

*Wade*

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1.	Jan Wade	61-69	74-76	--	--

# EXHIBITS

<u>TITLE</u>	<u>DESCRIPTION</u>	<u>OFFERED</u>	<u>RECEIVED</u>
Exhibit 1 (Item 20)	Affidavit of notice by James J. Sledge	58	58
Exhibit 2 (Item 20)	Affidavit of David Rigsby	58	58
Exhibit 1 (Jan Wade)	Area map of portions of Mt. Zion & Star Fields	68	68
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Exhibit 7 (Item 6)	12-9-88 letter to Board from Pruet Production Co.	68	68
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STATE OIL AND GAS BOARD OF ALABAMA

Tuscaloosa, Alabama

December 16, 1988

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 of Alabama Campus, Tuscaloosa, Alabama, pursuant to adjournment, on this the 16th day of December, 1988.

BEFORE:

BOARD MEMBERS

Dr. Ralph Adams.....Chairman  
Mr. Gaines McCorquodale.....Associate Member  
Mr. Matthew S. Metcalfe.....Associate Member

BOARD STAFF

Dr. Ernest A. Mancini.....Secretary & Supervisor  
Mr. Marvin Rogers.....Attorney  
Mr. Gary Wilson.....Assistant Supervisor  
Mr. Jay Masingill.....Assistant Supervisor  
Mr. Dave Bolin.....Assistant Supervisor  
Mr. Frank Hinkle.....Geologist  
Mr. Doug Hall.....Geologist  
Mr. Richard Hamilton.....Petroleum Engineer

(Reported by Jean W. Smith)

APPEARANCES

	<u>NAME</u>	<u>REPRESENTING</u>
1.	Jan Wade Two West Second St. Tulsa, OK	Samson Resources
2.	Steve Harrison Tuscaloosa, AL	Samson Resources
3.	Jim Sledge Tuscaloosa, AL	Terra
4.	Tom Watson Tuscaloosa, AL	Not listed
5.	Bonzell McGee (Address not listed)	Self
6.	Gene Faulkner (Address not listed)	Self

PROCEEDINGS

(The hearing was convened at 10:07 a.m. on Friday,  
December 16, 1988, at Tuscaloosa, Alabama)

CHMN. ADAMS: Let the record reflect that the Oil and Gas Board is in session. Has this meeting been properly noticed?

DR. MANCINI: Mr. Chairman, proper notice of this meeting has been provided. A copy of today's meeting has been transmitted to the recording secretary.

NOTICE OF MEETING

"The State Oil and Gas Board of Alabama will hold its regular month meeting on Thursday and Friday, December 15 and 16, 1988, at 10:00 a.m. in the Board Room of the State Oil and Gas Board Building, University of Alabama Campus, Tuscaloosa, Alabama.

1. DOCKET NO. 9-15-8810

Continued Petition by COLLET VENTURES, INC., a foreign corporation qualified to do and doing business in the State of Alabama, requesting the Board to enter an Order approving the design and operation of certain modifications to the Copeland Gas Plant operated by Petitioner in Washington County, Alabama.

2. DOCKET NO. 11-04-889

Continued petition by TAURUS EXPLORATION, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling all tracts and interests in a 320-acre gas unit consisting of the North Half of Section 30, Township 14 South, Range 14 West, Lamar County, Alabama, pursuant to Section 9-17-13, Code of Alabama (1975), and Rule 400-1-13-.01 of the State Oil and Gas Board of Alabama Administrative Code.

3. DOCKET NO. 11-04-8812

Continued petition by MISSISSIPPI ENMARK, INC., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to amend Rule 1 of the Special Field Rules for the Wesley Chapel Field, Lamar County, Alabama, so as to delete from the field limits for said field the South Half of Section

23 and all of Section 26, and that part of Section 27, Township 12 South, Range 16 West, lying in the State of Alabama.

4. DOCKET NO. 11-04-8813

Continued petition by MISSISSIPPI ENMARK, INC., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the Board to establish a new gas field in Lamar County, Alabama, to be named the East Splunge Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Upper and Lower Carter Sand Gas Pools, consists of all of Sections 22, 26, 27 and 28 lying within the State of Alabama in Lamar County, Alabama. The Upper Carter Sand Gas Pool is defined as that interval of the Carter Sand productive of hydrocarbons between 1,766 feet and 1,790 feet as indicated on the Dual induction Log for the Scott 27-4 No. 1 Well, Permit No. 5924, and all zones in communication therewith and all productive extensions thereof. The Lower Carter Sand Gas Pool is defined as that interval of the Carter Sand productive of hydrocarbons between 1,803 feet and 1,835 feet as indicated on the Dual Induction Log for the above-referenced well, and all zones in communication

therewith and all productive extensions thereof.

Petitioner is requesting well spacing of approximately 320 acres, with a tolerance of up to 30% to accommodate units adjacent to the state line; and is also requesting the establishment of allowables for said field.

This petition is filed as a companion to the petition amending Rule 1 of the Special Field Rules for Wesley Chapel Field and the petition force pooling the Scott 27-4 No. 1 Well. All petitions relate to the same matter, the proposed East Splunge Field.

5. DOCKET NO. 11-04-8815

Continued petition by MISSISSIPPI ENMARK, INC., a foreign corporation, authorized to do and doing business in the State of Alabama, to approve a well location 2,348 feet from the East line and 2,368 feet from the South line of Section 27, Township 12 South, Range 16 West, Lamar County, Alabama, in the proposed East Splunge Field. Said well would be located on a unit of approximately 353 acres consisting of the South Half of said Section 27 and that part of the South Half of adjacent Section 28, Township 12 South, Range 16 West, Lamar County, Alabama, which lies in the State of Alabama. Rule 3 of the Special Field Rules for the proposed East Splunge Field requires all wells to

be located at least 660 feet from all exterior boundaries of a unit, however, Petitioner's proposed location is only 330 feet from the North line of the proposed unit.

6. DOCKET NO. 11-04-8816

Continued petition by SAMSON RESOURCES COMPANY, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the Board to approve a well location 900 feet from the South line and 660 feet from the West line of Section 7, Township 16 South, Range 15 West, Lamar County, Alabama, in the Star Field, as an exception to Rule 3B of the Special Field Rules for said field. Said rule requires all wells to be located at least 2,000 feet from all other wells completed in the same zone, and Petitioner's proposed location is only 1,377 feet from the Pruet-Falkner No. 1 Well, Permit No. 2333, in the North Half of Section 18, Township 16 South, Range 15 West, which well is completed in the Lewis Sand Gas Pool, the objective for Petitioner's well at the proposed location. The proposed unit for the proposed well is the West Half of said Section 7.

7. DOCKET NO. 11-04-8817

Continued petition by HUGHES EASTERN 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 amending Rule 1 of the Special Field Rules for the West Foshee Oil Field, Escambia County, Alabama, by adding the following parcels:

The South Half of South Half of Section 29; the Northwest Quarter of Northeast Quarter, South Half of Northeast Quarter, and the North Half of Northwest Quarter of Section 32, all in Township 2 North, Range 8 East, Escambia County, Alabama.

8. DOCKET NO. 11-04-8819

Continued petition by TAURUS EXPLORATION, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter a supplemental order approving the Unit Agreement and Unit Operating Agreement as ratified, said agreements concerning unit operations for South Brush Creek Oil Unit in the South Brush Creek Oil Field, Lamar County, Alabama. The aforementioned agreements incorporate the provisions of Section 9-17-83, Code of Alabama (1975), which have been signed or in writing ratified or approved by the owners of at least 75 percent in interests as costs are shared under the terms of Board Order No. 88-206, dated September 16, 1988, and by 75 percent in interests of royalty and overriding royalty owners in the Unit Area. Board Order

No. 88-206 approved the plans for unitization of the following described Unit Area within the South Brush Creek Oil Field, Lamar County, Alabama:

SE/4 of SW/4 and the W/2 of the SW/4, all in Section 27; SE/4, and the S/2 of SW/4, all in Section 28; E/2 of the NE/4 of Section 32; All of Section 33; and W/2 of Section 34, all in Township 14 South, Range 14 West, Lamar County, Alabama.

Petitioner is requesting the Board to enter a supplemental order to Order No. 88-206 requiring unit operations to become effective in accordance with the aforementioned agreements.

9. DOCKET NO. 11-04-8821

Continued petition by VICTORY RESOURCES, INC., an Alabama Corporation, requesting the State Oil and Gas Board to enter an order force pooling all tracts and interests in a 160 acre wildcat gas drilling and producing unit consisting of the Northeast Quarter of Section 7, Township 11 South, Range 11 West, Marion County, Alabama. This Petition is in accordance with Section 9-17-13, Code of Alabama (1975) and Rule 400-1-13-.01 of the State Oil and Gas Board Administrative Code.

10. DOCKET NO. 12-15-881

Petition by JUSTISS OIL COMPANY, INC., 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 reforming a 40 acre wildcat drilling unit for the Glen E. Pate et ux. 4-1 No. 1 Well, Permit No. 5736, consisting of the Northeast Quarter of the Northeast Quarter of Section 4, Township 21 South, Range 13 West to a 320 acre unit consisting of the North Half of Section 4, Township 21 South, Range 13 West, Pickens County, Alabama, in the Sneads Creek Field.

11. DOCKET NO. 12-15-882

Petition by NORCEN EXPLORER, INC., a foreign corporation, requesting the State Oil and Gas Board to enter an order force pooling all tracts and interests in a 40-acre oil unit consisting of the South 40 acres of Fractional Lot D, also known as the Northwest Quarter of the Southwest Quarter of Section 21, Township 11 North, Range 4 West, Choctaw County, Alabama, pursuant to Section 9-17-13, Code of Alabama (1975), and Rule 400-1-13-.01 of the State Oil and Gas Board of Alabama Administrative Code.

12. DOCKET NO. 12-15-883

Petition by BROWNING AND WELCH, INC., a foreign corporation

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authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order force pooling and integrating all lands and interests in a 320-acre drilling unit consisting of the East Half of Section 10, Township 16 South, Range 13 West, Fayette County, Alabama, in the West Fayette field, pursuant to Alabama Code Section 9-17-13 (1975) and Rule 400-1-13 of the State Oil and Gas Board of Alabama Administrative Code.

13. DOCKET NO. 12-15-884

Petition by BROWNING AND WELCH, INC., a foreign corporation authorized to do and doing business in Alabama, requesting the State Oil and Gas Board of Alabama to enter an order force pooling and integrating all lands and interests in a 160-acre drilling unit consisting of the Southeast Quarter of Section 9, Township 13 South, Range 10 West, Walker County, Alabama, in the Eldridge field, pursuant to Ala. Code § 9-17-13 (1975) and Rule 400-1-13 of the State Oil and Gas Board of Alabama Administrative Code.

14. DOCKET NO. 12-15-885

Petition by COASTAL OIL AND GAS CORPORATION, a Delaware corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to

enter an order establishing Special Field Rules for a new oil field to be known as the Broken Leg Creek Field (or such other name as the Board deems appropriate) consisting of the West Half of the Southwest Quarter (W/2 SW/4) of Section 8, the East three-fourths of the South Half (E/3/4 S1/2) of Section 7 and the Northeast Quarter of Section 18, Township 3 North, Range 8 East, Escambia County, Alabama. The proposed Special Field Rules would define the Smackover Oil Pool in said field as those strata productive of hydrocarbons in the interval between the measured depths of 14,040 feet to 14,119 feet in the Coastal Oil and Gas Corporation Container Corp. 7-15 No. 1 Well, Permit No. 5838-B, as defined by the Phasor Induction - SFL Log for said well, including those strata which can be correlated therewith. Petitioner is requesting well spacing of approximately 160 acres per well configured as a square and that the Supervisor, upon written request, shall set a temporary test allowable with a permanent allowable to be set after notice and hearing. All Parties are advised that the State Oil and Gas Board, upon hearing, may grant an order different from that requested by petitioner. This petition is made pursuant to Section 9-17-12 Code of Alabama (1975) and Rules 400-1-.05 and 400-1-2-.02 of the

State Oil and Gas Board of Alabama Administrative Code.

This Petition is a companion to Docket Nos. 12-15-886 and 12-15-887.

15. DOCKET NO. 12-15-886

Petition by COASTAL OIL AND GAS CORPORATION, a Delaware corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order reforming the presently existing 40 acre oil unit for the Coastal Oil and Gas Corporation-Container Corp. 7-15 No. 1 Well, Permit No. 5838-B, comprised of the West Half of the Southwest Quarter of the Southeast Quarter (W1/2 SW1/2 SE1/4) and the East Half of the Southeast Quarter of the Southwest Quarter (E1/2 SE1/4 SW1/4) of Section 7, Township 3 North, Range 8 East, Escambia County, Alabama, to a 160 acre production unit comprised of the West Half of the Southeast Quarter (W1/2 SE1/4) and the East Half of the Southwest Quarter (E1/2 SW1/4) of Section 7, Township 3 North, Range 8 East, Escambia County, Alabama. The proposed unit will comply with the proposed Special Field Rules for the proposed Broken Leg Creek Field. This petition is made pursuant to Section 9-17-12, Code of Alabama (1975) and Rule 400-1-2-.02 of the State Oil and Gas Board of Alabama Administrative Code. This

Petition is a companion to Docket Nos. 12-15-885 and 12-15-887.

16. DOCKET NO. 12-15-887

Petition by COASTAL OIL AND GAS CORPORATION, a Delaware corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to force pool all tracts and interests in a 160 acre drilling unit consisting of the West Half of the Southwest Quarter (W1/2 SW1/4) of Section 8 and the East Half of the Southeast Quarter (E1//2 SE1/4) of Section 7, Township 3 North, Range 8 East, Escambia County, Alabama, in the proposed Broken Leg Creek Field. This petition is made pursuant to Section 9-17-13 Code of Alabama (1975) and Rule 400-1-13-.01 of the State Oil and Gas Board of Alabama Administrative Code. This Petition is a companion to Docket Nos. 12-15-885 and 12-15-886.

17. DOCKET NO. 12-15-888

Petition by ARCO OIL AND GAS COMPANY, a division of Atlantic Richfield Company, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to the Special Field Rules for the Gulf Crest Field, Mobile County, Alabama, establishing a

permanent allowable for each of the wells drilled therein. The Petitioner requests that said allowable be set at 350 barrels of oil per day.

18. DOCKET NO. 12-15-889

Petition by LEWIS OPERATING COMPANY, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, Code of Alabama (1975) approving plans for a unit consisting of a part of the Fairview Field, said unit to be known as the "Central Fairview Carter Sand Oil Unit", consisting of the hereinafter described "Unit Area" in Lamar County, Alabama, subject to ratification by working, royalty and overriding royalty owners in accordance with Section 9-17-84, Code of Alabama (1975), so as to require the operation of said unit for the development and production of oil, gas, gaseous substances, sulphur, condensate, distillate, and all associated and constituent liquid or liquefiable substances within or produced from the hereinafter described "Unitized Interval." "The Unitized Interval" is to be designated as the Carter Sand Oil Pool, and is defined as those strata of the Carter Sand productive of hydrocarbons in the interval

between the top of the Carter Sand and the base of the Carter Sand, which strata occur between the depths of 2,362 feet and 2,394 feet as depicted by the Compensated Neutron Formation Density Log in the #4 Vista Mae Gilmer Well, Permit No. 2210, located in the Southeast Quarter of the Southeast Quarter of Section 5, Township 14 South, Range 14 West, Lamar County, Alabama, including those strata which can be correlated therewith, or such other interval as may be ordered by the State Oil and Gas Board. Said petition further seeks approval of the form of the Unit Agreement, Unit Operating Agreement and Ratification Agreement. Said petition further seeks entry of an order by the Board subject to ratification in accordance with Section 9-17-84, Code of Alabama (1975), unitizing, pooling and integrating the "Unit Area" into a single unit so as to require all owners or claimants of royalty, overriding royalty, mineral, leasehold and all other leasehold interests within said unit to unitize, pool and integrate their interests and develop their lands or interests within said "Unit Area" as a single unit, and designating Lewis Operating Company, Inc. as operator of the "Unit Area". The "Unit Area" contains approximately 1,400 acres, more or less, located in Lamar County, Alabama, being more particularly

described as follows:

All of Section 5, the North Half of Section 8, the North Half of the South Half of Section 8, the Northwest Quarter of Section 9, the Southwest Quarter of Section 4 and the Southwest Quarter of the Northwest Quarter of Section 4, all in Township 14 South, Range 14 West, Lamar County, Alabama.

This is a companion petition to Docket No.

12-15-8810, seeking to amend the Special Field Rules for the Fairview Field so as to regulate development and operation of the unit area described above.

19. DOCKET NO. 12-15-8810

Petition by LEWIS OPERATING COMPANY, INC., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order amending the Special Field Rules for the Fairview Field, Lamar County, Alabama, so as to regulate development and operation of the "Unit Area" for the proposed Central Fairview Carter Sand Oil Unit, which Unit Area is described as:

All of Section 5, the North Half of Section 8, the North Half of the South Half of Section 8, the Northwest Quarter of Section 9, the Southwest Quarter

of Section 4 and the Southwest Quarter of the Northwest Quarter of Section 4, all in Township 14 South, Range 14 West, Lamar County, Alabama.

The proposed amendments would provide for regulation of spacing, distance between wells, and allowables, along with such other matters as are necessary to further development and operation of the proposed Central Fairview Carter Sand Oil Unit.

This is a companion petition to Docket No. 12-15-889, seeking to establish the Central Fairview Carter Sand Oil Unit.

20. DOCKET NO. 12-15-8811

Petition by TERRA RESOURCES, INC., 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 force pooling all tracts and interests in the North Half of Section 35, Township 17 South, Range 15 West, Lamar County, Alabama, all pursuant to Section 9-17-13, Code of Alabama (1975) and Rule 400-1-13 of the State Oil and Gas Board of Alabama Administrative Code.

21. DOCKET NO. 12-15-8812

Petition by BROWNING AND WELCH, INC., a foreign corporation authorized to do and doing business in the State of

Alabama, to reform the unit for the Bagwell 24-4 No. 1 Well, Permit No. 5941, from a 320-acre gas unit consisting of the West Half of Section 24, Township 16 South, Range 13 West, Fayette County, Alabama, in the McCracken Mountain Field, to an 80-acre oil unit consisting of the West Half of the Northwest Quarter of said Section 24, in the proposed Cains Ridge Oil Field.

This petition is filed as a companion to a petition to establish the Cains Ridge Oil Field, and both petitions deal with the same matter, the Bagwell 24-4 Well.

22. DOCKET NO. 12-15-8813

Petition by BROWNING AND WELCH, INC., a foreign corporation authorized to do and doing business in the State of Alabama, to name a new oil field in Fayette County, Alabama, the Cains Ridge Oil Field, or such other name as the Board may deem appropriate, and to adopt Special Field Rules therefor. Said field is proposed to consist of the West Half of Section 24, Township 16 South, Range 13 West, Fayette County, Alabama, as underlain by the Millerella Sand Oil Pool, and all productive extensions thereof. The Millerella Sand Oil Pool is defined as those strata of the Millerella Sand productive of hydrocarbons in the interval between 3,182 feet and 3,198 feet as indicated

on the Dual Induction log for the Bagwell 24-4 No. 1 Well, Permit No. 5941, including those strata of hydrocarbons which can be correlated therewith. Petitioner is requesting 80-acre spacing and the establishment of allowables for said field.

This petition is filed as a companion to a petition to reform the unit for the Bagwell 24-4 No. 1 Well, and both petitions deal with the same matter, the Bagwell 24-4 No. 1 Well.

23. DOCKET NO. 12-15-8814

Petition by MISSISSIPPI ENMARK, INC., a foreign corporation authorized to do and doing business in the State of Alabama, to approve a well location 330 feet from the West line (the Alabama State Line) and 330 feet from the South line of a 314-acre unit consisting of that portion of the South Half of Section 22, Township 12 South, Range 16 West, Lamar County, Alabama, lying in the State of Alabama, in the proposed East Splunge Field. Petitioner proposes to drill a well to the Upper Carter Sand Gas Pool on said unit. Rule 3 of the Special Field Rules for the proposed East Splunge Field requires all wells to be located at least 660 feet from all exterior boundaries of a unit, however, Petitioner's proposed location is only 330 feet from the South and West lines of the proposed unit.

24. DOCKET NO. 12-15-8815

Petition by TERRA RESOURCES, INC., a foreign corporation authorized to do and doing business in the State of Alabama, to force pool all tracts and interests in a 320-acre gas drilling unit consisting of the North Half of Section 34, Township 13 South, Range 13 West, Fayette County, Alabama, a productive extension of the McDonald Branch Field, pursuant to Section 9-17-13, Code of Alabama (1975) and Rule 400-1-13-.01 of the State Oil and Gas Board of Alabama Administrative Code. Said unit has been permitted for the McDonald 34-4 No. 1 Well, Permit No. 5927, but due to a title failure, additional owners have appeared who have not yet voluntarily joined the unit.

25. DOCKET NO. 12-15-8818

Petition by FINA OIL AND CHEMICAL COMPANY, 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 naming a new oil field in Choctaw County, Alabama, to be named the West Okatuppa Creek Field, or such other name as deemed appropriate by the Board, and to promulgate Special Field Rules for the new oil field. Petitioner proposes that the field limits consist of the South Half of Section 31, the Southwest Quarter of Section

32 in Township 12 North, Range 4 West; Sections 4 and 5 and the East Half of Section 6, in Township 11 North, Range 4 West, Choctaw County, Alabama. The Smackover Oil Pool in said field is to be defined as that interval productive of hydrocarbons as defined on the Dual Induction Log between the depths of 10,586 feet and 10,620 feet, as encountered in the Land 6-1 No. 1 Well, Permit No. 5776-B, which has a bottom hole location of 1,227 feet from the North Line and 325 feet from the East Line of Section 6, Township 11 North, Range 4 West, Choctaw County, Alabama, including all zones in communication therewith and all productive extensions thereof. Petitioner is requesting spacing of 80 contiguous acres for wells completed in the Smackover Oil Pool, the configuration of said drilling unit(s) being subject to approval by the Supervisor. Petitioner is also requesting the establishment of allowables.

26. DOCKET NO. 12-15-8816

Petition by FINA OIL AND CHEMICAL COMPANY, 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 reforming a 40-acre drilling unit for the Land 6-1 No. 1 Well, Permit No. 5776-B, consisting of the Northeast Quarter of the Northeast Quarter into an 80-acre

drilling and production unit consisting of the East Half of the Northeast Quarter of Section 6, Township 11 North, Range 4 West, Choctaw County, Alabama, in the proposed West Okatuppa Creek Field.

27. DOCKET NO. 12-15-8817

Petition by FINA OIL AND CHEMICAL COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the Land 6-1 No. 1 Well, Permit No. 5776-B, said location being 93 feet FSL and 325 feet FEL of a 40-acre wildcat drilling unit consisting of the NE/4 of the NE/4 of Section 6, Township 11 North, Range 4 West, Choctaw County, Alabama. Rule 400-1-2-.02 of the State Oil and Gas Board of Alabama Administrative Code requires all wells drilled on 40-acre wildcat locations to be at least 330 feet from every exterior boundary of said unit.

28. DOCKET NO. 12-15-8819

Petition by FINA OIL AND CHEMICAL COMPANY, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving an exceptional location for the Land 6-1 No. 1 Well, Permit No. 5776-B, with a bottom hole

location 325 feet from the East line and 1,227 feet from the North line of an 80-acre unit consisting of the East Half of the Northeast Quarter of Section 6, Township 11 North, Range 4 West, Choctaw County, Alabama, in the proposed West Okatuppa Creek Field. Rule 3 of the proposed Special Field Rules for said field require all wells to be located at least 330 feet from every exterior boundary of drilling units, and the bottom hole location would be an exception to said rules.

29. DOCKET NO. 12-15-8820

Petition by V. MONTA CURRIE, JR., an independent operator, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a 160-acre wildcat gas drilling unit consisting of the North Half of the Southwest Quarter and the South Half of the Northwest Quarter, all in Section 26, Township 7 South, Range 3 East, Baldwin County, Alabama, as an exception to Rule 400-1-2-.02 of the State Oil and Gas Board of Alabama Administrative Code, and the West Foley Field Rules if applicable. Said proposed unit is located adjacent to the West Foley Field.

This Petition is filed as a companion to a petition for approval of an exceptional location, and both petitions

relate to the same matter, to locate a well at an exceptional location on an exceptional unit.

30. DOCKET NO. 12-15-8821

Petition by V. MONTA CURRIE, JR., an independent operator doing business in the State of Alabama, requesting approval of a well location 2,524 feet from the South Line and 2,175 feet from the West Line of Section 26, Township 7 South, Range 3 East, Baldwin County, Alabama, on a 160-acre wildcat gas drilling unit consisting of the North Half of the Southwest Quarter and the South Half of the Northwest Quarter of said Section 26. The proposed well location is only 498 feet from the East Line of the above described unit, and as such, would be an exception to Rule 400-1-2-.01(2)(b) of the State Oil and Gas Board of Alabama Administrative Code, which requires such wells to be located at least 660 feet from all exterior boundaries of the unit. Also, the unit for the proposed well is adjacent to the West Foley Field. West Foley Special Field Rules, is applicable, require 1,320 feet between wells and a distance of 660 feet from unit boundaries.

This petition is filed as a companion to a petition for an exceptional unit for the above-described well location, and both petitions relate to the same matter, to locate a well at an exceptional location on an exceptional unit.

31. DOCKET NO. 12-15-8822

Petition by STRAGO PETROLEUM 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 approving an exceptional location for a well to be drilled from a location 904 feet from the West line and 410 feet from the South line, with a bottom hole location no closer than 330 feet from every exterior boundary of a drilling unit consisting of the Northeast Quarter of Section 27, Township 4 North, Range 6 East, Monroe County, Alabama, as a productive extension of the Vocation Field. Rule 3 of the Special Field Rules for the Vocation Field specifies that all wells drilled to the Smackover Oil Pool in said field be located at least 660 feet from every exterior boundary of the drilling unit and this well will be an exception to said rule.

32. DOCKET NO. 12-15-8823

Petition by STRAGO PETROLEUM 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 approving a bottom hole location as an exceptional location for the Neuschwander 34-3 No. 1 Well, Permit No. 5779. Said well was drilled, in accordance with

Order 88-78, at an approved exceptional surface location 506 feet from the East line and 852 feet from the South line of a 160-acre drilling unit consisting of the South Half of the Southwest Quarter of Section 27 and the North Half of the Northwest Quarter of Section 34, Township 4 North, Range 6 East, Monroe County, Alabama, in the Vocation Field. The bottom hole location for said Neuschwander 34-3 No. 1 Well is 459 feet from the East line and 974 feet from the South line of the above-described drilling unit and as such is an exception to Rule 3 of the Special Field Rules for said Vocation Field, that requires all wells to be located at least 660 feet from every exterior boundary of the drilling unit.

33. DOCKET NO. 6-23-8832A

Continued Motion by the Board to amend Rule 400-1-3-.10 relating to Well Record to add language requiring that a complete set of cores, if cores are taken, correctly labeled and identified as to depth, be filed with the Board within six (6) months from the time of completion of any wells unless otherwise approved by the Supervisor and to require that a complete set of cuttings correctly identified as to depth, be filed within thirty (30) days from the time of completion of any well unless otherwise approved by the Supervisor.

34. DOCKET NO. 11-04-8829

Continued Motion by the Board to amend Rule 400-1-1-.03 of the State Oil and Gas Board Administrative Code relating to Definitions to add a definition for a temporarily abandoned well and to change the definition of abandonment to an abandoned well.

35. DOCKET NO. 11-04-8830

Continued Motion by the Board to amend Rule 400-1-3-.06 of the State Oil and Gas Board Administrative Code relating to Notice of Intention to Plug and Abandoned, or Request to Clarify Wells as Temporarily Abandoned or Shut-in to clarify the existing language pertaining to temporarily abandoned and shut-in wells.

36. DOCKET NO. 11-04-8831

Continued Motion by the Board to amend Rule 400-1-3-.13 of the State Oil and Gas Board Administrative Code relating to Deviation Tests to clarify existing requirements.

37. DOCKET NO. 9-15-8831

Continued Motion by the Board to enter an Order for the Staff of the Board to collect the proceeds of well bonds covering the following described wells in order to plug, abandon and restore certain wells and sites in the Pollard Field, Escambia County, Alabama, in accordance with the

Rules and Regulations of the State Oil and Gas Board of  
Alabama:

WELL NAME	PERMIT NO.	LOCATION	FIELD
Crosby Salt Water Disposal No. 1	4858-SWD-86-1	S13,T1N,R8E	Pollard
Loper et al 12-11 No. 1	2885	S12,T1N,R8E	Pollard
A.W.Moye No. 5	400	S18,T1N,R9E	Pollard
L.G.Crosby No. 6	375	S12,T1N,R8E	Pollard
A.W.Moye No. 4	370	S18,T1N,R9E	Pollard
G.A.Carter No. 1	357	S18,T1N,R9E	Pollard
Crosby No. 9	495	S12,T1N,R8E	Pollard
Pollard Saltwater Disposal System 1 No. 4 (Crosby No. 7)	409	S13,T1N,R8E	Pollard
L.G.Crosby No. 5	371-SWD-81-4	S13,T1N,R8E	Pollard
Pollard Saltwater Disposal System 1 No. 5 (Crosby No. 1)	343	S13,T1N,R8E	Pollard

The operations to be conducted by the Board shall include,  
but are not limited to, the removal of associated  
production and storage equipment and materials located at  
the following sites: the Lister Tank Battery, Section 18,

Township 1 North, Range 9 East, the Osaka Tank Battery located in Section 11, Township 1 North, Range 8 East, and the Moye Tank Battery, located in Section 12, Township 1 North, Range 8 East.

38. DOCKET NO. 11-04-8827

Continued Motion by the Board requesting HUGHES TEXAS PETROLEUM CORP., operator of the wells described hereinbelow to show cause why these wells should not be ordered immediately plugged.

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>LOCATION</u>
5061	Richardson 8-13	S8,T18S,R14W
4478	Smith 9-12	S9,T18S,R14W

In the event the Board orders the wells to be plugged and the operator fails to plug the wells properly, then the Board will collect the proceeds of the well bonds in order to commence plugging operations. Section 9-17-6(5) of the Code of Alabama (1975) authorizes the Board to require a bond, conditioned upon the performance of duties, one of which is the duty to plug each dry or abandoned well.

39. DOCKET NO. 11-04-8828

Continued Motion by the Board requesting CAHABA BASIN OIL & GAS COMPANY, operator of the well described hereinbelow to show cause why this well should not be ordered immediately plugged.

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>LOCATION</u>
4530-A	Goodson 9-7	S9,T22N,R9E

In the event the Board orders the well to be plugged and the operator fails to plug the well properly, then the Board will collect the proceeds of the well bond in order to commence plugging operations. Section 9-17-6(5) of the Code of Alabama (1975) authorizes the Board to require a bond, conditioned upon the performance of duties, one of which is the duty to plug each dry or abandoned well.

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

40. DOCKET NO. 9-15-888PD

Continued application by Black Warrior Methane Corp. for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Pipe & Foundry 13-3-8 well (Permit No. 5771CG) in Section 13, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

41. DOCKET NO. 11-3-881PD

Continued application by Black Warrior Methane Corp. for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the 1st National Bank of Tuskaloosa 34-16-2 well (Permit No. 5856CG) in Section 34, Township 19S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

42. DOCKET NO. 11-3-886PD

Continued application by Black Warrior Methane Corp. for a new natural gas determination under Section

107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Pipe & Foundry 2-11-1 well (Permit No. 5948CG) in Section 2, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

43. DOCKET NO. 11-3-887PD

Continued application by Black Warrior Methane Corp. for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Pipe & Foundry 2-14-2 well (Permit No. 5949CG) in Section 2, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

44. DOCKET NO. 11-3-888PD

Continued application by Black Warrior Methane Corp. for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Pipe & Foundry 11-2-1 well (Permit No. 5950CG) in Section 11, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

45. DOCKET NO. 12-15-881PD

Application by Black Warrior Methane Corp. for a new

natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 21-A well (Permit No. 5966-C) in Section 2, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

46. DOCKET NO. 12-15-882PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 21-B well (Permit No. 5967-C) in Section 11, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

47. DOCKET NO. 12-15-883PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 22-A well (Permit No. 5968-C) in Section 10, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

48. DOCKET NO. 12-15-884PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 22-B well (Permit No. 5969-C) in Section 10, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification, Pottsville Coal Interval.

49. DOCKET NO. 12-15-885PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 22-C well (Permit No. 5970-C) in Section 10, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

50. DOCKET NO. 12-15-886PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 22-D well (Permit No. 5971-C) in Section 10, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification

Field, Pottsville Coal Interval.

51. DOCKET NO. 12-15-887PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 22-E well (Permit No. 5972-C) in Section 10, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

52. DOCKET NO. 12-15-888PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 22-F well (Permit No. 5973-C) in Section 10, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

53. DOCKET NO. 12-15-889PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 23-A well (Permit No. 5974-C) in Section 3, Township 19S, Range 6W, Jefferson

County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

54. DOCKET NO. 12-15-8810PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 23-B well (Permit No. 5975-C) in Section 3, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

55. DOCKET NO. 12-15-8811PD

Application by Mobil Oil Exploration & Producing SE, Inc for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the State Lease 349 #2 Tract 94 well (Permit No. 3135-OS-6B) in Mobile County, Alabama in the Lower Mobile Bay-Mary Ann Field, Norphlet Gas Pool.

56. DOCKET NO. 12-15-8812PD

Application by Mobil Oil Exploration & Producing SE, Inc for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the State Lease 347 #2 Tract 76 well (Permit No. 3614-OS-14) in Mobile County, Alabama in the Lower

Mobile Bay-Mary Ann Field, Norphlet Gas Pool.

57. DOCKET NO. 12-15-8813PD

Application by Terra Resources, Inc. for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) of the NGPA for the Jensen 23-4 well (Permit No. 5302) in Section 23, Township 14S, Range 11W, Fayette County, Alabama in the Northeast Davis Chapel Field, Carter Sand Gas Pool.

58. DOCKET NO. 12-15-8814PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the U.S. Pipe & Foundry 11-13-33 well (Permit No. 5991-CG) in Section 11, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

59. DOCKET NO. 12-15-8815PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the USX 3-9-1 well (Permit No. 6009-CG) in Section 3, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

60. DOCKET NO. 12-15-8816PD

Application by Hughes Eastern Corporation for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) of the NGPA for the Woods 26-8 #1 well (Permit No. 5848) in Section 26, Township 14S, Range 15W, Lamar County, Alabama in the East Watson Creek Field, Gilmer Sand Gas Pool.

61. DOCKET NO. 12-15-8817PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Horizontal Degas. Boreholes Unit 3-CB well (Permit No. 5865-C) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

62. DOCKET NO. 12-15-8818PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Wesley West 3-1-1 well (Permit No. 5920-CG) in Section 3, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

63. DOCKET NO. 12-15-8819PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Pipe & Foundry 13-3-7 well (Permit No. 5836-CG) in Section 13, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

64. DOCKET NO. 12-15-8820PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Pipe & Foundry 25-7-3 well (Permit No. 5892-CG) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

65. DOCKET NO. 12-15-8821PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Pipe & Foundry 25-7-2 well (Permit No. 5907-CG) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification

Field, Pottsville Coal Interval.

66. DOCKET NO. 12-15-8822PD

Application by Browning & Welch, Inc. for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) of the NGPA for the Bagwell 24-4 #1 well (Permit No. 5941) in Section 24, Township 16S, Range 13W, Fayette County, Alabama.

67. DOCKET NO. 12-15-8823PD

Application by Pruet Production Co. for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) of the NGPA for the Suggs 16-10 #1 well (Permit No. 5793) in Section 16, Township 17S, Range 15W, Lamar County, Alabama in the Fernbank Field, Upper Sanders Gas Pool.

"The public is invited to attend this meeting and to present to the Board their position concerning these matters.

"The public is advised that the Board may promulgate orders concerning a petition which may differ from that requested by the petitioner concerning the lands described in the notice. Pursuant to this hearing, Section 9-17-1 et seq. of the Code of Alabama (1975) and the rules and regulations promulgated thereunder, the Board will enter such order or orders as in its judgment may be necessary based upon the evidence presented.

"The State Oil and Gas 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 Section 9-17-1 et seq. of the Code of Alabama (1975), as last amended. The applicable rules pertaining to the conduct of hearings by the Board are found in Rule 400-1-12-.01 et seq. of the State Oil and Gas Board of Alabama Administrative Code. The applicable rules pertaining to NGPA price determinations are found in Rules 400-2-X-.01 through 400-2-X-.09 of the State Oil and Gas Board of Alabama Administrative Code.

"The next meeting of the Board will be held on Thursday and Friday, January 19 and 20, 1989 at 10:00 a.m. in the Board Room of the State Oil and Gas Board Building, Tuscaloosa, Alabama. The notices for the December meeting must be filed on or before December 27, 1988. Petitions, exhibits, affidavits and proposed orders must be filed on or before January 5, 1989. If a person intends to request a continuance of an item or to oppose an item listed on the docket, he should inform the Board at least two (2) days prior to the hearing.

"Dr. Ernest A. Mancini  
Secretary to the Board  
Oil and Gas Supervisor"

DR. MANCINI: At this time, the Hearing Officer will make his report to the Board.

MR. ROGERS: Mr. Chairman and members of the Board, this is the report of the Hearing Officer on the items heard by the Hearing Officer and the staff on Thursday, December 15, 1988. I recommend that the following items be continued: Item 1, Docket No. 9-15-8810, petition by Collet Ventures, Inc., and I recommend that item be continued with the stipulation that the Supervisor is authorized to approve testing and operation of the modified plant facilities on a temporary basis pending additional hearing before the Board. I also recommend that item--the following items be continued: Item 9, Docket No. 11-4-8821, petition by Victory Resources, Inc.; Item 18, Docket No. 12-15-889, petition by Lewis Operating Company, Inc.; Item 19, Docket No. 12-15-8810, petition by Lewis Operating Company, Inc.; Item 29, Docket No. 12-15-8820, petition by V. Monta Currie, Jr. It's the recommendation of the Hearing Officer that those items be continued.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 36, Docket No. 11-15-8881 [11-4-8831] is a continued motion by the Board to amend Rule 400-1-3-.13 of the State Oil and Gas Board Administrative Code relating to Deviation Tests. We recommend that motion be continued.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 37, Docket No. 9-15-8831, is a motion by the Board relating to the Pollard Field. We recommend that motion be continued to the meeting of the Board on March 3, 1989.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: We have received request for dismissal of the following items: Item 13, Docket No. 12-15-884, petition by Browning & Welch, Inc., and Item 30, Docket No. 12-15-8821, petition by V. Monta Currie, Jr. It is the recommendation of the Hearing Officer that those items be dismissed without prejudice.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

DR. MANCINI: Mr. Chairman, the staff has examined petitions, proposed orders, exhibits, and other evidence presented for the following items. A record has been prepared for these items. After reviewing these documents and evidence, we find that the technical exhibits and documents are in order and the evidence supports petitioners' requests. The Hearing Officer will present recommendations to the Board.

MR. ROGERS: The following petitions for force pooling are recommended for approval: Item 2, Docket No. 11-4-889A,

petition by Taurus Exploration, Inc.; Item 11, Docket No. 12-15-882, petition by Norcen Explorer, Inc.; Item 12, Docket No. 12-15-883, petition by Browning & Welch, Inc.; Item 16, Docket No. 12-15-887, petition by Coastal Oil and Gas Corporation; Item 24, Docket No. 12-15-8815, petition by Terra Resources, Inc. It is the recommendation of the Hearing Officer that these petitions be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 3, Docket No. 11-4-8812A, is a continued petition by Mississippi Enmark, Inc., to amend the Special Field Rules for the Wesley Chapel Field in Lamar County. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 4, Docket No. 11-4-8813, is a continued petition by Mississippi Enmark, Inc., to establish the East Splunge Field in Lamar County. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 5, Docket No. 11-4-8815, is a continued petition by Mississippi Enmark, Inc., for an exceptional well location. I recommend the petition be granted with the stipulation that the well be subject to proration.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 7, Docket No. 11-4-8817, is a continued petition by Hughes Eastern Corporation to amend the Special Field

Rules for the West Foshee Oil Field in Escambia County. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 8, Docket No. 11-4-8819, is a petition by Taurus Exploration, Inc., to approve the ratification and the Unit Agreement for the South Brush Creek Oil Field in Lamar County. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: The "ayes" have it.

MR. ROGERS: Item 10, Docket No. 12-15-881, is a petition by Justiss Oil Company, Inc., to reform a unit in the Sneads Creek Field in Pickens County, Alabama. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

MR. MCCORQUODALE: All in favor say "aye".

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 14, Docket No. 12-15-885, is a petition by Coastal Oil and Gas Corporation to establish an oil field to be known as the Broken Leg Creek Field in Escambia County. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 15, Docket No. 12-15-886, is a petition by Coastal Oil and Gas Corporation to reform a unit in the Broken Leg Creek Field in Escambia County. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 17, Docket No. 12-15-888, is a petition by ARCO Oil and Gas Company to establish a permanent allowable for the Gulf Crest Field in Mobile County. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 21, Docket No. 12-15-8812, is a petition by Browning & Welch, Inc., to reform an oil well in the Cains Ridge Oil Field in Fayette County. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: The "ayes" have it.

MR. ROGERS: Item 22, Docket No. 12-15-8813, is a petition by Browning and Welch, Inc., to establish the Cains Ridge Oil Field in Fayette County. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. Adams: The "ayes" have it.

MR. ROGERS: Item 23, Docket No. 12-15-8814, is a petition by Mississippi Enmark, Inc., for an exceptional well location in the East Splunge Field in Lamar County. I recommend that the petition be granted with the stipulation that the well be subject to proration.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 25, Docket No. 12-15-8818, is a petition by Fina Oil and Chemical Company to establish the West Okatuppa Creek Field in Choctaw County. I recommend the petition be

granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 26, Docket No. 12-15-8816, is a petition by Fina, Fina Oil and Chemical Company, to reform a well in the West Okatuppa Creek Field in Choctaw County. I recommend the petition be granted.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 27, Docket No. 12-15-8817, is a petition by Fina Oil and Chemical Company for an exceptional well location on a 40-acre wildcat unit in Choctaw County, and I recommend that that petition be dismissed without prejudice.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 28, Docket No. 12-15-8819, is a petition by Fina Oil and Chemical Company for an exceptional well location on an 80-acre unit in the West Okatuppa Creek Field in Choctaw County. I recommend the petition be granted with the stipulation (1) that the well be subjection to proration, and (2) that the bottom hole location be 325 feet from the East line and 1227 feet from the North line of the unit.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: Item 31, Docket No. 12-15-8822, is a petition by Strago Petroleum Corporation for an exceptional well location in the Vocation Field in Monroe County. I recommend the petition be granted with the stipulations that (1) the well be subject to proration, and (2) the bottom hole location be no

closer than 330 feet from the West line and 330 feet from the South line of the unit.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. ROGERS: And Item 32, Docket No. 12-15-8823, is a petition by Strago Petroleum Corporation for an exceptional location in the Vocation Field in Monroe County. I recommend the petition be granted with the stipulations that (1) the well be subject to proration, and (2) the bottom hole location be 459 feet from the East line and 974 feet from the South line of the unit.

MR. MCCORQUODALE: So move.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

DR. MANCINI: In regard to Applications for Natural Gas Policy Act Well Status Determinations, today we request action

on two categories. The first category is request for continuance, which includes Items 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 58, 59, 61, 62, 63, 64, and 65, applications by Black Warrior Methane Corporation; and Item 66, an application by Browning and Welch, Inc. If there are no objections we would recommend that these requests for continuance be granted.

MR. METCALFE: So move.

MR. MCCORQUODALE: Second.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

DR. MANCINI: Mr. Chairman, the staff has examined applications and exhibits for Natural Gas Policy Act Well Status Determinations submitted concerning Item 40, application by Black Warrior Methane Corporation; Items 55 and 56, applications by Mobil Oil Exploration and Producing SE, Inc.; Item 57, application by Terra Resources, Inc.; Item 60, application by Hughes Eastern Corporation; and Item 67, application by Pruet Production Company. We'd recommend that the exhibits submitted

relating to these items be admitted into the record.

MR. METCALFE: Move.

MR. MCCORQUODALE: Second.

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

(All Board members voted "aye")

CHMN. ADAMS: The "ayes" have it.

DR. MANCINI: If there are no objections, we'd recommend that these NGPA applications be approved.

MR. METCALFE: Move.

MR. MCCORQUODALE: Second.

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

(All Board members voted "aye")

CHMN. ADAMS: The "ayes" have it.

DR. MANCINI: Items to be heard by the Board today include Item 20, Docket No. 12-15-8811, which is a petition by Terra Resources, Inc., for force pooling; and Item 6, Docket No. 11-04-8816, which is a petition by Samson Resources Company which is contested; motions by the Board including Item No. 33, Item No. 34, Item No. 35, Item No. 38, and Item No. 39. If there are no objections, I recommend that we hear the uncontested item, Item 20, first, and then the contested Item 6,

and then the Board's motions at the end of the docket.

CHMN. ADAMS: Hearing no objections, your suggestion will be done.

DR. MANCINI: Item 20, petition by Terra Resources, Inc.

MR. SLEDGE: Mr. Chairman, I'm Jim Sledge from Tuscaloosa representing the petitioner. I was sworn in yesterday's portion of the meeting. I have previously filed an affidavit of notice and I would like to supplement that affidavit by my testimony today to indicate that in the notice that was sent per the affidavit there was a mistake as to one of the days of the meeting. Actual notice of the correct dates were given more than 10 days prior to this meeting to each person, and I confirmed receipt with each of the force integrated parties. And we have previously filed an affidavit of testimony by David Rigsby, a petroleum landman who has previously been accepted as an expert. We would submit the matter on the basis of the two affidavits and my testimony concerning notice.

MR. ROGERS: Mr. Chairman, these affidavits are in order and I recommend they be admitted in the record.

CHMN. ADAMS: They're admitted.

(Whereupon, the affidavits  
were received in evidence)

MR. MCCORQUODALE: I move we grant the petition.

MR. METCALFE Support.

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

(All Board members voted "aye")

CHMN. ADAMS: The "ayes" have it.

MR. SLEDGE: Thank you.

DR. MANCINI: Item 6, petition by Samson Resources Company.

MR. HARRISON: Mr. Chairman, I'm Steve Harrison of  
Tuscaloosa representing Samson Resources. I have one witness  
I'd like to have sworn, please.

MR. ROGERS: Will you state your name and address?

WITNESS: My name is Jan Wade. My address is Tulsa,  
Oklahoma.

(Witness was sworn by Mr. Rogers)

MR. MCCORQUODALE: Mr. Chairman, the note that I have  
indicates this item is contested. Will those people who intend  
to contest this come forward to the microphones and identify  
themselves for the record?

FROM AUDIENCE: I'm Bonzell McGee, a landowner. I've got property adjoining that field.

FROM AUDIENCE: I'm Gene Faulkner, a landowner in Star Field where the, the well, the Faulkner well, is located.

MR. MCCORQUODALE: Just so you gentlemen will understand just briefly something about our procedure on contested items such as this, the petitioner will go forward and put their evidence on and if you want to ask any questions of that witness, you'll have a chance to do that. If you don't want to ask any questions, you don't have to, then you'll have an opportunity to be heard yourself after that.

MR. HARRISON: Thank you, Mr. McCorquodale. Gentlemen, this is a petition by Samson Resources requesting approval of an exceptional location for a well to be drilled in the Star Field of Lamar County, Alabama. We're proposing to drill a well on a a 320-acre gas unit consisting of the W/2 of Section 7, Township 16 South, Range 15 West, of Lamar County, at a location 900 feet from the South line and 660 feet from the West line of Section 7. The reason this would be an exceptional location is because the Special Field Rules for the Star Field require all wells to be at least 2,000 feet from other wells that are completed in

the same zone. We are drilling a well to the Lewis Sand Gas Pool. There is an existing well in the adjacent N/2 of Section 18, the Pruet-Faulkner No. 1 Well, Permit No. 2333, and we are only 1377 feet away from that existing well, and as I said, that well has been completed in the Lewis Sand Gas Pool, which is the objective for our proposed well. Again I would point out for the record that our location is 900 feet from the South line and 660 feet from the West line of our unit, which is a legal location as far as spacing of wells on individual units go. Mr. Wade, have you previously testified before this Board?

MR. WADE: Yes, sir, I have.

MR. HARRISON: And is there an affidavit of your qualifications on file with the Board.

MR. WADE: Yes, there is.

MR. HARRISON: I tender Mr. Jan Wade as an expert petroleum geologist.

CHMN. ADAMS: He's recognized as an expert.

MR. HARRISON: Thank you.

JAN WADE

Appearing as a witness on behalf of Petitioner, Samson Resources, testified as follows:

DIRECT EXAMINATION

Questions by Mr. Harrison:

Q Mr. Wade, have you prepared exhibits in support of this petition?

A Yes, I have.

Q All right. Let's go through those exhibits and explain to the Board what they're intended to portray.

A If you'd look first at Exhibit 1, I call this an area map. It covers portions of Mt. Zion and Star Fields in Lamar County, Alabama. A few things I want to point out on this map. First of all, the W/2 of Section 7 has been outlined in pink. That's the unit which is the subject of our petition this morning. Our proposed location is shown by a small triangle in the southwestern part of that unit. The various wells on this map have been color coded as to their producing zone and the key for this color coding scheme appears over in the legend. In addition, I have summarized the cumulative production for each of the producing zones on this map through June of 1988.

Q All right, let's go to your Exhibit No. 2, Mr. Wade.

A This is a structure map that was contoured on the top of the Lewis marker bed. The contour interval is 50 feet. From this map you can see that the local structural strike in this area generally is from the northwest to the southeast and overall the local dip is to the southwest.

MR. ROGERS: Let me interrupt you. We've got a copy up here with--that somebody has written on. Is the official copy--does it--is it the one with the writing or the one without the writing?

MR. HARRISON: Well, the official copy would be the one signed by Mr. Wade.

MR. ROGERS: All right. Thank you.

A This area is cut by several normal faults. These also have a degree of northwest to southeast orientation to them. The downthrown side of these normal faults is either to the north, the northeast, or the east, depending on the attitude of the particular fault. Now our proposed location occurs in the upthrown fault block, and it is on a small structural nose that is adjacent to the major down-to-the-northeast normal fault that bounds Star Field.

Q All right, Mr. Wade, as far as structure goes, does structure play a role in the reason for asking for this exceptional location?

A No, sir, none whatsoever.

Q All right, let's go on to your Exhibit 3.

A Exhibit 3 is an isopach map of---

MR. METCALFE: Excuse me, could I interrupt you, Mr. Wade?

A Yes, sir.

MR. METCALFE: What's the distance from your proposed location from the south boundary of the field?

A From the south boundary of our unit?

MR. METCALFE: Yeah.

A Nine hundred feet.

MR. METCALFE: Thank you.

A And we are 660 feet---

MR. METCALFE: And how many feet from the existing well, the Faulkner well?

A 1377 feet as surveyed.

MR. METCALFE: And the Faulkner well was an exceptional location also?

MR. HARRISON: Well, the Faulkner well is 300 feet off of their unit line, but at, at the time that that well was drilled there was not, as I understand it, a requirement for a well to be approved as an exceptional location. So even though it is not permitted as an exceptional location, it is only 300 feet away from the unit line.

MR. METCALFE: Thank you.

Q All right, Mr. Wade, let's start again on your Exhibit 3 explaining the isopach map of the Lewis Sandstone.

A Surely. This is an isopach map of the feet of positive microlog separation in the Lewis Sand. Our proposed location once again appears as a small triangle in the southwestern part of the unit and I have colored the Lewis Sandstone producers on this map orange. Now this map portrays the geographically narrow permeability zones within the Middle Lewis, within the Lewis Sandstone. The westernmost of these two permeability trends is oriented in the vicinity of our unit, generally north-south. As has been referenced south of our unit, the Pruet-Faulkner well produces from this Lewis Sandstone. First production from

the well was in May of 1980. It's accumed approximately 1.2 BCF and it is located 300 feet off our south unit boundary line. To the northwest is the Pruet-No. 1 Day Well. This was also first produced in May of 1980. It has cumulative production of about .9 of a BCF, and it is located 400 feet off our west unit boundary line. Now we believe that this narrow permeability trend within the Lewis extends across the W/2 of our W/2 Section 7 unit. From a geological point of view, I think the ideal location would have been 660 feet from the West line and 660 feet from the South line of our unit. However, such a location would unduly crowd the Pruet-Faulkner well. In order to comply as much as possible with the Board's 2,000 foot distance rule, we moved our proposed location as far north as we felt the geological control would allow us to our requested exceptional location of 660 feet from the West line and 900 feet from the South line. In this westernmost permeability trend, only wells that have had historically four feet or more of microlog separation are good Lewis producers, and our proposed location right now just barely

falls on our five-foot contour. We cannot legally move any further away from the Faulkner well and remain on that five-foot contour without beginning to crowd the west unit boundary line. As a consequence, I think our proposed location is the most legal location where Lewis Sandstone production could be established in our W/2 Section 7 unit.

Q So it is your opinion that the proposed location is the optimum location on the unit given the constraints of staying legal within the boundaries of the W/2 unit itself?

A Yes, sir.

Q All right. Let's go on to your Exhibit 4, please.

A Exhibit 4 is a copy of our well location unit survey plat prepared by the surveyor. The distances of our proposed location of 660 from the West line and 900 feet from the South line show up, as well as the surveyed distance of 1,377 feet to the southeast to the Pruet-Faulkner well.

Q And again for the record, the Pruet-Faulkner well is 300 feet from the North line of their unit and 1200 feet from the West line?

A That is correct.

Q All right. I would tender Exhibits 1 through 4 to the testimony of Mr. Wade and ask that those be admitted into evidence.

CHMN. ADAMS: The exhibits are admitted.

(Whereupon, Exhibits 1  
through 4 were received in  
evidence)

MR. HARRISON: All right. I have also previously submitted a letter from Pruet Production Company who is the operator of the Faulkner well on the adjacent unit. That letter states that Pruet Production Company supports the petition of Samson Resources, and if a well is drilled at the petitioner's proposed exceptional location, Pruet Production Company would be the operator of that well.

MR. ROGERS: Mr. Chairman, I'd recommend that letter be admitted.

CHMN. ADAMS: The letter is admitted.

(Whereupon, the letter was  
received in evidence)

MR. HARRISON: Thank you. I would also ask at this time that the affidavit of notice and the supplemental affidavit of

notice that I have previously filed be admitted into evidence.

MR. ROGERS: Those are in order, Mr. Chairman. I recommend they be admitted.

CHMN. ADAMS: Admitted.

(Whereupon, the affidavits  
were received in evidence)

Q Thank you. Mr. Wade, are you familiar with the term  
"waste" as defined by the statutes of the State of Alabama?

A Yes, sir, I am.

Q And in your opinion, will granting this petition prevent  
waste?

A Yes, sir.

Q Will it protect the coequal and correlative rights of all  
owners in the W/2 of Section 7?

A It will.

Q And again it is your opinion that the proposed location is  
the optimum location on this unit to place a well drilling  
for the Lewis Sandstone given the constraints of staying  
legal within those unit boundaries?

A That is my opinion, yes, sir.

Q All right. We have nothing further at this time. I tender Mr. Wade to the opposition.

MR. MCGEE: All right. One thing that I'm gonna respectfully ask that the Board not change the field rules on it. And another thing on it, I don't believe the field rules were established when the Faulkner well was drilled, and another issue that I have on it, I think one of the causes of the wells there is the landowner, there's two wells been depleted there and they're trying to keep, to hold the lease, trying to get another well established there to where they can hold the leases on them. So I feel like there's drainage and all I'm respectfully asking that you all will not change the field rules, and I'll speak for two more that tried to make it today and was unable to make it and one of them was Royal McGee, is a guy that is involved in the well, and another guy not involved in the well is Paul McGee, that he is opposed against this also. And a guy, Chester Lee Bradford, he's with us today and he is opposed to it.

MR. FAULKNER: I too, Gene Faulkner, I am the Faulkner that owns the land where the Pruet-Faulkner No. 1 Well is located, and I'm opposed to the change in the field rules in the Star

Field to allow our well to be closer spaced than 2,000-foot rule, and as the landowner there and being familiar with the area, and we think that by closer spacing this and allowing a well to be put there would deplete the minerals from Well No. 2333 and would shorten the life of this and we would not, as a result, we would not draw as much benefit from this well. In other words, if a well was spaced 2,000 feet as required in the field rules, even though this well was drilled before the field rules were established, we feel like the field rules were established to be orderly production of the minerals in that area and the 2,000-foot rule that was set up was set up to help protect each well and to keep from establishing wells close to each other and depleting one well before another well would be depleted. We feel like if this permit is granted for this well that possibly the first thing they would request would be to--they would want to almost shut down Well No. 2333 and until this other well caught up with it in production, and we feel like it would by that time the well would possibly be depleted and we just feel like we should stick to the--ask the Board to stick to the 2,000-foot rule on the, on this docket of 11-04-8816. Thank you.

MR. MCCORQUODALE: Thank you.

MR. METCALFE: Mr. Faulkner, may I ask you, who is the landowner to the north of you where this well would be? Your neighbor to the north?

MR. FAULKNER: Royal McGee.

MR. METCALFE: Sir?

MR. FAULKNER: Royal McGee.

MR. METCALFE: Is it this--not this Mr. McGee?

MR. FAULKNER: This one?

MR. MCGEE: Royal don't have any in Section 7.

MR. FAULKNER: Oh, Section 7?

MR. METCALFE: Yes, sir, the one that they're proposing to drill on.

MR. MCGEE: James Cole and Morris Cole.

MR. FAULKNER: That's James Cole and Morris Cole.

MR. METCALFE: Then am I right that if they should drill this well and it should be a productive well, then that would suggest that the Pruet-Faulkner 2333 no doubt is draining their oil?

MR. FAULKNER: Not if it's--not if it's drilled according to the field rules that's established at the present time.

MR. METCALFE: That's not the question. Wouldn't it suggest that it's coming out of the same pool?

MR. FAULKNER: I'm sure that the same pool, you know, is there, that both wells will be producing out of the same pool, yes.

MR. METCALFE: So as it stands if--this well, the Pruet-Faulkner well, is presently draining from that area?

MR. FAULKNER: I'm sure it is.

MR. METCALFE: It would appear so.

MR. FAULKNER: I'm sure it is, yes.

MR. METCALFE: O.K. Thank you. Mr. McGee?

MR. MCGEE: Well, I don't--the maps and all, they may say it does or not, but they could get over there and drill a dry hole. I've seen this happen time and time again.

MR. FAULKNER: Oh, yeah, and that way nobody's hurt. They're hurt I guess but---

MR. MCGEE: What my question is and everything, I'm asking that, we've got rules to go by, field rules, and I'm requesting that they not be changed. Otherwise, if these field rules today is changed, if I can come up with the property and everything and

offset the--uh--that three wells over there and get it, I just wonder will the Board grant me the same permission as they do in this right here.

MR. METCALFE: I think the Board tries to do what's fair because rules are not absolute and they have to be reconsidered.

MR. MCGEE: Well, we've just got a set of rules to go by and everything and that's what--that's what we're requesting them to do is to stay with the field rules if they will.

MR. HARRISON: Mr. McCorquodale, could I have just a short rebuttal?

REDIRECT

JAN WADE

Questions by Mr. Harrison:

Q Mr. Wade, Mr. McGee mentioned that an attempt may be being made here to hold leases in effect. Are you familiar with the lease situation in that area?

A To some degree, yes, sir. I am a geologist but I am to some degree familiar with the lease situation.

Q All right. Is there a producing well already on the W/2 of Section 7 unit?

A Yes, sir, there is.

Q And that well is not productive from the Lewis Sandstone?

A No, it is not.

Q What is that productive from?

A From the Carter.

Q And that producing well would serve to hold all of the leases in that unit?

A To the best of my understanding, yes.

Q All right. Mr. McGee also mentioned the question of drainage. Do you have an opinion as to drainage in this area and whether or not the Faulkner well could possibly be draining the W/2 of Section 7?

A The best to which I could testify would be information obtainable from published cumulative production records by Dwight's Production Information Company. In reviewing the pressures between the Pruet-Faulkner well and the Pruet-No. 1 Day well located in the NE/4 of Section 12, one can examine bottom hole pressures between those two wells from the most recent pressure test taken in February of this year where the bottom hole pressures were different by only

eight pounds clear back to the original pressure test in April of 1981 where the pressures were different by only 45 pounds. This data strongly suggests to me that there is pressure communication through the Lewis Pool from the Pruet-Day well in Section 12, across our W/2 of the W/2 of Section 7, down to the Pruet-Faulkner well. I can certainly understand the mineral owners' hesitancy at our petition. Who wouldn't? I would love to have an opportunity to have a well producing with no competition. I think there is a very strong likelihood that the Lewis Pool reserves from our W/2 of Section 7 to this date have probably been produced out of the Faulkner well bore.

Q But it is your opinion that drilling a well at this proposed location would protect the coequal and correlative rights of those owners in the W/2 of Section 7?

A Yes, sir.

MR. HARRISON: All right. We have nothing further.

MR. MCCORQUODALE: Mr. Chairman, I move we take this matter under advisement.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: The "ayes" have it and we'll take it under advisement.

DR. MANCINI: Item No. 33, Docket No.---

MR. MCCORQUODALE: Dr. Mancini---

MR. ROGERS: Mr.--talking to Mr. McGee---

MR. MCCORQUODALE: I asked Mr. Rogers if he would explain exactly what that means so they will understand.

MR. ROGERS: The Board has taken the matter under advisement. That means they've got to get a ruling out within 30 days, and we'll inform you of the ruling and send you a copy of the order when the decision is made.

MR. MCCORQUODALE: Thank you gentlemen.

MR. HARRISON: Thank you.

DR. MANCINI: Item No. 33, continued motion by the Board to amend Rule 400-1-3-.10 relating to Well Records. Mr. Masingill has a statement on this particular item.

MR. MASINGILL: Mr. Chairman, the staff is proposing to amend the Board's rules connected with Well Record so as to add language requiring that a complete set of cores, if cores are

taken, correctly labeled and identified as to depth, be filed with the Board within six months from the time of completion of any well unless otherwise approved by the Supervisor, and to require that a complete set of cuttings correctly identified as to depth be filed within 30 days from the time of completion of any well unless otherwise approved by the Supervisor. This matter has been on the Board's docket for some time now. We have had a prehearing conference and have received comments from operators, and at this time we're ready to recommend approval of this item.

MR. ROGERS: Mr. Chairman, I'd recommend that the letters and correspondence relating to this matter be admitted into the record.

CHMN. ADAMS: Admitted.

(Whereupon, the described documents were received in evidence)

MR. ROGERS: And also the proposed rule itself be admitted.

CHMN. ADAMS: It's admitted.

(Whereupon, the proposed rule was received in evidence)

DR. MANCINI: We request favorable action by the Board on this Item 33.

MR. METCALFE: I move approval.

MR. MCCORQUODALE: Second.

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

(All Board members voted "aye")

CHMN. ADAMS: The "ayes" have it.

DR. MANCINI: Item No. 34 is a continued motion by the Board to amend Rule 400-1-1-.03 relating to Definitions. Mr. Masingill.

MR. MASINGILL: Mr. Chairman, we--this is also a proposed amendment to the Board's rule. This proposal is to amend the definitions so as to add a definition for a temporarily abandoned well and to change the definition of abandonment to an abandoned well. These proposals are really mainly being proposed for clarification purposes.

MR. ROGERS: I recommend that a copy of the proposed rule be admitted into the record.

CHMN. ADAMS: Admitted.

Item 34

Item 35

(Whereupon, a copy of the  
proposed rule was received  
in evidence)

DR. MANCINI: Mr. Chairman, we'd recommend that the Board  
approve Item 34.

MR. METCALFE: I move approval.

MR. MCCORQUODALE: Second.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

DR. MANCINI: Item 35 is a continued motion by the Board to  
amend Rule 400-1-3-.06 relating to Notice of Intention to Plug  
and Abandon or Request to Classify Wells as Temporarily  
Abandoned or Shut-in Wells. Mr. Masingill.

MR. MASINGILL: Mr. Chairman, this is another rule the  
staff is proposing. It's an amendment to the rule Notice of  
Intention to Plug and Abandon or Request to Classify Wells as  
Temporarily Abandoned or Shut-in, and this proposal is being  
made to clarify the existing language pertaining to temporarily  
abandoned and shut-in wells and we would recommend approval of  
it.

MR. METCALFE: I move approval.

MR. MCCORQUODALE: Second.

MR. ROGERS: I request that a copy of the rule be admitted into the record.

CHMN. ADAMS: Admitted.

(Whereupon, a copy of the rule was received in evidence)

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

DR. MANCINI: Item 38, Docket No. 11-04-8827, is a continued motion by the Board requesting Hughes Texas Petroleum Corporation to show cause why certain wells should not be plugged. Is there a representative from Hughes Texas Petroleum Corporation here this morning? (No response) Mr. Chairman, a representative from Hughes Texas Petroleum Corporation was present at the last meeting requesting that Hughes Texas Petroleum Corporation have 30 days or until this meeting to take care of this particular item, and the gentlemen was supposed to

report back to the Board today.

MR. MCCORQUODALE: Mr. Chairman, I move that we plug--order the well plugged.

MR. METCALFE: Support.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

DR. MANCINI: Item 39 is a continued motion by the Board requesting Cahaba Basin Oil and Gas Company to show cause why certain wells should not be plugged. Again, in regard to this item, at the last meeting a representative from Cahaba Basin Oil and Gas Company had requested 60 days, so I would recommend that this item be continued to the next Board meeting. We had it on the docket this time to hear about progress being made. Is there anyone here from Cahaba Basin Oil and Gas Company this morning? (No response) If not, we did give Cahaba Basin Oil and Gas Company 60 days to address this particular situation, so I'd recommend that this one be continued to the next Board meeting.

MR. METCALFE: I move continuance.

MR. MCCORQUODALE: Second.

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

(All Board members voted "aye")

CHMN. ADAMS: The "ayes" have it.

MR. MCCORQUODALE: Mr. Chairman, on the previous item in which I moved to order the well plugged, if as a part of that motion I need to address the bond and ask that there be a forfeiture on the bond, I would make that a part of my motion.

CHMN. ADAMS: Let the record reflect that it's part of the motion.

MR. MCCORQUODALE: I move we adjourn.

CHMN. ADAMS: We are adjourned.

(Whereupon, at 10:45 a.m. the hearing was adjourned)

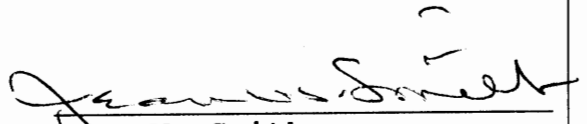
REPORTER'S CERTIFICATE

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, December 16, 1988, in the Board Room of the State Oil and Gas Board Building, University of Alabama Campus, Tuscaloosa, Alabama, I reported the proceedings before the State Oil and Gas Board of Alabama in Regular Session; that the foregoing 83 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