

MR

PA

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EXHIBITS

TITLE	DESCRIPTION	OFFERED	RECEIVED
Board Exhibit	Order appointing Marvin Rogers Hearing Officer	54	54
Exhibit 1 (Robert Wood)	Structure map top Frisco City Sand, Frisco City Field	60	60
Exhibit 2 (Robert Wood)	Directional survey Baas 2-16 No. 1, Frisco City Field	60	60
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Exhibit 4 (Brad Truett)	Cross section A-A' West Kennedy Field	80	80
Exhibit 5 (Brad Truett)	Bottom hole pressure data, West Kennedy Field	80	80
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STATE OIL AND GAS BOARD OF ALABAMA

Tuscaloosa, Alabama

Hearing Officer Meeting

August 8, 1989

Testimony and proceedings before a Hearing Officer in the Board Room of the State Oil and Gas Board Building, University of Alabama Campus, Tuscaloosa, Alabama, pursuant to adjournment, on this the 8th day of August, 1989.

BEFORE:

Mr. Marvin Rogers.....Hearing Officer

BOARD STAFF

Dr. Ernest A. Mancini.....Secretary & Supervisor

Mr. Gary Wilson.....Assistant Supervisor

Mr. Jay Masingill.....Assistant Supervisor

Mr. Doug Hall.....Geologist

Mr. Frank Hinkle.....Geologist

Mr. Tom Sexton.....Geologist

Mr. Richard Hamilton.....Petroleum Engineer

(Reported by Jean W. Smith)

APPEARANCES

	<u>NAME</u>	<u>REPRESENTING</u>
1.	Brad Truett Jackson, MS	Morrow Oil & Gas
2.	Craig Forshner P. O. Box 3092 Houston, TX 77253	Amoco
3.	Steve Harrison Tuscaloosa, AL	Morrow, Taurus
4.	Jane Pratte Birmingham, AL	Taurus
5.	Bob Wood Tuscaloosa, AL	Zinn
6.	Tom Watson Tuscaloosa, AL	Taurus, Zinn, et al
7.	Jim Sledge Tuscaloosa, AL	CNG, Michigan Oil

PROCEEDINGS

(The hearing was convened at 10:05 a.m.
on Tuesday, August 8, 1989)

MR. ROGERS: This hearing is in session. Dr. Mancini, has proper notice of this hearing been provided?

DR. MANCINI: Proper notice of this hearing has been provided.

"NOTICE OF MEETING

"The State Oil and Gas Board of Alabama will hold its regular monthly meeting on Tuesday and Wednesday, August 8 and 9, 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. 5-5-8917

Continued Petition by ZINN 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 exception to Rule 3 of the Special Field Rules of the Frisco City Field, Monroe County, Alabama. Rule 3 requires all wells in said field to be located at least 660 feet from every exterior boundary of a drilling unit and the bottom hole location of the William Baas Unit 2-16 No. 1 Well, Permit No. 5854, is 1290.44 feet from the South line and 570.88 feet from the East line of Section 2, Township 5 North, Range 6 East, Monroe County, Alabama. The bottom hole location of the William Baas Unit 2-16 No. 1 Well, located on a 160-acre drilling unit consisting of the Southeast Quarter of said Section 2 is an exception to said Rule 3.

"2. DOCKET NO. 6-29-895

Continued 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 of

Alabama to enter an order force pooling all tracts and interests in a 320-acre drilling unit consisting of the West Half of Section 12, Township 16 South, Range 13 West, Fayette County, Alabama in the West Fayette Field. This petition is in accordance with Section 9-17-13, Code of Alabama (1975) as amended.

"3. Docket No. 6-29-8910

Continued 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 establishing a new gas field in Baldwin County, Alabama, to be named the North Magnolia River Field or such other names as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Amos 'A' and Amos 'B' Sand Gas Pools, consists of the following described property:

Beginning at the Northwest corner of Grant Section 31, Township 7 South, Range 3 East, Baldwin County, Alabama; run thence Southerly along the West line of said Section 31 and its extension thereof for 2,640 feet, more or less, thence East for 5,280 feet, more or less; thence North for 2,640 feet, more or less, to the North line of said Section 31; thence

Westerly along the North line of said Section 31 for 5,280 feet, more or less, to the point of beginning.

The Amos 'A' Sand Gas Pool is defined as that interval of the Amos Sand productive of hydrocarbons between 1,698 feet and 1,725 feet as indicated on the Dual Induction Log for the Yupon Farms et al. 31 #1 Well, Permit No. 6268. The Amos 'B' Sand Gas Pool is defined as that interval of the Amos Sand productive of hydrocarbons between 1,727 feet and 1,745 feet as indicated on the Dual Induction Log for the Emmett et al. 31 #1 Well, Permit No. 6246. Petitioner is requesting well spacing of 160 contiguous acres, and is also requesting the establishment of allowables for said field.

"4. DOCKET NO. 6-29-8925

Continued Petition by MCKENZIE METHANE CORPORATION, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order establishing a new coalbed degasification field in Tuscaloosa County, Alabama, to be named the Little Sandy Creek Coal Degasification Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field consists of the following described parcels:

Sections 19, 20, 28, 29, 30, 31, 32, 33, and the West Half of Section 27, Township 22 South, Range 9 West; Sections 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36, Township 22 South, Range 10

West; Sections 35 and 36, Township 22 South,
Range 11 West; Sections 4, 5, 6, 7 and 8,
Township 24 North, Range 6 East; Sections 1, 2,
3, 4, 5, 6, 9, 10, 11, 12, 13 and 14, Township
24 North, Range 5 East; and Sections 1 and 2,
Township 24 North, Range 4 East,

all in Tuscaloosa County, Alabama, as underlain by the
Pottsville Coal Interval, which is described as those
strata containing occluded gas correlative to the coal
seams encountered in the interval between 330.00 feet and
3750.00 feet (and any coal seam stringer which may occur
within 100 feet below this interval) as indicated on the
density log of the Cain 1-11-16, Permit No. 6384- C,
located 1794 feet from the West line and 1845 feet from the
South line of Section 1, Township 24 North, Range 5 East,
Tuscaloosa County, Alabama, and all zones in communication
therewith, and all productive extensions thereof.

Petitioner is requesting variable spacing for coalbed
degasification wells of not less than 10 nor more than 80
contiguous surface acres so as to provide for maximum
efficient recovery of the occluded natural gas. Petitioner
is also requesting the establishment of allowables for said
field.

"5. DOCKET NO. 6-29-8926

Continued Petition by MWJ PRODUCING COMPANY, a foreign 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 wildcat gas drilling unit consisting of the Southwest Quarter of Section 30, Township 9 South, Range 13 West, Marion County, Alabama, pursuant to Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-1-13-.01 of the Administrative Code of this Board. Petitioner is requesting that the risk compensation fee allowed by the referenced statute be assessed against all nonconsenting owners.

"6. DOCKET NO. 8-9-891

Petition by TEXACO 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 finding that the contribution of the separately owned Tracts in the Appleton Field Unit is erroneous because it is shown to be erroneous by subsequently discovered data

and said contribution should be altered, and Petitioner is requesting the Board to approve the corrected Tract Participation of each Tract in said Unit, located in Escambia County, Alabama, which correction results from alteration of the Tract contribution as calculated by the Unit Operator in accordance with the provisions of the Unit Agreement and Section 9-17-86, Code of Alabama (1975), as amended.

Since said Appleton Field Unit was established, ratified and approved by Board Order 88-57, the APL UNIT TR2, D. W. McMillan 2-15 Well No. 5, Permit No. 6247, has been drilled, and the subsequently obtained data from said well shows that the contribution (and, therefore, the Tract Participation) of the separately owned Tracts in the Unit is erroneous because the productive reservoir volume (acre-feet) calculated for some of the Tracts in the Unit is incorrect, making the percentage of acre-feet allocated to all Tracts incorrect and this requires alteration of the Tract contribution and correction of the Tract

Participation of each Tract in the Unit. The Unit Operator has calculated the proposed new Tract Participations to reflect the altered Tract contribution, and is requesting approval thereof, and such other relief as the Board may deem necessary and proper.

The Appleton Field Unit is located in Escambia County, Alabama, and is described as follows:

TOWNSHIP 3 NORTH, RANGE 9 EAST:

The Southwest Quarter of the Southwest Quarter of Section 1;

The South Half of Section 2;

The North Half of the Northwest Quarter and the Northeast Quarter of Section 11; and

The Northwest Quarter and the West Half of the Northeast Quarter of Section 12.

"7. DOCKET NO. 8-9-892

Petition by DIAMOND ENERGY CORPORATION, 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 Northwest Quarter of the Southeast Quarter of Section 4, Township 1 North, Range 8

East, Escambia County, 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.

"8. DOCKET NO. 8-9-893

Petition by CLIFTON S. DEAVOURS, an individual, requesting the State Oil and Gas Board to enter an order approving a proposed reformed gas producing unit for the Brilliant Coal 2-13 No. 1 Well (Permit No. 2022) as an exception to Rule 3(a) of the Special Field Rules for the Bankston Field, Fayette County, Alabama. If approved, the proposed reformed unit for said well would consist of the North Half of the Southwest Quarter of the Southwest Quarter (N 1/2 of the SW 1/4 of the SW 1/4) and the South Half of the Northwest Quarter of the Southwest Quarter (S 1/2 of the NW 1/4 of the SW 1/4) of Section 2, Township 16 South, Range 11 West, containing approximately forty (40) acres, and would be an exception to Rule 3(a) of the Special Field Rules for the Bankston Field which otherwise requires that each well be drilled on a unit consisting of approximately 320 contiguous surface acres.

This Petition is filed as a companion Petition to Docket No. 8-9-894.

"9. DOCKET NO. 8-9-894

Petition by CLIFTON S. DEAVOURS, an individual, requesting the State Oil and Gas Board to enter an order reforming the unit for the Brilliant Coal 2-13 No. 1 Well (Permit No. 2022) in Fayette County, Alabama, from the existing 320 acre unit which consists of the W 1/2 of Section 2, Township 16 South, Range 11 West, to a 40 acre production unit consisting of the North Half of the Southwest Quarter of the Southwest Quarter (N 1/2 of the SW 1/4 of the SW 1/4) and the South Half of the Northwest Quarter of the Southwest Quarter (S 1/2 of the NW 1/4 of the SW 1/4) of Section 2, Township 16 South, Range 11 West in the Bankston Field, Fayette County, Alabama.

This Petition is filed as a companion Petition to Docket No. 8-9-893.

"10. DOCKET NO. 8-9-895

Petition by CNG Producing 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 Northwest Quarter of the Northwest Quarter of Section 33, Township 13 North, Range 3 West, Choctaw 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.

"11. DOCKET NO. 8-9-896

Petition by MORROW OIL & GAS COMPANY, a foreign corporation, authorized to do and doing business in the State of Alabama, to name a new gas field in Lamar County, Alabama, the West Kennedy Field, or such other name as the Board may deem appropriate, and to adopt Special Field Rules therefor. Said field is proposed to consists of all of Sections 7 and 17, and the East Half of Section 18, of Township 17 South, Range 14 West, Lamar County, Alabama, as underlain by the Lewis Sand Gas Pool and all productive extensions thereof. The Lewis Sand Gas Pool is to be defined as those strata of the Lewis Sand productive of

hydrocarbons in the interval between 4518 feet and 4584 feet as indicated on the dual induction log of the Morrow-Loftis Heirs 7-16 No. 1 Well, Permit No. 6240, located on a unit consisting of the East Half of Section 7, Township 17 South, Range 14 West. Petitioner is requesting 320-acre spacing and the establishment of permanent allowables for the field.

"12. DOCKET NO. 8-9-897

Petition by TAURUS EXPLORATION, INC., an Alabama corporation, to reform the unit for the USX-Taurus-89-18-05-28-06 Well No. 706, Permit No. 6426-C, from an 80-acre unit consisting of the South Half of the Northwest Quarter of Section 28, Township 18 South, Range 5 West, Jefferson County, Alabama, to an 80-acre unit comprised of the East Half of the Northwest Quarter of said Section 28, all in the Oak Grove Coal Degasification Field.

"13. DOCKET NO. 8-9-898

Petition by TAURUS EXPLORATION, INC., an Alabama corporation, to reform the unit for the UA-TAURUS-89-19-06-20-12 Well No. 646, Permit No. 6424-C,

from an 80-acre unit consisting of the North Half of the Southwest Quarter of Section 20 to an 80-acre unit consisting of the West Half of the Southwest Quarter of said Section 20, all in Township 19 South, Range 6 West, Jefferson County, Alabama, in the Oak Grove Coal Degasification Field. This request was granted on an emergency basis by the Board on June 29, 1989, in Order No. EMER 89-96.

"14. DOCKET NO. 8-9-899

Petition by TAURUS EXPLORATION, INC., an Alabama corporation, to reform the unit for the UA-TAURUS-89-19-06-30-08 Well No. 648, Permit No. 6425-C, from an 80-acre unit consisting of the South Half of the Northeast Quarter of Section 30 to an 80-acre unit consisting of the East Half of the Northeast Quarter of said Section 30, all in Township 19 South, Range 6 West, Jefferson County, Alabama, in the Oak Grove Coal Degasification Field. This request was granted on an emergency basis by the Board on June 29, 1989, in Order No. EMER 89-97.

"15. DOCKET NO. 8-9-8910

Petition by TAURUS EXPLORATION, INC., an Alabama corporation, to reform the unit for the UA-TAURUS-89-19-06-18-10 Well No. 520, Permit No. 6422-C, from an 80-acre unit consisting of the West Half of the Southeast Quarter of Section 18 to an 80-acre unit consisting of the North Half of the Southeast Quarter of said Section 18, all in Township 19 South, Range 6 West, Jefferson County, Alabama, in the Oak Grove Coal Degasification Field. This request was granted on an emergency basis by the Board on June 29, 1989, in Order No. EMER 89-98.

"16. DOCKET NO. 8-9-8911

Petition by TAURUS EXPLORATION, INC., an Alabama corporation, to approve a well location 1448 feet from the South line and 1665 feet from the East line of Section 18, Township 19 South, Range 6 West, Jefferson County, Alabama, as an exception to the Special Field Rules for the Oak Grove Coal Degasification Field for said UA-TAURUS-89-19-06-18-10 Well No. 520 Permit No. 6422-C.

This request was granted on an emergency basis by the Board on June 29, 1989, in Order No. EMER 89-99.

"17. DOCKET NO. 8-9-8912

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 320-acre drilling unit consisting of the West Half of Section 19, Township 16 South, Range 11 West, Fayette County, Alabama, in the Pine Knot Creek Field, 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. 8-9-8913

Petition by TAURUS EXPLORATION, INC., an Alabama corporation, to amend Rule 4 of the Special Field Rules for the Cedar Cove Coal Degasification Field, Tuscaloosa County, Alabama, so as to allow well spacing on units of up to 160 acres, and to eliminate the requirement for common mineral ownership in units of more than 40 acres.

"19. DOCKET NO. 8-9-8914

Petition by TAURUS EXPLORATION, INC., an Alabama

corporation, to amend Rule 4 of the Special Field Rules for the Oak Grove Coal Degasification Field, Jefferson and Tuscaloosa Counties, Alabama, so as to allow well spacing on units of up to 160 acres, and to eliminate the requirement for common mineral ownership in units of more than 40 acres.

"20. DOCKET NO. 8-9-8915

Petition by PACIFIC ENTERPRISES OIL COMPANY (USA), a foreign 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 320-acre wildcat gas drilling unit consisting of the South Half of Section 26, Township 18 South, Range 15 West, Pickens County, Alabama, pursuant to Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-1-13-.01 of the Administrative Code of this Board. Petitioner is requesting that the risk compensation fee allowed by the referenced statute be assessed against all nonconsenting owners.

"21. DOCKET NO. 8-9-8916

Petition by MWJ PRODUCING COMPANY, a foreign 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 320-acre gas drilling unit consisting of the East Half of Section 22, Township 13 South, Range 13 West, Fayette County, Alabama, a productive extension of the Sugar Creek Field, pursuant to Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-1-13-.01 of the Administrative Code of this Board. Petitioner is requesting that the risk compensation fee allowed by the referenced statute be assessed against all nonconsenting owners.

"22. DOCKET NO. 1-19-8920

Continued 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.

"23. DOCKET NO. 6-29-8928

Continued MOTION OF THE STATE OIL AND GAS BOARD OF ALABAMA, requesting the operator and mineral interest owners of the Brilliant Coal 2-13 Well, Permit No. 2022, located in the Bankston Field, Section 2, Township 16 South, Range 11 West, Fayette County, Alabama, to show cause why this well should not be ordered by the Board to be immediately plugged and abandoned.

"24. DOCKET NO. 6-29-8930

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-1-1-.04 of the State Oil and Gas Board of Alabama Administrative Code relating to Forms so as to clarify said rule by making the title of each form listed

in said rule consistent with the title as designated on the official State Oil and Gas Board of Alabama forms.

"25. DOCKET NO. 6-29-8931

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-1-5-.05 of the State Oil and Gas Board of Alabama Administrative Code relating to Abandonment of Radioactive Logging Sources, to require that the Supervisor be immediately notified of the loss of a radioactive logging source in a well.

"26. DOCKET NO. 6-29-8932

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-1-3-.02, of the State Oil and Gas Board of Alabama Administrative Code, relating to Notice of Activities, to require that notice be given and approval obtained from the Supervisor prior to logging a well and attempting to recover a radioactive logging source that has been lost in a well.

"27. DOCKET NO. 6-29-8933

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-4-3-.01, of the State Oil and Gas Board

of Alabama Administrative Code, relating to Notice of Activities, to require that notice be given and approval obtained from the Supervisor prior to logging a well and attempting to recover a radioactive logging source that has been lost in a well.

"28. DOCKET NO. 8-9-8917

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting the operator, Marshall Oglesby to show cause why the wells listed hereinbelow, located in Choctaw County, Alabama, should not be ordered immediately plugged.

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>LOCATION</u>	<u>FIELD</u>
1361	Land Brothers A-1	S36,T11N,R5W	Gilbertown
2862	Land Brothers 36-5 #2	S36,T11N,R5W	Gilbertown
2930	Land Brothers 36-6	S36,T11N,R5W	Gilbertown
1492-A	Land Brothers 36-5	S36,T11N,R5W	Gilbertown
2787	Land Brothers 35-8 #1	S35,T11N,R5W	Gilbertown
4730	Nora Lee Graham 8-2 #2	S8,T10N,R3W	Gilbertown
2319	C.M. Land 2-4 #1	S2,T11N,R5W	Melvin

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.

"29. DOCKET NO. 8-9-8918

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting the operator, Hughes Petroleum Corporation to show cause why the wells listed hereinbelow, located in the Langsdale Field, Choctaw County, Alabama, should not be ordered immediately plugged.

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>LOCATION</u>	<u>FIELD</u>
280	A.L. Pippen No. 2	S22,T11N,R5W	Langsdale
374	A.L. Pippen No. 3	S22,T11N,R5W	Langsdale
301	A.L. Pippen No. 4	S22,T11N,R5W	Langsdale

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.

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

"30. DOCKET NO. 12-15-887PD

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 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.

"31. DOCKET NO. 12-15-888PD

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 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.

"32. DOCKET NO. 12-15-8817PD

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 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.

"33. 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.

"34. 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.

"35. DOCKET NO. 3-2-8917PD

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 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.

"36. DOCKET NO. 3-2-8918PD

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 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.

"37. DOCKET NO. 3-30-891PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 21-14-48 well (Permit No. 6044-C) in Section 21, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"38. DOCKET NO. 3-30-898PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,6) 19-03-39 well (Permit No. 6034-C) in Section 19, Township 18S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"39. DOCKET NO. 3-30-8910PD

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 Horizontal Degas. Boreholes Unit 3-CC well (Permit No. 5866-C) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"40. DOCKET NO. 3-30-8911PD

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 3-CA well (Permit No. 5867-C) in Section 25, Township 20S,

Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"41. DOCKET NO. 3-30-8912PD

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 3-CD well (Permit No. 5868-C) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"42. DOCKET NO. 3-30-8913PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 27-02-59 well (Permit No. 6068-C) in Section 27, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"43. DOCKET NO. 3-30-8914PD

Continued application by Amoco Production Company for a new natural gas determination under Section

107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 34-11-71 well (Permit No. 6072-C) in Section 34, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"44. DOCKET NO. 3-30-8915PD

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 3-AA well (Permit No. 6255-C) in Section 33, Township 19S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"45. DOCKET NO. 3-30-8916PD

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 3-AB well (Permit No. 6256-C) in Section 33, Township 19S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"46. DOCKET NO. 3-30-8917PD

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 3-CE well (Permit No. 6257-C) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"47. DOCKET NO. 3-30-8918PD

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 3-CF well (Permit No. 6258-C) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"48. DOCKET NO. 3-30-8919PD

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 3-CG well

(Permit No. 6259-C) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"49. DOCKET NO. 3-30-8920PD

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 3-CH well (Permit No. 6260-C) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"50. DOCKET NO. 3-30-8921PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18.7) 36-11-34 well (Permit No. 6033-C) in Section 36, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"51. DOCKET NO. 3-30-8922PD

Continued application by Amoco Production Company

for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,6) 19-07-40 well (Permit No. 6035-C) in Section 19, Township 18S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

" 52. DOCKET NO. 3-30-8923PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 20-06-44 well (Permit No. 6036-C) in Section 20, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

" 53. DOCKET NO. 3-30-8924PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 21-07-49 well (Permit No. 6060-C) in Section 21, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"54. DOCKET NO. 3-30-8925PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18.7) 21-10-50 well (Permit No. 6061-C) in Section 21, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"55. DOCKET NO. 3-30-8926PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18.7) 28-01-57 well (Permit No. 6066-C) in Section 28, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"56. DOCKET NO. 5-4-896PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18.7) 30-02-13 well (Permit No. 5963-C) in Section 30, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal

Degasification Field, Pottsville Coal Interval.

" 57. DOCKET NO. 5-4-897PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (19,7) 08-08-16 well (Permit No. 6024-C) in Section 8, Township 19S, Range 7W, Tuscaloosa County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

" 58. DOCKET NO. 5-4-898PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 20-14-46 well (Permit No. 6038-C) in Section 20, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

" 59. DOCKET NO. 5-4-899PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 20-10-47 well (Permit No. 6039-C) in Section 20, Township 18S, Range 7W,

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

" 60. DOCKET NO. 5-4-8910PD

Continued application by Amoco Production Company
for a new natural gas determination under Section
107(c)(3) (High Cost Natural Gas) of the NGPA for
the USX-Amoco-88 (18,7) 29-09-53 well (Permit No.
6064-C) in Section 29, Township 18S, Range 7W,
Jefferson County, Alabama in the Oak Grove Coal
Degasification Field, Pottsville Coal Interval.

" 61. DOCKET NO. 5-4-8911PD

Continued application by Amoco Production Company
for a new natural gas determination under Section
107(c)(3) (High Cost Natural Gas) of the NGPA for
the USX-Amoco-88 (18,7) 27-12-58 well (Permit No.
6067-C) in Section 27, Township 18S, Range 7W,
Jefferson County, Alabama in the Oak Grove Coal
Degasification Field, Pottsville Coal Interval.

" 62. DOCKET NO. 5-4-8912PD

Continued application by Amoco Production Company
for a new natural gas determination under Section
107(c)(3) (High Cost Natural Gas) of the NGPA for
the USX-Amoco-88 (18,7) 27-15-60 well (Permit No.

6069-C) in Section 27, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"63. DOCKET NO. 5-4-8913PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 27-03-61 well (Permit No. 6070-C) in Section 27, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"64. DOCKET NO. 5-4-8914PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 34-05-70 well (Permit No. 6071-C) in Section 34, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"65. DOCKET NO. 5-4-8915PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for

the USX-Amoco-88 (18,7) 28-04-55 well (Permit No. 6097-C) in Section 28, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"66. DOCKET NO. 5-4-8916PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-89 (18,7) 33-07-68 well (Permit No. 6099-C) in Section 33, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"67. DOCKET NO. 5-4-8929PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 29-08-09 well (Permit No. 5919-C) in Section 29, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"68. DOCKET NO. 5-4-8930PD

Continued application by Amoco Production Company for a new natural gas determination under Section

107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 21-04-12 well (Permit No. 5962-C) in Section 21, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"69. DOCKET NO. 5-4-8931PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,6) 19-11-37 well (Permit No. 6007-C) in Section 19, Township 18S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"70. DOCKET NO. 5-4-8932PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 36-09-33 well (Permit No. 6020-C) in Section 36, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"71. DOCKET NO. 5-4-8933PD

Continued application by Amoco Production Company

for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 35-09-29 well (Permit No. 6030-C) in Section 35, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"72. DOCKET NO. 5-4-8934PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 28-10-56 well (Permit No. 6098-C) in Section 28, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"73. DOCKET NO. 5-4-8935PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-89 (18,7) 33-15-69 well (Permit No. 6174-C) in Section 33, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"74. DOCKET NO. 5-4-8936PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18.8) 34-05-04 well (Permit No. 5917-C) in Section 34, Township 18S, Range 8W, Tuscaloosa County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"75. DOCKET NO. 5-4-8937PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18.8) 12-16-10 well (Permit No. 5925-C) in Section 12, Township 18S, Range 8W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"76. DOCKET NO. 5-4-8938PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (19.8) 02-01-06 well (Permit No. 5931-C) in Section 2, Township 19S, Range 8W, Tuscaloosa County, Alabama in the Oak Grove Coal

Degasification Field, Pottsville Coal Interval.

"77. DOCKET NO. 5-4-8939PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,8) 26-14-08 well (Permit No. 5932-C) in Section 26, Township 18S, Range 8W, Tuscaloosa County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"78. DOCKET NO. 5-4-8940PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 09-04-14 well (Permit No. 5946-C) in Section 9, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"79. DOCKET NO. 5-4-8941PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (19,8) 11-02-03 well (Permit No. 5947-C) in Section 11, Township 19S, Range 8W,

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

"80. DOCKET NO. 5-4-8942PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,8) 36-05-07 well (Permit No. 5957-C) in Section 36, Township 18S, Range 8W, Tuscaloosa County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"81. DOCKET NO. 5-4-8943PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (19,8) 03-16-05 well (Permit No. 5964-C) in Section 3, Township 19S, Range 8W, Tuscaloosa County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"82. DOCKET NO. 5-4-8944PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,8) 24-13-11 well (Permit No.

5977-C) in Section 24, Township 18S, Range 8W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"83. DOCKET NO. 5-4-8945PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,6) 19-16-38 well (Permit No. 6008-C) in Section 19, Township 18S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"84. DOCKET NO. 5-4-8946PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 25-10-21 well (Permit No. 6015-C) in Section 25, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"85. DOCKET NO. 5-4-8947PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for

the USX-Amoco-88 (18,7) 25-14-22 well (Permit No. 6016-C) in Section 25, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"86. DOCKET NO. 5-4-8948PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 36-03-32 well (Permit No. 6019-C) in Section 36, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"87. DOCKET NO. 5-4-8949PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 36-01-31 well (Permit No. 6032-C) in Section 36, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"88. DOCKET NO. 5-4-8962PD

Continued application by Amoco Production Company for a new natural gas determination under Section

107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,6) 30-03-35 well (Permit No. 6095-C) in Section 30, Township 18S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"89. DOCKET NO. 5-4-8963PD

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 22-G well (Permit No. 6319-C) in Section 10, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"90. DOCKET NO. 5-4-8969PD

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 22-H well (Permit No. 6320-C) in Section 10, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"91. DOCKET NO. 5-4-8970PD

Continued application by Amoco Production Company

for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 29-11-52 well (Permit No. 6063-C) in Section 29, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

" 92. DOCKET NO. 5-4-8971PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 28-12-54 well (Permit No. 6065-C) in Section 28, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

" 93. DOCKET NO. 5-4-8972PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 34-09-72 well (Permit No. 6073-C) in Section 34, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"94. DOCKET NO. 5-4-8973PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 34-07-73 well (Permit No. 6074-C) in Section 34, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"95. DOCKET NO. 5-4-8974PD

Continued application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,6) 30-02-36 well (Permit No. 6096-C) in Section 30, Township 18S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"96. DOCKET NO. 6-28-891PD

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 10-1-2 well (Permit No. 6327-CG) in Section 10, Township 19S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field.

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" 97. DOCKET NO. 6-28-898PD

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 USX 3-3-1 well (Permit No. 6345-CG) in Section 3, Township 20S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

" 98. DOCKET NO. 6-28-8911PD

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 15-9-4 well (Permit No. 6197-CG) in Section 15, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

" 99. DOCKET NO. 6-28-8912PD

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 United Land 25-12-7 well (Permit No. 6410-CG) in Section 25, Township 20S, Range 8W, Tuscaloosa

County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"100. DOCKET NO. 6-28-8913PD

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 A. H. Bean 34-10-3 well (Permit No. 6480-CG) in Section 34, Township 19S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"101. DOCKET NO. 6-28-8914PD

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 3-AC well (Permit No. 6514-C) in Section 4, Township 20S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"102. DOCKET NO. 6-28-8915PD

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 3-AD well (Permit No. 6515-C) in Section 4, Township 20S, Range 7W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"103. DOCKET NO. 8-8-891PD

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 Gulf States 34-15-04 well (Permit No. 6512-CG) in Section 34, Township 19S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"104. DOCKET NO. 8-8-892PD

Application by Amoco Production Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the USX-Amoco-88 (18,7) 20-02-45 well (Permit No. 6037-C) in Section 20, Township 18S, Range 7W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"105. DOCKET NO. 8-8-893PD

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 United Land 25-06-05 well (Permit No. 6409-CG) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"106. DOCKET NO. 8-8-894PD

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 United Land 25-11-04 well (Permit No. 6420-CG) in Section 25, Township 20S, Range 8W, Tuscaloosa County, Alabama in the Brookwood Coal Degasification Field, Pottsville Coal Interval.

"107. DOCKET NO. 8-8-895PD

Application by Pilgreen Producing Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Steel 17-02-02 well (Permit No. 5773-C) in Section 17, Township 18S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

" 108. DOCKET NO. 8-8-896PD

Application by Pilgreen Producing Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Steel 08-14-06 well (Permit No. 5775-C) in Section 8, Township 18S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"109. DOCKET NO. 8-8-897PD

Application by Pilgreen Producing Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Steel 07-16-07 well (Permit No. 5958-C) in Section 7, Township 18S, Range 6W, Jefferson County, Alabama in the Oak Grove Coal Degasification Field, Pottsville Coal Interval.

"110. DOCKET NO. 8-8-898PD

Application by Pilgreen Producing Company for a new natural gas determination under Section 107(c)(3) (High Cost Natural Gas) of the NGPA for the U.S. Steel 07-09-08 well (Permit No. 5959-C) in Section 7, Township 18S, Range 6W, Jefferson County, Alabama in the Oak Grove 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, September 21 and 22, 1989 at 10:00 a.m. in the Board Room of the State Oil and Gas Board Building, Tuscaloosa, Alabama. The notices for the September meeting must be filed on or before August 29, 1989. Petitions, exhibits, affidavits and proposed orders must be filed on or before September 7, 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"

MR. ROGERS: I have an order of the State Oil and Gas Board appointing me as Hearing Officer to conduct this hearing on behalf of the Board and the order will be made a part of the record.

(Whereupon, the order was
received in evidence)

MR. ROGERS: The procedure for this meeting is as follows: The Hearing Officer and the staff will hear the uncontested items on the docket today and certain other items. The State Oil and Gas Board will hear the recommendations of the Hearing Officer, contested items, and certain other items, beginning at 10 o'clock a.m. on Wednesday, August 9, 1989. We have received requests for continuances of the following items: Item 3, Docket No. 6-29-8910, petition by V. Monta Currie, Jr.; Item 17, Docket No. 8-9-8912, petition by Pruet Production Company; uh--let's see, Item--I'm gonna include Item 20 here. We recently received a request for a continuance of that item. Item 20, Docket No. 8-9-8915, petition by Pacific Enterprises Oil Company (USA); Item 21, Docket No. 8-9-8916, petition by MWJ Producing Company; and we also have a request for a continuance of Item 22, Docket No. 1-19-8920, motion by the Board requesting--well, I--requesting Bam Energy to show cause why certain wells should not be plugged. We will recommend to the Board that those items be continued. We have received requests for dismissals of the following items; Item 2, Docket No. 6-29-895, petition by Justiss Oil. That item was dismissed by the Oil and Gas Board on July 27, 1989, in Order No. 89-104. And

we have received requests for dismissals of these items: Item 4, Docket No. 6-29-8925, petition by McKenzie Methane Corporation; Item 5, Docket No. 6-29-8926, petition by MWJ Producing Company; Item 7, Docket No. 8-9-892, petition by Diamond Energy Corporation; Item 18, Docket No. 8-9-8913, petition by Taurus Exploration, Inc.; Item 19, Docket No. 8-9-8914, petition by Taurus Exploration, Inc.

MR. HARRISON: Mr. Rogers, on those two items you just named, Items 18 and 19, Taurus wants to make clear for the record that those items were advertised through a miscommunication and that they will be refiling next month simply requesting that the requirement for common mineral ownership in units more than 40 acres be eliminated from the Special Field Rules. Thank you.

MR. ROGERS: All right. We will recommend to the Board that all those items be dismissed without prejudice. Items to be heard by the Board tomorrow are Item 6, Docket 8-9-891, petition by Texaco Inc.; Item 24, Docket No. 6-29-8930, motion by the Board to amend rules and regulations of the Board; Item 25, motion by the Board to amend certain rules and regulations; Item 26, Docket No. 6-29-8932, motion by the Board to amend rules

and regulations; Item 27, Docket No. 6-29-8933, motion by the Board to amend rules and regulations; Item 28, Docket No. 8-9-8917, motion by the Board requesting operator, Marshall Oglesby, to show cause why certain wells in Choctaw County should not be ordered plugged; and Item 29, Docket No. 8-9-8918, motion by the Board requesting Hughes Petroleum Corporation, to show cause why certain wells in Langsdale Field in Choctaw County should not be ordered plugged. The regular meeting of the Board will commence at 10 o'clock a.m. on Wednesday, August 9, 1989. As usual, the Hearing Officer and the staff will make recommendations to the Board at that 10 o'clock meeting. Dr. Mancini will call the first item.

DR. MANCINI: Item 1, Docket No. 5-5-8917, continued petition by Zinn Petroleum Corporation.

MR. WATSON: Mr. Rogers, I have one witness and I'd like to have him sworn for this item, please.

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

WITNESS: Robert Wood, 663 Petersburg Road, Tuscaloosa.

(Witness was sworn by Mr. Rogers)

MR. WATSON: This item has publication notice only so there's no affidavit to be introduced into the record. We're

requesting in this item on behalf of Zinn Petroleum Corporation that a bottom hole location for the William Baas Unit 2-6 No. 1 Well in Monroe County be approved. This well was drilled as a regular legal location and upon submission of the directional survey we discovered that the well had exceeded the limitations placed in the Special Field Rules.

ROBERT WOOD

Appearing as a witness on behalf of Petitioner, Zinn Petroleum Corporation, testified as follows:

DIRECT EXAMINATION

Questions by Mr. Watson:

Q Mr. Wood, you're familiar with this item on the Board's docket today?

A Yes, I am.

Q And have you prepared petitions (sic) in support of approval of the exceptional location?

A I have.

Q We've handed up a booklet of exhibits. If you would, please, turn to your Exhibit No. 1 and tell us what's shown there.

A Exhibit No. 1 is a structure map of the productive area of

the Frisco City Field. There are two productive wells in the Frisco City Field and these are shown on this exhibit. The well to the west, or to the left portion of the field, is the newly drilled No. 1 Baas well. The well to the east, or to the right, is the discovery well, which is the No. 1 McCollough. The structure as depicted shows basically north dip. It's an east-west trending structure. The hydrocarbons are trapped against a small down-to-the-south fault which is also east-west trending. The Special Field Rules for the Frisco City Field require that each well be at least 660 feet from an exterior unit boundary or at least 1200--excuse me--1320 feet from another producing well. The No. 1 Baas well was drilled at a regular location 660 feet from the East line and 1200 feet from the South line. It was drilled as a straight hole, however, the well drifted and deviated and deviated beyond the minimum distance to a unit boundary. The existing exceptional location is shown highlighted in pink on this exhibit.

Q All right, sir, and your Exhibit 2?

A Exhibit No. 2 is the directional survey, the last page of the survey for the No. 1 Baas well. Highlighted in yellow are the coordinates for the distance off of the surface location at the bottom hole. The well had deviated to 90.44 feet north and 89.12 feet east.

Q All right, sir, and your final exhibit is the survey plat for that?

A That is correct. The final exhibit is the survey plat prepared by Mr. Caire, and the bottom hole location is shown with respect to the surface location. The well deviated east-northeast and is now at a exceptional location of 571 feet from the East line and 1290 feet from the South line.

MR. WATSON: Mr. Rogers, I'd ask that you receive Exhibits 1 through 3 to the testimony of Mr. Wood into evidence.

MR. ROGERS: The exhibits are admitted.

(Whereupon, Exhibits 1,
2, and 3 were received in
evidence)

Q Mr. Wood, in your opinion, will the granting of the petition approving an exceptional location for this well

prevent waste and protect coequal and correlative rights?

A Yes, it would.

MR. WATSON: We have nothing further. I tender the witness.

DR. MANCINI: Mr. Hearing Officer, we have no questions.

MR. ROGERS: Mr. Watson, we received this affidavit from Clendon Caire. Should that be introduced into the record?

MR. WATSON: You may incorporate that into the record if you would. We submitted the live testimony of Mr. Wood but you may also receive that into the record.

MR. ROGERS: All right, your request--it's admitted into the record.

(Whereupon, the affidavit
was received in evidence)

MR. WATSON: Thank you.

MR. ROGERS: We'll review the evidence and make a recommendation to the Board.

DR. MANCINI: Item 8, Docket No. 8-9-893, petition by Clifton S. Deavours.

MR. PEARSON: Mr. Rogers, Item 8, Docket No. 8-9-893, is a companion petition to Docket--Item No. 9 which is Docket No. 8-9-894. I would ask that those two items be consolidated for

hearing purposes.

MR. ROGERS: Your request is granted. Also Mr. Pearson, perhaps Item 23.

MR. PEARSON: Right. I was gonna note that in the record. I have one witness that needs to be sworn.

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

WITNESS: Clifton Deavours, resident of Fayette County.

(Witness was sworn by Mr. Rogers)

MR. PEARSON: Mr. Rogers, for the record, my name is Ward Pearson. I am representing Mr. Deavours here today. These two petitions are filed in response to a previous motion by the State Oil and Gas Board styled as Docket No. 6-29-8928, which I believe appears as Item No. 23 on the current docket. That motion by the Board requested the operator and mineral interest owners of the Brilliant Coal 2-13 No. 1 Well to show cause why the well should not be ordered by the Board to be immediately plugged and abandoned. The petitions by Mr. Deavours here today are in response to that motion and are requesting that the Board not order this well to be immediately plugged. Docket No. 8-9-894, which is Item 8--excuse me--Item 9 on the docket list, is a petition requesting the Board to reform the unit for the

Brilliant Coal 2-13 No. 1 Well from its current 320-acre orientation consisting of the W/2 of Section 2, Township 16 South, Range 11 West, to a smaller 40-acre production unit consisting of the N/2 of the SW/4 of the SW/4 and the S/2 of the NW/4 of the SW/4 of that same Section 2. Item No. 8 on the docket list, which is Docket No. 8-9-893, is a companion petition requesting the Board to approve the proposed reformed unit as an exception to Rule 3(a) of the Special Field Rules for the Bankston Field which otherwise requires that all well units be approximately 320 contiguous surface acres.

CLIFTON S. DEAVOURS

Appearing as a witness, testified as follows:

DIRECT EXAMINATION

Questions by Mr. Pearson:

Q Mr. Deavours, you've not previously testified before this Board. You are a resident of Fayette County, is that correct?

A That's correct.

Q And your home is located some distance to the south of the Brilliant Coal 2-13 No. 1 Well, is that correct?

A That's correct.

Q I believe that your home place is actually located in the section immediately below Section 2, which is Section 11?

A That's right.

Q Now your home is currently hooked up to the Brilliant Coal 2-13 Well by a pipeline which allows gas to flow from the well for your household uses, is that correct?

A That's correct.

MR. PEARSON: Mr. Rogers, we have two very simple exhibits that we have handed up. Mr. Deavours and I collaborated in the preparation of these exhibits. Exhibit No. 1, for purposes of the record, simply shows the original unit orientation, which is the W/2 of Section 2. It also shows in red the outline of the proposed reformed 40-acre unit in the SW/4 of Section 2.

Q Mr. Deavours, if you would look at our Exhibit No. 2, which is a pipeline schematic, I'm gonna ask you a few questions about this. First of all, to confirm, your residence is located south of the well, is that right?

A That's correct.

Q All right. You have--extending from the well on this schematic, we show that there is roughly 100 feet of two-inch steel pipe, is that correct?

A That's correct.

Q All right, how where this steel pipe joins the remainder of the pipeline that extends to your house, the remainder of that pipeline is a one inch PVC pipe which is rated to 200 psi, is that correct?

A That's correct.

Q All right, now where those two pipes join we are indicating that there is installed at that junction two regulators and an odorizer, is that right?

A That's correct.

Q All right. Now the regulators at the point that the two-inch steel pipe connects to the PVC pipe are--serve the purpose of taking the pressure from 700 psi down to 100 psi and then down to 15 psi?

A That's correct.

Q O.K. The odorizer is located at that point also?

A That's correct.

Q O.K. Now as I understand it from our earlier conversations, this connection and the installation of these regulators was handled by the local gas company?

A Yes, they were.

Q All right. Originally, the two-inch steel pipe that exists extended much further than the 100 feet, is that right?

A Yes, it did.

Q And the local gas company also handled the disconnect for that extension of the two-inch pipe?

A They did.

Q O.K. Now extending on on the schematic we are indicating approximately 1500 feet, more or less, between the well and your house. That is an estimate of the distance?

A Yes, that's right.

Q O.K. Now on the schematic in the vicinity of your house, you have installed a, a meter and a regulator combined in one mechanism at the vicinity of your house?

A I did.

Q All right. Now the meter is sufficient to measure the amount of gas that will flow from the well into your house?

A It will.

Q O.K. And the regulator at your house serves to reduce the pressure from 15 psi down to 1/4---

A That's right.

Q ---psi? O.K. Mr. Deavours, you currently own all of the

working and operating interests in the SW/4 of Section 2 by virtue of two oil and gas leases dated 19--September 1988, which you acquired from Great Southern Properties, Inc., is that right?

A I do.

Q O.K. You understand that in the course of operating this well and using this gas for your household purposes that you will be responsible and obligated to comply with the rules and regulations of this Board and of the State of Alabama?

A I do.

Q And you will be responsible for properly metering the gas which you use and for paying the proper amount of severance taxes and royalties which are due?

A I will.

MR. PEARSON: Mr. Rogers, it is our contention that this well is currently capable of producing enough gas to satisfy the household uses and needs of Mr. Deavours. For that reason, we feel that it would be wasteful to require this well to be plugged. Mr. Deavours is familiar with how waste is defined under the rules of the Board by virtue of discussions that he and

I have had. We feel like the correlative rights of the other owners in this section, particularly in the original unit, will continue to be protected by his agreement to abide by the rules and regulations of this Board. It is our--it is also our contention that due to the very small amount of gas that is gonna be produced out of the well, in fact the very small amount of gas that can be produced by this well, that smaller spacing is in order than the original 320-acre spacing which was formed for the well when it was first drilled. We would ask that the two simple exhibits that we have submitted as well as my own prefiled affidavits of notice be admitted into the record at this time.

MR. ROGERS: The exhibits are admitted and the affidavits are admitted.

(Whereupon, the exhibits
and affidavits were
received in evidence.)

MR. PEARSON: For reference and for purposes of the record, I would also like to point out that as of this morning Mr. Deavours has filed Form OGB-20 with the State Oil and Gas Board,

which is application for change of operator. He has also filed Form OGB-2, Form OGB-5, Form OGB-3, and Form OGB-12. These meet the requisite regulations addressing the change of operator. From the Board's own files, I have received a letter which I would ask to be incorporated also in the record. This letter is dated May 17, 1988, from Terra Resources, Inc., to the State Oil and Gas Board of Alabama. Paraphrasing it, it says that they have no objection to Mr. Deavours taking over operation of this well, and we would ask that that letter be incorporated into the record also at this time.

MR. ROGERS: Are you gonna submit that letter?

MR. PEARSON: Yes, I will. I will submit the only copy that I have.

MR. ROGERS: All right. The letter is admitted.

(Whereupon, the letter was
received in evidence)

Q Mr. Deavours, you are familiar with the allegations that we have made in both of these petitions?

A Yes, I am.

Q And to the best of your knowledge and belief these allegations are true and correct?

A They are.

Q And you are familiar through the prior discussions that you and I have had of the definition of the term "waste" as defined by the rules and regulations of this Board?

A I am.

Q And is it your opinion that the granting of the two petitions which we have presented to the Board will prevent waste and protect the coequal and correlative rights of all owners in the unit?

A I do.

MR. PEARSON: We have nothing further at this time, Mr. Rogers, and I would submit Mr. Deavours to any questions the staff might have.

DR. MANCINI: We have no questions, Mr. Hearing Officer.

MR. ROGERS: We'll review the evidence and make a recommendation to the Board tomorrow.

MR. PEARSON: Thank you, Mr. Rogers.

MR. ROGERS: Thank you. Item 23 was consolidated with these items.

MR. PEARSON: I would make that motion at this time for Item 23 to be consolidated.

MR. ROGERS: It is consolidated.

DR. MANCINI: Item 10, Docket No. 8-9-895, petition by CNG Producing Company.

MR. SLEDGE: Mr. Rogers, I'm Jim Sledge from Tuscaloosa representing CNG. This is a petition to force integrate a unit in Choctaw County. We would note that this petition does not seek to impose the risk compensation penalty. We have previously submitted affidavits, of notice that I executed and an affidavit of testimony by Mr. Jeffreys. We'd ask that those two affidavits be admitted into the record.

MR. ROGERS: The affidavits are admitted.

(Whereupon, the affidavits
were received in evidence)

MR. SLEDGE: And we would submit the matter on the basis of those two affidavits.

MR. ROGERS: We will review those affidavits and make a recommendation to the Board.

MR. SLEDGE: Thank you.

DR. MANCINI: Item 11, Docket No. 8-9-896, petition by Morrow Oil & Gas Company.

MR. HARRISON: Mr. Rogers, I'm Steve Harrison of Tuscaloosa representing Morrow Oil & Gas. I have one witness I'd like to have sworn, please.

MR. ROGERS: State your name and address.

WITNESS: Brad Truett, 9205 River Road, Jackson, Mississippi.

(Witness was sworn by Mr. Rogers)

MR. HARRISON: Gentlemen, this is a petition by Morrow Oil & Gas requesting the Board to establish the West Kennedy Field to consist of all of Sections 7 and 17 and the E/2 of Section 18, all in Township 17 South, Range 14 West, of Lamar County, Alabama, as underlain by the Lewis Sand Gas Pool. Mr. Truett, have you previously testified before this Board.

MR. TRUETT: Yes, I have.

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

MR. TRUETT: Yes, there is.

MR. HARRISON: I tender Mr. Brad Truett as an expert petroleum geologist.

MR. ROGERS: He is so recognized.

MR. HARRISON: Thank you.

BRAD TRUETT

Appearing as a witness on behalf of Morrow Oil & Gas Company, testified as follows:

DIRECT EXAMINATION

Questions by Mr. Harrison:

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

A Yes, I have.

Q All right, let's go through those and explain what they're intended to portray.

A All right. The first exhibit is a--is a combination production and field limits map which shows the proposed field limits being all of Section 7, the E/2 of Section 18, and all of Section 17. You--also shown are the adjoining field limits of Kennedy Field to the northeast and Millport Field to the southwest. This area that we propose is, is not presently under any area within those two field limits. Make note that the Lewis--uh--Lewis--the production, of the production code, the Lewis Sandstone

producing wells are colored in orange and there's, there's five, five wells which have tested the Lewis on this map area, three wells which are presently productive, being the three productive wells, the Pruett-Boyette 23-8 in the Millport Field, the Morrow-Loftis 7-16, our proposed discovery well, and the Southland-Robinson 8-6 in Kennedy Field.

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

A Exhibit No. 2 is a structure map contoured on the top of the Upper Lewis Sandstone or equivalent. It--it shows regional southwest dip in the area of the proposed West Kennedy Field. There is a reversal of dip between this area and the Millport structure. As shown, you run down dip to the Billingsley 18-14 and then there's a closure against the Millport down-to-the-south fault represented by an increase--uh--a increase in structure at the Robinson 13-10 and that's part of the Millport structure. The proposed--the Loftis Heirs 17-16 is separated from Kennedy Field by the, by the Kennedy fault, which is the major fault, being a down-to-the-southeast--I mean down-to-the-southwest fault. Fault cuts exist in the

Robinson 8-6 and the Gold--and the Alagasco-Golden 6-9, and the Moon & Hines 17-1, and in the Southland-McAdams 6-8--16-8, and it also is traced farther southeast. Uh--it also is shown by the difference in the subsea at this point between the Loftis and the--supported by the difference in subsea between the Loftis 17-16 and the Robinson 8-6.

Uh--the only production established to date in the Lewis Sand at Millport Field is also--is on the downthrown side of the Millport fault, which is a down-to-the-southwest fault, normal fault, and two, three, three fault cuts are shown on the map for that fault. It's the Robinson 12-12, encountered the fault, the Robinson 13-4 encountered the fault, and the Robinson 13-10 encountered the fault.

There's been no production in the Lewis Sand established on the, on the north side of this fault in Millport Field.

But as I was stating before, there is a reversal dip between, between our proposed field and the Millport structure.

Q All right, let's go to your next exhibit, please.

A The third exhibit is an isopach of permeable Lewis Sandstone

based upon microlog separation. The Lewis is relatively erratic in this area but there is a permeability present in the Robinson 18--8-6 and in the Loftis 7-16. There seems to be a zone of impermeable wells represented by the Cunningham 7-8, which tested noncommercial in the Lewis Sand, and a low perm well in the TXO-Billingsley 18-14, and also in the Williamson 18-12. Also make note that the Southland-Varnon 12-15 did test water from--did test salt water in the--in the Lewis. Uh--of southeast to--southeast--southeast-northwest trending bars.

Q All right, let's go to your cross section.

A The cross section was shown--the line of cross section A-A' shown on Exhibit 2, or it would be in the structure map, it goes from the Pruet-Boyette well, the 23-8, which was the discovery well of the Lewis in Millport, through the Robinson 13-10, the Billingsley 18-14, the Loftis 7-16, and the Robinson 8-6. Uh--making, making note specifically, the Robinson 13-8 shows the fault cut just above the Carter Sand. This well was productive, is productive in the Carter Sand. You run downdip the sand gets wet. The Carter

Sand is wet in the Billingsley and the Lewis Sand is tight. Then there's a slight reversal in dip up to the Loftis Heirs 7-16. You may make note that we ran slightly high to the Carter in the 13--in the Robinson 13-10--but we're still--but we're wet, which I believe is evidence that there's a reversal of dip. And we develop porosity in the Lewis in the upper, upper portions of the Lewis Sand which is not present in the Billingsley 18-4. Then it--uh--it shows a--well, the predominant fault being the down-to-the-south fault which was cut above what's shown--up the hole and then really the cut is not shown on the 8-6, but it does cut the fault up the hole, supported by the--uh--it's a down-to-the-south fault supported by the difference in subsea elevation between those two wells. I believe there to be a compensating fault although I don't have a cut on it in the Loftis well. There is a small cut in the--uh--in the Sunex-Billingsley 6-14, which is--it's--it's--it's certainly down--that well is certainly downthrown on the down-to-the-south Kennedy fault, and then it also encountered a fault which--a small fault or a small

throw that I believe is a--is a--is a compensating fault related to the Kennedy--Kennedy system.

Q All right, let's move on---

A Also may note that the--the porosity development in the--in the Robinson 8-6 is at a slight--is in the--in the lower portions of the sand, whereas in the Loftis Heirs 7-16 it's in the upper portions. I've mapped these as--as--as one sand although it's very conceivable that they may not stratigraphically be, be communicating. Stratigraphically, structurally not communicating.

Q All right, let's move on to your Exhibit 5.

A Exhibit 5 is a--it shows the bottom hole pressure data for the Lewis Sand--Lewis wells in the area. Uh--the Morrow-Loftis Heirs 7-16 recorded an original bottom hole pressure on April 7, 1989, of 1972 psi from a depth of 4523. Comparing that to the Kennedy Lewis in the Robinson 8-16, it--it's original bottom hole pressure was 1505 in July of 1985, but the latest bottom hole pressure taken in September 1988 was 727 psi at a depth of 4385. And also comparing that to--to the Pruet-Boyette, its--uh--its most

recent bottom hole pressure taken on May 2, 1988, was 165 psi, and I really don't believe they're--they're producing that well anymore. I'm not sure. But it's essentially depleted.

Q So with the virgin pressure that you're showing here---

A And the virgin pressure I believe it supports that this, this well is in a virgin reservoir.

Q All right, let's go on to your next exhibit.

A Exhibit--uh--the Exhibit 6 I've broken into A, B, and C, being the type log of--of--with the dual induction from the Loftis 7-16. It shows the Lewis Sand from 4518 to 4584 with the perforations from 4522 to 24. And--uh--with Exhibit 6B being the same interval from the same well but the compensated density-compensated neutron log, showing the same interval, 4518 to 4584, with the perforations shown 4522 to 24 in the most porous zone. And Exhibit 6C being the microlog over the same interval showing the same--same interval, 4518 to 4584.

Q All right, your Exhibit 7, please.

A Exhibit 7 is the first production report, OGB-9, filed on

the Loftis Heirs 7-16, and this test was made April 1, 1989, and the well tested 690 MCF of gas per day, flowing 450 pounds on a 16/64 choke.

Q And that's all from the Lewis Sandstone?

A And that's from the Lewis Sandstone perforations 4522 to 4524.

Q All right, your Exhibit 8?

A And Exhibit 8 is a copy of the bottom hole pressure test taken in April of 1989. It shows the bottom hole pressure to be 1972 psi at a depth of 4523.

Q And your final exhibit?

A The final exhibit is a copy of the survey plat which has been modified by showing the--uh--the--uh--320-acre E/2 unit, which is the designated producing unit for the well. The well is located 800 feet from the East line and 900 feet from the South line, which is a legal location.

MR. HARRISON: All right, I tender Exhibits 1 through 9 to the testimony of Mr. Truett.

MR. ROGERS: The exhibits are admitted.

(Whereupon, the exhibits
were received in evidence)

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

A Yes, I am.

Q Are you familiar with the Special Field Rules proposed in this petition?

A Yes, I am.

Q And in your opinion are those field rules appropriate for this producing reservoir?

A Yes, I believe they are.

MR. HARRISON: We have nothing further. I tender Mr. Truett.

MR. ROGERS: We will review the exhibits and make a recommendation to the Board.

MR. HARRISON: Thank you.

MR. TRUETT: Thank you.

DR. MANCINI: Item 12, Docket No. 8-9-897, petition by Taurus Exploration, Inc.

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

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

WITNESS: Jane Pratte, Birmingham, Alabama.

(Witness was sworn by Mr. Rogers)

MR. HARRISON: This is a petition by Taurus to reform a unit in the Oak Grove Coal Degasification Field, Jefferson County, Alabama. Taurus is the operator of the USX-Taurus-89-18-05-28-06 Well No. 706, Permit No. 6426-C, which is presently located on a unit consisting of the S/2 of the NW/4 of Section 28, Township 18 South, Range 5 West, of Jefferson County, Alabama. We're proposing to reform this unit to consist of the E/2 of the NW/4 of Section 28. Ms. Pratte, have you previously testified before this Board?

MS. PRATTE: I have.

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

MS. PRATTE: Yes.

MR. HARRISON: I tender Ms. Jane Pratte as an expert petroleum geologist.

MR. ROGERS: She is so recognized.

MR. HARRISON: Thank you.

JANE PRATTE

Appearing as a witness on behalf of Petitioner, Taurus Exploration, Inc., testified as follows:

DIRECT EXAMINATION

Questions by Mr. Harrison:

- Q Ms. Pratte, have you prepared exhibits in support of this petition?
- A Yes, I have.
- Q Let's explain those to the staff, please.
- A The first exhibit is a survey plat prepared by Engineering Service of Jackson, Mississippi. It shows the permitted unit that is assigned to the well now in green and shows the revised drilling unit in red. The permitted unit is the S/2 of the Northwest. The proposed revision is the E/2 of the Northwest.
- Q All right, and your next exhibit?
- A The second exhibit is an affidavit of ownership prepared by Mike Foote, the staff landman for Taurus Exploration. It states that the entire Section 28 of Township 18 South, Range 5 West, has common mineral ownership and that Taurus controls the drilling rights in the E/2 of the NW/4.

MR. HARRISON: Mr. Rogers, I have the original of that affidavit that I'd like to submit now.

MR. ROGERS: That exhibit will be accepted and marked for identification as Exhibit 2.

(Whereupon, Exhibit 2 was
marked for identification)

Q All right, your Exhibit No. 3, Ms. Pratte.

A Exhibit No. 3 is a copy of a plat prepared by Taurus showing the underground mine workings in the Pratt Seam for the Concord mine area. It shows the Well 706 and it also outlines the proposed revision of the E/2 of the NW/4 for the drilling unit.

Q And the reason that we're locating the well at this particular spot is because of the location of certain mine pillars underground, is that correct?

A That is correct.

Q All right, let's go to your next exhibit.

A The last exhibit I prepared is a topographic map showing the location of Well 706, and it also defines the drilling unit that we propose as a reformation.

Q All right, and that topo map shows the existence of Little Lick Creek, is that correct?

A Yes, it does.

Q And the reason that we are asking for this reformation is so that another well can be drilled in the W/2 of the NW/4 at an exceptional--at an appropriate location that will not be interfered with either by the mine columns underground or by Little Lick Creek, is that correct?

A That is correct.

Q All right. Ms. Pratte, are you familiar with the term "waste" as defined by the statutes of the State of Alabama?

A Yes.

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

A I think so.

Q Will it protect the coequal and correlative rights of all owners in this section?

A Yes.

MR. HARRISON: We have nothing further. I tender Ms. Pratte.

Item 12

Items 13, 14, 15, & 16

DR. MANCINI: We have no questions.

MR. ROGERS: The exhibits are admitted and we will review the exhibits and evidence and make a recommendation to the Board.

(Whereupon, the exhibits
were received in evidence)

MR. HARRISON: Thank you.

MR. ROGERS: Thank you.

MS. PRATTE: Thank you.

DR. MANCINI: Item 13, Docket No. 8-9-898, petition by Taurus Exploration, Inc.

MR. WATSON: Mr. Rogers, let's consolidate 898, 899, 8910, and 8911.

MR. ROGERS: All right, those docket numbers and those petitions and items are consolidated.

MR. WATSON: On June 29, we had a special hearing wherein we presented testimony and evidence in support of these items reforming units and approving an exceptional location. I would ask that you incorporate into the record of this hearing those exhibits and that testimony and make a recommendation to make these emergency orders permanent on the basis of that information

that's already in your record.

MR. ROGERS: Those--the evidence from those petitions is admitted--is incorporated into this--these items.

MR. WATSON: All right, that's all we have. I ask you make your recommendation on that basis.

MR. ROGERS: We have no questions. We'll review the evidence and make a recommendation to the Board on those items. Is there anything else for this hearing? (No response) Then the hearing is adjourned. Thank you.

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

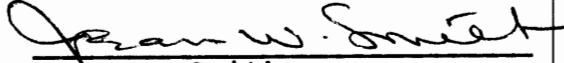
REPORTER'S CERTIFICATE

STATE OF ALABAMA ()

COUNTY OF TUSCALOOSA ()

I, Jean W. Smith, Hearings Reporter in and for the State of Alabama, do hereby certify that on Tuesday, August 8, 1989, in the Board Room of the State Oil and Gas Board Building, University of Alabama Campus, Tuscaloosa, Alabama, I reported the proceedings before a Hearing Officer; that the foregoing 87 typewritten pages contain a true and accurate verbatim transcription of said proceedings to the best of my ability, skill, knowledge, and belief.

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



Jean W. Smith
Hearings Reporter
State of Alabama