOCKET NO. 5-9-8014

Motion by the Board to amend Rule 6 of the Special Field Rules for the Vocation Field so as to provide for a reduced allowable per well and to amend said rules so as to provide for a gas-oil ratio in excess of that ratio allowed in Statewide Rule F-7 for wells in said field. Said field consists of the following lands: The South Half of Section 27, the North Half of Section 34, and, if the above petition by Texaco, Inc., is granted bearing Docket No. 5-9-805, the Southwest Quarter of Section 26; all in Township 4 North, Range 6 East, Monroe County, Alabama.

"20. DOCKET NO. 5-9-8015

Motion by the Board to amend Rule B-2 of the Statewide Rules of the Board (Order No. 76-100, as last amended) regarding the spacing of wells so as to provide that wildcat (wells not regulated by Special

Field Rules) oil wells shall be located on drilling units consisting of governmental quarter quarter sections of approximately 40 contiguous surface acres, and that wildcat gas wells having a proposed objective depth of less than 6,000 feet shall be located on drilling units consisting of governmental half sections of approximately 320 contiguous surface acres or governmental quarter quarter sections of approximately 40 contiguous surface acres, and that wildcat gas wells having a proposed objective depth of greater than 6,000 feet shall be located on drilling units consisting of governmental sections of approximately 640 contiguous surface acres; unless otherwise approved by the Supervisor for good cause based upon evidence submitted to him.

APPLICATIONS FOR NATURAL GAS POLICY ACT
OF 1978 (NGPA) WELL STATUS DETERMINATIONS

"21. DOCKET NO. 11-2-792PD

Continued application by Energy Explorations, Inc., for new natural gas determination under Section 102(c) (1) (C) (new onshore reservoir) of the NGPA

for the Batchelor 32-14 well (Permit No. 2284),
SE/4 of SW/4, Section 32, Township 9 South,
Range 10 West, Winston County, Alabama.

"22. DOCKET NO. 11-2-793PD

Continued application by Energy Explorations, Inc.,
for new natural gas determination under Section
102(c)(1)(C) (new onshore reservoir) of the NGPA
for the Jobe 5-8 well (Permit No. 2440), SE/4 of
NE/4, Section 5, Township 10 South, Range 10 West,
Winston County, Alabama.

"23. DOCKET NO. 4-11-803PD

Continued application by Pruet Production Co. for a
new natural gas determination under Section 102(c)
(1)(B)(i), (2.5 mile rule) (new onshore reservoir)
of the NGPA for the B. K. Hankins et al No. 1 Well,
Permit No. 2839, located in the South Half of
Section 12, Township 13 South, Range 15 West,
Lamar County, Alabama, in the Beaverton Field.

"24. DOCKET NO. 4-11-804PD

Continued application by Hughes & Hughes for a
new natural gas determination under Section 102
(c)(1)(B)(i), (2.5 mile rule) (new onshore re-
servoir) of the NGPA for the Hughes & Hughes

and Warrior Drilling & Engineering Co., Inc.,
Funderburk 32-9 No. 1 Well, Permit No. 2883,
located 800 feet FEL and 2200 feet FSL of the
East Half of Section 32, Township 15 South,
Range 16 West, Lamar County, Alabama, in the
proposed Molloy Gas Field.

"25. DOCKET NO. 4-11-805PD

Continued application by Hughes & Hughes for a
new natural gas determination under Section 102
(c) (1) (B) (i), (2.5 mile rule) (new onshore re-
servoir) of the NGPA for the Hughes & Hughes and
Warrior Drilling & Engineering Co., Inc., Richards
Unit 33-11 well, Permit No. 2848, located 1650 feet
FSL and 1040 feet FEL of the West Half of Section
33, Township 15 South, Range 16 West, Lamar County,
Alabama, in the proposed Molloy Gas Field.

"26. DOCKET NO. 4-11-807PD

Continued application by Petroleum Corporation of
Texas for a new natural gas determination under
Section 102(c) (1) (C) (new onshore reservoir) of the
NGPA for the Loggins "A" Unit #1 well (Permit No.
2264), NE/4 of NW/4, Section 3, Township 13 South,

Range 15 West, Lamar County, Alabama, in the Beaverton Field.

"27. DOCKET NO. 5-9-801PD

Application by Robert Mosbacher for new natural gas determination under Section 107 (high cost) of the NGPA for the Mobile County Board of School Commissioners 16-4 Well No. 1, Permit No. 2828, located 660' FNL and 660' FWL of the NW/4 of Section 16, Township 1 South, Range 1 West, Mobile County, Alabama, in the Cold Creek Field, in the Smackover Oil Pool.

"28. DOCKET NO. 5-9-802PD

Application by MWJ Producing Company for new natural gas determination under Section 102(c)(1)(B)(i) (2.5 mile rule) for the Hankins-Franklin No. 1 well, Permit No. 2633, located in the South Half of Section 11, Township 13 South, Range 15 West, Lamar County, Alabama, in the Beaverton Field, in the Carter Sand Gas Pool.

"29. DOCKET NO. 5-9-803PD

Application by MWJ Producing Company for new natural gas determination under Section 102(c)

(B) (i) (2.5 mile rule) for the Myrtle Franklin No. 1 well, Permit No. 2607, located in the North Half of Section 15, Township 13 South, Range 15 West, Lamar County, Alabama, in the Beaverton Field, in the Carter Sand Gas Pool.

"30. DOCKET NO. 5-9-804PD

Application by Grace Petroleum Corporation for new natural gas determination under Section 102 (c) (1) (C) (new onshore reservoir rule) for the Tennie B. Hays 1-5 well, Permit No. 2850, located in the North Half of Section 1, Township 16 South, Range 16 West, Lamar County, Alabama, in the Star Field in the Lewis Sand Gas Pool and the Carter Sand Gas Pool.

"31. DOCKET NO. 5-9-805PD

Application by Hughes & Hughes for new natural gas determination under Section 102 (c) (1) (C) (new reservoir rule) for the Richards Unit 33-11 well, Permit No. 2848, located in the West Half of Section 33, Township 15 South, Range 16 West, Lamar County, Alabama, in the proposed Molloy Gas Field in the Carter Sand Gas Pool and the Lewis Sand Gas Pool.

"32. DOCKET NO. 5-9-806PD

Application by Hughes & Hughes for new natural gas determination under Section 102(c)(1)(C) (new reservoir rule) for the Funderburk 32-9 No. 1 well, Permit No. 2883, located in the East Half of Section 32, Township 15 South, Range 16 West, Lamar County, Alabama, in the proposed Molloy Gas Field, in the Nason Sand Gas Pool.

"33. DOCKET NO. 5-9-807PD

Application by Pruet Production Co. for new natural gas determination under Section 102(c)(1)(C) (new reservoir rule) for the B. K. Hankins et al No. 1 well, Permit No. 2839, located in the South Half of Section 12, Township 13 South, Range 15 West, Lamar County, Alabama, in the Beaverton Field, in the Millerella Sand Gas Pool.

"Petitions before the State Oil and Gas Board of Alabama must be represented in person by the Petitioner or his duly authorized agent or attorney, unless proceeding in accordance with Rule L-17. Affidavits, or a combination of affidavits, must be in proper form constituting evidence of all material allegations contained in the

petition. In the absence of such representation, the petition before the Board shall be subject to dismissal. Petitioners and Applicants for NGPA price determinations are advised to closely review the rules of practice and procedure of the Board. Price determination applicants should also closely review Rules N-1 through N-9.

"The public is advised that the Board may promulgate an order regarding a petition which may differ from that requested by the Petitioner concerning the land described in this notice, so long as this notice shall constitute due and proper notice of the action ultimately taken by the Board; therefore, pursuant to this hearing, the provisions of the Code of Ala. 1975 hereinafter set forth, and the rules and regulations promulgated thereunder, the Board will enter such order or orders, as in its judgment may be necessary in keeping with the evidence submitted. Further, the Board invites the submission of legal briefs regarding any petition on behalf of any interested person.

"DEADLINE FOR FILING OF PETITIONS OR NOTICES. Meetings of the Board are generally scheduled for the first Friday in each month. However, there are occasional exceptions

where the subsequent meeting date is set by the Board on the day of the then current meeting. Petitioners and Applicants are advised that in order to have a petition or application advertised and heard for any particular meeting, such petition or application, or proposed notice thereof, should be filed, in accordance with the Board's Rules of Procedure, with the Board on the last Thursday before 21 days prior to such meeting. A GENERAL RULE OF THUMB IS THAT SUCH PETITIONS AND APPLICATIONS MUST BE FILED BY THE END OF THE DAY ON THURSDAY FOLLOWING A MEETING OF THE BOARD IN ORDER TO BE HEARD AT THE NEXT SCHEDULED MEETING.

"The Board was originally established by Act No. 1 of the Legislature of Alabama in the Regular Session of 1945. The applicable law pertaining to the establishment of the Board now appears in Sec. 9-17-1 et seq. Code of Ala. 1975, as last amended.

"The public is invited to attend this meeting.

"Thomas J. Joiner

Secretary to the Board

State Oil and Gas Supervisor"

MR. JOINER: In accordance with the practice of the Board, we will sound the docket. Those items requiring 15 minutes or less, unopposed, will be heard first; those items requiring 15 minutes or more, unopposed, will be heard second; the opposed items will be heard last. Item 1, Docket No. 2-8-8012, continued petition by Warrior Drilling & Engineering Company. Mr. Chairman, a continuance has been requested.

CHMN. ADAMS: The request is granted unless there is an objection. Hearing none, the request is granted.

MR. JOINER: Item 2, Docket No. 3-7-8019, continued petition by S. H. Gilmer. Mr. Chairman, a continuance has been requested for this item.

CHMN. ADAMS: Unless there is an objection, the request is granted. Hearing none, it is granted.

MR. JOINER: Item 3, Docket No. 4-11-807, continued petition by Transcontinental Oil Corporation. Mr. Chairman, a continuance has been requested.

CHMN. ADAMS: Unless there is an objection, the request is granted. Hearing none, it is granted.

MR. JOINER: Item 5, Docket No. 4-11-8018, continued petition by Houston Oil & Minerals Corporation.

MR. WATSON: Mr. Supervisor, we'd ask that you continue

Items 4 and 5.

MR. JOINER: Item 4 was Docket No. 4-11-8017, also a petition by Houston Oil & Minerals Corp. A continuance request for both, Mr. Chairman.

CHMN. ADAMS: Unless there is an objection to the continuance of Items 4 and 5, the request is granted. Hearing none, the request is granted.

MR. JOINER: Item 6, Docket No. 5-9-801, petition by Terra Resources, Inc.

MR. ARMBRECHT: Fifteen minutes or less.

MR. JOINER: Item 7, Docket No. 5-9-802, petition by Terra Resources, Inc.

MR. ARMBRECHT: Fifteen minutes or less.

MR. JOINER: Item 8, Docket No. 5-9-803, petition by Energy Explorations, Inc.

MR. FREEMAN: The petitioner has requested a continuance on that, Mr. Chairman.

CHMN. ADAMS: Unless there is an objection, the request is granted. Hearing none, it is.

MR. JOINER: Item 9, Docket No. 5-9-804, petition by Getty Oil Company.

MR. ARMBRECHT: Fifteen minutes or more.

MR. JOINER: Item 10, Docket No. 5-9-805, petition by
Texaco, Inc.

UNIDENTIFIED: Fifteen minutes or less.

MR. JOINER: Item 11, Docket No. 5-9-806, petition by
Hughes & Hughes.

MR. WATSON: Less than 15.

MR. JOINER: Item 12, Docket No. 5-9-807, petition by
Hughes & Hughes.

MR. WATSON: Less than 15 minutes.

MR. JOINER: Item 13, Docket No. 5-9-808, petition by
Hughes & Hughes.

MR. WATSON: Less than 15 minutes.

MR. JOINER: Item 14, Docket No. 5-9-809, petition by Hughes
& Hughes.

MR. WATSON: Less than 15 minutes.

MR. JOINER: Item 15, Docket No. 5-9-8010, petition by
Hughes & Hughes.

MR. WATSON: Less than 15 minutes.

MR. JOINER: Item 16, Docket No. 5-9-8011, petition by Pruet
Production.

MR. WATSON: Less than 15 minutes.

MR. JOINER: Item 17, Docket No. 5-9-8012, petition by Moon & Hines.

MR. WATSON: Less than 15 minutes.

MR. JOINER: Item 18, Docket No. 5-9-8013, petition by Grace Petroleum.

MR. WATSON: Less than 15 minutes.

MR. JOINER: Item 9, Docket No. 5-9-8014, motion by the Board. That will be heard last--later--and Item 20, Docket No. 5-9-8015, motion by the Board. That also will be heard later into the docket. We will take up the applications for Natural Gas Policy Act determinations at the end of the regular docket. That brings us, Mr. Chairman, to Item 6, Docket No. 5-9-801, petition by Terra Resources, Inc. Will the Petitioner please come forward?

MR. ARMBRECHT: Mr. Chairman, I'm Conrad Armbrecht from Mobile representing Terra Resources, and we have an affidavit to submit in this matter and no testimony unless the Board desires it.

MR. JOINER: Submit your affidavit please for review.

MR. FREEMAN: You want to have that then marked for identification as Exhibit 1?

MR. ARMBRECHT: Yes, please, as Exhibit 1. A copy of this

affidavit was previously furnished to the Board and I request that it be accepted.

CHMN. ADAMS: Does the affidavit appear to be in order?

MR. JOINER: Mr. Chairman, the staff had received the previous affidavit and reviewed it and they will now compare the one submitted for the record with that one. We'll advise you in one minute.

MR. FREEMAN: I believe your affidavit states something to the effect that a resume is attached. Is that attached?

MR. ARMBRECHT: Yes.

MR. JOINER: The resume is attached and the affidavit is in accordance with that previously reviewed by the staff.

CHMN. ADAMS: Your affidavit is admitted into evidence.

(Whereupon, the affidavit was
received in evidence as Exhibit
No. 1)

MR. ARMBRECHT: We request that the Board grant the petition.

MR. MCCORQUODALE: I so move.

MR. LEE: Second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it and so ordered.

MR. JOINER: That brings us to Item 7, Docket No. 5-9-802, petition by Terra Resources, Inc.

MR. ARMBRECHT: We also have an affidavit in this matter.

MR. FREEMAN: I'll also mark that for identification as Exhibit 1.

MR. ARMBRECHT: A copy of this was also previously submitted to the Board. I would request that it be admitted into evidence as Exhibit 1.

MR. JOINER: Mr. Chairman, the affidavit has been examined and been found to be in accordance with that previously studied by the staff.

CHMN. ADAMS: Your offer of your affidavit is accepted into evidence.

(Whereupon, the affidavit was
received in evidence as Exhibit
No. 1)

MR. ARMBRECHT: Thank you. I'd request that the Board grant the petition based on the affidavit.

MR. MCCORQUODALE: So move.

MR. LEE: Second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ARMBRECHT: Thank you.

MR. JOINER: That brings us to Item 10, Mr. Chairman, Docket No. 5-9-805, petition by Texaco, Inc. Petitioner please come forward.

UNIDENTIFIED: Mr. Chairman, we have an affidavit in this matter.

MR. FREEMAN: Would you identify yourself please?

MR. WEBB: My name is David Webb. I'm representing Texaco, Inc.

MR. FREEMAN: Let's, if we may, identify the affidavit. Do you have your exhibits numbered here?

MR. WEBB: Yes, sir.

MR. FREEMAN: All right, sir. Do you know what the last exhibit number is?

MR. WEBB: Three.

MR. FREEMAN: Let's identify the affidavit as Exhibit 4 then please.

MR. WEBB: All right, sir.

CHMN. ADAMS: Are you an attorney or engineer or...

MR. WEBB: Yes, I'm an attorney employed by Texaco.

CHMN. ADAMS: Where are you from?

MR. WEBB: New Orleans.

CHMN. ADAMS: And your name is David Well?

MR. WEBB: Webb. W-e-b-b.

MR. JOINER: While the staff is examining that affidavit, I'd like to announce to the group, while most of you are present, that the next meeting of the Board will be Wednesday, June 11, Wednesday, June 11, 10 o'clock, in this building. Mr. Chairman, the affidavit submitted today has been compared with that previously studied by the Board and found to be in order.

MR. WEBB: We move the introduction of the affidavit.

CHMN. ADAMS: Your affidavit is accepted into evidence.

MR. FREEMAN: And have the other exhibits been accepted into evidence.

MR. WEBB: They are incorporated by reference in the affidavit, but if you think it would be proper, we also move the introduction of Exhibit 1, 2, and 3.

MR. FREEMAN: That's G-1 through G-3?

MR. WEBB: G-3, right.

CHMN. ADAMS: Your offer is accepted.

(Whereupon, Exhibits G-1, G-2, G-3
and Exhibit No. 4 were received
in evidence)

MR. MCCORQUODALE: I move the granting of the petition.

MR. FREEMAN: Does the staff have those exhibits already?

MR. MASINGILL: We already have them.

MR. LEE: I second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. JOINER: That brings us to Item 11, Docket No. 5-9-806, petition by Hughes & Hughes. Petitioner please come forward.

MR. WATSON: I have one witness I'd like to have sworn please.

MR. JOINER: Witness please state your name clearly for the record.

WITNESS: Philip R. Reeves.

(Witness was sworn by Mr. Joiner)

MR. WATSON: Mr. Chairman, for hearing purposes, I would like to consolidate for matters of taking testimony, Dockets 5-9-806, 807, and 808. Mr. Reeves will be giving testimony to the 806 and 808 and I will present 807 by affidavit all at the same time. Mr. Reeves, you have appeared before this Board and had your qualifications as an expert petroleum geologist accepted?

MR. REEVES: I have.

MR. WATSON: I tender Mr. Reeves to the Board and the staff as an expert petroleum geologist.

CHMN. ADAMS: He's accepted.

MR. WATSON: Mr. Chairman, we are, on an amended petition, correcting certain provisions in the Special Field Rules at the request of the staff requesting today the establishment of a new field in Lamar County on the basis of a discovery in the Sizemore 21-4 No. 1 well. We are in our petition calling this the Armstrong Branch Gas Field, and in connection with this matter, we have handed up and would mark for identification Exhibits 1 through 5 to the testimony of Mr. Reeves and ask that you mark those for identification purposes. I will also submit at this time to the attorney the amended previously filed petition.

PHILIP R. REEVES

Appearing as a witness on behalf of Hughes & Hughes, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

Questions by Mr. Watson:

- Q Now, Mr. Reeves, let's start with your Exhibit No. 1 please, and tell the Board what this exhibit is intended to portray.
- A Exhibit No. 1 is the proposed field limit map for the Armstrong Branch area. The proposed field limit is outlined in green and takes over or encloses Sections 16, 17, 20 and 21 of Township 13 South, Range 14 West,

Lamar County, Alabama.

Q All right, sir, and on this exhibit I see that the Sizemore 21-4 was located on the NW of the NW of Section 21, thereby it was permitted on a 40-acre basis, is that correct?

A That is correct.

Q All right, sir, go to your Exhibit 2.

A Exhibit No. 2 is a type log for the Carter Sand Gas Pool. The log is a dual induction log, or a portion of it, of the Hughes and Hughes and Warrior Drilling & Engineering Co. No. 1 Sizemore 21-4, which is located in Section 21 of Township 13 South, Range 14 West, Lamar County, Alabama. You'll note that the Carter Sand Gas Pool is defined as that interval between the depths of 2155 feet to 2233 feet in this well. Also, you'll note in the depth column, colored in red, the perforations of the Carter Sand Gas Pool. From these perforations the well flowed, or from perforations of 2177 to 82 feet and 2185 to 98 feet, this well flowed at the rate of 646,000 cubic feet of gas per day on a 16/64-inch choke with a tubing pressure of 190 pounds per square inch. We can go to Exhibit No. 3, which is a structure map on the top of the Carter Sand interval. As you can see, this is more or less regional dip so the

trap as we know it today is strictly a stratigraphic type trap. The Sizemore 21-4 is circled in red and also the 40-acre unit is shown in green, and we are proposing that this unit be changed from the 40-acre oil unit that it was drilled on to a 320-acre gas unit which is outlined in red and is made up of the West Half of Section 21, Township 13 South, Range 14 West. The next exhibit is a net permeable sand isopach of the Carter Sand which is strictly just the permeable portion of the sand. It's defined from the microlog on the well. You'll notice that the Sizemore 21-4 has 15 feet of net permeable sand. Two wells have been drilled in addition to this well. To the west, the Sizemore 20-1 had 0 feet and to the east-southeast, the Sharpe 21-7 had 0 feet of sand. So there is an east and a west cut off at the present time, and the configuration is strictly based on the one well and we have no other control for it at this time.

Q Let me ask you this, Mr. Reeves, I notice on this Exhibit 4, north of the Sizemore, Hughes and Hughes and Warrior's Sizemore 16-13.

A That's a location that is permitted and presently we're building a location and this well will be drilled within the next week or 10 days.

Q All right, sir, 5.

A The next exhibit is a cross section, east-west cross section A-A'. As you can see on the west side, it begins at the Sizemore 20-1, goes through the Sizemore 21-4, and then ends at A' at the Sharpe 21-7. Shown in red is the net permeable sand in the discovery well, the Sizemore 21-4. Shown in yellow is what I interpret to be a tight silty sand with no porosity and no permeability, and therefore nonproductive on each side of it. So the red would indicate that sand which is productive. The yellow would be a tight sand or a siltstone that is nonpermeable and nonproductive.

Q All right, sir. Now let's go back just a minute to your Exhibit 4. We are requesting that the Board reform this unit. In your opinion, from the 40 acres to the West Half of Section 21 or a 320-acre unit, based on the data collected from these three wells, is the reformation in order?

A Yes, I believe it is.

Q In your opinion will the Sizemore 21-4 unit as proposed be effectively and economically produced from the Sizemore 21-4?

A Yes.

Q You are familiar with waste as that term is defined in

the oil and gas laws of Alabama?

A I am.

Q Will the granting of this petition and the establishment of these field rules prevent waste?

A Yes.

Q Protect the coequal and correlative rights of the owners in the unit and the field as proposed?

A Right.

Q And promote the orderly and efficient development of this field?

A Yes.

MR. WATSON: Let me at this point, Mr. Chairman, tender Mr. Reeves to the Board and staff for any questions you may have on Exhibits 1 through 5 or his testimony before we proceed with the next item.

EXAMINATION BY BOARD OR STAFF

MR. JOINER: I have only one question. Mr. Reeves, I'd like to know what you interpret this porous area, porous and permeable area, in the Carter to represent from a geological standpoint.

MR. REEVES: Well, at the present time it appears to me to be some type of stream channel. That's the way I would interpret it right now.

MR. JOINER: Channel--thank you sir. No further questions of the staff, Mr. Chairman.

MR. WATSON: All right, sir. Now on the other matter consolidated, the force pooling, I hand in the original copy of the affidavit of the force pooling of these interests. We had 100 percent control of the northwest of the northwest. As this unit is reformed, we have outstanding therein a .17 acres. That .17 acres is owned by Alabama Power Company for an installation that they have and they happen to own in fee in that area. We have contacted Alabama Power Company about a lease and that's in the process, but at the time of this application has not been secured so we're requesting the forced pooling of that .17 acres. The affidavit that you have is submitted by Mr. Charles Cook. The qualifications of Mr. Cook have been previously presented to this Board and I submit the original copy for your review. And we have nothing further, Mr. Chairman, and would ask that you act on these three items.

MR. FREEMAN: Shall we mark the affidavit that you've referred to as Exhibit 1 for that particular item?

MR. WATSON: Right, and would also ask that you receive into evidence Exhibits 1 through 5 to the testimony of Mr. Reeves.

CHMN. ADAMS: Your exhibits are received into evidence.

(Whereupon, Exhibits 1 through 5 were received in evidence to the testimony of Mr. Reeves)

MR. JOINER: Mr. Chairman, the affidavit is in accordance with that previously examined by the staff and is in order.

CHMN. ADAMS: The affidavit is accepted.

(Whereupon, the affidavit marked
as Exhibit No. 1 was received
in evidence)

MR. MCCORQUODALE: Do you all have any questions, Tom?

MR. JOINER: No, we have no questions of the staff.

MR. MCCORQUODALE: Mr. Chairman, I move that we grant
Item 11.

MR. LEE: I second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. MCCORQUODALE: I move we grant the petition in Item 12.

MR. LEE: Second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. MCCORQUODALE: I move that we grant the petition in
Item 13.

MR. LEE: Second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. JOINER: Item 14, Docket No. 5-9-809, petition by Hughes & Hughes.

MR. WATSON: Again, Mr. Chairman, this will be submitted on the affidavit of force pooling. I submit the original of the affidavit for your comparison.

MR. FREEMAN: I'd like to identify the affidavit as Exhibit 1.

MR. JOINER: All right, sir. Here, Mr. Chairman, we're making permanent really an emergency order that was force pooling an outstanding interest in the Molloy Gas Field in a unit consisting of the West Half of Section 33, of Township 15 South, Range 16 West, Lamar County, Alabama. This affidavit states that that was a title failure. We had 100 percent of this and there was a title failure on approximately 0.125 net acres. Upon discovery of that, we requested the force pooling of this interest which was granted by emergency order. This has now been advertised and we would ask that you grant this petition thereby making permanent the order.

MR. LEE: You said Section 33. Did you mean that in Section 33 or 31?

MR. WATSON: 31. Let me see, Mr. Lee. Thirty one.

MR. JOINER: Mr. Chairman, the affidavit submitted is in accordance with that previously examined by the staff and is in order.

CHMN. ADAMS: Your affidavit is accepted.

(Whereupon, the affidavit was
received in evidence as Exhibit
No. 1)

MR. WATSON: Thank you.

MR. MCCORQUODALE: I move the granting of the petition.

MR. LEE: I second.

CHMN. ADAMS: All in favor say "aye".

(Both Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. JOINER: That brings us to Item 15, Docket No. 5-9-8010,
petition by Hughes and Hughes.

MR. WATSON; Again, I submit the original copy of an
affidavit of Mr. Charles Cook and ask that it be marked as
Exhibit 1. The affidavit speaks for itself. If it is accept-
able, I would ask that it be received.

MR. JOINER: Mr. Chairman, the affidavit submitted is in
accordance with that previously examined by the staff and is in
order.

CHMN. ADAMS: Your affidavit is accepted.

(Whereupon, the affidavit was
received in evidence as Exhibit
No. 1)

MR. MCCORQUODALE: I move the granting of the petition.

MR. LEE: Let me ask a question first, Gaines. Was there

a title failure in 33 as well as 31?

MR. WATSON: No, sir.

MR. LEE: I notice your affidavit on 33 says a title failure, but you had said in connection with 31 there was a title failure on a portion of the land.

MR. WATSON: On both 33 and 31?

MR. LEE: 33 says a title failure but 31 doesn't say.

MR. WATSON: All right, sir, then I'm sorry. I was testifying, not testifying but making a comment, without looking at the affidavit. The affidavit speaks for itself and is correct as stated my remarks notwithstanding.

MR. JOINER: The first response to Mr. Lee's question then was not right?

MR. WATSON: That's correct.

MR. JOINER: And the title failure referred to was with respect to Section 33?

MR. WATSON: That's correct.

MR. JOINER: All right, sir. Is that all right, Mr. Lee.

MR. LEE: Yeah, I just wanted to get that straight and see what--I couldn't quite understand that.

MR. MCCORQUODALE: I repeat my motion.

MR. LEE: I second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. JOINER: Item 16, Docket No. 5-9-8011, petition by Pruet Production Company.

MR. WATSON: This is a force pooling item in the Millport Field. I submit the original copy of the affidavit of Michael Dubuisson. His qualifications are on file here as a petroleum landman with Pruet. We have outstanding a 10-acre interest, approximately three percent. I would ask that this matter be granted. I might also say that these people have been contacted but have not elected to join. I would ask that the affidavit be marked as Exhibit 1.

MR. JOINER: Mr. Watson, we have a question concerning your last remark. Did you say 10 percent or...

MR. WATSON: Three percent and 10 acres.

MR. JOINER: Three percent and 10 acres. Thank you, sir. All right, Mr. Chairman, the affidavit is in accordance with that previously submitted and is in order.

CHMN. ADAMS: Your affidavit is accepted.

(Whereupon, the affidavit of
Michael Dubuisson was received
in evidence as Exhibit No. 1)

MR. WATSON: I have nothing further on that matter.

MR. LEE: I move the granting of the petition.

MR. MCCORQUODALE: Second the motion.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. JOINER: Next is Item 17, Docket No. 5-9-8012, petition by Moon & Hines.

MR. WATSON: Again, we come to the matter of Federal acreage in the Warrior Basin in developing oil and gas properties. Moon & Hines at one previous time had requested this Board to force pool government acreage with at least the knowledge of the Bureau of Land Management. Here again in the South Half of Section 30 of 12 South, 15 West, Lamar County, as a productive of the Beaverton Field, we have 80 acres of government minerals, or approximately 25 percent of the unit. Mr. Bob Moon and Scott Hines have contacted the officials in Washington. This is the Bureau of Land Management. This is following our settled plan for development with those mineral acres where they have not been put up for bids. Scott Hines has signed this affidavit as a landman for Moon & Hines. He is the landman for Moon & Hines, and we submit this to the Board on the affidavit stating to you, of course, that the Bureau of Land Management is fully aware of this as they were of the previous one we filed.

MR. JOINER: Let me say for the benefit of some of you

who may not have attended these meetings before or be familiar with procedures of the Board, certain items can be handled by affidavit. The fact that they are handled by affidavit by no means precludes anyone from questioning or asking to see any of this. We're not trying to operate with anything behind closed doors up here as we shuffle these affidavits back and forth. Most of the time they are items that are uncontested and they are submitted this way simply to expedite the Board in dealing with the agenda, and as we move into these if at any time you have a question concerning an item, please don't hesitate to let your feelings be known. We do have to spend the time after the affidavit is submitted to us to make sure that the item going into the record as the official record is in accordance with that that the staff has had an opportunity to examine in detail, and the staff has examined these items in detail and we're not dealing with these matters lightly, and I don't want you to think we are. This is just a means of expediting the agenda. If there are any questions about that, I'll be pleased to respond to them. Mr. Chairman, the affidavit submitted in this item has been compared with that previously examined by the Board. The substance is the same. The only difference is the signature. We recommend approval of the affidavit, acceptance and approval.

MR. WATSON: Mr. Chairman, I might say that in prefiling these affidavits with the staff we file in the name of Mr. Moon. Mr. Hines is a full-time employee of, Scott Hines, of Moon & Hines. Mr. Moon is in Europe at the time of the signing so his colleague, Scott Hines, signed the same affidavit.

CHMN. ADAMS: Your affidavit is accepted.

(Whereupon, the affidavit was
received in evidence)

MR. LEE: Let me ask a question. You say this is, the 80 acres, has been advertised?

MR. WATSON: No, sir. The Federal Government has a plan for the development of their leasehold interest. Usually acreage prior to oil and gas development is either nominated by interested developers and put up for bids and then the recipient of the lease from the Federal Government proceeds with the development of the minerals. In this case, there has been no bidding. There has been no request for this land and it's dormant. So development is moving faster than the Federal Government is moving to put the land up or someone has not requested it, so we have to force pool that interest and the Government's interest is protected 100 percent whether they choose then to lease it or whether they choose to extract a royalty. It is completely up to them, but otherwise, if we didn't have this procedure, we would be checkerboarded across

the Warrior Basin with this vast holding of the Federal Government and it would stymie our development, so we come here to the Board invoking the police powers of this state to force pool only after consenting with the proper officials at the national level, and this has been a laborious task just to work out the mechanics of getting it this far.

MR. LEE: O.K. Maybe I misunderstood you. I thought you said it was being let for bids now.

MR. WATSON: No, sir. I'm sorry, I didn't mean to say that if I did.

MR. LEE: I imagine you were probably talking about something else and I thought you were talking about the 80 acres.

MR. WATSON: No, sir. They may choose to do that. I'm not sure what they will do with it.

MR. FREEMAN: I might offer a comment, Mr. Lee. No doubt the order of this Board would not be effective to force integrate the Federal land itself, but it would be effective I believe to force integrate all other lands within the unit.

MR. WATSON: Yes, sir.

MR. MCCORQUODALE: I move the granting of the petition.

MR. LEE: Second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye".

CHMN. ADAMS: "Ayes" have it.

MR. JOINER: Item 18, Docket No. 5-9-8013, petition by Grace Petroleum Corporation.

MR. WATSON: Mr. Chairman, I'm introducing in this matter four exhibits. Here we're requesting that the Beaverton Field limits be amended on the basis of new discoveries in the area of Sections 28, 29, and 31 of Township 12 South, Range 15 West. The affidavit of Alan Cockrell, who has been qualified as an expert petroleum geologist before this Board, is submitted to you along with the exhibits prepared under Mr. Cockrell's supervision that meet the requirements for showing the area that we're requesting to be included in and a part of the Beaverton Field as defined by the Special Field Rules for Beaverton. I would ask that you receive Exhibits 1 through 4, and, Mr. Freeman, if you would like, mark the affidavit Exhibit 5.

CHMN. ADAMS: Exhibits 1 through 4 are accepted unless there is an objection.

MR. FREEMAN: Exhibits 1 through 5, Mr. Chairman. The affidavit is 5.

CHMN. ADAMS: Exhibits 1 through 5 are accepted.

(Whereupon, Exhibits 1 through 5
were received in evidence)

MR. JOINER: Mr. Chairman, the affidavit and exhibits

submitted today have been examined and are in accordance with those previously examined by the Board. They are in order.

MR. MCCORQUODALE: I move the granting of the petition.

MR. LEE: Second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. WATSON: Thank you, sir.

MR. JOINER: That brings us to Item 19, Docket No. 5-9-8014. It's a motion by the Board to amend Rule 6 of the Special Field Rules for the Vocation Field. The staff recommends that the motion to amend Rule 6 of the Special Field Rules for the Vocation Field be granted. In support of its recommendation, the staff submits its Exhibit No. I, a proposed amended Rule 6, and Exhibits Nos. II and III, which are copies of the official postings of oil and gas production for the Blacksher 27-14 well and the Quimby 27-15 well in the Vocation Field, as such production was reported monthly on Form OGB-14 by Getty Oil Company, operator of said Vocation Field. From the production history, it is the staff's opinion that the allowable should be reduced to 300 barrels of oil per day.

MR. FREEMAN: Mr. Chairman, copies of a proposed staff rule have been distributed for the audience and along with the

other documentation, which is referring to Exhibits 1 through 3. The documentation merely is all concerning production in the Vocation Field. We would propose that those exhibits be admitted into evidence.

CHMN. ADAMS: The exhibits that you have just named are admitted into evidence. That's the Board's legal advisor, Mr. Freeman.

(Whereupon, Exhibits 1 through 3
were received in evidence)

CHMN. ADAMS: Are there any comments for or against the motion of the Board?

MR. TRUITT: Mr. Chairman, my name is Jack Truitt, an attorney for Getty Oil Company, who has interest in the field. We support the motion of the Board.

MR. JOINER: Thank you, Mr. Truitt.

CHMN. ADAMS: Anything further? (No response)

MR. MCCORQUODALE: Mr. Chairman, I move that the motion of the Board be granted.

MR. LEE: I second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. JOINER: That brings us to Item 20, Docket No. 5-9-8015.

It's a motion by the Board to amend Rule B-2 of the Statewide Rules of the Board (Order No. 76-100) as last amended, regarding the spacing of wells so as to provide wildcat (wells not regulated by Special Field Rules) oil wells shall be located on drilling units consisting of governmental quarter quarter sections of approximately 40 contiguous surface acres and that wildcat gas wells having a proposed objective depth of less than 6,000 feet shall be located on drilling units consisting of governmental half sections of approximately 320 contiguous surface acres or governmental quarter quarter sections of approximately 40 contiguous acres, and that wildcat gas wells having a proposed objective depth of greater than 6,000 feet shall be located on drilling units consisting of governmental sections of approximately 640 contiguous surface acres unless otherwise approved by the Supervisor for good cause based upon evidence submitted to him. Mr. Chairman, the staff recommends approval of this motion.

MR. CAREY: Mr. Chairman, we'd like to recommend that Exhibit A, which is a copy of the proposed amendment which has been distributed, be admitted into evidence.

CHMN. ADAMS: Your Exhibit A is admitted into evidence.

(Whereupon, Exhibit A was received in evidence)

MR. WATSON: Mr. Chairman.

CHMN. ADAMS: Mr. Watson.

MR. WATSON: Might I request a continuance of this item for some input into the staff and into the Board at the next regular meeting?

CHMN. ADAMS: Does the staff have any comment on Mr. Watson's motion?

MR. JOINER: Would you at this time have any idea as to the nature of the input you'd like to offer?

MR. WATSON: Yes, sir, we were satisfied with the rule as written, and really in keeping with some past history, we had kind of anticipated this matter would be put up for some input into the Board and staff although it was advertised. We would just like an opportunity, we wanted to see what the staff's position would be, and we would like to have an opportunity to input for the purpose of trying to preserve the rule.

MR. JOINER: Mr. Watson, you understand that basically the part where we're dealing with a governmental half section for a 320-acre unit and a governmental quarter quarter section for a 40-acre unit or a full governmental section is unchanged?

MR. WATSON: Yes, sir.

MR. JOINER: What the part that the staff is amending the rule to accommodate is where we talk about 40 contiguous, or 320 contiguous, or 640 contiguous acres, and all we're doing

there is saying that we will still consider applications for units of this kind but they must be approved by the Supervisor.

MR. WATSON: Yes, sir, I understand.

MR. JOINER: All right, sir.

CHMN. ADAMS: Is there anything further?

MR. FORSHNER: Mr. Chairman, I'm Craig Forshner. I represent Amoco Production Company. We had not had an opportunity to actually see this exhibit until we came to this meeting. We would support Mr. Watson's request to continue this until the next meeting to give our people a chance to study the proposed change and comment if need be.

MR. JOINER: Mr. Forshner, could I ask you sir, having heard the proposed change explained, do you right off hand have any problems with it?

MR. FORSHNER: Well, Mr. Joiner, I would not be the one to make the decision for Amoco and that's the reason I request that our management have a chance to study the rule and make their comments.

MR. MCCORQUODALE: Mr. Chairman, I move that this matter be continued until the next regular meeting of the Board.

MR. LEE: I second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. JOINER: Mr. Chairman, that brings us to Item 9, Docket No. 5-9-804, petition by Getty Oil Company. Petitioner please come forward.

MR. ARMBRECHT: Mr. Chairman, Conrad Armbricht from Mobile representing Getty Oil Company, and I have two witnesses that I would request be sworn.

MR. JOINER: Witnesses state your names clearly for the record please.

FIRST WITNESS: Ralph Armstrong.

SECOND WITNESS: Kenny Tidwell.

(Witnesses were sworn by Mr. Joiner)

MR. ARMBRECHT: Mr. Chairman, this is a petition for an off-center location for a well to be drilled in a section which is now included in Hatter's Pond Field. It is also a petition to force integrate a drilling unit consisting of all of Section 22 which is presently classified as being in the Hatter's Pond Field. This section was previously force integrated, a well was drilled on the section, reached total depth about a year ago, and Getty has been working with the well since that time and has been unable to make it produce. We think that this new well that we're proposing will probably be in a different pool than the Smackover-Norphlet Gas Pool as defined in the Hatter's

Pond Field Rules, so that we're drilling a second well into a unit that's already established that has a well on it, but we don't believe we're drilling into the same pool, but I will go into this further with evidence. I just wanted to give a little outline. Both witnesses have testified previously before this Board, Kenny Tidwell as an expert petroleum landman, Mr. Armstrong as an expert petroleum geologist, both familiar with the Hatter's Pond Field and surrounding area, and I'd request for the purposes of this hearing that they be accepted as expert witnesses.

CHMN. ADAMS: Your request is granted.

MR. ARMBRECHT: Thank you, sir. Now, have you passed the exhibits down? Charley, do you have the originals?

MR. FREEMAN: We don't have them yet.

MR. ARMBRECHT: There are four exhibits in the package. They are already numbered.

(Exhibits were distributed)

MR. ARMBRECHT: I apologize for these exhibits not being in a booklet but they just didn't lend themselves to being put into a booklet.

MR. CAREY: We have all of the exhibits.

MR. ARMBRECHT: You have all of them? Would you mark them for identification then?

MR. FREEMAN: 1 through 4, is that correct?

MR. ARMBRECHT: Yes.

KENNY TIDWELL

Appearing as a witness on behalf of Petitioner, Getty Oil Company, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

Questions by Mr. Armbricht:

Q All right, Mr. Tidwell, will you state your name and occupation for the Board please?

A My name is Kenny Tidwell. I'm a petroleum landman with Getty Oil Company in the New Orleans district office.

Q All right, are you responsible for operations of Getty Oil Company insofar as lands are concerned in the Hatter's Pond Field and surrounding areas in Mobile County?

A Yes, I am.

Q All right, there is presently pending before this Board a petition by Getty requesting the Board to enter an order force integrating all tracts and interests in Section 22, Township 2 South, Range 1 West, Mobile County, Alabama, into and establishing them as a gas drilling and producing unit and approving an exceptional location for a well to be drilled into said unit by Getty.

Are you familiar with the contents of that petition?

A Yes, sir, I am.

Q Are the allegations made in that petition true?

A Yes.

Q It's stated in that petition that Getty wants to drill a deep test gas well from a surface location in the East Half of Section 21 of Township 2 South, Range 1 West, to be bottomed approximately 660 feet East of the West line of Section 22 and approximately 1800 feet North of the South line of Section 22. What percent of the drilling and production rights does Getty own with respect to where the surface location, bottom hole location, and the well bore for this well will be located?

A We own 100 percent.

Q All right, now Exhibit 3 in that package is a lease covering the property where Getty proposes to put the surface location and the bottom hole location, and the well bore for this well, and that shows Getty's ownership of the drilling rights. Are Sections 21 and 22 presently within the boundaries of the Hatter's Pond Field according to the field rules adopted by this Board?

A Yes, they are.

Q All right, Exhibit No. 1 is a plat. Was that prepared by you or under your direct supervision and control?

A Yes, it was.

Q All right, does it accurately show what it's intended to show?

A Yes, sir, it does.

Q All right, on this plat the wells in Sections 15, 16, 21, shown in red, are those wells presently producing gas and gas condensate?

A The wells in Sections 15 and 16 are presently producing, but the well in Section 21 is currently being reworked. Prior to this rework operation however, the well in Section 21 produced for several years.

Q All right, are these three wells presently classified as Hatter's Pond Field wells according to the Special Field Rules for Hatter's Pond Field?

A Yes, they are.

Q All right, did Getty drill the well shown in the NW/4 of Section 22 on this plat?

A Yes, sir.

Q All right, is that well presently classified as a Hatter's Pond Field well?

A Yes, it is.

Q All right. Is the drilling unit for each of the wells in Sections 15, 16, 21, and 22 the entire section in which the well is located?

A That's right.

Q What is the present status of Getty's well in the NW/4 of Section 22?

A Getty reached total depth in this well over a year ago. Since that time we have been trying to get it to produce gas and gas condensate. Getty's still working on this well. Although it has produced small amounts of gas and gas condensate over the last year, Getty has to date been unable to get sustained production from this well.

Q All right, there's a well southwest of Section 22, an Exxon well, what is the present status of that well?

A It's our understanding that Exxon is presently trying to complete this well.

Q Is that well presently classified as a Hatter's Pond Field well?

A No, sir. It's classified, I believe, as a wildcat gas well.

Q Assuming that the bottom hole location of the well that

Getty plans to drill into Section 22 is the optimum geological location for the well, why would it be better from a landman's point of view to have the surface location of the well in the East Half of Section 21?

A Well, as you can see from the plat, Exhibit 1, there is an interstate highway...

Q Let me, this--all right, now the interstate highway is this line running right in here?

A Yeah.

Q The two lines?

MR. JOINER: Excuse me. Just for clarification of the record, it's the double black line running between the red square indicated as a proposed surface location and the circle indicated as the bottom hole location of the well, is that correct?

A That's correct, yes, sir.

MR. JOINER: All right, thank you.

A O.K. Getty has access roads and flow lines running to its well in 21. If the surface location for the well to be drilled into 22 were in the ~~East~~ East Half of 21, these flow lines and roads could be used in connection with the drilling of this well. If the surface location of this

well were over the bottom hole location, these roads and flow lines would have to be extended into 22, thereby increasing the amount of surface that would have to be used and disturbed in connection with the drilling of this well. Finally, there are some subdivisions in the SW/4 of Section 22 and a surface location directly above the bottom hole location of this proposed well would be very near these subdivisions.

Q Why does Getty want to include all of Section 22 in the unit for this proposed well?

A Well, as we have already mentioned, each of the drilling units for the wells in 15, 16, 21, and 28, is the entire section in which the well is located. This well like those wells is planned to be bottomed in the Norphlet-Smackover Formations and a unit consisting of all of Section 22 would be consistent with the spacing patterns of the surrounding wells.

Q All right, would a drilling unit for this well consisting of all of Section 22 also be consistent with the state-wide rule for spacing of deep test gas wells?

A Yes, sir.

Q All right, what percentage of the mineral, drilling, and

production rights in Section 22 does Getty own?

A We own a little over 47 percent of the unit.

Q All right, and the remainder of the unit then is owned...

A The other 53 percent is owned by individuals.

Q All right, do you know the names and addresses of the parties who own these other interests in Section 22?

A We think we do but we're not absolutely sure.

Q Why aren't you sure as to exactly who all the owners are?

A Well, there are several reasons. First, there are over 264 working interest and unleased mineral interest owners in this section and it's extremely impossible to trace all the property through the public records. Second, many leases were in effect when Getty commenced drilling the Boyd 22 well and are now beyond the primary term and it appears, well, it is impossible to determine whether or not these leases have been maintained by Getty's existing well because this would depend upon the wording of each particular lease. These leases are on many different forms and even if you knew the wording of a particular lease, there is virtually no Alabama law on the questions of what are operations or sufficient to maintain a lease beyond its primary term, and finally, there are many

different claimants to some of the tracts, so you are not absolutely sure who owns a tract in this section.

Q All right, what have you done in an attempt to find the names and addresses of all the people who have some claim to mineral interests in Section 22?

A Well, we obtained abstracts covering this property through January and February of 1976, and had an attorney examine them and render title opinions covering all of the property in 22. These abstracts and title opinions cost us in excess of \$90,000. Several weeks ago we obtained a computer print-out sheet from the Title Insurance Company of Mobile which shows all the conveyances and leases that affect mineral interests in Section 22. We have examined these computer printouts and have updated the ownership of Section 22 as best we could.

Q O.K. So you've spent over \$90,000 and a good deal of your own time chasing down the current ownership?

A That's right.

Q Have you attempted to contact all of the working interest owners and unleased mineral owners in Section 22?

A Yes, sir, we have. We compiled a list of all the ownership in 22 as far as we could determine and we sent every

party whose name appeared on this list a letter telling them of our plans to drill a well in Section 22 and our petition to this Board to force integrate Section 22.

Q O.K. Is Exhibit No. 2 a copy of that letter that you sent to those owners?

A Yes, sir, it is. And the list of names attached to that exhibit contains the names of all the parties who we think own a working interest or a mineral interest in 22. We sent a copy of this letter to every party on that list whose address is shown on that list.

Q O.K. Have you received any responses to that letter?

A We received approximately 25 responses, some of these people saying they would not join, others saying they would join if they could work out a mutual acceptable operating agreement, if not, they wouldn't join.

Q All right, prior to drilling your existing well in the NW/4 of Section 22, didn't Getty obtain an order of the Board force integrating all tracts and interests in Section 22?

A Yes, we did.

Q All right, why isn't Getty relying upon that previous order in connection with drilling this new well?

A Well, first, there have been many changes in the working

interest ownership in this section since the initial well in Section 22. In view of these changes in ownership, we felt it best to again review, or come before the Board and have the Board review this before drilling another well in Section 22. Second, it is possible that a new well in Section 22 will not be completed in the same gas pool which underlies the Hatter's Pond Field. And the first order force integrating Section 22 force integrated and established this section as a drilling unit in the Hatter's Pond Field. Since it is possible that the new well will not be a Hatter's Pond Field well, we were not certain that your original order would apply to this new well. In other words, the well which Getty now proposes to drill is probably a new venture which was not contemplated at the time the original order was issued, and therefore, we felt that it would be more appropriate to obtain a new order of the Board force integrating this section than to rely upon the old order.

Q All right, are you familiar with the Alabama statutory definition of waste as that term is defined in Section 9-17-1 of the Code of Alabama 1975?

A Yes, sir, I am.

Q In your opinion, would the granting of Getty's petition in this matter and the forced integration of Section 22 prevent waste within the meaning of that statute and protect the coequal and correlative rights of all parties and interests in Section 22?

A Yes, it would.

MR. ARMBRECHT: Mr. Chairman, I would request that Exhibits 1-3 be admitted into evidence, and I have no further questions of this witness if anyone at this time would like to question him before we question Mr. Armstrong.

CHMN. ADAMS: Your exhibit is admitted.

(Whereupon, Exhibits 1 through 3 were received in evidence to the testimony of Kenny Tidwell)

MR. CAREY: Mr. Armbrecht, I believe you had four exhibits.

MR. ARMBRECHT: I haven't testified as to the fourth. I'm just getting the first three right now.

MR. JOINER: Mr. Chairman, the staff has no questions.

MR. LEE: You said you had 100 percent, Getty had 100 percent of the...

MR. TIDWELL: The lease.

MR. ARMBRECHT: The location where the surface location, the bottom hole, and the well bore where Getty plans to drill this

well, it owns 100 percent of the rights where it's drilling the well.

MR. LEE: The surface location?

MR. ARMBRECHT: Well, it owns the lease on the surface, which gives it the right to, a mineral lease, which gives it the right to...

MR. LEE: I know, but you're talking about Section 21?

MR. ARMBRECHT: And 22. The lease covers property in both 21 and 22.

MR. TURNER: Mr. Chairman, I have some questions of this witness. I will be glad to defer them until he gets through with Mr. Armstrong, or whatever the pleasure of the Board is, or Mr. Armbricht. However he wants to proceed. I do have a couple of questions.

MR. ARMBRECHT: O.K. Why don't we go on through if you don't mind?

MR. TURNER: That will be fine.

MR. JOINER: Mr. Chairman, what's your pleasure, sir?

CHMN. ADAMS: You can question him now.

MR. TURNER: I believe Connie indicated he'd rather go on through, Dr. Adams, and if he does, it will be fine with me.

CHMN. ADAMS: O.K.

MR. JOINER: For the record, the question raised was by Mr. Ed Turner, Chatom, Alabama.

RALPH ARMSTRONG

Appearing as a witness on behalf of Petitioner, Getty Oil Company, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

Questions by Mr. Armbrecht:

Q Ralph, would you state your name and what your job is with Getty?

A My name is Ralph Armstrong, and I'm district development geologist in New Orleans.

Q All right, you've prepared a map as Exhibit No. 4, is that correct?

A That is correct.

Q Does this accurately show what it is intended to show?

A That is correct.

Q All right. Would you please explain to the Board how this map supports Getty's position and what it shows?

A This map is contoured on top of the Smackover Formation and it covers the south half of the Hatter's Pond Field and including the Exxon-Wilkie well drilled in Section 28. This is my interpretation of the area. In the Exxon No. 1

Wilkie, which is colored blue on the map, I interpret a fault approximately 16,000 feet, and we know from our dip in the Hatter's Pond Field the fault is dipping approximately 52 degrees. I am, in my interpretation I believe this is part of the same fault system that runs along the east side of the Hatter's Pond Field. Also, the wells that were drilled on top of the Hatter's Pond Field encountered salt as they came into the Buckner Formation. This was also observed in the Exxon No. 1 Brown colored yellow in Section 20. Also, working with the wells that are colored green in Section 21 and 22, I interpret there is a salt ridge that is present between the two wells or the field and the Exxon well exists. This was observed by measuring the isopach interval of the Buckner Formation. That is taking the top of the first Anhydrite to the top of the Smackover. In the Exxon well in Section 28, this interval is approximately 1400 feet. The well in Section 21 had 1700 feet. The section, well in section 22, had over 2,000 feet. I also went back up and checked some wells up in the field in Sections 15 and 16 and saw their general thickness was around 1500 feet. I interpret these two wells in Sections 21 and 22 being very close to this

salt ridge, and that the extra interval that we see is part of the salt that has moved into the Buckner salt zone has allowed the expansion of this interval, and as I am showing here, this is my interpretation of this salt ridge. I do not know how wide it is or, but I do think it exists. And as I was saying that we think this is a very risky well but we're prepared to drill the well to see whether this exists and again, if this salt ridge does exist, it will separate this well in 22 we are going to drill and the Exxon well from the Hatter's Pond Field itself.

Q All right. Do you think that the proposed bottom hole location for the Section 22 well that Getty proposed to drill is the optimum location in this section for the bottom hole?

A That is correct. We will be drilling between the salt ridge and the fault.

Q All right, in Sections 15, 16, and 21, they are presently classified as Hatter's Pond Field wells, is that correct?

A That is correct.

Q And the Section 28 well, the Exxon Section 28 well, is presently classified as a wildcat gas well, is that correct?

A That is correct.

Q All right, would you just for a minute give the Board your thoughts on the existing well in the NW/4 of Section 22?

A As Mr. Tidwell has explained, we have drilled this well for over a year ago. We cored this well extensively, and because of results we received from the cores, we ran pipe and tried to complete. Since that time, we have been, numerous perforations and acidizing and trying to get the well on production. Today we have not had any measurable amount of gas, only measuring three or 10-foot flare on jetting when we have jetted the well down to a depth that we thought we could sufficiently bring the well in.

MR. ARMBRECHT: All right, sir. I would request that Exhibit No. 4 be admitted into evidence.

CHMN. ADAMS: Exhibit 4 is admitted into evidence.

(Whereupon, Exhibit No. 4 was received in evidence to the testimony of Mr. Armstrong)

MR. ARMBRECHT: All right. I have no further questions of this witness.

MR. JOINER: Any questions of the staff? No questions of the staff right now, Mr. Chairman. We may have some after Mr. Turner finishes his examination.

CHMN. ADAMS: Do you have anything further?

MR. ARMBRECHT: Nothing further.

CHMN. ADAMS: Mr. Turner.

MR. TURNER: My name is Edward P. Turner, Jr., from Chatom, Alabama, and I represent Mr. J. C. Searcy.

CROSS-EXAMINATION

MR. TURNER: I reckon I'll ask you a few questions, Ralph, if you don't mind, instead of Tidwell.

MR. ARMSTRONG: All right.

MR. TURNER: Has Getty determined that the Boyd well will not produce gas or gas condensate in commercial quantities?

MR. ARMSTRONG: As far as we know it has not yet. We have still, we have not abandoned the well yet.

MR. TURNER: I understand that, but the decision has been made to drill another well in Section 22.

MR. ARMSTRONG: That is correct.

MR. TURNER: So Getty undoubtedly has determined that the Boyd well will not produce in commercial quantities.

MR. ARMSTRONG: That's not ...

MR. TURNER: That's not so?

MR. ARMBRECHT: This well is a new venture.

MR. TURNER: I understand. I understand what you said, but

what is Getty's position on the Boyd well? Is it or is it not a commercial producer?

MR. ARMSTRONG: At the present time all I can say is it's not a commercial producer right now. No, we have not made it-- we have tried and we haven't made a producer yet.

MR. TURNER: All right, is the well hooked up to any flow lines at all, Ralph?

MR. ARMSTRONG: I do not know.

MR. TURNER: You do not know? Now, one other question. Do you know when the last attempted completion was made on this well?

MR. ARMSTRONG: No, sir, I don't.

MR. TURNER: But it was TD'd about a year ago?

MR. ARMSTRONG: That is correct.

MR. TURNER: Has operations so far as you are concerned as a petroleum geologist been conducted on that well since it was TD'd and up until today?

MR. ARMSTRONG: As far as geologically speaking? I don't know what the Production Department, I mean all I do is drill it and they are testing stuff. I don't know...

MR. TURNER: You don't know whether operations have been conducted on it since it was TD'd and up until today or not?

MR. ARMSTRONG: All I get is some daily reports sometime, or I ask them how is it doing.

MR. TURNER: Allright, sir. Now two other questions. Do you know when Getty proposes to commence the drilling of the well that they are asking the Board to force integrate today?

MR. ARMSTRONG: As I understand, we have approval through our management to drill, and depending on the rigs and availability of them.

MR. TURNER: Does it have anything to do with the test results of the Exxon well?

MR. ARMSTRONG: Yes, sir, it could be.

MR. TURNER: It could have something to do with that?

MR. ARMSTRONG: Yes, sir. Exxon has not completed their well yet.

MR. TURNER: Does Getty intend to wait until Exxon has completed the test of the Wilkie gas unit until they commence spudding of the 22 well?

MR. ARMSTRONG: I don't know whether they will, but that would be my recommendation.

MR. TURNER: That they did do that, all right. Now let me ask you just one other geological question. Would you tell me why, Ralph, or how you interpreted that the points shown on your exhibit, Exhibit 4, that the band of salt which runs down

the major fault line through Hatter's Pond Field separated at that point and went in a southeasterly direction away from the fault line?

MR. ARMSTRONG: As I explained in my testimony that the salt is connected with the fault in Hatter's Pond. We do see a fault in the Exxon well and also because the Exxon well in Section 20 depicts salt zones that we see in 21 and 22, we feel like the salt ridge turned to the west, in my opinion.

MR. TURNER: And separated from the major fault?

MR. ARMSTRONG: That's correct.

MR. TURNER: That's all.

CROSS-EXAMINATION

KENNY TIDWELL

MR. TURNER: Mr. Tidwell, do you know, you indicated that the Boyd well had not, had been able to sustain production since it was TD'd?

MR. TIDWELL: That's correct.

MR. TURNER: Has Getty made a determination that it will not produce in commercial quantities?

MR. TIDWELL: I'm just a landman. I don't know. I really don't.

MR. TURNER: I'm just asking you to your knowledge, do you

know whether Getty has made a determination that it will not produce in commercial...

MR. TIDWELL: To my knowledge, I don't know.

MR. TURNER: You don't know. All right, do you know whether or not since the well was TD'd about a year ago that there has been operation on that well or on that lease by Getty each month since it was TD'd?

MR. TIDWELL: I know there has been operations. I don't know exactly when they were done. There has been some operations, yes, sir.

MR. TURNER: Well, let me ask you this. Has there been operations conducted on that lease or on that well each month for the past six months?

MR. TIDWELL: Each month?

MR. TURNER: Each month for the past six month?

MR. TIDWELL: I don't really know.

MR. TURNER: I mean if you know. You understand, I'm not asking you...

MR. TIDWELL: I don't really know. I know they have conducted some in the last six months. Whether or not they have been every month I don't know.

MR. ARMBRECHT: Let me interject a point here. The problem is I guess is what is operations and...

MR. TURNER: Well, I'm asking him not for a legal interpretation but whether or not they have done anything out there, if you'd like for me to use that word. Have you all done anything out there in the last six months?

(Laughter from audience)

MR. TURNER: Each month for the last six months?

MR. TIDWELL: I don't think each month they have probably done anything. Now they have done some stuff out there. Whether they have done it each month I don't know.

MR. TURNER: All right. Now what is your information as to when Getty proposes to drill the replacement well or whatever you want to call it in Section 22?

MR. TIDWELL: Well, like Ralph says, we have approval and it would depend upon rig availability and our management's decision when they want to drill it.

MR. TURNER: Well, apparently they have made a decision to drill?

MR. TIDWELL: Yes, sir, I--yes, sir, we've made a decision to drill.

MR. TURNER: All right, and you're waiting on rig availability and test results out of the Exxon well, is that what you say?

MR. TIDWELL: I would imagine that's what they are waiting

on. I don't know.

MR. TURNER: All right, sir. That's all. Thank you, Mr. Chairman.

MR. JOINER: Mr. Chairman, I don't have any questions from the staff, but I think we need a statement for the record here, and I would like to pursue this maybe with a few questions along to support the statement if you will, but as I see what is being proposed here, Mr. Armstrong, we would say at best this is a risky geologic venture?

MR. ARMSTRONG: That's very correct.

MR. JOINER: You concur with that? And what you truly hope to establish is a well that you anticipate being in the same reservoir as the Exxon-Wilkie well in 28, is that correct?

MR. ARMSTRONG: That's correct.

MR. JOINER: You would then assume that that would be a totally and completely separate reservoir from the Hatter's Pond Field?

MR. ARMSTRONG: In my opinion it would be, yes.

MR. JOINER: All right. You understand that we have the Boyd well in Section 22, which for whatever bit of production you've been able to recover from that well to date, it is the understanding of the staff that you assume that's from the Hatter's Pond reservoir?

MR. ARMSTRONG: That's correct.

MR. JOINER: All right. So we are looking at a situation here if we allow the Boyd well to remain in an unplugged state, that in the event the new well is in fact a separate reservoir, that well could possibly be used in the production scheme of the Hatter's Pond Field, with special approval by the Board, and by staying in an unplugged state perhaps could serve some useful purpose in the future. However, if on the drilling of this new well you find that the new well encounters what is the Hatter's Pond reservoir, at that time it's going to be necessary to plug one of the wells, either the Boyd or the new well.

MR. ARMSTRONG: That's the way I understand it.

MR. JOINER: You understand that and Getty Oil Company understands it, and I hope everybody in attendance understands it. And I feel that in the process of making this application, that was the spirit and that's certainly the way the staff has received it and if the Board acts favorably on it, the Boyd well could remain in a posture of future utility which in our opinion is a wise, and a move in the interest of conservation, so with that, Mr. Chairman, I think the record should be complete in that regard.

CHMN. ADAMS: All right. Is there anything further? Any

further comments for or against? (No response)

MR. LEE: Mr. Chairman, I would move to grant the petition with the stipulation that the bottom hole well, bottom hole location for the well, be drilled no closer than 660 feet from the West line of Section 22, and of course, that the well be subject to proration.

MR. MCCORQUODALE: Second the motion.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it and so ordered.

MR. ARMBRECHT: Thank you, Mr. Chairman.

MR. JOINER: Mr. Chairman, that brings us to the place on the agenda where we deal with well status determinations under the Natural Gas Policy Act of 1978. We have items in three categories in this regard. The first category are those items for which a dismissal has been requested. They are Items 23, application by Pruet Production Company; Items 24 and 25, applications by Hughes and Hughes. Is there anyone in attendance who wishes to comment or oppose dismissal of these items? If not, Mr. Chairman, we recommend Items 23, 24, and 25 be dismissed.

MR. LEE: I so move.

MR. MCCORQUODALE: Second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye"

CHMN. ADAMS: "Ayes" have it.

MR. JOINER: The next category is that for which continuance has been requested for the items. They are Items 21 and 22, continued applications by Energy Explorations, Inc. Is there anyone in attendance who wishes to comment or oppose continuance of these items? (No response) If not, Mr. Chairman, we recommend Items 21 and 22 be continued.

MR. LEE: So move.

MR. MCCORQUODALE: Second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: The "ayes" have it.

MR. JOINER: The next category are those for which action has been requested. They are: Item 26, application by Petroleum Corporation of Texas; Item 27, application by Robert Mosbacher; Items 28 and 29, applications by MWJ Producing Company; Item 30, application by Grace Petroleum Corporation; Items 31 and 32, applications by Hughes & Hughes; Item 33, application by Pruet Production Company. Is there anyone in attendance who wishes to comment or oppose favorable action on these items? (No response)

If not, Mr. Chairman, we recommend that the attorney introduce these items into the record and favorable action.

MR. CAREY: Mr. Chairman, the staff has examined these applications and exhibits and they appear to be in order, and we recommend that the exhibits be admitted into evidence and the applications be acted upon in accordance with Rule N-4. If there are no objections, we would recommend that the applications be granted.

CHMN. ADAMS: The exhibits are admitted.

(Whereupon, the exhibits
attached to the FERC
applications were
received in evidence)

MR. LEE: Mr. Chairman, I move that we grant the applications in Items 26 through 33.

MR. MCCORQUODALE: Second the motion.

DR. ADAMS: All in favor say "aye".

(All Board members voted "aye")

MR. JOINER: The next item is approval of the minutes of April 11, 1980, meeting. Mr. Chairman, we recommend approval of these minutes.

MR. MCCORQUODALE: I so move.

MR. LEE: Second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. MCCORQUODALE: Mr. Chairman, I move we adjourn.

MR. LEE: Second.

CHMN. ADAMS: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: We're adjourned.

(Whereupon, at 11:57 A.M. the regular session
was adjourned)

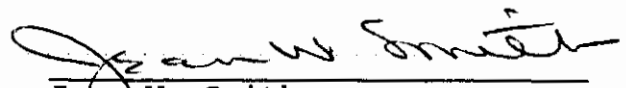
REPORTER'S CERTIFICATE

STATE OF ALABAMA ()

COUNTY OF TUSCALOOSA()

I, Jean W. Smith, Hearings Reporter in and for the State of Alabama, do hereby certify that on Friday, May 9, 1980, in the Board Room of the State Oil and Gas Board Building, University Campus, Tuscaloosa, Alabama, I reported the proceedings before the State Oil and Gas Board of Alabama in Regular Session; that the foregoing 87 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 or counsel to the parties to said cause, nor in any manner interested in the results thereof.



Jean W. Smith
Hearings Reporter
State of Alabama