

INDEX

	DIRECT/ RE-DIRECT	CROSS/ RE-CROSS	EXAM. BY BOARD/STAFF
1. Phillip Byrd	19-21 22-23	--- ---	22 ---

MAC  
3-5-99

MR  
3-5-99

# EXHIBITS

<u>EXHIBIT NO.</u> <u>(ITEM NO.)</u>	<u>TITLE</u> <u>(TESTIMONY OF)</u>	<u>OFFERED</u>	<u>RECEIVED</u>
Board Exhibit	Order appointing M. Rogers as Hearing Officer	15	15
Exhibit 1 (Item 8)	Production base map, Sec. 4, T16S, R16W, Yellow Creek Field, Lamar County (Phillip Byrd)	23	23
Exhibit 2 (Item 8)	Net isopach map, Chandler sand, Yellow Creek Field (Phillip Byrd)	23	23
Exhibit 3 (Item 8)	Structural cross section A-A' Yellow Creek Field (Phillip Byrd)	23	23
Exhibit 4 (Item 8)	Type log, Chandler sand, Yellow Creek Field (Phillip Byrd)	23	23
Exhibit 5 (Item 8)	Structure map, top Chandler sand, Yellow Creek Field (Phillip Byrd)	23	23
Exhibit 6 (Item 8)	OGB-9, Gardner 4-15, Yellow Creek Field (Phillip Byrd)	23	23

# EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 7 (Item 8)	Affidavit of notice (John Foster Tyra)	23	23
Exhibit 1 (Item 9)	Affidavit of notice (John Foster Tyra)	23	23
Exhibit 1-5 (Items 13 & 14)	Affidavit of testimony (Ernest G. Kavanaugh)	24	25
Exhibit 1 (Items 13 & 14)	Location plat, Sec. 11, T16S, R15W, Christian Chapel Gas Field, (Ernest G. Kavanaugh)	24	25
Exhibit 2 (Items 13 & 14)	Structure map, base Millerella sand, Christian Chapel Gas Field (Ernest G. Kavanaugh)	24	25
Exhibit 3 (Items 13 & 14)	Isolith, net Chandler sand, Christiam Chapel Gas Field (Ernest G. Kavanaugh)	24	25
Exhibit 4 (Items 13 & 14)	Type log, Reeves 11-6 No. 1, Christian Chapel Gas Field (Ernest G. Kavanaugh)	24	25
Exhibit 5 (Items 13 & 14)	OGB-9 Margie Reeves 11-6 No. 1, Christian Chapel Gas Field (Ernest G. Kavanaugh)	24	25
Exhibit 6 (Items 13 & 14)	Affidavit of notice (John Foster Tyra)	24	25

EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 1 (Item 18)	Affidavit of testimony (Jane A. Moring)	25	25
Exhibit 1-6 (Item 20)	Affidavit of testimony (William W. Pecue, II)	26	26
Exhibit 1 (Item 20)	Unit map, Hatter's Pond Unit, (William W. Pecue, II)	26	26
Exhibit 2 (Item 20)	Reasons for drilling underbalanced and completing openhole, Hatter's Pond Unit (William W. Pecue, II)	26	26
Exhibit 3 (Item 20)	Skin damage examples, Hatter's Pond Unit (William W. Pecue, II)	26	26
Exhibit 4 (Item 20)	Schematic of gas injection manifold, Hatter's Pond Unit (William W. Pecue, II)	26	26
Exhibit 5 (Item 20)	Diagram of blow-out preventer configuration, Hatter's Pond Unit (William W. Pecue, II)	26	26
Exhibit 6 (Item 20)	Outline of safety procedures applicable to underbalanced drilling, Hatter's Pond Unit (William W. Pecue, II)	26	26

EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 1 (Item 21)	Affidavit of testimony (Joseph F. Smith, Jr.)	28	28
Exhibit 1 (Docket No. 12-16-9814)	Affidavit of notice (William T. Watson)	29	29
Exhibit 2 (Docket No. 12-16-9814)	Affidavit of testimony (Thomas W. Holley)	29	29
Exhibit 3 (Docket No. 12-16-9814)	Proof of publication (The Tuscaloosa New)	28	28
Exhibit 4 (Docket No. 12-16-9814)	Proof of publication (The Birmingham News)	28	28
Exhibit 5 (Docket No. 12-16-9814)	12/16/98 letter to Board (James H. Griggs)	29	29
Exhibit 1 (Docket No. 12-16-9815)	Affidavit of notice (William T. Watson)	30	30
Exhibit 2 (Docket No. 12-16-9815)	Affidavit of testimony (Thomas W. Holley)	30	30
Exhibit 3 (Docket No. 12-16-9815)	Copy of proof of publication (The Birmingham News)	29	29

EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 4 (Docket No. 12-16-9815)	Copy of proof of publication (The Tuscaloosa News)	29	29
Exhibit 5 (Docket No. 12-16-9815)	12/16/98 letter to Board (James H. Griggs)	30	30

STATE OIL AND GAS BOARD OF ALABAMA

Tuscaloosa, Alabama

December 16, 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 16th of December, 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  
20  
21  
22

<u>NAME</u>		<u>REPRESENTING</u>
1.	David Higginbotham Raymond, MS	Step Oil
2.	Tom Watson Tuscaloosa, AL	---
3.	Leigh Owens Tuscaloosa, AL	---
4.	John Tyra Hamilton, AL	Samson, Munoco, Roundtree, S. Lavon Evans
5.	Brian Hoffman	Samson Resources
6.	Phillip Byrd Tulsa, OK	Samson Resources



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

PROCEEDINGS

(The hearing was convened at 10:05 a.m. on Wednesday,  
December 16, 1998, at Tuscaloosa, Alabama.)

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

DR. OLTZ: The items to be heard today have been properly noticed. An agenda of the  
meeting has been transmitted to the recording secretary.

AGENDA  
STATE OIL AND GAS BOARD MEETING  
DECEMBER 16 & 18, 1998

The State Oil and Gas Board of Alabama will hold its regular monthly meeting at  
10:00 a.m. on Wednesday, December 16 and Friday, December 18, 1998, in the  
Board Room of the State Oil and Gas Board Building, University of Alabama  
Campus, Tuscaloosa, Alabama, to consider among other items of business the  
following petitions:

1. DOCKET NO. 1-28-983

Continued petition by LOWRY EXPLORATION, 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 establish a new gas field in Marion County,  
Alabama, to be called the Northwest Aston Branch Field, or such other name as  
the Board deems appropriate, and to adopt Special Field Rules therefor. The  
proposed field limits consist of the Northwest Quarter of Section 30, Township 11  
South, Range 15 West and the Northeast Quarter of Section 25, Township 11  
South, Range 16 West, Marion County, Alabama. The said field limits are  
underlain by the Carter Sand Gas Pool, said Carter Sand Gas Pool being defined  
as that interval between 1,264 feet and 1,280 feet as indicated on the Spectral  
Density/Dual Spaced Neutron Log for the Leonhardt 30-4 No. 1 Well, Permit No.

1 11276, located in Marion County, Alabama, and all zones in communication  
2 therewith and all productive extensions thereof. Petitioner is requesting well  
3 spacing of 320 contiguous acres and the establishment of production allowables.  
4

5 2. DOCKET NO. 4-8-9814

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

15 3. DOCKET NO. 5-13-9817

16 Continued petition by JN EXPLORATION & PRODUCTION LIMITED  
17 PARTNERSHIP, a foreign limited partnership authorized to do and doing business  
18 in the State of Alabama, requesting the State Oil and Gas Board to make a  
19 determination pursuant to Section 40-20-1(22) and Section 40-20-2(2), *Code of*  
20 *Alabama* (1975), that the Southeast Frisco City Unit, Monroe County, Alabama,  
21 qualifies as a "Qualified Enhanced Recovery Project" as defined in said statutes and  
22 to make a determination of the projected annual oil or gas production that could have  
23 otherwise been produced without the benefit of the initiation of said Qualified  
24 Enhanced Recovery Project.  
25

26 4. DOCKET NO. 7-13-9811

27 Continued petition by KWB OIL PROPERTY MANAGEMENT, INC., a foreign  
28 corporation authorized to do and doing business in the State of Alabama, requesting  
29 the State Oil and Gas Board of Alabama to enter an order force pooling, without the  
30 imposition of a risk compensation penalty, all tracts and interests in gas produced  
31 from a well to be drilled as a wildcat well on a unit consisting of the West Half of  
32 Section 11, Township 17 South, Range 14 West, Lamar County, Alabama. This  
33 Petition is in accordance with Section 9-17-13, *Code of Alabama*, (1975), as  
34 amended and Rule 400-1-13-.01 of the *State Oil and Gas Board of Alabama*  
35 *Administrative Code*.  
36

37 5. DOCKET NO. 8-19-9811A

38 Continued amended petition by JN EXPLORATION & PRODUCTION  
39 LIMITED PARTNERSHIP, a foreign limited partnership authorized to do and  
40 doing business in the State of Alabama, requesting the State Oil and Gas Board  
41 (hereinafter "Board") to enter an order amending Rule 1 of the Special Field

1 Rules for the Frisco City Field, adopted by the Board in Order 87-30, issued on  
2 February 28, 1987, and last amended by Order No. 98-44 issued on May 15,  
3 1998, so as to add thereto lands described as: The north half of the north half of  
4 the northwest quarter of the southeast quarter and the north half of the northwest  
5 quarter of the northeast quarter of the southeast quarter of Section 12, Township 5  
6 North, Range 6 East, all in Monroe County, Alabama. Said acreage to be added  
7 to the defined limits of the Frisco City Field constitutes a productive extension of  
8 the said Frisco City Field and coincides with the proposed unit area of the  
9 proposed Frisco City Oil Unit.

10  
11 This petition is a companion petition to those petitions bearing Docket No. 8-19-  
12 9812 requesting the designation of a new pool for said field and Docket No. 8-19-  
13 9813 requesting the establishment of a partial fieldwide unit for said field and  
14 seeks relief related to such petitions.

15  
16 6. DOCKET NO. 8-19-9812

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

33  
34 This petition is a companion petition to those petitions bearing Docket No. 8-19-  
35 9811 requesting to add lands to the Frisco City Field and Docket No. 8-19-9813  
36 requesting the establishment of a partial fieldwide unit for said field and seeks  
37 relief related to such petitions.

1 7. DOCKET NO. 8-19-9813A

2 Continued amended petition by JN EXPLORATION & PRODUCTION  
3 LIMITED PARTNERSHIP, a foreign limited partnership authorized to do and  
4 doing business in the State of Alabama, requesting the State Oil and Gas Board  
5 (hereinafter "Board") to enter an order pursuant to Section 9-17-80, et seq. of the  
6 *Code of Alabama* (1975), as amended, approving and establishing a partial  
7 fieldwide unit for the South Frisco City Sand Oil Pool of the Frisco City Field,  
8 hereinafter more particularly defined and referred to herein as the Unitized Area,  
9 consisting of the following described tracts in Monroe County, Alabama, to-wit:  
10 The north half of Section 12; the north half of the north half of the northwest  
11 quarter of the southeast quarter of Section 12; the north half of the northwest  
12 quarter of the northeast quarter of the southeast quarter of Section 12, Township 5  
13 North, Range 6 East, Monroe County, Alabama, and requiring the operation of  
14 said Unit Area as a partial fieldwide unit for pressure maintenance, enhanced  
15 recovery, development and production of oil, gas, gaseous substances,  
16 condensate, distillate and all associated and constituent liquid or liquefiable  
17 substances within or produced from the unitized interval in order to prevent  
18 waste, to maximize the recovery of the unitized substances, to avoid the drilling  
19 of unnecessary wells, and to protect the coequal and correlative rights of  
20 interested parties.

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

32  
33 Petitioner further seeks entry of an order unitizing, pooling, and integrating the  
34 Unit Area as underlain by the above-described Unitized Formation, into a partial  
35 fieldwide unit so as to require all owners or claimants of royalty, overriding  
36 royalty, mineral, leasehold and all other leasehold interest within said partial  
37 fieldwide unit to unitize, pool, and integrate their interests and develop their lands  
38 or interests within said Unit Area as a partial fieldwide unit. Said petition further  
39 seeks to have JN Exploration & Production Limited Partnership designated as

1 Unit Operator of the Unit Area in accordance with the laws of the State of  
2 Alabama and seeks an order from the Board approving the Unit Agreement and  
3 Unit Operating Agreement.  
4

5 This petition is a companion petition to those petitions bearing Docket No. 8-19-  
6 9811 requesting to add lands to the Frisco City Field and Docket No. 8-19-9812  
7 requesting the designation of a new pool for said field and seeks relief related to  
8 such petitions.  
9

10 8. DOCKET NO. 11-10-982

11 Continued petition by SAMSON RESOURCES COMPANY, a foreign  
12 corporation, authorized to do and doing business in the State of Alabama,  
13 requesting the State Oil and Gas Board of Alabama to enter an order amending  
14 Rule 2 of the Special Field Rules for the Yellow Creek Field in Lamar County,  
15 Alabama, so as to establish and define a new gas sand pool as the Chandler Sand  
16 Gas Pool to mean those strata of the Chandler Sand Gas Pool productive of  
17 hydrocarbons in the interval between 3,750 feet and 3,762 feet as indicated on the  
18 electric logs for the Gardner 4-15 No. 1 Well, Permit No. 3940.  
19

20 This petition is filed as a companion to petition number 11-10-983 seeking to  
21 reform the Gardner 4-15 No. 1 Well from an 80-acre unit to a 320-acre unit.  
22

23 9. DOCKET NO. 11-10-983

24 Continued petition by SAMSON RESOURCES COMPANY, a foreign  
25 corporation, authorized to do and doing business in the State of Alabama,  
26 requesting the State Oil and Gas Board of Alabama to enter an order reforming  
27 the unit for the Gardner 4-15 No. 1 Well, Permit No. 3940, from an 80-acre unit  
28 consisting of the South Half of the Southeast Quarter of Section 4, Township 16  
29 South, Range 16 West, Lamar County, Alabama, in the Yellow Creek Oil Field to  
30 a 320-acre unit consisting of the East Half of said Section 4 in the Yellow Creek  
31 Field.  
32

33 This petition is filed as a companion to petition number 11-10-982 seeking to  
34 establish and define a new gas sand pool for the Yellow Creek Field.  
35

36 10. DOCKET NO. 11-10-9810A

37 Continued amended petition by SONAT EXPLORATION COMPANY, a  
38 Delaware corporation, authorized to do and doing business in the State of  
39 Alabama, requesting the State Oil and Gas Board to enter an order reforming the  
40 unit for the USX 25-01-143 Well, Permit No. 11012-C, from an 80-acre unit  
41 consisting of the North Half of the Northeast Quarter of Section 25, Township 17

1 South, Range 8 West, Tuscaloosa County, Alabama in the White Oak Creek Coal  
2 Degasification Field, to a 40-acre unit consisting of the Northeast Quarter of the  
3 Northeast Quarter of Section 25, Township 17 South, Range 8 West, Tuscaloosa  
4 County, Alabama.

5  
6 11. DOCKET NO. 12-16-981

7 Petition by MOBIL OIL EXPLORATION & PRODUCING SOUTHEAST, INC.  
8 a foreign corporation, authorized to do and doing business in the State of  
9 Alabama, requesting the State Oil and Gas Board of Alabama to enter an order  
10 continuing until February 1, 2000, the temporarily abandoned status of State  
11 Lease 350 Well No. 4 (Permit No. 9597-OS-43B) located in offshore Tract 95,  
12 Lower Mobile Bay-Mary Ann Field (Norphlet) Unit, Baldwin and Mobile  
13 Counties; the said offshore tract is shown on plat entitled "State of Alabama Chart  
14 of Submerged State Land, Oil Lease Tracts, Within 3 Marine Miles of Shoreline,"  
15 dated March, 1956, revised September, 1977, Project No. 2, 5-L-2, as amended.  
16 State Lease 350 Well No. 4 was previously classified as temporarily abandoned  
17 and by Board Order 98-4 of January 30, 1998, the temporarily abandoned status  
18 of this well was continued to February 1, 1999. The said temporarily abandoned  
19 status for this well and its continuance was issued pursuant to Rule 400-3-3.05(3)  
20 of the *State Oil and Gas Board of Alabama Administrative Code*.

21  
22 12. DOCKET NO. 12-16-982

23 Petition by MOBIL OIL EXPLORATION & PRODUCING SOUTHEAST INC.,  
24 a foreign corporation, authorized to do and doing business in the State of  
25 Alabama, requesting the State Oil and Gas Board of Alabama to enter an order  
26 continuing until February 1, 2000, the shut-in status for the three following wells:  
27 (1) State Lease 350 Well No. 1 (Permit No. 3127-OS-5) Lower Mobile Bay-Mary  
28 Ann Field (Norphlet) Unit; (2) State Lease 350 Well No. 2 (Permit No. 3346-OS-  
29 8B) Southeast Mobile Bay Field; the said wells in State Lease 350 being located  
30 in offshore Tract 95, Baldwin and Mobile Counties; and (3) State Lease 347 Well  
31 No. 2 (Permit No. 3614-OS-14) Lower Mobile Bay-Mary Ann Field (Norphlet)  
32 Unit located in offshore Tract 76, Baldwin and Mobile Counties. The said  
33 offshore tracts are shown on plat entitled "State of Alabama Chart of Submerged  
34 State Land, Oil Lease Tracts, Within 3 Marine Miles of Shoreline," dated March,  
35 1956, revised September, 1977, Project No. 2, 5-L-2, as amended.

36  
37 Three wells listed above (State Lease 350 Well No. 1, State Lease 350 Well No. 2  
38 and State Lease 347 Well No. 2) were all previously classified as shut-in and by  
39 Board Order 98-3 of January 30, 1998, the shut-in status for these three wells was  
40 continued until February 1, 1999. The said shut-in status for all three wells were

1 issued pursuant to Rule 400-3-3-.05(4) of the *State Oil and Gas Board of*  
2 *Alabama Administrative Code*.

3  
4 13. DOCKET NO. 12-16-983

5 Petition by MUNOCO COMPANY, a foreign corporation, authorized to do and  
6 doing business in the State of Alabama, requesting the State Oil and Gas Board of  
7 Alabama to enter an Order amending Rule 1 of the Special Field Rules for the  
8 Christian Chapel Gas Field, Lamar County, Alabama, to add the North Half of  
9 Section 11, Township 16 South, Range 15 West, Lamar County, Alabama, to the  
10 field limits of said field.

11  
12 This petition is filed as a companion to petition bearing Docket No. 12-16-984  
13 requesting that Rule 2 of said Special Field Rules be amended to define a new gas  
14 sand pool in the Christian Chapel Gas Field.

15  
16 14. DOCKET NO. 12-16-984

17 Petition by MUNOCO COMPANY, a foreign corporation, authorized to do and  
18 doing business in the State of Alabama, requesting the State Oil and Gas Board of  
19 Alabama to enter an Order amending Rule 2 of the Special Field Rules for the  
20 Christian Chapel Gas Field, in Lamar County, Alabama, so as to establish and  
21 define a new sand gas pool as the Robinson Sand Gas Pool to mean those strata of  
22 the Robinson Sand Gas Pool productive of hydrocarbons in the interval between  
23 3,753 feet and 3,786 feet as indicated on the electric logs for the Margie Reeves  
24 11-6 No. 1 Well, Permit No. 11437.

25  
26 This petition is filed as a companion to petition bearing Docket No. 12-16-983  
27 requesting that Rule 1 of those Special Field Rules be amended to add additional  
28 acreage within the field limits.

29  
30 15. DOCKET NO. 12-16-985

31 Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an  
32 Alabama corporation requesting the State Oil and Gas Board of Alabama to enter  
33 an order force pooling, without the imposition of a risk compensation penalty, all  
34 tracts and interests in and to a well to be drilled on a unit consisting of the West  
35 Half of Section 17, Township 18 South, Range 14 West, Pickens County,  
36 Alabama, in the Coal Fire Creek Field. This petition is in accordance with  
37 Section 9-17-13, *Code of Alabama* (1975), as amended and Rule 400-1-13-.01 of  
38 the *State Oil and Gas Board of Alabama Administrative Code*.

1 16. DOCKET NO. 12-16-986

2 Petition by DE SOTO OIL & GAS, INC., a foreign corporation authorized to do and  
3 doing business in the State of Alabama, requesting the State Oil and Gas Board of  
4 Alabama to enter an order approving a modification of the requirements concerning  
5 the design, installation and use of a sour gas/liquid gathering line previously  
6 approved by the Board in Order No. 97-129, dated October 3, 1997, pursuant to  
7 Rules 400-1-5-.02(12)(a-c) and 400-1-8-.04 of the *State Oil and Gas Board of*  
8 *Alabama Administrative Code*. The 16.3± mile pipeline system is utilized to gather  
9 sour gas, oil, and condensate produced from the Pruet Production Co. A.T.I.C. 22-7  
10 #1 Well (Permit No. 11116-B) in Section 22, Township 3 North, Range 7 East; De  
11 Soto Oil & Gas, Inc. A.T.I.C. 34-4 #1 Well (Permit No. 10166) in Section 34,  
12 Township 3 North, Range 7 East; and North Escambia L.L.C. Kelly Unit 2-2 #1  
13 Well (Permit No. 5498) in Section 2, Township 2 North, Range 7 East, and deliver it  
14 to the Vintage Petroleum Flomaton Plant located in Section 11, Township 1 North,  
15 Range 8 East, all located in Escambia County, Alabama. Petitioner proposes to  
16 modify the requirements pertaining to Segment 1 of the sour gas/liquid gathering  
17 line in order to perform a caliper pig survey on said Segment 1 within one year after  
18 initial production. In Order No. 97-129 the Board required a caliper pig survey on  
19 Segment 1 within six months after initial production.

20  
21 17. DOCKET NO. 12-16-987

22 Petition by DE SOTO OIL & GAS, INC., a foreign corporation authorized to do  
23 and doing business in the State of Alabama, requesting the State Oil and Gas  
24 Board to enter an order amending Rule 7 of the Special Field Rules for the  
25 Northwest Smiths Church Field, Escambia County, Alabama, in order to establish  
26 permanent allowables for wells completed in said field.

27  
28 18. DOCKET NO. 12-16-988

29 Petition by EXXON CORPORATION, a New Jersey corporation, authorized to do  
30 and doing business in the State of Alabama, requesting the State Oil and Gas Board  
31 to enter an order extending the temporary abandonment status of the T.R. Miller  
32 Mill - State Line Oil Trust 31-3 No. 1 Well, Permit No. 1776, located in Section 31,  
33 Township 1 North, Range 9 East, in the Jay-Little Escambia Creek Unit, Escambia  
34 County, Alabama. Petitioner is requesting that the temporary abandonment status  
35 for said well be extended for six (6) months from December 18, 1998, or until the  
36 next regular hearing of the State Oil and Gas Board following the expiration of six  
37 (6) months, in accordance with Rule 400-1-3-.06(2) of the *State Oil and Gas Board*  
38 *of Alabama Administrative Code*.



19. DOCKET NO. 12-16-989

Petition by HUGHES EASTERN CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with imposition of a risk compensation fee, all tracts and interests in oil, gas and other hydrocarbons produced from Pennsylvanian and Mississippian age strata in a 320-acre drilling unit for Petitioner's proposed Waters 10-4 #1 Well, consisting of the North Half of Section 10, Township 16 South, Range 16 West, Lamar County, Alabama, in the Yellow Creek Field, pursuant to Section 9-17-13, *Code of Alabama* (1975), and Rule 400-1-13-.01 of the *State Oil and Gas Board of Alabama Administrative Code*.

20. DOCKET NO. 12-16-9810

Petition by FOUR STAR OIL & GAS COMPANY, a subsidiary of Texaco Exploration and Production, Inc., a foreign corporation authorized to do and doing business in the State of Alabama, requesting an amendment to Rule 5 of the Special Field Rules for the Hatter's Pond Field, Mobile County, Alabama, to allow for underbalanced drilling operations and open hole completions for wells in the Hatter's Pond Unit.

21. DOCKET NO. 12-16-9811

Petition by FOUR STAR OIL & GAS COMPANY, a subsidiary of Texaco Exploration and Production 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 extending the temporarily abandoned status for six (6) months for the following described gas-condensate well in the Hatter's Pond Unit, Mobile County, Alabama:

<u>Permit No.</u>	<u>Well Name</u>	<u>Status</u>	<u>Location</u>
2629-B	H.P.U. 4-10 #2,SDTK #1	Temporarily Abandoned	Sec.4,T2S,R1W

The previous temporarily abandoned status for this well will expire on December 18, 1998, and Petitioner is requesting this Board to grant a six (6) month extension because the well is currently being evaluated for future utility and should not be plugged.

22. DOCKET NO. 12-16-9812

Petitions by ROUNDTREE AND ASSOCIATES, 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, with a risk compensation penalty, all tracts and interests in gas produced from the Lewis and

1 Carter formations in the Bluff Field from a well to be drilled on a unit consisting  
2 of the East Half of Section 15, Township 14 South, Range 13 West, Fayette  
3 County, Alabama, in the Bluff Field. This petition is in accordance with Section  
4 9-17-13, *Code of Alabama* (1975), as amended and Rule 400-1-13-.01 of the *State*  
5 *Oil and Gas Board of Alabama Administrative Code*.  
6

7 23. DOCKET NO. 3-6-9637

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

18 24. DOCKET NO. 12-16-9813

19 MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting  
20 operator McCauley Operating Co., Inc. to show cause why the wells identified  
21 hereinbelow located in Tuscaloosa County, Alabama should not be ordered  
22 immediately plugged.  
23

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>FIELD</u>	<u>LOCATION</u>
6772-C	Long 25-16 #3	Wolf Creek	S25, T18S, R11W
6773-C	Long 25-14 #4	Wolf Creek	S25, T18S, R11W
6774-C	West 25-6 #5	Wolf Creek	S25, T18S, R11W
4026-C-	A. Faucett 36-2 #2	Wolf Creek	S36, T18S, R11W
7335-C	Nuckols 11-15 #1	Wildcat	S11, T18S, R11W
7410-C	Kelly 14-7 #1	Wildcat	S14, T18S, R11W
3827-A-SWD -94-5	Fondren 11-9 #1	Wildcat	S11, T18S, R11W

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

7  
8  
9 DOCKET NO. 12-16-9814

10 Petition by SONAT EXPLORATION COMPANY, a Delaware corporation,  
11 authorized to do and doing business in the State of Alabama, requesting the forced  
12 pooling, without the imposition of a risk compensation fee, of all tracts and interests  
13 in a 40-acre unit consisting of the Southwest Quarter of the Southwest Quarter of  
14 Section 11, Township 18 South, Range 8 West, Tuscaloosa County, Alabama, in the  
15 White Oak Creek Coal Degasification Field, pursuant to Section 9-17-13, *Code of*  
16 *Alabama* (1975), and Rule 400-1-13-.01 of the *State Oil and Gas Board of Alabama*  
17 *Administrative Code*. An 80-acre unit for the USX 11-13-74 Well, Permit No.  
18 10949-C, consisting of the West Half of the Southwest Quarter of Section 11,  
19 Township 18 South, Range 8 West, Tuscaloosa County, Alabama, in the White Oak  
20 Creek Coal Degasification Field, was previously force pooled by the Board in Order  
21 No. 95-249 issued on November 3, 1995.

22  
23 DOCKET NO. 12-16-9815

24 Petition by SONAT EXPLORATION COMPANY, a Delaware corporation,  
25 authorized to do and doing business in the State of Alabama, requesting the forced  
26 pooling, without the imposition of a risk compensation fee, of all tracts and interests  
27 in a 40-acre unit for the proposed USX 11-12-232 Well consisting of the Northwest  
28 Quarter of the Southwest Quarter of Section 11, Township 18 South, Range 8 West,  
29 Tuscaloosa County, Alabama, in the White Oak Creek Coal Degasification Field,  
30 pursuant to Section 9-17-13, *Code of Alabama* (1975), and Rule 400-1-13-.01 of the  
31 *State Oil and Gas Board of Alabama Administrative Code*.

32  
33 DOCKET NO. 12-16-9816

34 Petition by SONAT EXPLORATION COMPANY, a Delaware corporation,  
35 authorized to do and doing business in the State of Alabama, requesting the forced  
36 pooling, without the imposition of a risk compensation fee, of all tracts and interests  
37 in an 80-acre unit consisting of the South Half of the Northwest Quarter of Section  
38 10, Township 18 South, Range 8 West, Tuscaloosa County, Alabama, in the White  
39 Oak Creek Coal Degasification Field, pursuant to Section 9-17-13, *Code of Alabama*  
40 (1975), and Rule 400-1-13-.01 of the *State Oil and Gas Board of Alabama*  
41 *Administrative Code*. An 80-acre unit for the Hallman 10-6-62 Well, Permit No.

1 10955-C, consisting of the Southeast Quarter of the Northwest Quarter and the  
2 Northeast Quarter of the Southwest Quarter of Section 10, Township 18 South,  
3 Range 8 West, Tuscaloosa County, Alabama, in the White Oak Creek Coal  
4 Degasification Field, was previously force pooled by the Board in Order No. 95-248  
5 issued on November 3, 1995.  
6

7 DOCKET NO. 12-16-9817

8 Petition by SONAT EXPLORATION COMPANY, a Delaware corporation,  
9 authorized to do and doing business in the State of Alabama, requesting the forced  
10 pooling, without the imposition of a risk compensation fee, of all tracts and interests  
11 in an 40-acre unit consisting of the Northeast Quarter of the Southwest Quarter of  
12 Section 10, Township 18 South, Range 8 West, Tuscaloosa County, Alabama, in the  
13 White Oak Creek Coal Degasification Field, pursuant to Section 9-17-13, *Code of*  
14 *Alabama* (1975), and Rule 400-1-13-.01 of the *State Oil and Gas Board of Alabama*  
15 *Administrative Code*.  
16  
17  
18  
19  
20  
21  
22  
23

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

29 The public is advised that the Board may promulgate orders concerning a  
30 petition which may differ from that requested by the petitioner concerning the  
31 lands described in the notice. Pursuant to this hearing, Section 9-17-1 et seq. of  
32 the *Code of Alabama* (1975) and the rules and regulations promulgated  
33 thereunder, the Board will enter such order or orders as in its judgment may be  
34 necessary based upon the evidence presented.  
35

36 The State Oil and Gas Board was originally established by Act No. 1 of  
37 the Legislature of Alabama in the Regular Session of 1945. The applicable law  
38 pertaining to the establishment of the Board now appears in Section 9-17-1 et seq.  
39 of the *Code of Alabama* (1975), as last amended. The applicable rules pertaining  
40 to the conduct of hearings by the Board are found in Rule 400-1-12-.01 et seq. of  
41 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 Wednesday, January 27, 1999, and Friday, January 29, 1999, in the Board Room of the State Oil and Gas Board Building, Tuscaloosa, Alabama. The notices for the January meeting should be filed on or before Monday, January 4, 1999. Petitions, exhibits, affidavits, and proposed orders must be filed on or before Wednesday, January 13, 1999. 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 meeting 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 the 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 10:00 a.m., on Friday, December 18, 1998, at the Board's office in Tuscaloosa. I will recommend that the following items be continued: Item 1, Docket No. 1-28-983, petition by Lowry Exploration, Inc.; Item 2, Docket No. 4-8-9814, petition by Unit Manager, Citronelle Unit; Item 3, Docket No. 5-13-9817, petition by JN Exploration and Production Limited Partnership; Item 4, Docket No. 7-13-9811, petition by KWB Oil Property Management, Inc.; Item 11, Docket No. 12-16-981, petition by Mobil Oil Exploration and

1 Producing Southeast, Inc.; Item 12, Docket No. 12-16-982, petition by Mobil; Item 15, Docket  
2 No. 12-16-985, petition by Land and Natural Resource Development, Inc. By the way, on that  
3 item since the--Mr. Tyra and I talked about this--petitioner has changed we will request that that  
4 item be published again for the next meeting with the new operator's name on it. Item 23,  
5 Docket No. 3-6-9637, is a Motion by the Oil and Gas Board and Docket No. 12-16-9816 is a  
6 petition by Sonat Exploration Company. I will recommend that the following items be dismissed  
7 without prejudice: Item 5, Docket No. 8-19-9811A, petition by JN Exploration and Production  
8 Limited Partnership; Item 6, Docket No. 8-19-9812, petition by JN; Item 7, Docket No. 8-19-  
9 9813, petition by JN; Item 19, Docket No. 12-16-989, petition by Hughes Eastern Corporation;  
10 Item 22, Docket No. 12-16-9812, petition by Roundtree and Associates, and Docket No. 12-16-  
11 9817, petition by Sonat Exploration Company. The following items are set for hearing by the  
12 Board: Item 16, Docket No. 12-16-986, petition by De Soto Oil and Gas, Inc.; Item 17, Docket  
13 No. 12-16-987, petition by De Soto; Item 24, Docket No. 12-16-9813, a Motion by the Board  
14 requesting operator McCauley Operating Company, Inc. to show cause why certain wells should  
15 not be ordered plugged, and Docket No. 12-11-981, an emergency petition by Hughes Eastern  
16 Corporation. The first item to be heard today is Item 8, Docket No. 11-10-982, petition by  
17 Samson Resources Company.

18 MR. WATSON: Mr. Rogers, before you call that item--Item 10, can we hear that on  
19 Friday?

20 MR. ROGERS: Is there any objection? (Pause) We'll set that for Friday. Item 8, Docket  
21 No. 11-10-982, petition by Samson Resources Company.

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

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

3 MR. BYRD: My name is Phillip Byrd. I'm with Samson Resources in Tulsa, Oklahoma.

4 (Witness was sworn by Mr. Rogers)

5 MR. TYRA: Mr. Rogers, I'm John Tyra here on behalf of Samson Resources Company. I  
6 would ask that this item be consolidated with the next item which is Docket No. 11-10-983 for  
7 hearing purposes.

8 MR. ROGERS: Your request is granted.

9 MR. TYRA: Docket No. 11-10-982 is a request to the Board to enter an order amending  
10 Rule 2 of the Special Field Rules for the Yellow Creek Field by establishing and defining the  
11 Chandler Sand Gas Pool in the Yellow Creek Field which is in Lamar County, Alabama. The  
12 second docket, 11-10-983, is a request to reform the unit for the Gardner 4-15 No. 1 Well. It is  
13 presently an 80-acre unit in the Yellow Creek Oil Field. We are requesting that it be reformed to  
14 a 320-acre unit in the Yellow Creek Field for the production of gas.

15 MR. ROGERS: Do we have your exhibits, Mr. Tyra?

16 MR. TYRA: Yes. I have passed them up. Mr. Byrd, have you ever testified before this  
17 Board?

18 MR. BYRD: No, sir.

19 MR. TYRA: Have you submitted to the Board a copy of your resume?

20 MR. BYRD: Yes, sir.

21 MR. TYRA: Is that on file at this point?

1 MR. BYRD: Yes, sir.

2 MR. TYRA: Would you give a quick outline of your educational background as well as  
3 your work experience, please?

4 MR. BYRD: I graduated from Miami University in Oxford, Ohio, in 1979 with a  
5 Bachelor's Degree in Geology and received a Master of Science Degree in Geology from the  
6 University of Kentucky in 1981. Since then I have worked consistently in the oil industry,  
7 starting out with Texaco in Houston, then to Denver, and then back to Houston to work for  
8 American Exploration Company. For the last five and one-half years I have worked for Samson  
9 Resources in Tulsa.

10 MR. TYRA: Are you in charge or are you over the Alabama area of Samson's operations at  
11 this time?

12 MR. BYRD: Yes, I am.

13 MR. TYRA: All right. Mr. Rogers, I would ask that Mr. Byrd be accepted as an expert  
14 petroleum geologist.

15 MR. ROGERS: He is so recognized.

16 PHILLIP BYRD

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



DIRECT EXAMINATION

Questions by Mr. Tyra:

Q. Mr. Byrd, if you would, give a quick history of this Gardner 4-15 well in reference to when it was drilled and how it has been producing up until this point, please.

A. We are the operator of the Gardner 4-15 No. 1 Well, Permit No. 3940. Said well was permitted on November 23, 1983, on a unit consisting of the East Half of Section 4, Township 16 South, Range 16 West, Lamar County. The Gardner 4-15 well was completed in the Sanders Sand Oil Pool and the Carter Sand Oil Pool of the Yellow Creek Oil Field. Its unit was subsequently reformed to the South Half of the Southeast Quarter of said Section 4 in order to conform to the Special Field Rules of said oil field. Petitioner has recently abandoned both oil pools in the Gardner well and has recompleted the well as a gas well in the Chandler Sand Gas Pool. We request therefore to reform the unit for the 4-15 from the present unit consisting of the South Half to the East Half of the unit.

Q. All right, sir. That's concerning the allegations in Docket No. 11-10-983 which is the request to reform the unit. Are you familiar also with the allegations of Docket No. 11-10-982 which is to establish and define the Chandler Sand Gas Pool in that Yellow Creek Field?

A. Yes, sir.

Q. Have you prepared or caused to be prepared exhibits in support of these petitions?

A. Yes, sir.

1 Q. If you would then, please turn to your exhibits and explain what they show to us.

2 A. Exhibit 1 shows just a base map of the area in question. The Gardner 4-15 well is the one  
3 circled in the southeast corner of Section 4. The dashed lines in the East Half represent  
4 our proposed 320-acre unit in that section. The producing wells are shown with the  
5 producing horizons as represented by PI Dwight's Data.

6 Q. All right, sir. Your Exhibit No. 2.

7 A. Exhibit 2 is a net isopach map of the Chandler sand which shows the north-south trending  
8 sands across the area, particularly in the East Half of Section 4.

9 Q. Looking at that exhibit, would you explain why you have requested or why you are  
10 requesting a unit consisting of the East Half rather than a lay-down unit of the South Half  
11 of Section 4.

12 A. Based on this sand map it appears that most of the sand is in the East Half of the section  
13 trending north-south. If we go east-west we run out of sand as we move into the  
14 southwest part of the section.

15 Q. All right, sir. Your Exhibit 3.

16 A. Exhibit 3 is a structural cross section which shows the four wells going through there,  
17 showing the correlation which is fairly good, and showing that it comes updip against the  
18 fault which is down-to-the-east.

19 Q. All right, sir. What does your next exhibit show?

20 A. Exhibit 5 [sic] is the type log for the Gardner 4-15 well which shows the top of the  
21 Chandler sand at a depth of 3,740 and the base of the sand at 3,774. It shows the dual

1 induction log showing the resistivity of the sand. In the center it shows the density  
2 neutron log and the porosity. On the right side it shows the microlog and the amount of  
3 separation in that.

4 Q. You made reference to Exhibit 5. That's actually Exhibit 4.

5 A. I'm sorry, that's Exhibit 4.

6 Q. What does your Exhibit 5 show?

7 A. Exhibit 5 is a structure map of that same area in which Line A-A' is that cross section  
8 which was represented earlier. It shows the structure going updip to the east up against  
9 the fault which is down-to-the-east.

10 Q. All right, sir. Are you familiar with the term "waste" as it is defined by the rules and  
11 regulations of this Board as well as the statutes of the State of Alabama?

12 A. Yes, sir.

13 Q. In your opinion, would the granting of these two petitions prevent waste?

14 A. Yes, sir.

15 Q. Would the granting of these two petitions also protect coequal and correlative rights?

16 A. Yes, sir.

17 MR. TYRA: I will tender Mr. Byrd to the staff at this point, Mr. Rogers, for any  
18 questions they may have.

19 MR. ROGERS: Any questions of the staff? Mr. Bolin.

PHILLIP BYRD

EXAMINATION BY STAFF

Questions by Dr. Bolin:

Q. Mr. Byrd, has this new proposed pool been tested for production? Has the well been tested in this zone?

A. Yes, sir, it has. The well was tested in September. I have a copy of the OGB-9 which our engineers have submitted but I'm not sure if ya'll have received.

MR. TYRA: Have you received that yet?

DR. BOLIN: Well, I just see it was not part of the exhibits. I'm not sure whether we have received it into our files here.

MR. TYRA: Can I ask him some questions about this?

PHILLIP BYRD

DIRECT EXAMINATION

Questions by Mr. Tyra:

Q. As far as you know, has it been submitted by your engineers in the normal course of business for filing?

A. Yes, sir, it has.

Q. Could you tell me the test date of the well?

A. The test date is reported as September 8, 1998.

Q. What does the test show as far as your choke size is concerned?

A. It was a 6/64-inch choke.

1 Q. What was the test rate of the gas, please, sir?

2 A. 440 Mcf per day.

3 Q. All right, sir. The duration of the test was for how long?

4 A. It was for 16 hours.

5 MR. TYRA: I will submit this as a part of the testimony as well at this time.

6 MR. ROGERS: Would you like to submit that into the record, Mr. Tyra?

7 MR. TYRA: Yes.

8 MR. ROGERS: The OGB-9 is admitted into the record.

9 (Whereupon, the OGB-9 was  
10 received in evidence)

11 MR. TYRA: Mr. Rogers, I have previously filed affidavits of notices for both of the  
12 matters. I would ask that they be made a part of the record as well.

13 MR. ROGERS: We have those and they are admitted into the record as well. The  
14 exhibits are admitted also.

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

17 MR. TYRA: Thank you.

18 MR. ROGERS: Anything else?

19 MR. TYRA: That's all we have.

20 MR. ROGERS: The staff will review the evidence and make a recommendation to the  
21 Board.

1 MR. TYRA: Thank you.

2 MR. ROGERS: The next item is Item 13, Docket No. 12-16-983, petition by Munoco.

3 MR. TYRA: Mr. Rogers, again I'm John Tyra here on behalf of Munoco. For hearing  
4 purposes I would like to consolidate Dockets 12-16-983 and 12-16-984.

5 MR. ROGERS: Your request is granted.

6 MR. TYRA: Mr. Rogers, Docket No. 12-16-983 is a request by Munoco Company to  
7 amend Rule 1 of the Special Field Rules for the Christian Chapel Gas Field in Lamar County,  
8 Alabama, to add the North Half of Section 11, Township 16 South, Range 15 West. Docket No.  
9 12-16-984 is a request by Munoco to amend Rules 2 and 4 of the Special Field Rules for the  
10 Christian Chapel Gas Field to establish and define a new gas sand which is the Robinson Sand  
11 Gas Pool also to allow for commingling and dual completion. I have previously submitted an  
12 affidavit of notice for these matters and would ask that it be made a part of the record at this  
13 time.

14 MR. ROGERS: We have the affidavit but you have substituted this new affidavit.

15 MR. TYRA: That's an affidavit of testimony, yes, sir.

16 MR. ROGERS: All right, sir. Then we have the exhibits.

17 MR. TYRA: We have submitted exhibits along with an affidavit of testimony as to those  
18 exhibits, all of which we would also ask be made a part of the record.

19 MR. ROGERS: We want to take our time here and make sure we have everything  
20 covered, Mr. Tyra. (Pause) Okay, let's see, Mr. Tyra. We have an affidavit of notice. That's  
21 admitted. We have the affidavit of testimony--you have substituted a new one-with Exhibits 1

1 through 5. That includes the production report. Does that sound like all the exhibits that you  
2 have submitted?

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

5 MR. TYRA: Yes, it does. We submit this to the Board on the basis of those affidavits  
6 and exhibits.

7 MR. ROGERS: Any questions? The staff will review the evidence and make a  
8 recommendation to the Board. The next item is Item 18, Docket No. 12-16-988, petition by  
9 Exxon Corporation.

10 MS. OWENS: Good morning, I'm Leigh Owens. I'm with Watson, deGraffenried and  
11 Holley. I'm new practicing before the Board. Mr. Rogers, this item is a request by Exxon to  
12 extend the temporary abandonment status for an additional six months for the T.R. Miller Mill-  
13 State Line Oil Trust 31-3 No. 1 Well, Permit No. 1776, in the Jay-Little Escambia Creek Unit. I  
14 have prefiled an affidavit of testimony of Jane Moring who is a qualified witness before this  
15 Board. I would ask that you admit that affidavit of testimony into the record of this hearing.

16 MR. ROGERS: The affidavit is admitted.

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

19 MS. OWENS: Thank you.

20 MR. ROGERS: Do you have anything else?

21 MS. OWENS: Nothing further.

1 MR. ROGERS: Any questions? The staff will review the evidence and make a  
2 recommendation to the Board.

3 MS. OWENS: Thank you.

4 MR. ROGERS: One other question. Have you passed the Bar exam?

5 MS. OWENS: Yes, I've passed the Bar exam.

6 MR. ROGERS: Congratulations.

7 MR. WATSON: You know you are getting old when the great-granddaughter of a friend  
8 presents a case before the Board.

9 MR. ROGERS: The next item is Item 20, Docket No. 12-16-9810A, petition by Four  
10 Star Oil and Gas Company.

11 MR. WATSON: Mr. Rogers, this is a petition by Four Star Oil and Gas Company to  
12 amend Rule 5 of the Special Field Rules for the Hatter's Pond Unit in Mobile County to allow  
13 for underbalanced drilling operations and open hole completions. I have prefiled an affidavit of  
14 testimony by William W. Pecue, II, in support of amending the rule. I ask that you make that  
15 affidavit with its exhibits attached a part of the record of this hearing.

16 MR. ROGERS: The affidavit is admitted.

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

19 MR. WATSON: I ask that you make a recommendation to the Board based on the  
20 testimony contained in that affidavit of testimony. I will point out for the record that the  
21 proposed rule change has been designed so as to give the Supervisor's office notice of any



1 underbalanced drilling and also in that notice to file with the Supervisor the drilling procedure  
2 and casing program planned for any wells that are drilled in accordance with the amended Rule  
3 5. That's all I have on that item, Mr. Rogers.

4 MR. ROGERS: We just realized something, Mr. Watson. In the affidavit it says--about  
5 the fifth line--fourth line--in the Hatter's Pond Unit open hole between the top of the Smackover  
6 Formation. Obviously it was supposed to state between something in the Smackover  
7 Formation.

8 MR. WATSON: I see that.

9 MR. ROGERS: Perhaps that could be amended.

10 MR. WATSON: If you will leave the record open I will get that addition and file it by  
11 Friday.

12 MR. ROGERS: Let's leave the record open then for a substitute affidavit. We will have  
13 that placed in the record on Friday and make a recommendation at that time.

14 MR. WATSON: That will be fine.

15 MR. ROGERS: Just for the record. We have one, two, three---

16 MR. WATSON: Six exhibits with the affidavit.

17 MR. ROGERS: Six exhibits attached to the affidavit. The next item is Item 21, Docket  
18 No. 12-16-9811, petition by Four Star Oil and Gas Company.

19 MR. WATSON: This is also a petition by Four Star Oil and Gas Company, a subsidiary  
20 of Texaco, requesting the Board to enter an order extending the temporary abandonment status  
21 of the Hatter's Pond Unit 4-10 No. 2, STK No. 1 Well. I have prefiled an affidavit of testimony

1 in support of this request signed by Joe Smith, a qualified witness before the Board. I ask that  
2 you make the affidavit of testimony a part of the record of this hearing, Mr. Rogers.

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

4 (Whereupon, the affidavit was  
5 received in evidence)

6 MR. WATSON: That's all I have on that item.

7 MR. ROGERS: The staff will review the evidence and make a recommendation to the  
8 Board. The next item is a petition by Sonat Exploration Company, Docket No. 12-16-9814.

9 MR. WATSON: I have prefiled an affidavit of notice in this item on behalf of Sonat. I  
10 would ask that it be made a part of the record along with the publication notices from the  
11 Birmingham and Tuscaloosa News.

12 MR. ROGERS: Under our new rule, just two notices.

13 MR. WATSON: Yes, sir.

14 MR. ROGERS: The publication notice from the Birmingham News and the Tuscaloosa  
15 News are admitted.

16 (Whereupon, the proofs of publication  
17 were received in evidence)

18 MR. WATSON: I have also prefiled an affidavit of testimony of Thomas W. Holley who  
19 has appeared before this Board and has an affidavit of qualifications on file where we are  
20 supporting the force pooling of ten net mineral acres claimed by the State of Alabama.

1 I would ask that Mr. Holley's affidavit be made a part of the record. You should have received  
2 this morning from the Department of Conservation and Natural Resources a faxed letter stating  
3 that the Department does not oppose Sonat's request to force pool this ten acre tract.

4 MR. ROGERS: All right. The affidavit of Mr. Holley is admitted. The affidavit of  
5 notice of Mr. Watson is admitted. We have this faxed copy of the letter from Jim Griggs on  
6 behalf of the Department of Conservation and Natural Resources. We will place that in the  
7 record and leave the record open for the original when we receive that. When the record is  
8 closed we will make a recommendation to the Board.

9 (Whereupon, the affidavits and letter  
10 were received in evidence)

11 MR. ROGERS: The last item is Docket No. 12-16-9815, petition by Sonat Exploration  
12 Company.

13 MR. WATSON: Again, I have prefiled an affidavit of notice and the publication notices  
14 from the Tuscaloosa and Birmingham papers. I would ask that they be made a part of the  
15 record of this hearing.

16 MR. ROGERS: Those notices were in the last item weren't they, Mr. Watson? We have  
17 a copy of those for this item. Those copies will be admitted.

18 MR. WATSON: All right, sir.

19 (Whereupon, copies of proofs of publication  
20 were received in evidence)

MR. WATSON: I have prefiled an affidavit of Mr. Holley supporting the force pooling of approximately two net mineral acres in this matter. I would ask that it be made a part of the record along with the letter from the Department of Conservation dated today, the faxed copy. I assume that you will leave the record for the original of that which should be here tomorrow.

MR. ROGERS: The affidavit of Mr. Holley is admitted. Mr. Watson's affidavit is admitted. The faxed copy of the letter from Mr. Griggs from the Department of Conservation and Natural Resources is admitted. We will leave the record open to receive the original letter from Mr. Griggs. At that time we will make a recommendation to the Board.

(Whereupon, the affidavits and letter  
were received in evidence)

MR. WATSON: Thank you.

**MR. ROGERS:** Anything else for the Hearing? The Hearing is adjourned.

(Whereupon, the Hearing was adjourned at 10:32 a.m.)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21


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, December 16, 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 30 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