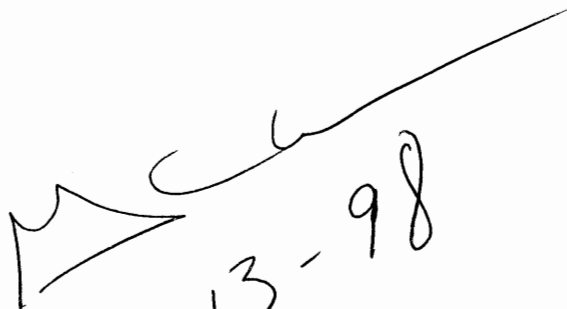


INDEX

	DIRECT/ RE-DIRECT	CROSS/ RE-CROSS	EXAM. BY BOARD/STAFF
1. W. R. Morrow	29-33	---	---
2. Emmett Sanford	35-37	---	---
3. Ernest G. Kavanaugh	40-43	---	---

  
11-13-98  
MR

EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Board Exhibit	Order appointing M. Rogers as Hearing Officer	25	25
Exhibit 1 (Item 1)	Unit plat, Hightogy Oil Field, Lamar County (W. E. Morrow)	32	33
Exhibit 2 (Item 1)	Structure map, base of Millerella sand, Hightogy Field (W. E. Morrow)	32	33
Exhibit 3 (Item 1)	Isopach map, Carter sand, Hightogy Oil Field (W. E. Morrow)	32	33
Exhibit 4 (Item 1)	Type log, G. C. Curry Estate 10-8 No. 1, Hightogy Oil Field (W. E. Morrow)	32	33
Exhibit 5 (Item 1)	OGB-9, G. C. Curry Estate 10-8 No. 1, Hightogy Oil Field (W. E. Morrow)	32	33
Exhibit 6 (Item 1)	Affidavit of notice (John Foster Tyra)	28	28
Exhibit 1 (Item 15)	OGB-9, Coprich 19-8 No. 1, Newtonville Field (Emmett Sanford)	37	37

# EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 2 (Item 15)	Type log, Coprach 19-8 No. 1, Newtonville Field (Emmett Sanford)	37	37
Exhibit 3 (Item 15)	Isopach map, Millerella sand, Newtonville Field (Emmett Sanford)	37	37
Exhibit 4 (Item 15)	Structure map, top of Millerella sand, Newtonville Field (Emmett Sanford)	37	37
Exhibit 5 (Item 15)	Cross section A-A', Millerella sand, Newtonville Field (Emmett Sanford)	37	37
Exhibit 1 (Item 22)	Affidavit of testimony (David R. Fouts)	38	38
Exhibit 2 (Item 22)	Affidavit of notice (William T. Watson)	38	38
Exhibit 1 (Item 28)	Location plat, Christian Chapel Gas Field Lamar County (Ernest Kavanaugh)	43	43
Exhibit 2 (Item 28)	Structure map, base of Millerella sand, Christian Chapel Gas Field (Ernest Kavanaugh)	43	43

# EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 3 (Item 28)	Isolith map, Chandler sand, Christian Chapel Gas Field (Ernest Kavanaugh)	43	43
Exhibit 4 (Item 28)	Type log, Rufus M. King 11-15 No. 1, Christian Chapel Gas Field (Ernest Kavanaugh)	43	43
Exhibit 5 (Item 28)	OGB-9, Rufus M. King 11-15 No. 1, Christian Chapel Gas Field (Ernest Kavanaugh)	43	43
Exhibit 6 (Item 28)	Affidavit of notice (John Foster Tyra)	43	43
Exhibit (1-3) (Item 29)	Affidavit of testimony (Van F. Griffin)	44	45
Exhibit 1 (Item 29)	Reference map, Bluegut Creek Field (Van Griffin)	45	45
Exhibit 2 (Item 29)	Well location plat, Bedford 4-2 No. 1, Bluegut Creek Field (Van Griffin)	45	45
Exhibit 3 (Item 29)	Topographic map, Bluegut Creek Field area, (Van Griffin)	45	45
Exhibit 4 (Item 29)	Affidavit of notice (John Foster Tyra)	44	44

STATE OIL AND GAS BOARD OF ALABAMA

Tuscaloosa, Alabama

September 30, 1998

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 30th of September, 1998.

BEFORE:

Mr. Marvin Rogers..... Attorney

BOARD STAFF

Dr. Donald F. Oltz ..... Secretary and Supervisor

Mr. Jay Masingill.....Assistant Supervisor

Mr. Gary Wilson .....Assistant Supervisor

Dr. David Bolin.....Assistant Supervisor

Mrs. Jan Pashin .....Assistant Supervisor

Mr. Richard Hamilton..... Engineer

Mr. Frank Hinkle ..... Geologist

APPEARANCES

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

	<u>NAME</u>	<u>REPRESENTING</u>
1.	Tom Watson Tuscaloosa, AL	----
2.	Ernest G. Kavanaugh El Dorado, AR	Munoco Co., L.C.
3.	W.E. Morrow Jackson, MS	Morrow Operating Co.
4.	John Tyra Hamilton, AL	Munoco Co.
5.	Emmett Sanford Vernon, AL	Sanford Oil & Gas

1 (The hearing was convened at 10:05 a.m. on Wednesday,  
2 September 30, 1998, in Tuscaloosa, Alabama.)  
3

4  
5  
6 MR. ROGERS: This hearing is in session. Dr. Oltz, have the items to be heard today  
7 been properly noticed?

8 DR. OLTZ: The items to be heard today have been properly noticed. An agenda of  
9 today's meeting has been transmitted to the recording secretary.  
10  
11

12 AGENDA  
13 STATE OIL AND GAS BOARD MEETING  
14 SEPTEMBER 30 & OCTOBER 2, 1998  
15

16 The meeting will begin at 10:00 a.m. on Wednesday, September 30, and  
17 Friday, October 2, 1998, in the Board Room of the State Oil and Gas  
18 Board Building, University of Alabama Campus, Tuscaloosa, Alabama, to  
19 consider the following petitions:  
20

21 1. DOCKET NO. 11-12-974A

22 Continued amended petition by MORROW OIL & GAS COMPANY, a  
23 foreign corporation, authorized to do and doing business in the State of  
24 Alabama, requesting the State Oil and Gas Board of Alabama to enter an  
25 order establishing a new oil field in Lamar County, Alabama, to name the  
26 Hightog Oil Field, or such other name as the Board deems proper, and to  
27 adopt Special Field Rules therefor. The proposed field, as underlain by  
28 the Carter Sand Oil Pool, consists of the Southeast Quarter of the  
29 Northeast Quarter of Section 10, Township 16 South, Range 15 West,  
30 Lamar County, Alabama. The Carter Sand Oil Pool should be defined as  
31 that interval of the Carter sand productive of hydrocarbons between 4,506  
32 and 4,532 feet as indicated on the dual induction log for the G.C. Curry

1 Estate 10-8 No. 1 Well, Permit No. 11220, located on a 40-acre unit  
2 consisting of the Southeast Quarter of the Northeast Quarter of Section 10,  
3 Township 16 South, Range 15 West, Lamar County, Alabama, and all  
4 zones in communication therewith and all productive extensions thereof.  
5 Petitioner is requesting well spacing of approximately 40 contiguous acres  
6 and the establishment of production allowables.  
7

8 2. DOCKET NO. 1-28-983

9 Continued petition by LOWRY EXPLORATION, INC., a foreign  
10 corporation authorized to do and doing business in the State of Alabama,  
11 requesting the State Oil and Gas Board of Alabama to establish a new gas  
12 field in Marion County, Alabama, to be called the Northwest Aston  
13 Branch Field, or such other name as the Board deems appropriate, and to  
14 adopt Special Field Rules therefor. The proposed field limits consist of  
15 the Northwest Quarter of Section 30, Township 11 South, Range 15 West  
16 and the Northeast Quarter of Section 25, Township 11 South, Range 16  
17 West, Marion County, Alabama. The said field limits are underlain by the  
18 Carter Sand Gas Pool, said Carter Sand Gas Pool being defined as that  
19 interval between 1,264 feet and 1,280 feet as indicated on the Spectral  
20 Density/Dual Spaced Neutron Log for the Leonhardt 30-4 No. 1 Well,  
21 Permit No. 11276, located in Marion County, Alabama, and all zones in  
22 communication therewith and all productive extensions thereof. Petitioner  
23 is requesting well spacing of 320 contiguous acres and the establishment  
24 of production allowables.  
25

26 3. DOCKET NO. 4-8-9814

27 Continued petition by UNIT MANAGER, CITRONELLE UNIT,  
28 Citronelle Field, Mobile County, Alabama, requesting the State Oil and  
29 Gas Board to enter an order authorizing the Unit Manager to convert the  
30 D-8-7 Well, Permit No. 994, to a fresh water injection well pursuant to  
31 Article 3.1.3(d) of the Unit Agreement for the Citronelle Unit and Rule 14  
32 (1)(A) of the Special Field Rules. The D-8-7 Well is located 673.5 feet  
33 from the West line and 673.3 feet from the South line of the Southwest  
34 Quarter of the Northeast Quarter of Section 8, Township 1 North, Range 2  
35 West, in the Citronelle Unit, Citronelle Field, Mobile County, Alabama.  
36

37 4. DOCKET NO. 5-13-9817

38 Continued petition by JN EXPLORATION & PRODUCTION LIMITED  
39 PARTNERSHIP, a foreign limited partnership authorized to do and doing  
40 business in the State of Alabama, requesting the State Oil and Gas Board to  
41 make a determination pursuant to Section 40-20-1(22) and Section 40-20-

1 2(2), *Code of Alabama* (1975), that the Southeast Frisco City Unit, Monroe  
2 County, Alabama, qualifies as a "Qualified Enhanced Recovery Project" as  
3 defined in said statutes and to make a determination of the projected annual  
4 oil or gas production that could have otherwise been produced without the  
5 benefit of the initiation of said Qualified Enhanced Recovery Project.  
6

7 5. DOCKET NO. 7-13-989A

8 Continued amended petition by TAURUS EXPLORATION, INC., an  
9 Alabama corporation, requesting the State Oil and Gas Board, pursuant to  
10 Section 9-17-1, *et seq. Code of Alabama*, (1975), and Rule 400-1-3-.06 of  
11 the *State Oil and Gas Board of Alabama Administrative Code*, to enter an  
12 order extending the temporarily abandoned status for certain coal  
13 degasification wells in the Cedar Cove, Moundville and Big Sandy Creek  
14 Coal Degasification Fields located in Hale, Tuscaloosa and Jefferson  
15 Counties, Alabama, in the following areas:  
16

17 Sections 13 and 24, Township 23 North, Range 3 East

18  
19 Sections 7, 8, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 28, 29  
20 and 30, Township 23 North, Range 4 East  
21

22 Sections 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18 and 20, Township  
23 23 North, Range 5 East  
24

25 Section 31, Township 24 North, Range 5 East

26  
27 Sections 2, 3, 4, 9, 10, 14, 15, 16, 22, 23 and 24, Township 24 North, Range  
28 6 East  
29

30 Sections 4, 5, 7, 8 and 17, Township 24 North, Range 7 East  
31

32 The previously granted temporarily abandoned status expires on or about  
33 October 2, 1998, and Taurus Exploration, Inc. is requesting this Board to  
34 grant a six-month extension of the temporarily abandoned status beginning  
35 October 2, 1998, because all of the wells in the aforementioned Sections  
36 have future utility and should not be plugged.  
37

38 6. DOCKET NO. 7-13-9811

39 Continued petition by KWB OIL PROPERTY MANAGEMENT, INC., a  
40 foreign corporation authorized to do and doing business in the State of  
41 Alabama, requesting the State Oil and Gas Board of Alabama to enter an

1 order force pooling, without the imposition of a risk compensation penalty,  
2 all tracts and interests in gas produced from a well to be drilled as a wildcat  
3 well on a unit consisting of the West Half of Section 11, Township 17 South,  
4 Range 14 West, Lamar County, Alabama. This Petition is in accordance  
5 with Section 9-17-13, *Code of Alabama*, (1975), as amended and Rule 400-  
6 1-13-.01 of the *State Oil and Gas Board of Alabama Administrative Code*.

7  
8 7. DOCKET NO. 8-19-987A

9 Continued amended petition by TAURUS EXPLORATION, INC., an  
10 Alabama corporation, requesting the State Oil and Gas Board, pursuant to  
11 Section 9-17-1, *et seq. Code of Alabama*, (1975), and Rule 400-1-3-.06 of  
12 the *State Oil and Gas Board of Alabama Administrative Code*, to enter an  
13 order extending the temporarily abandoned status for certain coal  
14 degasification wells in the Oak Grove Coal Degasification Field and the  
15 Brookwood Coal Degasification Field, Tuscaloosa and Jefferson Counties,  
16 Alabama, in the following areas:

17  
18 Sections 21, 27, 30, 33 and 34, Township 18 South, Range 7 West;

19  
20 Sections 26, 35 and 36, Township 18 South, Range 8 West;

21  
22 Sections 9, 10, 13, 14, 15 and 16, Township 19 South, Range 7 West; and

23  
24 Sections 1, 2, 3, 9, 10, 15, 16, 20 and 22, Township 19 South, Range 8  
25 West.

26  
27 The previously granted temporarily abandoned status expires on October  
28 2, 1998, and Taurus Exploration, Inc. is requesting this Board to grant a  
29 six-month extension of the temporarily abandoned status beginning  
30 October 2, 1998, because all of the wells in the aforementioned Sections  
31 have future utility and should not be plugged.

32  
33 8. DOCKET NO. 8-19-9810

34 Continued petition by LAND AND NATURAL RESOURCE  
35 DEVELOPMENT, INC., an Alabama corporation, requesting the Board to  
36 extend the temporarily abandoned status for 228 wells, all of which are  
37 located in the Moundville Field, Tuscaloosa and Hale Counties, Alabama.  
38 Petitioner owns an interest in said wells and desires to renew their  
39 temporarily abandoned status in order that said wells can be re-entered and  
40 completed. Petitioner alleges that said wells have future utility. The wells  
41 are located in the following sections:

Township 23 North, Range 3 East

Sections: 13, 24

Township 23 North, Range 4 East

Sections: 7, 8, 10, 11, 12, 13, 14, 15, 16  
17, 18, 19, 20, 21, 22, 23, 24,  
28, 29, 30

Township 23 North, Range 5 East

Sections: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14,  
15, 16, 17, 18, 19, 20 & 31

Township 24 North, Range 4 East

Sections: 24 & 25

Township 24 North, Range 5 East

Sections: 19, 30 & 31

9. DOCKET NO. 8-19-9811

Continued petition by JN EXPLORATION & PRODUCTION LIMITED PARTNERSHIP, a foreign limited partnership authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board (hereinafter "Board") to enter an order amending Rule 1 of the Special Field Rules for the Frisco City Field, adopted by the Board in Order 87-30, issued on February 28, 1987, and last amended by Order No. 98-44 issued on May 15, 1998, so as to add thereto lands described as: The north half of the north half of the northwest quarter of the southeast quarter and the north half of the northwest quarter of the northeast quarter of the southeast quarter of Section 12, Township 5 North, Range 6 East, all in Monroe County, Alabama. Said acreage to be added to the defined limits of the Frisco City Field constitutes a productive extension of the said Frisco City Field and coincides with the proposed unit area of the proposed Frisco City Oil Unit.

1 This petition is a companion petition to those petitions bearing Docket No.  
2 8-19-9812 requesting the designation of a new pool for said field and  
3 Docket No. 8-19-9813 requesting the establishment of a partial fieldwide  
4 unit for said field and seeks relief related to such petitions.  
5

6 10. DOCKET NO. 8-19-9812

7 Continued petition by JN EXPLORATION & PRODUCTION LIMITED  
8 PARTNERSHIP, a foreign limited partnership authorized to do and doing  
9 business in the State of Alabama, requesting the State Oil and Gas Board  
10 (hereinafter "Board") to amend Rule 2 of the Special Field Rules for the  
11 Frisco City Field, adopted by Order 87-30 issued on February 28, 1987, as  
12 last amended by the Board in Order No. 98-44 issued on May 15, 1998, to  
13 amend the name of the Frisco City Sand Oil Pool as presently defined  
14 therein to the North Frisco City Sand Oil Pool of the Frisco City Field and  
15 to add and name a new pool to be defined as the South Frisco City Sand  
16 Oil Pool of the Frisco City Field, which shall be defined as that interval of  
17 the Haynesville Formation productive of hydrocarbons in the interval  
18 between 12,337 feet MD to 12, 373 feet MD on the Compensated Z-  
19 Densilog, Compensated Neutron, Gamma-ray log for the Brents Lee 12-7  
20 No. 1 Well, Permit No. 10226-B, located 1,185 feet from the North line  
21 and 1,941 feet from the East line of Section 12, Township 5 North, Range  
22 6 East, Monroe County, Alabama. The proposed South Frisco City Sand  
23 Oil Pool is a separate and distinct pool from the North Frisco City Sand  
24 Oil Pool.  
25

26 This petition is a companion petition to those petitions bearing Docket No.  
27 8-19-9811 requesting to add lands to the Frisco City Field and Docket No.  
28 8-19-9813 requesting the establishment of a partial fieldwide unit for said  
29 field and seeks relief related to such petitions.  
30

31 11. DOCKET NO. 8-19-9813

32 Continued petition by JN EXPLORATION & PRODUCTION LIMITED  
33 PARTNERSHIP, a foreign limited partnership authorized to do and doing  
34 business in the State of Alabama, requesting the State Oil and Gas Board  
35 (hereinafter "Board") to enter an order pursuant to Section 9-17-80, et seq.  
36 of the *Code of Alabama* (1975), as amended, approving and establishing a  
37 partial fieldwide unit for the South Frisco City Sand Oil Pool of the Frisco  
38 City Field, hereinafter more particularly defined and referred to herein as  
39 the Unitized Area, consisting of the following described tracts in Monroe  
40 County, Alabama, to-wit: The north half of Section 12; the north half of  
41 the north half of the northwest quarter of the southeast quarter of Section

1 12; the north half of the northwest quarter of the northeast quarter of the  
2 southeast quarter of Section 12, Township 5 North, Range 6 East, Monroe  
3 County, Alabama, and requiring the operation of said Unit Area as a  
4 partial fieldwide unit for pressure maintenance, enhanced recovery,  
5 development and production of oil, gas, gaseous substances, condensate,  
6 distillate and all associated and constituent liquid or liquefiable substances  
7 within or produced from the unitized interval in order to prevent waste, to  
8 maximize the recovery of the unitized substances, to avoid the drilling of  
9 unnecessary wells, and to protect the coequal and correlative rights of  
10 interested parties.

11  
12 The Unitized Formation is to be designated as the South Frisco City Sand  
13 Oil Pool in the Frisco City Field and shall be construed to mean those  
14 strata of the Haynesville Formation productive of hydrocarbons in the  
15 interval between 12,337 feet MD to 12, 373 feet MD on the Compensated  
16 Z-Densilog, Compensated Neutron, Gamma-ray log for the Brents Lee 12-  
17 7 No. 1 Well, Permit No. 10226-B, located 1,185 feet from the North line  
18 and 1,941 feet from the East line of Section 12, Township 5 North, Range  
19 6 East, Monroe County, Alabama, including those strata which can be  
20 correlated therewith. Said pool and proposed unitized area constitutes a  
21 separate and distinct oil producing pool in said field, separate and distinct  
22 from all other pools in said field.

23  
24 Petitioner further seeks entry of an order unitizing, pooling, and  
25 integrating the Unit Area as underlain by the above-described Unitized  
26 Formation, into a partial fieldwide unit so as to require all owners or  
27 claimants of royalty, overriding royalty, mineral, leasehold and all other  
28 leasehold interest within said partial fieldwide unit to unitize, pool, and  
29 integrate their interests and develop their lands or interests within said  
30 Unit Area as a partial fieldwide unit. Said petition further seeks to have  
31 JN Exploration & Production Limited Partnership designated as Unit  
32 Operator of the Unit Area in accordance with the laws of the State of  
33 Alabama and seeks an order from the Board approving the Unit  
34 Agreement and Unit Operating Agreement.

35  
36 This petition is a companion petition to those petitions bearing Docket No.  
37 8-19-9811 requesting to add lands to the Frisco City Field and Docket No.  
38 8-19-9812 requesting the designation of a new pool for said field and  
39 seeks relief related to such petitions.

12. DOCKET NO. 8-19-9814

Continued petition by SENECA RESOURCES 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 reforming a 160-acre wildcat drilling unit consisting of the East Half of the Southwest Quarter and the West Half of the Southeast Quarter of Section 32, Township 4 North, Range 6 East, Monroe County, Alabama, to a 200-acre production unit for the Blacksher 32-10 No. 1 Well, Permit No.11368-B, in the proposed Little River Lake Field, invoking the 30% tolerance allowed by Section 9-17-12(b) of the Code of Alabama 1975 and as an exception to Rule 3 (a) of the proposed Special Field Rules for the Little River Lake Field, described as follows:

The South Half of the Southwest Quarter of the Northeast Quarter; the South Half of the Southeast Quarter of the Northwest Quarter; the West Half of the Southeast Quarter; and the East Half of the Southwest Quarter, all in Section 32, Township 4 North, Range 6 East, Monroe County, Alabama.

Section 9-17-12(b) authorizes the Board to grant units in excess of 160 acres when it is demonstrated that one well can efficiently and economically drain the proposed area and that such a larger unit is justified because of technical, economic, environmental or safety considerations, or other reasons deemed valid by the Board.

This petition is filed as a companion to petition bearing Docket No. 8-19-9815 requesting establishment of the Little River Lake Field and petition bearing Docket No. 8-19-9816 requesting forced pooling, without imposition of a risk compensation fee, of the above-described 200-acre production unit in the proposed Little River Lake Field.

13. DOCKET NO. 8-19-9815

Continued petition by SENECA RESOURCES CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order establishing a new oil field in Monroe County, Alabama, to be named the Little River Lake Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Smackover Oil Pool in the Smackover Formation, consists of the following described tracts:

1 The South Half of the Southwest Quarter of the Northeast Quarter; the  
2 South Half of the Southeast Quarter of the Northwest Quarter; the West  
3 Half of the Southeast Quarter; and the East Half of the Southwest Quarter,  
4 all in Section 32, Township 4 North, Range 6 East, Monroe County,  
5 Alabama.

6  
7 The Smackover Oil Pool should be defined as that interval of the  
8 Smackover Formation productive of hydrocarbons between the depths of  
9 14,160 feet measured depth and 14,370 feet measured depth as indicated  
10 on the Array Induction Log for the Blacksher 32-10 No. 1 Well, Permit  
11 No. 11368-B, located in Section 32, Township 4 North, Range 6 East,  
12 Monroe County, Alabama. Petitioner is requesting that said discovery  
13 well or any subsequent replacement well be located on the above-  
14 described 200-acre production unit and Petitioner is also requesting the  
15 establishment of production allowables.

16  
17 This petition is filed as a companion to petition bearing Docket No. 8-19-  
18 9814 requesting reformation of a 160-acre wildcat drilling unit to a 200-acre  
19 production unit in the proposed Little River Lake Field, and petition bearing  
20 Docket No. 8-19-9816 requesting forced pooling, without imposition of a  
21 risk compensation fee, of the proposed 200-acre production unit.

22  
23 14. DOCKET NO. 8-19-9816

24 Continued petition by SENECA RESOURCES CORPORATION, a  
25 foreign corporation authorized to do and doing business in the State of  
26 Alabama, requesting the State Oil and Gas Board to enter an order force  
27 pooling, without the imposition of a risk compensation fee, all tracts and  
28 interests in a proposed reformed 200-acre production unit consisting of the  
29 South Half of the Southwest Quarter of the Northeast Quarter; the South  
30 Half of the Southeast Quarter of the Northwest Quarter; the West Half of  
31 the Southeast Quarter; and the East Half of the Southwest Quarter, all in  
32 Section 32, Township 4 North, Range 6 East, Monroe County, Alabama,  
33 in the proposed Little River Lake Field, pursuant to Section 9-17-13, *Code*  
34 *of Alabama* (1975), and Rule 400-1-13-.01 of the *State Oil and Gas Board of*  
35 *Alabama Administrative Code*.

36  
37 This petition is filed as a companion to petition bearing Docket No. 8-19-  
38 9814 requesting approval of the reformation of a 160-acre wildcat drilling  
39 unit to the above-described 200-acre production unit in the proposed Little  
40 River Lake Field, and petition bearing Docket No. 8-19-9815 requesting  
41 establishment of the Little River Lake Field.

15. DOCKET NO. 9-30-981

Petition by SANFORD RESOURCES CORPORATION, a Delaware corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to amend Rule 2 of the Special Field Rules for the Newtonville Field, Fayette County, Alabama, to add the Millerella Sand Gas Pool, to be construed to mean those strata of the Millerella Sand productive of hydrocarbons in the interval between 3,708 feet and 3,720 feet in the #1 Coprich 19-8 Well, Permit No. 3410, located in Section 19, Township 17 South, Range 12 West, Fayette County, Alabama, as indicated on the Neutron Density Log of said well, and including those strata productive of hydrocarbons which can be correlated therewith.

16. DOCKET NO. 9-30-982

Petition by LEGACY RESOURCES COMPANY, LIMITED PARTNERSHIP, an Indiana limited partnership, 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 offshore gas field, to be known as the Saxon Bay Field, Baldwin County, Alabama, or such other name as designated by the Board, and to establish Special Field Rules therefor. The proposed field, as underlain by the Meyer Sand Gas Pools, as hereinafter defined, of Miocene Age, consists of portions of Mobile Bay Area Tracts 64 and 78 described as follows:

Beginning at a point having Coordinates of X=359,955.78 and Y=107,200.00; thence South 7,000 feet to a point having Coordinates of X=359,955.78 and Y=100,200.00; thence West 7,270.52 feet to a point having Coordinates of X=352,685.26 and Y=100,200.00; thence South 7000 feet to a point having Coordinates of X=352,685.26 and Y=93,200.00; thence West 4,985.26 feet to a point having Coordinates of X=347,700.00 and Y=93,200.00; thence North 7,000 feet to a point having Coordinates of X=347,700.00 and Y=100,200.00; thence West 2,700 feet to a point having Coordinates of X=345,000.00 and Y=100,200.00; thence North 7,000 feet to a point having Coordinates of X=345,000.00 and Y=107,200.00; thence East 14,955.78 feet to the point of beginning, containing 3,204.48 acres, more or less, in Mobile Bay Area Tracts 64 and 78. All bearings, distances and coordinates are based on the Alabama Transverse Mercator Coordinate System of 1927, West Zone.

There are two separate distinct Meyer Sand Gas Pools in the proposed Saxon Bay Field. The North Meyer Sand Gas Pool should be defined as that interval of the Meyer Sand productive of hydrocarbons in the interval

1 between 1,450 feet measured depth to 1,570 feet measured depth, as  
2 indicated on the High Resolution Induction Log run in the State Lease 615  
3 No. 2 Well, Permit No. 11417-OS-72, located in Mobile Bay Area Tract  
4 78, including those strata which can be correlated therewith and all  
5 productive extensions thereof. The South Meyer Sand Gas Pool should be  
6 defined as that interval of the Meyer Sand productive of hydrocarbons in  
7 the interval between 1,510 feet measured depth to 1,588 feet measured  
8 depth, as indicated on the High Resolution Induction Log run in the State  
9 Lease 615 No. 3 Well, Permit No. 11418-OS-73, located in Mobile Bay  
10 Area Tract 78, including those strata which can be correlated therewith  
11 and all productive extensions thereof.

12  
13 Petitioner is requesting well spacing of 801.12 contiguous acres and the  
14 establishment of allowables. This petition is filed pursuant to Section 9-  
15 17-12(b) of the *Code of Alabama* (1975) and Rule 400-3-2-.02 of the *State*  
16 *Oil and Gas Board of Alabama Administrative Code*.

17  
18 This petition is filed as a companion to petitions bearing Docket Nos. 9-  
19 30-983, 9-30-984, 9-30-985 and 9-30-986 requesting the Board to reform  
20 160-acre wildcat drilling units to 801.12-acre production units in the  
21 proposed Saxon Bay Field.

22  
23 17. DOCKET NO. 9-30-983

24 Petition by LEGACY RESOURCES COMPANY, LIMITED  
25 PARTNERSHIP, an Indiana limited partnership, authorized to do and  
26 doing business in the State of Alabama, requesting the State Oil and Gas  
27 Board to enter an order reforming a 160-acre wildcat Miocene drilling unit  
28 for Petitioner's State Lease 615 No. 1 Well, Permit No. 11416-OS-71,  
29 consisting of portions of Mobile Bay Area Tracts 64 and 78 and described  
30 as follows:

31  
32 Beginning at a point having Coordinates of X=354,970.52 and  
33 Y=105,660.00; thence East 2,640.00 feet to a point having Coordinates of  
34 X=357,610.52 and Y=105,660.00; thence South 2,640.00 feet to a point  
35 having Coordinates of X=357,610.52 and Y=103,020.00; thence West  
36 2,640.00 feet to a point having Coordinates of X=354,970.52 and  
37 Y=103,020.00; thence North 2,640.00 feet to the point of beginning,  
38 containing 160.00 acres in Mobile Bay Area Tracts 64 and 78,

39  
40 to a 801.12-acre production unit consisting of portions of Mobile Bay  
41 Area Tracts 64 and 78, described as follows:

1 Beginning at a point having Coordinates of X=359,955.78 and  
2 Y=107,200.00; thence South 7000 feet to a point having Coordinates of  
3 X=359,955.78 and Y=100,200.00; thence West 4,985.26 feet to a point  
4 having Coordinates of X=354,970.52 and Y=100,200.00; thence North  
5 7,000 feet to a point having Coordinates of X=354,970.52 and  
6 Y=107,200.00; thence East 4,985.26 feet to the point of beginning,  
7 containing 801.12 acres in Mobile Bay Area Tracts 64 and 78.

8  
9 All bearings, distances and coordinates are based on the Alabama  
10 Transverse Mercator Coordinate System of 1927, West Zone.

11  
12 The above-described production unit is located in Baldwin County,  
13 Alabama, in the proposed Saxon Bay Field. This petition is filed pursuant  
14 to Section 9-17-12(b) of the *Code of Alabama* (1975) and Rule 400-3-2-  
15 .02 of the *State Oil and Gas Board of Alabama Administrative Code*.

16  
17 This petition is filed as a companion to petition bearing Docket No. 9-30-  
18 982 requesting establishment of the Saxon Bay Field and petitions bearing  
19 Docket Nos. 9-30-984, 9-30-985 and 9-30-986 requesting the Board to  
20 reform 160-acre wildcat drilling units to 801.12-acre production units in  
21 the proposed Saxon Bay Field.

22  
23 18. DOCKET NO. 9-30-984

24 Petition by LEGACY RESOURCES COMPANY, LIMITED  
25 PARTNERSHIP, an Indiana limited partnership, authorized to do and  
26 doing business in the State of Alabama, requesting the State Oil and Gas  
27 Board to enter an order reforming a 160-acre wildcat Miocene drilling unit  
28 for Petitioner's State Lease 615 No. 2 Well, Permit No. 11417-OS-72,  
29 consisting of portions of Mobile Bay Area Tracts 64 and 78 and described  
30 as follows:

31  
32 Beginning at a point having Coordinates of X=351,274.90 and  
33 Y=105,104.72; thence East 2,640.00 feet to a point having Coordinates of  
34 X=353,914.90 and Y=105,104.72; thence South 2,640.00 feet to a point  
35 having Coordinates of X=353,914.90 and Y=102,464.72; thence West  
36 2,640.00 feet to a point having Coordinates of X=351,274.90 and  
37 Y=102,464.72; thence North 2,640.00 feet to the point of beginning,  
38 containing 160.00 acres in Mobile Bay Area Tracts 64 and 78,

39  
40 to a 801.12-acre production unit consisting of portions of Mobile Bay  
41 Area Tracts 64 and 78, described as follows:

1 Beginning at a point having Coordinates of X=354,970.52 and  
2 Y=107,200.00; thence South 7000 feet to a point having Coordinates of  
3 X=354,970.52 and Y=100,200.00; thence West 4,985.26 feet to a point  
4 having Coordinates of X=349,985.26 and Y=100,200.00; thence North  
5 7,000 feet to a point having Coordinates of X=349,985.26 and  
6 Y=107,200.00; thence East 4,985.26 feet to the point of beginning,  
7 containing 801.12 acres in Mobile Bay Area Tracts 64 and 78.

8  
9 All bearings, distances and coordinates are based on the Alabama  
10 Transverse Mercator Coordinate System of 1927, West Zone.

11  
12 The above-described production unit is located in Baldwin County,  
13 Alabama, in the proposed Saxon Bay Field. This petition is filed pursuant  
14 to Section 9-17-12(b) of the *Code of Alabama* (1975) and Rule 400-3-2-  
15 .02 of the *State Oil and Gas Board of Alabama Administrative Code*.

16  
17 This petition is filed as a companion to petition bearing Docket No. 9-30-  
18 982 requesting establishment of the Saxon Bay Field and petitions bearing  
19 Docket Nos. 9-30-983, 9-30-985 and 9-30-986 requesting the Board to  
20 reform 160-acre wildcat drilling units to 801.12-acre production units in  
21 the proposed Saxon Bay Field.

22  
23 19. DOCKET NO. 9-30-985

24 Petition by LEGACY RESOURCES COMPANY, LIMITED  
25 PARTNERSHIP, an Indiana limited partnership, authorized to do and  
26 doing business in the State of Alabama, requesting the State Oil and Gas  
27 Board to enter an order reforming a 160-acre wildcat Miocene drilling unit  
28 for Petitioner's State Lease 615 No. 3 Well, Permit No. 11418-OS-73,  
29 consisting of portions of Mobile Bay Area Tract 78 and described as  
30 follows:

31  
32 Beginning at a point having Coordinates of X=349,131.89 and  
33 Y=98,598.77; thence East 2,640.00 feet to a point having Coordinates of  
34 X=351,771.89 and Y=98,598.77; thence South 2,640.00 feet to a point  
35 having Coordinates of X=351,771.89 and Y=95,958.77; thence West  
36 2,640.00 feet to a point having Coordinates of X=349,131.89 and  
37 Y=95,958.77; thence North 2,640.00 feet to the point of beginning,  
38 containing 160.00 acres in Mobile Bay Area Tract 78,

39  
40 to a 801.12-acre production unit consisting of portions of Mobile Bay  
41 Area Tract 78, described as follows:

1 Beginning at a point having Coordinates of X=352,685.26 and  
2 Y=100,200.00; thence South 7000 feet to a point having Coordinates of  
3 X=352,685.26 and Y=93,200.00; thence West 4,985.26 feet to a point  
4 having Coordinates of X=347,700.00 and Y=93,200.00; thence North  
5 7,000 feet to a point having Coordinates of X=347,700.00 and  
6 Y=100,200.00; thence East 4,985.26 feet to the point of beginning,  
7 containing 801.12 acres in Mobile Bay Area Tract 78.

8  
9 All bearings, distances and coordinates are based on the Alabama  
10 Transverse Mercator Coordinate System of 1927, West Zone.

11  
12 The above-described production unit is located in Baldwin County,  
13 Alabama, in the proposed Saxon Bay Field. This petition is filed pursuant  
14 to Section 9-17-12(b) of the *Code of Alabama* (1975) and Rule 400-3-2-  
15 .02 of the *State Oil and Gas Board of Alabama Administrative Code*.

16  
17 This petition is filed as a companion to petition bearing Docket No. 9-30-  
18 982 requesting establishment of the Saxon Bay Field and petitions bearing  
19 Docket Nos. 9-30-983, 9-30-984 and 9-30-986 requesting the Board to  
20 reform 160-acre wildcat drilling units to 801.12-acre production units in  
21 the proposed Saxon Bay Field.

22  
23 20. DOCKET NO. 9-30-986

24 Petition by LEGACY RESOURCES COMPANY, LIMITED  
25 PARTNERSHIP, an Indiana limited partnership, authorized to do and  
26 doing business in the State of Alabama, requesting the State Oil and Gas  
27 Board to enter an order reforming a 160-acre wildcat Miocene drilling unit  
28 for Petitioner's State Lease 615 No. 4 Well, Permit No. 11430-OS-77,  
29 consisting of portions of Mobile Bay Area Tract 78 and described as  
30 follows:

31  
32 Beginning at a point having Coordinates of X=345,588.70 and  
33 Y=103,663.50; thence East 2,640.00 feet to a point having Coordinates of  
34 X=348,228.70 and Y=103,663.50; thence South 2,640.00 feet to a point  
35 having Coordinates of X=348,228.70 and Y=101,023.50; thence West  
36 2,640.00 feet to a point having Coordinates of X=345,588.70 and  
37 Y=101,023.50; thence North 2,640.00 feet to the point of beginning,  
38 containing 160.00 acres in Mobile Bay Area Tract 78,

39  
40 to a 801.12-acre production unit consisting of portions of Mobile Bay  
41 Area Tract 78, described as follows:

Beginning at a point having Coordinates of X=349,985.26 and Y=107,200.00; thence South 7000 feet to a point having Coordinates of X=349,985.26 and Y=100,200.00; thence West 4,985.26 feet to a point having Coordinates of X=345,000.00 and Y=100,200.00; thence North 7,000 feet to a point having Coordinates of X=345,000.00 and Y=107,200.00; thence East 4,985.26 feet to the point of beginning, containing 801.12 acres in Mobile Bay Area Tracts 64 and 78.

All bearings, distances and coordinates are based on the Alabama Transverse Mercator Coordinate System of 1927, West Zone.

The above-described production unit is located in Baldwin County, Alabama, in the proposed Saxon Bay Field. This petition is filed pursuant to Section 9-17-12(b) of the *Code of Alabama* (1975) and Rule 400-3-2-.02 of the *State Oil and Gas Board of Alabama Administrative Code*.

This petition is filed as a companion to petition bearing Docket No. 9-30-982 requesting establishment of the Saxon Bay Field and petitions bearing Docket Nos. 9-30-983, 9-30-984 and 9-30-985 requesting the Board to reform 160-acre wildcat drilling units to 801.12-acre production units in the proposed Saxon Bay Field.

21. DOCKET NO. 9-30-987

Petition by PENNSYLVANIA CASTLE ENERGY CORPORATION, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order under Rule 5D of the Special Field Rules for the Deerlick Creek Coal Degasification Field, Tuscaloosa County, Alabama. Rule 5 of the Special Field Rules for the Deerlick Creek Coal Degasification Field addresses drilling and completion operations and subsection D of said Rule 5 specifies that other methods of completion are subject to approval of the Supervisor. Petitioner is requesting to be allowed to produce coalbed gas from the annular space between the surface casing and the production casing in the following wells in addition to the coalbed gas being produced through the production casing:

<u>Well Name</u>	<u>Permit No.</u>	<u>Location</u>
J.D. Jobson 23-8 #16	4006-C	S23, T20S, R9W
GSPC 24-4 #1	10141-C	S24, T20S, R9W

1 Albert Holman Lumber Co.

2 24-7 #24	4213-C	S24, T20S, R9W
3 J.D. Jobson 25-4 #12	4002-C	S25, T20S, R9W
4 Bean 25-2	10273-C	S25, T20S, R9W
5 J.D. Jobson 24-13 #13	4003-C	S24, T20S, R9W
6 GSPC 24-6	11366-C	S24, T20S, R9W
7 Bean 24-11 #1	10139-C	S24, T20S, R9W
8 Bean 26-2	10263-C	S26, T20S, R9W

9  
10 22. DOCKET NO. 9-30-988

11 Petition by JABSCO OIL OPERATING, LLC, an Alabama limited liability  
12 company, requesting the State Oil and Gas Board to enter an order force  
13 pooling, without the imposition of a risk compensation penalty, all tracts  
14 and interests in oil, gas and other hydrocarbons in a 320-acre unit for the  
15 Petitioner's re-entry of the McCracken 11-11 #1 Well, Permit No. 2717,  
16 consisting of the South Half of Section 11, Township 16 South, Range 12  
17 West, Fayette County, Alabama, in the McCracken Mountain Field, pursuant  
18 to Section 9-17-13, *Code of Alabama* (1975), and Rule 400-1-13-.01 of the  
19 *State Oil and Gas Board of Alabama Administrative Code*.

20  
21 23. DOCKET NO. 9-30-989

22 Petition by MOON-HINES-TIGRETT OPERATING CO., INC., a foreign  
23 corporation authorized to do and doing business in the State of Alabama,  
24 requesting the State Oil and Gas Board to enter an order approving an  
25 exception to Rule 3A of the Special Field Rules for the McCracken  
26 Mountain Field for the Hodges Estate 35-14 No. 1 Well, Permit No. 11454,  
27 completed on a 320-acre production unit consisting of the South Half of  
28 Section 35, Township 16 South, Range 12 West, Fayette County, Alabama.  
29 Rule 3A requires that all wells be drilled on and produced from a unit  
30 consisting of a governmental one-half (1/2) section containing approximately  
31 320 acres, upon which no other drilling or producible well is located and the  
32 above-described 320-acre unit for the Hodges Estate 35-14 No. 1 Well  
33 overlaps a 320-acre unit consisting of the East Half of said Section 35 upon  
34 which Morrow Oil & Gas Co.'s Kimbrell 35-9 No. 1 Well, Permit No. 4558  
35 is completed. Both wells are completed in the Lewis Sand, but are separated  
36 by a fault and are, therefore, in separate reservoirs.

37  
38 This request was previously approved by Emergency Order E-98-101, dated  
39 August 21, 1998.

1 24. DOCKET NO. 9-30-9810

2 Petition by SMACKCO, LTD., an Alabama limited liability partnership,  
3 requesting the State Oil and Gas Board to enter an order approving an  
4 exception to Rule 6 of the Special Field Rules for the Appleton Field,  
5 Escambia County, Alabama, to allow flaring of gas produced from the  
6 Appleton Unit 12-4 #3 Well, Permit No. 4633-B, the Appleton Unit 2-14 #1  
7 Well, Permit No. 3854-B, the Appleton Unit 2-15 #5 (STH) Well, Permit  
8 No. 6247-B, and the Appleton Unit 2-16 #1 Well, Permit No. 4835-B, all of  
9 which are located in the Appleton Unit that consists of portions of Sections  
10 1, 2, 11, and 12, Township 3 North, Range 9 East, Escambia County,  
11 Alabama, subject to applicable standards for air and water pollution control.  
12

13 This request was approved by Emergency Order E-98-105 dated September  
14 8, 1998.  
15

16 25. DOCKET NO. 9-30-9811

17 Petition by COBRA OIL & GAS CORPORATION, a foreign corporation  
18 authorized to do and doing business in the State of Alabama, requesting the  
19 State Oil and Gas Board to enter an order approving an exception to Rule 15  
20 of the Special Field Rules for the Northwest Appleton Field, Escambia  
21 County, Alabama, to allow flaring of gas produced from the McMillan 3-9  
22 No. 1 Well, Permit No. 11030-B, located on a 200-acre production unit  
23 consisting of the West Half of the Southwest Quarter of the Northwest  
24 Quarter and the West Half of the Northwest Quarter of the Southwest  
25 Quarter of Section 2 and the South Half of the Northeast Quarter and the  
26 North Half of the Southeast Quarter of Section 3, all in Township 3 North,  
27 Range 9 East, Escambia County, Alabama in the Northwest Appleton Field,  
28 subject to applicable standards for air and water pollution control.  
29

30 This request was approved by Emergency Order E-98-106, dated September  
31 8, 1998.  
32

33 26. DOCKET NO. 9-30-9812

34 Petition by RIVER GAS CORPORATION, an Alabama corporation,  
35 requesting the State Oil and Gas Board to enter an order under Rule 5D of  
36 the Special Field Rules for the Deerlick Creek Coal Degasification Field,  
37 Tuscaloosa County, Alabama. Rule 5 of said Special Field Rules  
38 addresses drilling and completion operations and subsection D of said  
39 Rule 5 specifies that other methods of completion are subject to approval  
40 by the Supervisor. Petitioner is requesting to be allowed to produce  
41 coalbed gas from the annular space between the surface casing and the

production casing in the following described wells in addition to the coalbed gas being produced through the production casing:

<u>Well Name</u>	<u>Permit No.</u>	<u>Location</u>
First Alabama Bank 27-09-27	9872-C	S27, T20S, R9W
Sam Friedman 23-04-41	6122-C	S23, T20S, R9W
Davant 23-02-09	6120-C	S23, T20S, R9W
Davant 23-07-07	6119-C	S23, T20S, R9W
Wesley West 15-03-68	6296-C	S15, T20S, R9W
Wesley West 13-11-06	5580-C	S13, T20S, R9W
C. Cunningham 10-01-01	6249-C	S10, T20S, R9W
Sam Friedman 22-15-39	6118-C	S22, T20S, R9W
Davant 7-13-06	5825-C	S7, T20S, R8W
Searcy/Christian/ Mayfield 18-11-18	5914-C	S18, T20S, R8W
E.P. McDaniel 18-05-02	5588-C	S18, T20S, R8W
Alabama Basic Land Enterprises 23-10-04	9038-C	S23, T19S, R9W
Wesley West 03-04-45	6225-C	S3, T20S, R9W
Friedman & Loveman 10-15-29	6191-C	S10, T20S, R9W
Wesley West 23-07-96	7627-C	S23, T19S, R9W
Wesley West 23-03-93	7980-C	S23, T19S, R9W
Frank Rice 02-06-01	6192-C	S2, T20S, R9W

27. DOCKET NO. 9-30-9813

Petition by LONGLEAF ENERGY GROUP, INC., an Alabama corporation, requesting the State Oil and Gas Board to amend Rule 2 of the Special Field Rules for the Mobley Creek Field, Covington County, Alabama, to re-define the Frisco City Sand Oil Pool, to be construed to mean those strata of the Lower Haynesville Formation productive of hydrocarbons between the measured depths of 11,193 feet to 11,468 feet as indicated on the Array Induction Log of the SMAK-W.D. Ward 16-16 #1 Well, Permit No. 11095, located on a 160-acre unit consisting of the West Half of the Southwest Quarter of Section 15, and the East Half of the Southeast Quarter of Section 16, all Township 3 North, Range 14 East, Covington County, Alabama, including those strata productive of hydrocarbons which can be correlated therewith.

1 28. Docket No. 9-20-9814

2 Petition by MUNOCO COMPANY, a foreign corporation, authorized to  
3 do and doing business in the State of Alabama, requesting the State Oil  
4 and Gas Board of Alabama to enter an Order establishing a new gas field  
5 in Lamar County, Alabama, to be named the Christian Chapel Gas Field,  
6 or such other name as the Board deems proper, and to adopt Special Field  
7 Rules therefor. The proposed field, as underlain by the Chandler Sand  
8 Gas Pool, consists of the South Half of Section 11, Township 16 South,  
9 Range 15 West, Lamar County, Alabama. The Chandler Sand Gas Pool  
10 should be defined as that interval of the Chandler Sand productive of  
11 hydrocarbons between 3993 and 4002 feet and 4004 to 4014 feet as  
12 indicated on the dual induction log for the Rufus M. King 11-15 No. 1  
13 Well, Permit No. 11386, located on a 320-acre unit consisting of the South  
14 Half of Section 11, Township 16 South, Range 15 West, Lamar County,  
15 Alabama, and all zones in communication therewith and all productive  
16 extensions thereof. Petitioner is requesting well spacing of approximately  
17 320 contiguous acres and the establishment of production allowables.

18  
19 29. DOCKET NO. 9-20-9815

20 Petition by GRIFFIN RESOURCES, INC., a foreign corporation,  
21 authorized to do and doing business in the State of Alabama, requesting  
22 the State Oil and Gas Board of Alabama to enter an order approving an  
23 exceptional location for the proposed Bedford 4-2 No. 1 Well to be drilled  
24 at a location 540 feet from the West line and 1134 feet from the North line  
25 of a proposed 160-acre drilling unit consisting of the Northeast Quarter of  
26 Section 4, Township 9 South, Range 15 West, Marion County, Alabama,  
27 in the Bluegut Creek Field in said Marion County, Alabama. Said location  
28 is an exception to Rule 3 of the Special Field Rules for the Bluegut Creek  
29 Field which requires that such a well be located 660 feet from any exterior  
30 boundary of the unit.

31  
32 30. DOCKET NO. 9-30-9816

33 Petition by EXXON CORPORATION, a New Jersey corporation,  
34 authorized to do and doing business in the State of Alabama, requesting  
35 the State Oil and Gas Board to enter an order approving the commingling  
36 of production from the Exxon Corp. State Lease 536 # 4 Well, Permit No.  
37 11293-OS-68-B, with previously approved commingled production from  
38 other Exxon wells in the Northwest Gulf Unit, Mobile Area, Mobile  
39 County, Alabama, in accordance with the commingling and allocation  
40 procedures approved by the Board in Order Nos. 93-148 and 95-150.

1 31. DOCKET NO. 9-30-9817

2 Petition by EXXON CORPORATION, a New Jersey corporation,  
3 authorized to do and doing business in the State of Alabama, requesting  
4 the State Oil and Gas Board to enter an order approving changes in  
5 production metering and/or allocations so as to permit commingling of gas  
6 and all other production from the Northwest Gulf Unit, Mobile Area,  
7 Mobile County, Alabama, to accommodate the processing/treatment of  
8 federal lease gas production from OCS Block 867 along with state lease  
9 gas production and the processing/treatment of gas production from  
10 separate gas fields having separate ownerships and to modify, for  
11 reporting, allocating, and accounting said Unit's production in accordance  
12 with the commingling and allocation procedures approved by the Board in  
13 Order Nos. 93-148 and 95-150.  
14

15 32. DOCKET NO. 3-6-9637

16 Continued MOTION BY THE STATE OIL AND GAS BOARD OF  
17 ALABAMA to repeal and rescind all rules and regulations of statewide  
18 application and to promulgate new rules and regulations of statewide  
19 application, provided, however, that Special Field Rules shall not be  
20 repealed and rescinded. The rules and regulations of the State Oil and Gas  
21 Board are set forth in Rule 400-1-1-.01 et seq. of the *State Oil and Gas*  
22 *Board of Alabama Administrative Code*. Under this Motion, the State Oil  
23 and Gas Board proposes to make substantial changes to regulations  
24 governing coalbed methane gas operations, offshore operations, and  
25 various other regulations.  
26

27 33. DOCKET NO. 9-30-9818

28 MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to  
29 extend the shut-in status for the following well operated by Tony L.  
30 Williams.  
31

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>LOCATION</u>	<u>COUNTY</u>
6309	Williams 25-9	Sec. 25, T9S, R14W	Marion

32 DOCKET NO. 9-30-9819

33 Petition by THE OFFSHORE GROUP, INC., a foreign corporation  
34 authorized to do and doing business in the State of Alabama, requesting  
35 the State Oil and Gas board to enter an order waiving the conductor casing  
36 requirement set forth in Rule 400-3-3-.02(3)(b) of the *State Oil and Gas*  
37 *Board of Alabama Administrative Code* for the 683 No. 3 Well proposed  
38  
39  
40  
41

1 for the Northwest Dauphin Island Field, consisting of the Southeast  
2 Quarter of Tract 57 and the Northeast Quarter of Tract 71, Mobile County,  
3 Alabama. Said Rule requires a minimum of 200 feet of conductor casing  
4 for offshore wells drilled to a true vertical depth of 4,000 feet or less. The  
5 Special Field Rules for the Northwest Dauphin Island Field do not address  
6 conductor casing for wells drilled to a true vertical depth of 4,000 feet or  
7 less.

8  
9 DOCKET NO. 9-30-9820

10 Petition by THE OFFSHORE GROUP, INC., a foreign corporation  
11 authorized to do and doing business in the State of Alabama, requesting  
12 the State Oil and Gas Board to enter an order waiving the conductor  
13 casing requirement set forth in Rule 400-3-3-.02(3)(b) of the *State Oil and*  
14 *Gas Board of Alabama Administrative Code* for the State Lease 796 No. 2  
15 Well proposed for the Northeast Petit Bois Pass Unit, Mobile County,  
16 Alabama. Said Rule requires a minimum of 200 feet of conductor casing  
17 for offshore wells drilled to a true vertical depth of 4,000 feet or less. The  
18 Special Field Rules for the Northeast Petit Bois Pass Unit do not address  
19 conductor casing for wells drilled to a true vertical depth of 4,000 feet or  
20 less.

21  
22 This petition is a companion to the petition filed by The Offshore Group,  
23 Inc. under Docket No. 9-30-9821 which seeks an exceptional location for  
24 the said 796 No. 2 Well at a bottom-hole location of 340.6 feet from the  
25 South line and 2,938 feet from the East line of the Unit Area.

26  
27 DOCKET NO. 9-30-9821

28 Petition by THE OFFSHORE GROUP, INC., a foreign corporation  
29 authorized to do and doing business in the State of Alabama, requesting  
30 the State Oil and Gas Board to enter an order granting an exceptional  
31 location for the State Lease 796 No. 2 Well proposed to be drilled in the  
32 Northeast Petit Bois Pass Unit consisting of the West Half of the Southeast  
33 Quarter and the East Half of the Southwest Quarter of Tract 71, Mobile  
34 County, Alabama. The Petitioner proposes to drill said Well to a bottom-  
35 hole location of 340.6 feet from the South line and 2,938 feet from the  
36 East line of the Unit Area. The Special Field Rules for the Northeast Petit  
37 Bois Pass Unit address all wells to be drilled no closer than 660 feet from  
38 the exterior boundary of the Unit Area.

1 This petition is a companion to a petition filed by The Offshore Group  
2 bearing Docket No. 9-30-9820 which seeks an order waiving the  
3 conductor casing requirement set forth in Rule 400-3-3-.02(3)(b) of the  
4 *State Oil and Gas Board of Alabama Administrative Code* for the said  
5 State Lease 796 No. 2 Well.  
6

7 DOCKET NO. 9-30-9822

8 Petition by THE OFFSHORE GROUP, INC., a foreign corporation  
9 authorized to do and doing business in the State of Alabama, requesting  
10 the State Oil and Gas Board to enter an order granting an exceptional  
11 location for the State Lease 796 No. 1A Sidetrack Well proposed to be  
12 drilled in the Northeast Petit Bois Pass Unit (the "Unit") consisting of the  
13 West Half of the Southeast Quarter and the East Half of the Southwest  
14 Quarter of Tract 71, Mobile County, Alabama. The Petitioner proposes to  
15 drill said Sidetrack Well as a horizontal extension from the bottom-hole  
16 location of the existing State Lease 796 No. 1 Sidetrack Well in a  
17 southwesterly direction. The horizontal section will enter the Dauphin  
18 Sand Gas Pool (the "Pool") at a starting location no closer than 340.6 feet  
19 from the South line of the Unit and 2,938 feet from the East line of the  
20 Unit. The horizontal section will terminate in the Pool at an ending  
21 location not more than 1,488 feet west, no closer than 3,074 feet from the  
22 West line and no closer than 340.6 feet from the South line of the Unit.  
23 Rule 14 of the Special Field Rules for the Northeast Petit Bois Pass Unit  
24 require all wells to be drilled no closer than 660 feet from the exterior  
25 boundary of the Unit Area.  
26

27  
28  
29 Members of the public are invited to attend this meeting and to  
30 present to the Board their position concerning these matters. If special  
31 accommodations are needed to facilitate attendance or participation in the  
32 meeting, please call 205/349-2852, ext. 211.  
33

34 The public is advised that the Board may promulgate orders  
35 concerning a petition which may differ from that requested by the  
36 petitioner concerning the lands described in the notice. Pursuant to this  
37 hearing, Section 9-17-1 et seq. of the *Code of Alabama* (1975) and the  
38 rules and regulations promulgated thereunder, the Board will enter such  
39 order or orders as in its judgment may be necessary based upon the  
40 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 next meeting of the Board will be held at 10:00 a.m. on Tuesday, November 10, 1998, in the Board Room of the State Oil and Gas Board Building, Tuscaloosa, Alabama, and Friday, November 13, 1998, at the Brookley Learning Center, 4172 Commanders Drive, Mobile, Alabama. The notices for the November meeting should be filed on or before Friday, October 16, 1998. Petitions, exhibits, affidavits, and proposed orders must be filed on or before Tuesday, October 27, 1998. Requests to continue an item or to oppose an item listed on the docket should be received by the Board at least two (2) days prior to the hearing.

**Donald F. Oltz**  
**Secretary to the Board**

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. The Order will be made a part of the record at this time.

(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

1 certain other items beginning at 10:00 a.m. on Friday, October 2, 1998, in the Board's offices in  
2 Tuscaloosa. I will recommend that the following items be continued: Item 2, Docket No. 1-28-  
3 983, petition by Lowry Exploration, Inc.; Item 3, Docket No. 4-8-9814, petition by Unit  
4 Manager, Citronelle Unit; Item 4, Docket No. 5-13-9817, petition by JN Exploration &  
5 Production Limited Partnership; Item 6, Docket No. 7-13-9811, petition by KWB Oil Property  
6 Management, Inc.; Item 9, Docket No. 8-19-9811A, petition by JN Exploration & Production  
7 Limited Partnership; Item 10, Docket No. 8-19-9812A, petition by JN; Item 11, Docket No. 8-  
8 19-9813A, petition by JN; Item 13, Docket No. 8-19-9815, petition by Seneca Resources  
9 Corporation.; Item 14, Docket No. 8-19-9816, petition by Seneca; Item 21, Docket No. 9-30-987,  
10 petition by Pennsylvania Castle Energy Corporation; Item 26, Docket No. 9-30-9812, petition by  
11 River Gas Corporation; and Item 32, Docket No. 3-6-9637, a Motion by the Oil and Gas Board.  
12 Item 12, Docket No. 8-19-9814, is another petition by Seneca Resources Corporation. I will  
13 recommend that this petition be continued with the stipulation that the temporary test allowable  
14 for the Blacksher 32-10 No. 1 Well, Permit No. 11368-B, be extended and production royalties  
15 held in escrow pending an order of the Board establishing the ultimate production unit for the  
16 well. Item 33, Docket No. 9-30-9818, is a Motion by the Board relating to the Williams 25-9  
17 Well, Permit No. 6309, operated by Tony L. Williams. I will recommend that the shut-in status  
18 for that well be extended for six months or until the next regularly scheduled hearing following  
19 the expiration of the six month period. I will recommend that the following items be dismissed  
20 without prejudice: Item 23, Docket No. 9-30-989, petition by Moon-Hines-Tigrett Operating  
21 Company, Inc.; and Docket No. 9-30-9822, petition by The Offshore Group, Inc. The following

1 items are set for the Board: Item 5, Docket No. 7-13-989B, petition by Taurus Exploration, Inc.;  
2 Item 7, Docket No. 8-19-987B, petition by Taurus; Item 8, Docket No. 8-19-9810A, petition by  
3 Land and Natural Resource Development, Inc.; Item 16, Docket No. 9-30-982A, petition by  
4 Legacy Resources Company, Limited Partnership; Item 17, Docket No. 9-30-983A, petition by  
5 Legacy; Item 18, Docket No. 9-30-984A, petition by Legacy; Item 19, Docket No. 9-30-985A,  
6 petition by Legacy; Item 20, Docket No. 9-30-986A, petition by Legacy; Item 24, Docket No. 9-  
7 30-9810, petition by Smackco, Ltd.; Item 25, Docket No. 9-30-9811, petition by Cobra Oil &  
8 Gas Corporation; Item 27, Docket No. 9-30-9813A, petition by Longleaf Energy Group, Inc.;  
9 Item 30, Docket No. 9-30-9816A, petition by Exxon Corporation; Item 31, Docket No. 9-30-  
10 9817, petition by Exxon; Docket No. 9-30-9819, petition by The Offshore Group, Inc.; Docket  
11 No. 9-30-9820, petition by The Offshore Group, Inc.; and Docket No. 9-30-9821, petition by The  
12 Offshore Group, Inc. Are there any changes, comments or corrections to those  
13 recommendations? (No response) The first item to be heard today is Item 1, Docket No. 11-12-  
14 974A, petition by Morrow Operating Company, Inc.

15 MR. TYRA: Mr. Rogers, I'll have one witness.

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

17 MR. MORROW: My name is W. E. Morrow. My address is 1367 Henry Hill Drive,  
18 Jackson, Mississippi.

19 (Witness was sworn by Mr. Rogers)

20 MR. TYRA: Mr. Rogers, I'm John Tyra here on behalf of Morrow Operating Company.

21 Under Docket No. 11-12-974 we filed an amended petition requesting that a new oil field be

1 established in Lamar County, Alabama, to be called the Hightog Oil Field. The proposed field  
2 is to consist of the Southeast Quarter of the Northeast Quarter of Section 10, Township 16 South,  
3 Range 15 West in Lamar County, Alabama. I have previously filed an affidavit concerning  
4 notice and would ask that it be made a part of the record at this time.

5 MR. ROGERS: The affidavit of notice is admitted.

6 (Whereupon, the affidavit was  
7 received in evidence)

8 MR. TYRA: Thank you. Mr. Morrow, have you previously testified before this Board as  
9 a petroleum geologist?

10 MR. MORROW: Yes, I have.

11 MR. TYRA: Are your qualifications on file with the Board at this time?

12 MR. MORROW: I believe they are.

13 MR. TYRA: I would ask that Mr. Morrow be accepted as an expert petroleum geologist  
14 at this time.

15 MR. ROGERS: He is so recognized.

16 WILLIAM E. MORROW

17 Appearing as a witness on behalf of Petitioner, Morrow Operating Company, testified as  
18 follows:

DIRECT EXAMINATION

Questions by Mr. Tyra:

Q. Mr. Morrow, are you familiar with the petition that we have filed herein concerning the Hightogy Oil Field?

A. Yes, I am.

Q. You are familiar with the allegations contained in that petition?

A. Yes.

Q. Have you prepared or caused to be prepared exhibits in support of that petition?

A. I have.

Q. If you would, turn to your Exhibit 1 and explain what that shows, please.

A. Exhibit 1 is more or less of an introductory. I'll go back over it. Morrow Operating Company's No. 1 Curry 10-8, the subject well, is located in Section 10, Township 16 South, Range 15 West within the limits of the Mt. Zion Gas Field. It was originally drilled and completed by the Munoco Company of Eldorado, Arkansas, in July of 1997, pumping 34 barrels of 37 gravity oil from perforations at 4,506 to 4,530 after acid and fracture treatment. The log can be seen on Exhibit No. 5. Morrow Operating took over the well on September 17, 1998. To date the well has produced approximately 3,000 barrels of oil and is presently pumping at the rate of five barrels a day. The Curry unit is now included within the limits of the Mt. Zion Field; however, structural and stratigraphic considerations I believe provide a basis for the petition to delete the Curry unit from the Mt. Zion Field and to declare it the discovery well for the Hightogy Field.

1 Q. The Mt. Zion Field, that's the Mt. Zion Gas Field, is it not, that you are referring to?

2 A. Mt. Zion Gas Field. On Exhibit 1 it is outlined in red.

3 Q. All right. Your proposed field is outlined in yellow. Is that correct?

4 A. Outlined in yellow.

5 Q. All right, sir. Down at the bottom of the exhibit the green outline would be the Mt. Zion  
6 Oil Field?

7 A. That's the Mt. Zion Oil Field and it's producing oil mainly out of the Lewis sand and  
8 some out of the Carter sand.

9 Q. If you will, turn to your Exhibit 2 and explain what that shows, please, sir.

10 A. Exhibit 2 is a structural interpretation. The considerations here are structural. I think one  
11 of the big reasons for declaring--for wanting a new field is that the structural separation  
12 between the Mt. Zion Field and the No. 1 Curry is provided through the presence of a  
13 northwest-southeast trending fault which is downthrown to the east in 300 to 350 feet of  
14 throw. The trap for the Mt. Zion Field is closure against the upthrown side of the fault  
15 whereas the Curry well to the east is downthrown to the Mt. Zion Field and is some 250  
16 feet structurally low to the lowest producing Carter wells in the Mt. Zion Field. The  
17 saltwater hydrocarbon contact differentials between the field and the Curry well confirm  
18 the structural separation. The gas-water contact for the Carter sand in the Mt. Zion Field  
19 is approximately -3,815. The base of the Carter Oil sand logged in the Curry 10-8 is at  
20 -4,067. There is no oil-water contact so I think that provides a pretty good case for  
21 separation from the field. There is only one well in the Mt. Zion Field that has ever

1 produced any considerable amount of oil from the Carter and that was the Rickman well  
2 in Section 21. Since I figured the oil-water contact at the number I gave you, it has got to  
3 be separate.

4 Q. If you would now, turn to your Exhibit 3 and explain what that shows.

5 A. Exhibit 3 is an isopach of the sand as such. The sand consists of 22 feet of the upper lobe  
6 of the Carter sand. You can see that in Exhibit No. 4. The configuration and aerial  
7 extent of the sand and the effective reservoir can't be determined as it is only one well.  
8 The sand is very tight in all of the surrounding wells but the reason I trend it more or less  
9 to the south or the southeast is that in Section 14 the Southland Royalty Jones 14-10  
10 shows the gas tested through pipe from the top of the Carter in that well. It never was  
11 completed because the casing collapsed. Those are the only shows in the Carter sand that  
12 could possibly be associated with this. They are 24 feet high and they may be in the gas  
13 portion of the reservoir. Wells to the east are tight; however, the Munoco Reeves in  
14 Section 11 was tested in the Carter. It tested gas and salt water. It was in the Carter sand.  
15 The base of the sand was 25 feet high to the oil sand in the Curry well, so that effectively  
16 separates it from anything.

17 Q. Your Exhibit 4?

18 A. Exhibit 4 shows the section that was perforated.

19 Q. That would be your type log showing the Carter sand?

1 A. That's the type log for the sand in the well. The other two sections of log are the neutron  
2 density and the micro log. The whole section is perforated but essentially we're  
3 producing out of about four feet.

4 Q. All right, sir. Exhibit 5 is an OGB-9 form filed by Munoco Company. Is that correct?

5 A. Yes.

6 Q. To your knowledge was it filed in the normal course of business?

7 A. Yes.

8 Q. What does it show?

9 A. It shows all the pertinent data, the TD, the data obtained from the test--from the initial  
10 test.

11 Q. All right, sir. If I am reading it correctly then, the amount of hydrocarbons during the test  
12 was 34 barrels. Is that correct?

13 A. Yes, that was the potential test, pumping 34 barrels a day.

14 Q. That was through what choke size?

15 A. I don't know whether they had a choke in it or not. Yeah, 14/64.

16 Q. What was the tubing pressure during that period of testing?

17 A. 500 pounds.

18 Q. For a 24-hour test. Is that correct?

19 A. That's right.

20 MR. TYRA: At this time I would ask that the exhibits to the testimony be admitted into  
21 evidence.

1 MR. ROGERS: The exhibits are admitted.

2 (Whereupon, the exhibits were  
3 received in evidence)

4 Q. Mr. Morrow, are you familiar with the term "waste" as it is defined by the laws and  
5 statutes of the State of Alabama and the *Administrative Code* of this Board?

6 A. Yes, I am.

7 Q. In your opinion, would the granting of this petition prevent waste?

8 A. Yes, it would.

9 Q. Is it also your opinion that the granting of the petition would protect coequal and  
10 correlative rights?

11 A. Yes, it would.

12 MR. TYRA: Those are all the questions I have of Mr. Morrow. I will tender him to the  
13 staff now for any questions you may have.

14 MR. ROGERS: The staff has no questions. We will review the evidence and make a  
15 recommendation to the Board. Thank you.

16 MR. TYRA: Thank you.

17 MR. ROGERS: The next item is Item 15, Docket No. 9-30-981, petition by Sanford  
18 Resources Corporation.

19 MR. WATSON: Mr. Rogers, I have one witness and would like to have him sworn in.

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

1 MR. SANFORD: My name is Emmett Sanford. I live in Vernon, Alabama, at 445 Town  
2 Branch Road.

3 (Witness was sworn by Mr. Rogers)

4 MR. WATSON: This is a petition by Sanford Resources to amend Rule 2 of the Special  
5 Field Rules for the Newtonville Field in Fayette County in order to add a new gas pool to that  
6 field. This matter comes on publication notice, Mr. Rogers. Mr. Sanford, you have appeared  
7 before this Board and have on file an affidavit of your qualifications as a petroleum geologist. Is  
8 that correct?

9 MR. SANFORD: Yes.

10 MR. WATSON: You are familiar with the petition on file here today to amend Rule 2 of  
11 the Newtonville Field rules so as to add a new gas pool to that field?

12 MR. SANFORD: I am.

13 MR. WATSON: You have prepared exhibits in support of this petition?

14 MR. SANFORD: I have.

15 MR. WATSON: I tender Mr. Sanford as an expert petroleum geologist for giving  
16 testimony in this matter, Mr. Rogers.

17 MR. ROGERS: He is so recognized.

18 EMMETT SANFORD

19 Appearing as a witness on behalf of Petitioner, Sanford Resources Corporation, testified  
20 as follows:

DIRECT EXAMINATION

Questions by Mr. Watson:

Q. I've handed up to you folders with the exhibits that Mr. Sanford will be testifying to. Mr. Sanford, if you would turn in the folder to--the first page in the folder is an index of the exhibits that you will testify to. Is that correct?

A. That's correct.

Q. Let's turn then to your first exhibit, Exhibit No. 1. Tell Mr. Rogers and members of the staff what is shown there, please, sir.

A. That's an OGB-9 report on the No. 1 Coprich 19-8 Well which is located in the Newtonville Field being completed and perforated from an interval 3,709 to 3,712 and from 3,716 to 3,720 which is the interval for the Millerella sand in that field. It further indicates the results of that test of that completion.

Q. The OGB-9 shows the test. The test rate as shown there is 10 Mcf/d?

A. That's correct.

Q. You actually re-entered this Coprich 19-8 well to recomplete in the Millerella. Is that correct?

A. That's right. It's recompleted at a very thin tight zone of the Millerella in that well.

Q. Let's discuss that zone as we turn to your Exhibit 2. That's the type log on this sand.

Tell us what's shown there, please, sir.

- 1 A. Highlighted is the interval from 3,708 to 3,720 which encompasses the Millerella zone
- 2 and the sand porosity in the two to three small streaks of sand porosity that we are able to
- 3 find on that log.
- 4 Q. Your Exhibit 3, Mr. Sanford. Tell us what that exhibit is and what it shows, please, sir.
- 5 A. Exhibit 3 outlines in the dark outline the existing Millerella--I'm sorry, the existing
- 6 Newtonville Field as it is set up for the Carter sand. The isopach of the Millerella sand
- 7 porosity is shown on this exhibit as it is developed in the Newtonville Field.
- 8 Q. You are attributing four feet of porosity in the Coprich well in the Millerella. Is that
- 9 correct?
- 10 A. That's correct. That's total.
- 11 Q. Let's look at your next exhibit, Exhibit No. 4, which is a structure map. Describe that
- 12 structure map to the staff, please, sir.
- 13 A. This is a structure map of the top of the Millerella sand in the field showing the
- 14 distribution of the sand across the area from a structural standpoint on the top of the sand.
- 15 Q. All right, sir. Your final exhibit is a cross section--structural cross section. Would you
- 16 describe that to the staff, please, sir?
- 17 A. Cross section A-A' is shown on Exhibit 3 as going from the Coprich 19-8 well to the
- 18 Shepherd 20-3 and down to the Gravlee 21-11.
- 19 Q. All right, sir. This shows the presence of the Millerella sand and all those wells as a
- 20 continuous sand across that area?
- 21 A. Yes, it does.

1 Q. All right, sir. These other wells, the Shepherd and the Gravlee wells, they are not  
2 completed in the Millerella sand?

3 A. No, sir, they are not. I'm sorry, the Shepherd well is undergoing a test at the present time  
4 in the Millerella but it's not on production.

5 Q. Not on production and not having been completed there. So it's the purpose of these  
6 exhibits and your testimony is it not, Mr. Sanford, to add the Millerella sand as you have  
7 defined it as encountered in the Coprich well to Rule 2 of the Special Field Rules for the  
8 Newtonville Field?

9 A. Yes.

10 MR. WATSON: Mr. Rogers, I would ask that you receive into the record of the hearing  
11 today Exhibits 1 through 5 to the testimony of Mr. Sanford.

12 MR. ROGERS: The exhibits are admitted.

13 (Whereupon, the exhibits were  
14 received in evidence)

15 Q. Mr. Sanford, if the Board sees fit to approve our petition and amend the Special Field  
16 Rules so as to add the Millerella Sand Gas Pool to the Newtonville Field, will "waste" be  
17 prevented, coequal and correlative rights protected, and development of our natural  
18 resources enhanced?

19 A. Yes, it will.

20 MR. WATSON: I tender Mr. Sanford to the staff for any questions you have.

MR. ROGERS: The staff has no questions. We will review the evidence and make a recommendation to the Board.

MR. WATSON: Thank you, sir.

MR. ROGERS: The next item is Item 22, Docket No. 9-30-988, petition by Jabsco Oil Operating, LLC.

MR. WATSON: Mr. Rogers, I have prefiled an affidavit of notice in this matter and would ask that it be incorporated into the record of this hearing.

**MR. ROGERS:** The affidavit is admitted.

(Whereupon, the affidavit was  
received in evidence)

MR. WATSON: This is a force pooling, without imposition of a risk compensation fee, for a 320-acre unit in the McCracken Mountain Field. It's the McCracken 11-11 No. 1 Well on a 320-acre unit consisting of the South Half of Section 11, Township 16 South, Range 12 West, Fayette County, Alabama. I have prefiled an affidavit of testimony by David Fouts in support of this application for force pooling. Mr. Fouts is qualified as an expert landman before this Board. I would ask that you make the original affidavit of testimony a part of the record of this hearing.

**MR. ROGERS:** The affidavit of testimony is admitted.

(Whereupon, the affidavit was  
received in evidence)

**MR. WATSON:** I submit the matter on the basis of the affidavit of testimony.

1 MR. ROGERS: You know, with interest, it's a pretty large percentage force pooled, isn't  
2 it, Mr. Watson, 76.5 acres?

3 MR. WATSON: Yes. I think at the time a lot of these--of course, these are working  
4 interest owners and a lot of these working interest owners are going to sign but at the time of the  
5 filing and in order to get this matter processed when we filed it this time--we may have more  
6 before we actually send out all the bills that will agree to participate.

7 MR. ROGERS: The staff will review the evidence and make a recommendation to the  
8 Board. The next item is Item 28, Docket No. 9-30-9814A, petition by Munoco Company.

9 MR. TYRA: Mr. Rogers, I'll have one witness.

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

11 MR. KAVANAUGH: My name is Ernest G. Kavanaugh. My address is 200 North  
12 Jefferson, Suite 308, El Dorado, Arkansas.

13 (Witness was sworn by Mr. Rogers)

14 MR. TYRA: Mr. Rogers, again I'm John Tyra here on behalf of Munoco Company. We  
15 filed a petition to establish a new gas field in Lamar County, Alabama. The proposed name is  
16 the Christian Chapel Gas Field to consist of the South Half of Section 11, Township 16 South,  
17 Range 15 West, Lamar County, Alabama. Mr. Kavanaugh, you have previously submitted  
18 testimony to this Board in the form of affidavits, have you not?

19 MR. KAVANAUGH: Yes, I have.

20 MR. TYRA: You have your resume on file with the Board?

21 MR. KAVANAUGH: Yes, I do.

1 MR. TYRA: But you have not actually appeared before the Board and testified until this  
2 date, have you not?

3 MR. KAVANAUGH: No, I have not.

4 MR. TYRA: Would you give a brief explanation or diagram of your educational  
5 background and work experience, please?

6 MR. KAVANAUGH: I graduated from Northeast Louisiana University with a  
7 Bachelor's Degree in Petroleum Geology in December of 1975. I then graduated with a Master  
8 of Science in Geology from Northeast Louisiana University in 1978. In June of 1978 I was  
9 employed with Superior Oil Company in Houston, Texas, as a geoscientist. I then was employed  
10 by Munoco Company of El Dorado, Arkansas, in July of 1979 to present as a petroleum  
11 geologist.

12 MR. TYRA: Mr. Rogers, I would ask that he be admitted at this time as an expert  
13 petroleum geologist.

14 MR. ROGERS: He is so recognized.

15 ERNEST KAVANAUGH

16 Appearing as a witness on behalf of Petitioner, Munoco Company, L.C., testified as  
17 follows:

18 DIRECT EXAMINATION

19 Questions by Mr. Tyra:

20 Q. Mr. Kavanaugh, are you familiar with the petition that I have filed in this matter  
21 concerning the new field?

1 A. Yes, I am.

2 Q. Are you familiar with the allegations contained therein?

3 A. Yes, I am.

4 Q. Have you prepared exhibits in support of that petition?

5 A. I have.

6 Q. If you would, turn to the exhibit booklet and explain what those exhibits show, please.

7 A. Exhibit 1 of the exhibit booklet is a location plat showing the location of the proposed  
8 Christian Chapel Gas Field in Lamar County, Alabama. It is situated in Section 11,  
9 Township 16 South, Range 15 West. The proposed field limits for the field is the  
10 production unit for the Munoco Rufus M. King 11-15 No. 1 Well which consist of the  
11 South Half of Section 11 that is outlined in yellow on the exhibit.

12 Q. What is that outlined in red on your exhibit?

13 A. Outlined in red is the Mt. Zion Gas Field.

14 Q. The blue?

15 A. Outlined in blue is the proposed Hightog Oil Field. Outlined in green is the Mt. Zion  
16 Oil Field.

17 Q. All right, sir. Turn to your second exhibit, please, and explain what that shows.

18 A. Exhibit 2 is a structural contour map of the base of the Millerella sand which shows in  
19 yellow the proposed field limits for the Christian Chapel Gas Field. The exhibit uses a  
20 scale of two-inches equals one mile and a contour interval of 50 feet. The exhibit shows  
21 that the Rufus M. King 11-15 No. 1 Well is situated upon an anticlinal nose which dips or

1 plunges to the southwest south of the down-to-the-north fault which trends in a  
2 northwest-southeast direction and west of a down-to-the-east fault which trends in a  
3 north-south direction.

4 Q. All right, sir. Your next exhibit, Exhibit No. 3.

5 A. Exhibit 3 is an isolith of the net Chandler sand with a contour interval of ten feet. The  
6 proposed field limits of the Christian Chapel Gas Field is outlined in yellow. Exhibit 3  
7 illustrates the trap that is downdip to the west and south and updip to the north and east  
8 by a pinchout of the porous and permeable sand. This exhibit shows that the trapping  
9 mechanism for the Chandler sand had a stratigraphic component and in combination with  
10 Exhibit 2 illustrates that the trapping mechanism for this gas pool accumulation is of a  
11 stratigraphic structural nature.

12 Q. All right, sir. If you will, turn to your type log, Exhibit 4. Explain what that shows.

13 A. Exhibit 4 is a type log of the Rufus M. King 11-15 No. 1 Well. The exhibit shows a  
14 portion of the dual induction log run on the King well showing the zone in which the well  
15 was completed. The perforated interval for the subject well was 3,993 to 4,002 feet and  
16 4,004 to 4,014 feet within the Chandler sand.

17 Q. What does your final exhibit show?

18 A. Exhibit 5 is a copy of form OGB-9, first production or retest report, filed in the normal  
19 course of doing business with the State Oil and Gas Board of Alabama as to the King 11-  
20 15 well. The form indicates that the King 11-15 well encountered gas from the Chandler  
21 sand between perforations of 3,993 to 4,002 feet and 4,004 to 4,014 feet. The well was

1 tested for an 18-hour period on 6/11/98. The test rate was 1,425 Mcf/d using a choke size  
2 of 16/64.

3 MR. TYRA: Mr. Rogers, I would ask that the exhibits to the testimony of Mr.  
4 Kavanaugh be admitted at this time.

5 MR. ROGERS: The exhibits are admitted.

6 (Whereupon, the exhibits were  
7 received in evidence)

8 MR. TYRA: I have also prefiled an affidavit of notice concerning this matter that I would  
9 ask to be admitted as well.

10 MR. ROGERS: The affidavit of notice is admitted.

11 (Whereupon, the affidavit was  
12 received in evidence)

13 Q. Mr. Kavanaugh, are you familiar with the term "waste" as it's defined by the laws and the  
14 statutes of the State of Alabama?

15 A. Yes, I am.

16 Q. In your opinion, will the granting of this petition prevent "waste"?

17 A. Yes, it would.

18 Q. In your opinion, would the granting of this petition also protect coequal and correlative  
19 rights?

20 A. Yes, it would.

1 MR. TYRA: That's all the questions I have. I would tender Mr. Kavanaugh to the staff  
2 for any questions that you may have.

3 MR. ROGERS: The staff has no questions. We will review the evidence and make a  
4 recommendation to the Board. Thank you.

5 MR. TYRA: Thank you.

6 MR. ROGERS: The last item is Item 29, Docket No. 9-30-9815, petition by Griffin  
7 Resources, Inc.

8 MR. TYRA: I'm John Tyra here on behalf of Griffin Resources, Inc. Docket No. 9-30-  
9 9815 is a request for an exceptional location for a proposed well in Marion County, Alabama, the  
10 Bedford 4-2 No. 1 Well to be drilled 540 feet from the West line and 1,134 feet from the North  
11 line of a 160-acre drilling unit consisting of the Northeast Quarter of Section 4, Township 9  
12 South, Range 15 West, Marion County, Alabama. This is in the Bluegut Creek Field which  
13 requires all wells to be at least 660 feet from the exterior boundary of the unit. For that reason,  
14 we are requesting an exceptional location. I have previously filed an affidavit of notice in this  
15 matter and would request that that be made a part of the record at this time.

16 MR. TYRA: The affidavit is admitted.

17 (Whereupon, the affidavit was  
18 received in evidence)

19 MR. TYRA: Also I have prefiled an affidavit of testimony of Mr. Van Griffin, a  
20 petroleum engineer and CEO of Griffin Resources, Inc., and would request that that be made a  
21 part of the record.

1 MR. ROGERS: That affidavit is admitted.

2 (Whereupon, the affidavit was  
3 received in evidence)

4 MR. TYRA: We will submit this matter to the Board on the basis of that affidavit.

5 MR. ROGERS: Mr. Tyra, would you mind just briefly explaining what the principal  
6 basis is for the exceptional location?

7 MR. TYRA: Yes, sir. A typographical map has been submitted as an exhibit. I failed to  
8 have those exhibits admitted as a part of the record, the exhibits to the testimony of Mr. Griffin.  
9 If you would, admit those as well.

10 MR. ROGERS: They are admitted.

11 (Whereupon, the exhibits were  
12 received in evidence)

13 MR. TYRA: Exhibit 3 is a topographic map that shows the Vina, Alabama, area. It  
14 includes the Bluegut Creek Field. There is across the proposed unit a large electric utility  
15 transmission line which is at the position where a regular location would be. Because of the line  
16 Mr. Griffin had to move his well or needs to move his well at least 200 feet away from that line.  
17 By doing so it puts them in a position 540 feet from one of the exterior boundaries. He believes,  
18 as his affidavit shows, that this is the most optimum position both geologically and  
19 typographically because of the existence of that line. That is the basis of the request for the  
20 exceptional location.

1           MR. ROGERS: We appreciate you explaining that. The staff has no questions. We will  
2 review the evidence and make a recommendation to the Board.

3           MR. TYRA: Thank you.

4           MR. ROGERS: Any other business for this hearing? (No response) The hearing is  
5 adjourned.

6                               (Whereupon, the hearing was adjourned at 10:40 a.m.)


REPORTER'S CERTIFICATE

STATE OF ALABAMA

COUNTY OF TUSCALOOSA

I, Rickey Estes, Hearing Reporter in and for the State of Alabama, do hereby certify that on Wednesday, September 30, 1998, 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 46 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 kin or counsel to the parties to said cause, nor in any manner interested in the results thereof.

  
Rickey Estes  
Hearing Reporter  
State of Alabama