

STATE OIL AND GAS BOARD OF ALABAMA

Tuscaloosa, Alabama

March 3, 1989



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 3rd day of March, 1989.

BEFORE:

BOARD MEMBERS

Dr. Ralph Adams.....Chairman  
Mr. Gaines C. 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. Dave Bolin.....Assistant Supervisor  
Mr. Doug Hall.....Geologist  
Mr. Frank Hinkle.....Geologist  
Mr. Richard Hamilton.....Petroleum Engineer

(Reported by Jean W. Smith)

APPEARANCES

	<u>NAME</u>	<u>REPRESENTING</u>
1.	Herb White Box 1017 Oneida, TN 35841	Miller Petroleum, Inc.
2.	Tom Watson Tuscaloosa, AL	Hughes
3.	Marlon Cook Tuscaloosa, AL	Brown Foundation (PELA)
4.	Steve McGowin Birmingham, AL	Southern Natural Gas

PROCEEDINGS

(The hearing was convened at 10:07 a.m. on Friday,  
March 3, 1989, at Tuscaloosa, Alabama)

CHMN. ADAMS: Let the record reflect that the Oil and Gas Board is now in session. Mr. Supervisor, 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 monthly meeting on Thursday and Friday, March 2 and 3, 1989, 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. 11-4-8821

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.

2. DOCKET NO. 12-15-889

Continued 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.

3. DOCKET NO. 12-15-8810

Continued 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.

4. DOCKET NO. 12-15-8820

Continued 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.

5. DOCKET NO. 1-19-8910A

Continued petition by MERIDIAN OIL, 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 naming a new gas field in Pickens County, Alabama, the Buncomb Creek Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field consists of the East Half of Section 32, and the West Half of Section 33, all in Township 18 South, Range 15 West, Pickens County, Alabama, as underlain by the Carter and Lewis Sand Gas Pools. The Carter Sand Gas Pool is defined as that interval of the



Carter Sandstone productive of hydrocarbons between 5,631 feet and 5,713 feet as indicated on the Phasor Induction Log for the Blalock 33-13 No. 1 Well, Permit No. 5523. The Lewis Sand Gas Pool is defined as that interval of the Lewis Sandstone productive of hydrocarbons between 5,904 feet and 5,937 feet as indicated on said Phasor Induction Log for the Blalock Well. Petitioner is requesting well spacing of 320 acres per unit, and is also requesting the establishment of allowables for said field.

6. DOCKET NO. 1-19-896

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 pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, Code of Alabama (1975) approving a plan for a fieldwide unit for the West Foshee Oil Field, to be known as the "West Foshee Field Pilot Sand Oil Unit", consisting of the hereinafter described "Unit Area" in Escambia County, Alabama, and requiring 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", in order to prevent waste, to maximize efficient recovery from the "Unitized Interval", to avoid the drilling of unnecessary wells, to provide for secondary recovery when conditions warrant, and to protect the coequal and correlative rights. The "Unitized Interval" is to be designated as the Pilot Sand Oil Pool, and is defined as those strata of the Pilot Sand productive of hydrocarbons in the interval between the top of the Pilot Sand and the base of the Pilot Sand which strata occur between the depths of 6,165 feet and 6,280 feet as depicted by the Dual Induction-SFL Log for the A.T.I.C. 34-12 No. 1 Well, Permit No. 5325, located 1850 feet from the South line and 330 feet from the West line of Section 34, Township 2 North, Range 8 East, Escambia 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 Unit Agreement and Unit Operating Agreement, as well as approval of amendments to the Special Field Rules for the West Foshee Oil Field to provide for unitized operations in conformity with the provisions of the Unit Agreement and Unit Operating Agreement. Said petition further seeks entry of an order

by the Board unitizing, pooling and integrating the "Unit Area", as underlain by the above defined "Unitized Interval", into a single fieldwide 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 Hughes Eastern Corporation as Operator of the "Unit Area" in accordance with the oil and gas laws of Alabama. The "Unit Area" contains approximately 720 acres, more or less, being more particularly described as follows:

North Half of the Northeast Quarter; Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Northwest Quarter, Section 32; the North Half and the Northeast Quarter of the Southeast Quarter, Section 33; and the Southwest Quarter of the Northwest Quarter; and the Southwest Quarter, Section 34, all in Township 2 North, Range 8 East, Escambia County, Alabama.

7. DOCKET NO. 1-19-897

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 deleting the following parcels:

Southwest Quarter of the Northeast Quarter, and the Northwest Quarter of the Northwest Quarter of Section 32, Southeast Quarter of Northwest Quarter and West Half of Southeast Quarter of Section 34, all in Township 2 North, Range 8 East, Escambia County, Alabama.

8. DOCKET NO. 2-2-891

Continued petition by BROWNING & 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 320-acre drilling unit consisting of the East Half of Section 11, Township 14 South, Range 12 West, Fayette County, Alabama, pursuant to Ala. Code § 9-17-13 (1975) and Rule 400-1-13 of the State Oil and Gas Board of Alabama Administrative Code.

9. DOCKET NO. 3-2-891

Petition by V. MONTA CURRIE, JR., an independent operator 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 a 160-acre wildcat drilling unit consisting of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter of Section 26, Township 7 South, Range 3 East, Baldwin County, Alabama, pursuant to § 9-17-13, Code of Alabama (1975), and Rule 400-1-13-.01 of the Administrative Code of this Board. Said proposed unit is located adjacent to the West Foley Field.

This petition is a companion to the petition bearing Docket No. 12-15-8820, which requests Board approval of the above described unit.

10. DOCKET NO. 3-2-892

Petition by TXO PRODUCTION CORP., 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 22, Township 14 South, Range 15 West, Lamar County, Alabama, all pursuant to § 9-17-13, Code of Alabama, (1975) and Rule 400-1-13 of the State Oil and Gas Board of Alabama Administrative Code.

11. DOCKET NO. 3-2-893

Petition by MORROW OIL AND GAS 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 force pooling all tracts and interests in the West Half of Section 8, Township 13 South, Range 14 West, Lamar County, Alabama, all pursuant to § 9-17-13, Code of Alabama, (1975) and Rule 400-1-13 of the State Oil and Gas Board of Alabama Administrative Code.

12. DOCKET NO. 3-2-894

Petition by FIRST ENERGY CORPORATION, a foreign corporation, authorized to do and doing business in the State of Alabama, seeking an order of the State Oil and Gas Board amending Rule 1 (Field Limits) of the Special Field Rules for the Big Escambia Creek Field, Escambia County, Alabama, so as to add to the now existing limits of said field all of Section 36, Township 2 North, Range 7 East in Escambia County, Alabama, as a productive extension of the said Big Escambia Creek Field.

13. DOCKET NO. 3-2-895

Petition by THE RIVER GAS CORPORATION, an Alabama Corporation, requesting that Rule 2 of the Special Field Rules for the Blue Creek Coal Degasification Field, Tuscaloosa County, Alabama, be amended so as to add the

following:

Sections 26, 27, 28, 29, 30, 31, 32,  
33, 34, and 35, Township 18 South,  
Range 9 West;

W/2, NE/4, N/2 of SE/4, SW/4 of SE/4 of  
Section 18, Township 19 South, Range 8  
West;

W/2 of W/2 of Section 1;  
Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11;  
W/2 of W/2 of Section 12; and  
Sections 13, 14, 15, 16, 17 and 18, Township  
19 South,, Range 9 West, all located in  
Tuscaloosa County, Alabama.

14. DOCKET NO. 3-2-896

Petition by THE RIVER GAS CORPORATION, an Alabama  
Corporation, requesting that Rule 2 of the Special Field  
Rules for the Deerlick Creek Coal Degasification Field,  
Tuscaloosa County, Alabama, be amended so as to add the  
following:

W/2 of W/2, SE/4 of SW/4, NE/4 of NW/4 of Section 19,  
Township 19 South, Range 8 West;

Sections 19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 30, 31, 32, 33 and 34, Township 19 South, Range 9 West, all in Tuscaloosa County, Alabama.

15. DOCKET NO. 3-2-897

Petition by TAURUS EXPLORATION, INC., an Alabama Corporation, to amend Rule 1 of the Special Field Rules for the Watts Creek Field, Marion County, Alabama, by adding the South Half of Section 22, Township 10 South, Range 15 West, Marion County, Alabama, which is the unit for the Bobo 22-14 No. 1 Well, Permit No. 5785.

16. DOCKET NO. 3-2-898

Petition by PRUET PRODUCTION CO., a foreign corporation authorized to do and doing business in the State of Alabama, to force pool all tracts and interests in a 40-acre wildcat drilling unit consisting of the Northwest Quarter of the Southwest Quarter, Section 21, Township 1 North, Range 9 East, Escambia County, Alabama, pursuant to Section 9-17-13, Code of Alabama (1975), and Rule 400-1-13-.01 of the Administrative Code of this Board.

17. DOCKET NO. 3-2-899

Petition by V. MONTA CURRIE, JR., an independent operator 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 a 160-acre wildcat drilling unit consisting of the following described acreage:

Beginning at the Northwest corner of Grant Section 31, Township 7 South, Range 3 East, Baldwin County, Alabama; run thence Easterly along the North line of said Section 31 for 2640 feet, more or less, thence South for 2640 feet, more or less, thence West for 2640 feet, more or less, to the West line of said Section 31; thence Northerly along the West line of said Section 31 for 2640 feet, more or less, to the point of beginning.

The above-described tract is situated in Grant Section 31, Township 7 South, Range 3 East, Baldwin County, Alabama and contains 160 acres, more or less. Said unit is to be force pooled pursuant to Section 9-17-13, Code of Alabama (1975), and Rule 400-1-13-.01 of the Administrative Code of this Board.

18. DOCKET NO. 3-2-8910

Petition by CONVEST ENERGY 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 Special Field Rules for a new

oil field located in Escambia County, Alabama. Petitioner proposes that the new oil field be named the "Osaka Field", or such other name as the Board may deem appropriate. The proposed field limits for the new oil field consist of the following described parcels:

Northeast Quarter of Section 11; North Half and the Northeast Quarter of the Southeast Quarter of Section 12, all in Township 1 North, Range 8 East, Escambia County, Alabama, underlain by the Pilot Sand Oil Pool, and all productive extensions thereof.

The Pilot Sand Oil Pool is defined as those strata productive of hydrocarbons in the interval between 6059 feet and 6156 feet on the Dual Induction Log for the Tocumen Road Lumber Co. 12-6 No. 1 Well, Permit No. 6134, located 1980 feet from the North line and 1710 feet from the West line of Section 12, Township 1 North, Range 8 East, Escambia County, Alabama, including those strata of hydrocarbons which can be correlated therewith. Petitioner is requesting 40-acre spacing consisting of governmental quarter-quarter sections and the establishment of allowables. Finally, Petitioner is requesting that the aforementioned Tocumen Road Lumber Co. 12-6 No. 1 Well, located on a 40-acre drilling unit consisting of the

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Southeast Quarter of the Northwest Quarter of Section 12, Township 1 North, Range 8 East, Escambia County, Alabama, be confirmed as a field well in the proposed Osaka Field, and that the drilling and production unit for said well remain as permitted.

This petition is filed as a companion to the petition amending the Special Field Rules for the Pollard Field, Escambia County, Alabama. Both petitions relate to the same matter, the proposed Osaka Field.

19. DOCKET NO. 3-2-8911

Petition by ARCO OIL AND GAS COMPANY, a division of Atlantic Richfield Company, a foreign corporation qualified to do and doing business in the State of Alabama seeking an order of the State Oil and Gas Board of Alabama pursuant to Section 9-17-13, Code of Alabama, (1975), force integrating all lands and interests in a drilling unit comprised of Section 25, Township 2 South, Range 4 West, Mobile County, Alabama, into and establishing all such lands and interests as a drilling unit; requiring all of the other mineral interests within said drilling unit to integrate their interests and to develop their land as a drilling unit; designating and approving Petitioner as the operator of the well (including replacement wells) to be drilled within

said drilling unit and for such other and further relief as the Board may deem appropriate in the circumstances.

20. DOCKET NO. 3-2-8913

Petition by CONVEST ENERGY 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 Pollard Field, Escambia County, Alabama, by deleting the following described parcels:

Northeast Quarter of Section 11;

North Half and the Northeast Quarter of the Southeast Quarter of Section 12, all in Township 1 North, Range 8 East, Escambia County, Alabama.

This Petition is filed as a companion to the petition establishing a new oil field located in Escambia County, Alabama. Both petitions relate to the same matter, the proposed Osaka Field.

21. DOCKET NO. 1-19-8918

Motion by the Board requesting HUGHES TEXAS PETROLEUM CORPORATION, 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>
4116	Peeks 29-1	S29, T18S, R14W, Pickens County, Alabama

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.

22. DOCKET NO. 1-19-8919

Motion by the Board requesting BLOUNT COUNTY EXPLORATION LIMITED PARTNERSHIP NO. 1, 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, COUNTY</u>
3070	E.J. Martin 30-6	S30, T13S, R3W, Blount County, Alabama

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.

23. DOCKET NO. 1-19-8920

Motion by the Board requesting BAM ENERGY, INC., operator of the wells described hereinbelow to show cause why these wells should not be immediately plugged.

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>LOCATION</u>	<u>COUNTY</u>
1734	FNBB 1-2	S18,T12S,R8W	Winston
1821	Deason 17-4	S17,T12S,R8W	Winston
2053	FNBB #7	S7,T12S,R8W	Winston
2136	FNBB 7-6	S7,T12S,R8W	Winston
2146	St. of Ala.- Young #1	S12,T12S,R9W	Winston
2187	FNBB 26-10 #1	S26,T13S,R7W	Walker
2284	Batchelor 32-14	S32,T9S,R10W	Winston
3141	Ulysses 30-3	S30,T13S,R7W	Walker
4314	AmSouth 28-11 #3	S28,T13S,R7W	Walker

In the event the Board orders these 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.

24. DOCKET NO. 1-28-8829

Continued Motion by the Board requesting the operator and interest owners of the wells named hereinbelow, to show cause why these wells should not be ordered by the Board to be immediately plugged. The Supervisor has declared these wells abandoned pursuant to Rule 400-1-1-.03 of the State Oil and Gas Board of Alabama Administrative Code. Rule 400-1-3-.06 of the State Oil and Gas Board of Alabama Administrative Code requires that all wells be plugged within thirty (30) days of completion or abandonment, unless special provisions for the future utility of these wells have been approved by the Supervisor. If the Board orders a well to be plugged and the operator fails to plug the well properly, then the Board will contact the surety of the well bond to 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 reasonable bond, conditioned upon the performance of duties, one of which is the duty to plug each dry or abandoned well.

<u>Well Name</u>	<u>Permit No.</u>	<u>Operator</u>	<u>Location</u>	<u>Field</u>
Sammons	4161-C	Miller	S24,T21S,R9W	Peterson
24-2-1		Petroleum, Inc.	Tusc. Co.	Coal Degas.

Thomas 18-11	4415-C	Miller Petroleum, Inc.	S18,T21S,R8W Tusc. Co.	Peterson Coal Degas.
Thomas 18-12	4417-C	Miller Petroleum, Inc.	S18,T21S,R8W Tusc. Co.	Peterson Coal Degas.
Thomas 18-13	4420-C	Miller Petroleum, Inc.	S18,T21S,R8W Tusc. Co.	Peterson Coal Degas.
Thomas 13-16	4376-C	Miller Petroleum, Inc.	S13,T21S,R9W Tusc. Co.	Peterson Coal Degas.
Fitts 24-1	4441-C	Miller Petroleum Inc.	S24,T21S,R9W Tusc. Co.	Peterson Coal Degas.
Reynolds 24-7	4421-C	Miller Petroleum, Inc.	S24,T21S,R9W Tusca. Co.	Peterson Coal Degas.

25. 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.



26. 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:

<u>WELL NAME</u>	<u>PERMIT NO.</u>	<u>LOCATION</u>	<u>FIELD</u>
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            343                            S13,T1N,R8E    Pollard

Disposal System 1

No. 5 (Crosby No. 1)

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.

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

27. 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 Tuscaloosa 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.

28. 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.

29. 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.

30. 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.

31. DOCKET NO. 12-15-881PD

Continued 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.

32. DOCKET NO. 12-15-882PD

Continued 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.

33. DOCKET NO. 12-15-883PD

Continued 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.

34. DOCKET NO. 12-15-884PD

Continued 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.

35. DOCKET NO. 12-15-885PD

Continued 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.

36. DOCKET NO. 12-15-886PD

Continued 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.

37. DOCKET NO. 12-15-887PD

Continued 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.

38. DOCKET NO. 12-15-888PD

Continued 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.

39. DOCKET NO. 12-15-889PD

Continued 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.

40. DOCKET NO. 12-15-8810PD

Continued 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.

41. DOCKET NO. 12-15-8814PD

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 11-13-33 well (Permit No. 5991-CG) in Section 11, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

42. DOCKET NO. 12-15-8815PD

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 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.

43. DOCKET NO. 12-15-8817PD

Continued 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.

44. DOCKET NO. 12-15-8818PD

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 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.

45. DOCKET NO. 12-15-8819PD

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 13-3-7 well (Permit No. 5836-CG) in Section 13, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

46. DOCKET NO. 12-15-8820PD

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 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.

47. DOCKET NO. 12-15-8821PD

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 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.

48. DOCKET NO. 1-19-893PD

Continued application by Samson Resources Company for a new natural gas determination under Section 103 (New Onshore Well) of the NGPA for the Carpenter-Shirley 9-15 #1 well (Permit No. 5728) in Section 9, Township 18S, Range 14W, Pickens County, Alabama in the Coal Fire Creek Field, Carter and Lewis Sand Gas Pools.

49. DOCKET NO. 1-19-894PD

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 Horizontal Degas. Boreholes Unit 5A well (Permit No. 5710C) in Section 3, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

50. DOCKET NO. 1-19-895PD

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 07-03-07 well (Permit No. 5961CG) in Section 7, Township 20S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

51. DOCKET NO. 1-19-896PD

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 07-04-08 well (Permit No. 5990CG) in Section 7, Township 20S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

52. DOCKET NO. 1-19-897PD

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 11-13-34 well (Permit No. 6027CG) in Section 11, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

53. DOCKET NO. 1-19-898PD

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 11-12-35 well (Permit No. 6028CG) in Section 11, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

54. DOCKET NO. 1-19-899PD

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 13-05-01 well (Permit No. 6092CG) in Section 13, Township 20S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

55. DOCKET NO. 1-19-8910PD

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 13-05-02 well (Permit No. 6093CG) in Section 13, Township 20S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

56. DOCKET NO. 3-2-891PD

Application by V. Monta Currie, Jr. for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) of the NGPA for the Brantley et al Unit 32-13 #1 well (Permit No. 5266) in Section 32, Township 8S, Range 4E, Baldwin County, Alabama in the East Swifts Landing Field, Amos Gas Sand.

57. DOCKET NO. 3-2-892PD

Application by V. Monta Currie, Jr. for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) of the NGPA for the Meyer Foundation 31-15 #1 well (Permit No. 5751) in Section 31, Township 8S, Range 4E, Baldwin County, Alabama in the Swifts Landing Field, Amos "E" Gas

Sand.

58. DOCKET NO. 3-2-893PD

Application by V. Monta Currie, Jr. for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) of the NGPA for the Clyde S. Lipscomb 17-11 #1 well (Permit No. 3768) in Section 17, Township 8S, Range 3E, Baldwin County, Alabama in the Cypress Point, Amos "B" Gas Sand.

59. DOCKET NO. 3-2-894PD

Application by The River Gas Corporation for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the Friedman 36-3-1 well (Permit No. 5284C) in Section 36, Township 19S, Range 9W, Tuscaloosa County, Alabama in the Deerlick Creek Coal Degasification Field, Pottsville Coal Interval.

60. DOCKET NO. 3-2-895PD

Application by The River Gas Corporation for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the First Alabama Bank 25-14-1 well (Permit No. 5397C) in Section 25, Township 19S, Range 9W, Tuscaloosa County, Alabama in the Deerlick Creek Coal

Degasification Field, Pottsville Coal Interval.

61. DOCKET NO. 3-2-896PD

Application by The River Gas Corporation for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the Alabama Basic 36-4-1 well (Permit No. 5398C) in Section 36, Township 19S, Range 9W, Tuscaloosa County, Alabama in the Deerlick Creek Coal Degasification Field, Pottsville Coal Interval.

62. DOCKET NO. 3-2-897PD

Application by The River Gas Corporation for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the Alabama Basic 36-2-2 well (Permit No. 5399C) in Section 36, Township 19S, Range 9W, Tuscaloosa County, Alabama in the Deerlick Creek Coal Degasification Field, Pottsville Coal Interval.

63. DOCKET NO. 3-2-898PD

Application by The River Gas Corporation for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the First Alabama Bank 25-11-2 well (Permit No. 5404C) in Section 25, Township 19S, Range 9W, Tuscaloosa

County, Alabama in the Deerlick Creek Coal  
Degasification Field, Pottsville Coal Interval.

64. DOCKET NO. 3-2-899PD

Application by The River Gas Corporation for a new  
natural gas determination under Section 107(c)(3)  
(High Cost Natural Gas) of the NGPA for the Friedman  
36-8-2 well (Permit No. 5417C) in Section 36,  
Township 19S, Range 9W, Tuscaloosa County, Alabama  
in the Deerlick Creek Coal Degasification Field,  
Pottsville Coal Interval.

65. DOCKET NO. 3-2-8910PD

Application by The River Gas Corporation for a new  
natural gas determination under Section 107(c)(3)  
(High Cost Natural Gas) of the NGPA for the Alabama  
Basic 36-9-3 well (Permit No. 5433C) in Section 36,  
Township 19S, Range 9W, Tuscaloosa County, Alabama  
in the Deerlick Creek Coal Degasification Field,  
Pottsville Coal Interval.

66. DOCKET NO. 3-2-8911PD

Application by First Energy Corporation for a new  
natural gas determination under Section 107 (High  
Cost Natural Gas) of the NGPA for the Scott Paper  
Co. et al GU 36-13 #1 well (Permit No. 5410) in



Section 36, Township 2N, Range 6E, Escambia County, Alabama in the Big Escambia Creek Field, Smackover Gas Pool.

67. DOCKET NO. 3-2-8912PD

Application by First Energy Corporation for a new natural gas determination under Section 107 (High Cost Natural Gas) of the NGPA for the Scott Paper Co. et al GU 35-15 #1 well (Permit No. 5660) in Section 35, Township 2N, Range 7E, Escambia County, Alabama in the Big Escambia Creek Field, Smackover Gas Pool.

68. DOCKET NO. 3-2-8913PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) 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.

69. DOCKET NO. 3-2-8914PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) of the NGPA for the U.S.

Pipe & Foundry 13-3-7 well (Permit No. 5836CG) in Section 13, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

70. DOCKET NO. 3-2-8915PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) of the NGPA for the U.S. Pipe & Foundry 7-3-7 well (Permit No. 5961CG) in Section 7, Township 20S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

71. DOCKET NO. 3-2-8916PD

Application by Black Warrior Methane Corp. for a new natural gas determination under Section 102(c)(1)(C) (New Onshore Reservoir) of the NGPA for the U.S. Pipe & Foundry 13-5-2 well (Permit No. 6093CG) in Section 13, Township 20S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

72. DOCKET NO. 3-2-8917PD

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 14-10-11 well (Permit No. 6170CG) in  
Section 14, Township 20S, Range 8W, Tuscaloosa  
County, Alabama in the Brookwood Coal Degasification  
Field, Pottsville Coal Interval.

73. DOCKET NO. 3-2-8918PD

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 14-11-12 well (Permit No. 6185CG) in  
Section 14, Township 20S, Range 8W, Tuscaloosa  
County, Alabama in the Brookwood Coal Degasification  
Field, Pottsville Coal Interval.

"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, March 30 and 31, 1989, at 10:00 a.m. in the Board Room of the State Oil and Gas Board Building, Tuscaloosa, Alabama. The notices for the March meeting must be filed on or before March 6, 1989. Petitions, exhibits, affidavits and proposed orders must be filed on or before March 21, 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, March 2, 1989. We received requests for continuances of the following items and I recommend that these items be continued: Item 1, Docket No. 11-4-8821, petition by Victory Resources, Inc.; Item 2, Docket No. 12-15-889, petition by Lewis Operating Company, Inc.; Item 3, Docket No. 12-15-8810, petition by Lewis Operating Company, Inc.; Item 4, Docket No. 12-15-8820, petition by V. Monta Currie, Jr.; Item 9, Docket No. 3-2-891, petition by V. Monta Currie, Jr.; Item 11, Docket No. 3-2-893, petition by Morrow Oil and Gas Company; Item 12, Docket No. 3-2-894, petition by First Energy Corporation; Item 13, Docket No. 3-2-895, petition by The River Gas Corporation; Item 14, Docket No. 3-2-896, petition by The River Gas Corporation. I recommend that these 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 19, Docket No. 3-2-8911, is a petition by ARCO Oil and Gas Company. I recommend that this petition be continued to a special hearing set for Thursday, March 16, 1989, at 2 o'clock p.m. before the Hearing Officer.

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 21, Docket No. 1-19-8918, is a motion by the Board for plugging the Peaks 29-1 Well in Pickens County, Alabama. I recommend that this pet--this motion be continued.

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 26, Docket No. 9-15-8831, is a motion by the Board to plug certain wells in the Pollard Field in Escambia

County. We have received a request for a continuance. I would recommend that this 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: Docket No. 3-2-8912 was a petition by CHM Exploration Company, Inc., that was set for hearing, a special hearing for yesterday. I would rec--we received a request for continuance. I recommend that this petition 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 25, Docket No. 11-4-8831, is a motion by the Board to amend Rule 400-1-3-.13 relating to Deviation Tests. I recommend that this motion 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 are petitions for force pooling, and I recommend these items for approval: Item 8, Docket No. 2-2-891, continued petition by Browning & Welch, Inc.; Item 10, Docket 3-2-892, petition by TXO Production Corporation; and Item 16, Docket No. 3-2-898, petition by Pruet Production Company. I recommend 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 17, Docket No. 3-2-899, is a petition by V. Monta Currie, Jr., for force pooling. I recommend this petition be granted with the stipulation that the interest that is force pooled be limited to a depth of 3500 feet.

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. 1-19-8910A, is a continued petition by Meridian Oil, Inc., to establish a new gas field in Pickens County to be called the Buncomb Creek Field. 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 7, Docket No. 1-19-897, is a continued petition by Hughes Eastern Corporation to amend Rule 1 of 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 15, Docket No. 3-2-897, is a petition by Taurus Exploration, Inc., to amend Rule 1 of the Special Field Rules for the Watts Creek Field in Marion 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 18, Docket No. 3-2-8910, is a petition by Convest Production Company to establish a new oil field located in Escambia County to be called the Osaka Field. I recommend that 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 20, Docket No. 3-2-8913, is a petition by Convest Petroleum--Convest Production Company--to amend Rule 1 of the Special Field Rules for the Pollard 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 6, Docket No. 1-19-896, is a continued petition by Hughes Eastern Corporation to approve a plan for fieldwide unitization for the West Foshee Oil Field in Escambia County. I'd like to direct the Board's attention to a letter we received on that item from a Mrs. Howard McCauley, and would like to give Mr. Watson, attorney for Hughes, an opportunity to address the contents of that letter if he would so desire.

MR. WATSON: Mr. Chairman, the McCauley family, along with their relatives, the Days in Miami, own an interest in the Powell 32-1 unit. They are lessors to Hughes Eastern. Along with the McCauley and Day families that own an interest in that unit, the law firm of the Garretts and Thompsons in Brewton have an interest carved out of the interest of this particular family, having represented them in a forged deed case where the law firm got this land back for the family. In connection with presenting this unitization proposal, we have been conversant with the family, the McCauleys, the Days, and the Garretts at the law firm, explained to them the unitization process. The Garrett law firm saw the wisdom of our proposal, and at one point had objected to it, withdrew that. We have had numerous contacts with the McCauleys and the Days. We have sent them every piece of evidence that's been filed before this Board, correspondence explaining our position, and we've offered to meet with them both in Miami and in Panama City, Florida, where the McCauleys live. We feel like that these people simply just do not understand the concept of unitization. There's no other way, no other reasonable method that we know of to make them

knowledgeable about it. Their well, the Powell 32-1 Well, is on a decline. The production is going down on that well. We're gonna have to put it on a pump. It's in, I consider, the best interest of everyone in that field, certainly the majority of the people in that field, to unitize this field, and the McCauleys as well as the Days will certainly benefit from that, so I've--I've done everything I can. The client has done everything they can. We've honored our lease agreement with them. We have proposed a plan to prevent waste. We've proposed a plan to protect their correlative rights. They will receive income long after this particular well waters out, so I don't know anything else we can do nor this Board can do for this family, and I might say to you that your staff has been in constant contact with these people too. We continued the hearing for them one time to give them an opportunity to be here and to make their position. I've urged them to contact the lawyers who represented them because they had a position in this matter, so, and I could see it to be common. I don't know of anything else we could do.

MR. MCCORQUODALE: Is there any representative of this family here other than the letter which we've received? (No

response)

MR. ROGERS: Mr. Chairman, and members of the Board, I will recommend that this petition be granted with the stipulation that the unit shall be effective if the State Oil and Gas Board has approved the ratification of the Unit Agreement on or prior to June 1, 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.

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 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 46, 47, 49, 51, 53, 59--excuse me--69, 70, 71, 72, and 73, applications by Black Warrior Methane Corporation; Item 48, application by Samson Resources Company; and Items 59, 61, 62, 63, 64, and 65, applications by the River Gas Corporation. If there are no

objections, we'd recommend that these requests for continuance be granted.

MR. METCALFE: So move, Mr. Chairman.

MR. MCCORQUODALE: Second.

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

(All Board members voted aye)

CHMN. ADAMS: The "ayes" have it.

DR. MANCINI: The staff has examined applications and exhibits for Natural Gas Policy Act Well Status Determinations submitted concerning Items 44, 45, 50, 52, 54, 55, and 68, applications by Black Warrior Methane Corporation; Items 56, 57, and 58, applications by V. Monta Currie, Jr.; Item 60, application by The River Gas Corporation; and Items 66 and 67, applications by First Energy Corporation. We'd recommend that the exhibits submitted relating to these items be admitted into the record.

MR. METCALFE: I 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: I move.

MR. MCCORQUODALE: Second.

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

(All Board members voted "aye")

CHMN. ADAMS: The "ayes" have it.

DR. MANCINI: The next item on the agenda is approval of the minutes of the November 3, 1988, Hearing Officer Meeting; November 4, 1988, Regular Board Meeting; November 8, 1988, Special Hearing Officer Meeting; December 15, 1988, Hearing Officer Meeting, and December 16, 1988, Regular Board Meeting. We recommend that the minutes of these meetings be approved.

MR. METCALFE: I move approval.

MR. MCCORQUODALE: Second.

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

(All Board members voted "aye")

DR. MANCINI: Due to be heard by the Board today is Item 24, Docket No. 1-28-8829, a continued motion by the Board to plug and abandon certain wells in Tuscaloosa County, Peterson

Coal Degasification Field. Is there anyone here today to address Item 24?

MR. WHITE: Herb White, Petroleum Engineer for Miller Petroleum. We wrote Mr. Mancini in January telling him of our intentions of getting started in February on these wells, however, Mr. Rogers told us that we should--that we were on the docket for the hearing and we should come in. So to bring you up to date, as you remember, these were producing wells. All but one of the wells were producing gas at the time they were shut in because we lost access to the market. The company that had the pipeline went broke or got involved in a problem. Mr. Miller has been in contact with Gregg Robinson, one of the principles of that pipeline. It is our understanding that they will be in a position to transport our gas again. We maintained our bond and our disposal permit, and we would certainly appreciate a little more time to get these wells back in.

DR. MANCINI: Do you have a specific time schedule?

MR. WHITE: We were ready to move in on the wells in February, so we figure in 30 days we would be in with our wells--I mean with the equipment to get the wells pumping again.

I can't speak for Mr. Peterson as to how soon they could take our gas.

DR. MANCINI: So you're requesting a 30-day continuance?

MR. WHITE: Yes, sir.

MR. MCCORQUODALE: If you're not gonna--if you're not gonna be able to have a market within 30 days, all you're gonna do is go in with your equipment, what are you going to be able to tell us in 30 days?

MR. WHITE: We're gonna be able to tell you if we can get the water off the wells and get sufficient gas to justify doing some alternative if possible. If we cannot get access to the market with what is available now, we'll have to provide some other access.

MR. METCALFE: How many wells are involved?

MR. WHITE: Seven.

MR. METCALFE: And there are other producing wells?

MR. WHITE: No, sir. The company that had the pipeline had 18 wells in the field. We had the seven. I believe that was Alabama Energy Group, and I believe that they have plugged most of their wells because they lost their bond. I might say that

it's our understanding that those wells are, have been discussed as being reentered by another company out of Pennsylvania.

MR. METCALFE: Mr. Chairman, I move that we grant the 30-day extension.

MR. MCCORQUODALE: Second.

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

(All Board members voted "aye")

CHMN. ADAMS: "Ayes" have it.

MR. WHITE: Thank you.

MR. MCCORQUODALE: Let me say to you also that of course you selected the 30 days---

MR. WHITE: Yes, sir, I understand.

MR. MCCORQUODALE: ---and this has been on this agenda for 12 or 13 months now.

MR. WHITE: Yes, sir.

MR. MCCORQUODALE: So we would expect to get a good progress report at the next time.

MR. WHITE: Yes, sir.

MR. MCCORQUODALE: O.K. Thank you.

DR. MANCINI: The next meeting will be on March 30, is that correct, Marvin?

MR. ROGERS: That's right.

DR. MANCINI: Does that present a problem?

MR. WHITE: No, I don't think so.

MR. ROGERS: The 31st will be the day the Board meets,  
that's right.

MR. WHITE: The 31st? Thank you.

CHMN. ADAMS: The Board is adjourned.

(Whereupon, at 10:22 a.m. the hearing was adjourned)

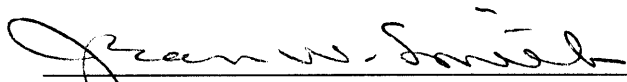
REPORTER'S CERTIFICATE

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, March 3, 1989, 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 61 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 our counsel to the parties to said cause, nor in any manner interested in the results thereof.

  
Jean W. Smith  
Hearings Reporter  
State of Alabama