

BEFORE THE STATE OIL AND GAS BOARD OF ALABAMA

PURSUANT TO A DECISION RENDERED DURING AN  
EMERGENCY SESSION OF THE STATE OIL AND GAS  
BOARD OF ALABAMA ON JANUARY 10, 1995, THE  
FOLLOWING ORDER IS HEREBY PROMULGATED:

IN RE: ORDER NO. E-95-4

DOCKET NO. 1-9-951

This cause came on for hearing before the State Oil and Gas Board of Alabama on the petition of TORCH OPERATING 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 emergency order, under Section 9-17-7(c) of the Code of Alabama (1975), approving a re-classification of a 40-acre wildcat drilling unit from a Norphlet wildcat to a Smackover wildcat and approving a 30-day temporary test allowable for the A.T.I.C. 26-11 No. 1 Well, Permit No. 10634-B, located on a 40-acre wildcat drilling unit in Conecuh County, Alabama. The State Oil and Gas Board has jurisdiction and authority to issue an Emergency Order under Section 9-17-7(c) of the Code of Alabama (1975), therefore, the Board has jurisdiction of this cause, and the Board having reviewed the evidence and argument of counsel, and being fully advised in the premises finds:

FINDINGS OF FACT

I.

That the Petitioner permitted the A.T.I.C. 26-11 No. 1 Well, Permit No. 10634-B, as a 40-acre Norphlet wildcat consisting of the East Half of the Northwest Quarter of Southwest Quarter and the West Half of Northeast Quarter of Southwest Quarter of Section 26, Township 4 North, Range 7 East, Conecuh County, Alabama. Petitioner drilled said well to the Norphlet Formation which proved to be non-productive and subsequently came up the well and completed the well in the Smackover Formation, the top of which was encountered in said well at 13,745 feet (Measured Depth) and 13,405 feet (True Vertical Depth), and as completed in said Smackover Formation, the A.T.I.C. 26-11 No. 1 Well is located 2,240 feet FSL

and 3,760 feet FEL of Section 26, Township 4 North, Range 7 East, Conecuh County, Alabama, making said well a legal location being more than 330 feet from every exterior boundary of the 40-acre wildcat drilling unit, and said well is 400 feet FSL of the 160-acre unit for Coastal's Escambia River 26-7 No. 1 Well.

## II.

That said A.T.I.C. 26-11 No. 1 Well is 400 feet south of the South unit line of Coastal Oil and Gas Corporation's Escambia River 26-7 No. 1 Well, Permit No. 9770-B, on a unit consisting of the East Half of Northwest Quarter and West Half of Northeast Quarter, Section 26, Township 4 North, Range 7 East, Conecuh County, Alabama, in the North Barnett Field.

## III.

That due to the proximity of the A.T.I.C. 26-11 No. 1 Well to the Escambia River 26-7 No. 1 Well, the latter of which is in the North Barnett Field, said wells may be completed in a common Smackover Oil Reservoir. However, prior to amending the Special Field Rules for the North Barnett Field to include a reformed drilling unit for the A.T.I.C. 26-11 No. 1 Well, Petitioner seeks permission to test produce said well gathering production data and pressure data that will aid all interested parties and the Board in determining whether the North Barnett Field's field limits should be amended or whether the A.T.I.C. 26-11 No. 1 Well may, in fact, be a new discovery in the Smackover Formation.

## IV.

That this Board's Staff has an established practice of granting a 30-day temporary test allowable to new wildcat wells completed in this state for the purpose of allowing the operators of said wells, such as Torch Operating Company in this case, to gather sufficient reservoir and production information necessary to establish either a new field or to justify amending the field limits of an existing field.

V.

That in view of the fact the A.T.I.C. 26-11 No. 1 Well was permitted as a Norphlet wildcat, it is deemed necessary that Torch Operating Company file this emergency request seeking the Board's permission to reclassify the above-described 40-acre wildcat drilling unit from a Norphlet wildcat to a Smackover wildcat drilling unit in order to allow the Board's Staff to grant a routine 30-day temporary test allowable for the A.T.I.C. 26-11 No. 1 Well.

VI.

That Petitioner proposes to file a request for the Board's regular hearing scheduled for February 1 and February 3, 1995, requesting the Board to amend the Special Field Rules for the North Barnett Field, Conecuh County, Alabama, in order to allow for an exceptional 200-acre unit and to add said 200-acre unit to the field limits of the North Barnett Field, provided the results from the test data from the A.T.I.C. 26-11 No. 1 Well warrant such action.

VII.

That this matter was presented on an emergency basis in accordance with Section 9-17-7(C), Code of Alabama (1975).

CONCLUSIONS OF LAW

VIII.

That the granting of this emergency request will prevent waste, avoid the drilling of unnecessary wells, and protect the coequal and correlative rights of all owners in the 40-acre wildcat Smackover drilling unit.

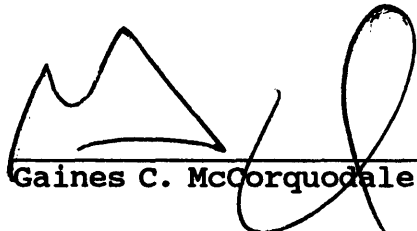
Based on the Findings of Fact set forth hereinabove, IT IS THEREFORE, HEREBY ORDERED, ADJUDGED AND DECREED by the State Oil and Gas Board of Alabama that the Emergency Petition is GRANTED, pursuant to Section 9-17-7(c) of the Code of Alabama (1975). Said Petition is granted approving the re-classification of the 40-acre

wildcat drilling unit for the A.T.I.C. 26-11 No. 1 Well from a 40-acre wildcat Norphlet unit to a 40-acre wildcat Smackover unit, and approving a 30-day temporary test allowable for said well commencing on January 10, 1995.

ORDERED ON AN EMERGENCY BASIS this 10th day of January, 1995.

STATE OIL AND GAS BOARD OF ALABAMA


BY:

  
Gaines C. McCorquodale, Chairman

BY:

  
Matthew S. Metcalfe, Member

BY:

  
Robert H. Maxwell, Member

ATTEST:

  
Ernest A. Mancini, Secretary