

INDEX

	DIRECT/ RE-DIRECT	CROSS/ RE-CROSS	EXAM. BY BOARD/STAFF
1. Gary Komegay	18-21 23-26	-----	-----

MX ✓

5-12-00

MR

EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Board Exhibit	Order appointing M. Rogers Hearing Officer	12	12
Exhibit 1 (Item 3)	Affidavit of testimony (Clinton H. Koerth)	14	14
Exhibit 2 (Item 3)	Affidavit of notice (William T. Watson)	14	14
Exhibit 3 (Item 3)	11/27/99 letter to Mr. & Mrs. Steven B. McGee (Clinton Koerth)	14	15
ExhibitA (1-3) (Item 4)	Affidavit of testimony (Clayton D. Fryer)	15	15
Exhibit 1 (Item 4)	Temporary abandonment for Chatom Unit No. 4-1, Chatom Field (Clayton D. Fryer)	16	16
Exhibit 2 (Item 4)	Temporary abandonment for Chatom Unit No. 3-2 Chatom Field (Clayton Fryer)	16	16
Exhibit 3 (Item 4)	Temporary abandonment for Chatom Unit No. 2-1 Chatom Field (Clayton Fryer)	16	16
Exhibit 1 (Item 5)	Index map, Star Field (Gary Kornegay)	21	21

EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 2 (Item 5)	Structure map, Tuscumbia sand, Star Field (Gary Kornegay)	21	21
Exhibit 3 (Item 5)	Type log, L.J. Hays 2-8, Star Field (Gary Kornegay)	21	21
Exhibit 4 (Item 5)	Form OGB-9, L.J. Hays 2-8, Star Field (Gary Kornegay)	21	21
Exhibit 5 (Item 5)	Geological summary, L.J. Hays 2-8, Star Field (Gary Kornegay)	21	21
Exhibit 6 (Item 5)	Affidavit of notice (Mark A. Scogin)	16	16
Exhibit 1 (Item 6)	Affidavit of testimony (Ronald N. Hudnall)	22	22
Exhibit 1 (Item 8)	Index map, Yellow Creek Field, Lamar County, AL (Gary Kornegay)	27	27
Exhibit 2 (Item 8)	Structure map, top Chandler formation, Yellow Creek Field (Gary Kornegay)	27	27

EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 3 (Item 8)	Chandler net sand isopach, Yellow Creek Field (Gary Kornegay)	27	27
Exhibit 4 (Item 8)	Chandler micro isopach Yellow Creek Field (Gary Kornegay)	27	27
Exhibit 5 (Item 8)	Mineral ownership map, Yellow Creek Field (Gary Kornegay)	27	27
Exhibit 6 (Item 8)	Log panel, Day 16-8 Well, Yellow Creek Field (Gary Kornegay)	27	27
Exhibit 7 (Item 8)	Log panel, Day 16-1, Yellow Creek Field (Gary Kornegay)	27	27
Exhibit 8 (Item 8)	Topographic map, Yellow Creek Field (Gary Kornegay)	27	27
Exhibit 9 (Item 8)	Affidavit of notice (John Foster Tyra)	27	27
Exhibit 1 (Item 9)	Affidavit of testimony (Emmett C. Sanford)	28	28
Exhibit 2 (Item 9)	Affidavit of notice (William T. Watson)	27	28

EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 1 (Item 10)	Affidavit of testimony (Michal Spooner)	28	28
Exhibit 1 (Item 11)	Affidavit of testimony (Michal Spooner)	29	30
Exhibit 1 (Docket No. 3-1-200017)	Affidavit of testimony with attached exhibits (J. Jay Suter)	31	31
Exhibit 2 (Docket No. 3-1-200017)	Proof of publication (The Mobile Press Register)	30	30
Exhibit 3 (Docket No. 3-1-200017)	Proof of publication (The Onlooker)	30	30
Exhibit 4 (Docket No. 3-1-200017)	2/29/2000 letter to Board (James H. Griggs) (letter received on 3/3/2000 following hearing on 3/1/2000)	31	31

STATE OIL AND GAS BOARD OF ALABAMA

Tuscaloosa, Alabama

March 1, 2000

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 1st day of March, 2000.

BEFORE:

Mr. Marvin Rogers..... Attorney

BOARD STAFF

Dr. Donald F. Oltz Secretary and Supervisor

Mr. Gary Wilson Deputy Supervisor

Mr. Jay H. Masingill Assistant Supervisor

Ms. Janyth Pashin Assistant Supervisor

Mr. Richard Hamilton Engineer

APPEARANCES

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NAME	REPRESENTING
1. John Tyra Tuscaloosa, AL	Medallion Exploration
2. Gary Kornegay Houston, TX	Medallion Exploration
3. Norton Brooker Mobile, AL	Phillips Petroleum Co.
4. Mark Scogin Tuscaloosa, AL	Medallion Exploration
5. Tom Watson Tuscaloosa, AL	-----
6. Craig Huber Millport, AL	Medallion Exploration

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PROCEEDINGS

(The hearing was convened at 10:00 a.m. on Wednesday,
March 1, 2000, 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. The agenda of
today's meeting has been transmitted to the recording secretary.

AGENDA
STATE OIL AND GAS BOARD MEETING
MARCH 1 & 3, 2000

The State Oil and Gas Board of Alabama will hold its regular monthly
meeting at 10:00 a.m. on Wednesday, March 1, 2000, and Friday, March
3, 2000, 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. 5-13-9817

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 to
make a determination pursuant to Section 40-20-1(22) and Section 40-20-
2(2), Code of Alabama (1975), that the Southeast Frisco City Unit, Monroe
County, Alabama, qualifies as a "Qualified Enhanced Recovery Project" as
defined in said statutes and to make a determination of the projected annual
oil or gas production that could have otherwise been produced without the
benefit of the initiation of said Qualified Enhanced Recovery Project.

1 2. DOCKET NO. 9-28-998

2 Continued petition by S. LAVON EVANS, JR. OPERATING CO., INC.,
3 a foreign corporation authorized to do and doing business in the State of
4 Alabama, requesting the State Oil and Gas Board to enter an order force
5 pooling, without the imposition of a risk compensation fee, all tracts and
6 interests in a 320-acre wildcat drilling unit consisting of the West Half of
7 Section 11, Township 17 South, Range 14 West, Lamar County, Alabama,
8 pursuant to Section 9-17-13, Code of Alabama (1975), and Rule 400-1-13-
9 .01 of the State Oil and Gas Board of Alabama Administrative Code.

10
11 3. DOCKET NO. 11-3-994

12 Continued petition by FINLEY RESOURCES, INC., a foreign corporation
13 authorized to do and doing business in the State of Alabama, requesting
14 the State Oil and Gas Board to enter an order force pooling, with a risk
15 compensation penalty, all tracts and interests in hydrocarbons produced from
16 formations of Mississippian and Pennsylvanian Age, from a well to be
17 drilled on a 320-acre unit consisting of the East Half of Section 17,
18 Township 16 South, Range 15 West, in the Star Field, Lamar County,
19 Alabama. The Petition is in accordance with Section 9-17-13, Code of
20 Alabama (1975), as amended, and Rule 400-1-13-.01 of the State Oil and
21 Gas Board of Alabama Administrative Code.

22
23 4. DOCKET NO. 3-1-20001

24 Petition by PHILLIPS PETROLEUM COMPANY, a foreign corporation
25 authorized to do and doing business in the State of Alabama, requesting
26 the State Oil and Gas Board to enter an order, pursuant to the State Oil and
27 Gas Board of Alabama Administrative Code General Rules and
28 Regulations, extending for twelve months the temporary abandoned status
29 of the following wells listed below in the Chatom Unit, Washington
30 County, Alabama:

<u>Permit No.</u>	<u>Well Name</u>
1596	Chatom Unit #2-1
3938	Chatom Unit #3-2
1700	Chatom Unit #4-1

31
32
33
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36
37 The Petitioner is requesting this Board to grant a 12-month extension of
38 the temporarily abandoned status because all of the wells shown above
39 have future utility and should not be plugged.

1 5. DOCKET NO. 3-1-20002

2 Petition by MEDALLION EXPLORATION, a foreign corporation,
3 authorized to do and doing business in the State of Alabama, requesting
4 the State Oil and Gas Board of Alabama to enter an order approving an
5 amendment to Rule 2 of the Special Field Rules for the Star Field to add
6 the Devonian Gas Pool. The Devonian Gas Pool for said field is defined
7 as that interval productive of hydrocarbons as defined on the Dual
8 Induction SFL log between the depths 4,824 feet and 4,860 feet, as
9 encountered in the L.J. Hays 2-8 No. 1 Well, Permit No. 2695, located
10 1,650 feet from the North line and 750 feet from the East line of Section 2,
11 Township 16 South, Range 16 West, Lamar County, Alabama.

12
13 6. DOCKET NO. 3-1-20003

14 Petition by LATEX PETROLEUM CORPORATION, a foreign corporation
15 authorized to do and doing business in the State of Alabama, requesting the
16 State Oil and Gas Board, pursuant to Section 9-17-1, et seq. Code of
17 Alabama, (1975), and Rule 400-1-3-.06 of the State Oil and Gas Board of
18 Alabama Administrative Code, to enter an order extending the temporarily
19 abandoned status for certain wells in the South Carlton Field, Clarke County,
20 Alabama, in the following areas:

21
22 Township 3 North, Range 2 East
23 Sections 2, 3, 10, 11, 15 and 16
24

25 The previously granted temporarily abandoned status expires on March 3,
26 2000, and LaTex Petroleum Corporation is requesting this Board to grant a
27 six-month extension of the temporarily abandoned status beginning March
28 3, 2000, because all of the wells in the aforementioned Sections have
29 future utility and should not be plugged.

30
31 7. DOCKET NO. 3-1-20004

32 Petition by MEDALLION EXPLORATION, a foreign corporation
33 authorized to do and doing business in the State of Alabama, requesting
34 the State Oil and Gas Board to enter an order force pooling, with a risk
35 compensation penalty, all tracts and interests in hydrocarbons produced
36 from the Pennsylvanian and Mississippian Age strata from a well to be
37 drilled on a 320-acre unit consisting of the South Half of Section 16,
38 Township 16 South, Range 16 West, Lamar County, Alabama, in the Yellow
39 Creek Field. This Petition is in accordance with Section 9-17-13, Code of
40 Alabama (1975), as amended, and Rule 400-1-13-.01 of the State Oil and
41 Gas Board of Alabama Administrative Code.

1 This petition is filed as a companion to petition bearing Docket No. 3-1-
2 20005 requesting approval of an exceptional location for Petitioner's
3 proposed Day 16-9 No. 1 Well to be drilled on the above-referenced 320-
4 acre unit.
5

6 8. DOCKET NO. 3-1-20005

7 Petition by MEDALLION EXPLORATION, a foreign corporation
8 authorized to do and doing business in the State of Alabama, requesting
9 the State Oil and Gas Board to enter an order approving an exceptional
10 location for the proposed Day 16-9 No. 1 Well to be drilled on a 320-acre
11 drilling unit consisting of the South Half of Section 16, Township 16 South,
12 Range 16 West, Lamar County, Alabama, in the Yellow Creek Field. The
13 proposed location for the said well on said 320-acre drilling unit is 2,160 feet
14 FSL and 1,000 feet FEL of said Section 16, which said location is 480 feet
15 FNL of the proposed unit and, as such, is an exception to Rule 3(b) of the
16 Special Field Rules for said field. Said Rule states, in part, that such a well
17 shall be located at least 660 feet from every exterior boundary of the drilling
18 unit and the location of the above described well is only 480 feet FNL of said
19 drilling unit.
20

21 This petition is filed as a companion to petition bearing Docket No. 3-1-
22 20004 requesting forced pooling of the above-described 320-acre drilling
23 unit.
24

25 9. DOCKET NO. 3-1-20006

26 Petition by SANFORD RESOURCES CORPORATION, a Delaware
27 corporation authorized to do and doing business in the State of Alabama,
28 requesting the State Oil and Gas Board to enter an order force pooling,
29 without the imposition of a risk compensation fee, all tracts and interests
30 in a 320-acre drilling unit for the Gravlee 20-9 Well, Permit No. 2716,
31 consisting of the East Half of Section 20, Township 17 South, Range 12
32 West, Fayette County, Alabama, in the Newtonville Field, pursuant to
33 Section 9-17-13, Code of Alabama (1975), and Rule 400-1-13-.01 of the
34 State Oil and Gas Board of Alabama Administrative Code. Sanford
35 Resources Corporation re-entered and worked over said well.
36

37 This request was previously approved by the Board in Emergency Order
38 E-99-96, dated December 21, 1999, and Emergency Order E-2000-82,
39 dated February 3, 2000.

1 10. DOCKET NO. 3-1-20007

2 Petition by SPOONER PETROLEUM COMPANY, a foreign corporation
3 authorized to do and doing business in the State of Alabama, requesting the
4 State Oil and Gas Board to enter an order classifying certain wells in the
5 following areas in the Foshee Field, Escambia County, Alabama, as shut-in
6 for a period of six (6) months:

7
8 Township 2 North, Range 8 East
9 Sections 34 and 35

10
11 Said wells are shut-in due to non-commercial production rates. Petitioner is
12 requesting the Board to classify said wells as shut-in for a period of six (6)
13 months in accordance with Rule 400-1-3-.06 of the State Oil and Gas Board
14 of Alabama Administrative Code because all of the wells have potential for
15 future production in Spooner Petroleum Company's operations in Alabama
16 and should not be plugged.

17
18 11. DOCKET NO. 3-1-20008

19 Petition by SPOONER PETROLEUM COMPANY, a foreign corporation
20 authorized to do and doing business in the State of Alabama, requesting the
21 State Oil and Gas Board to enter an order classifying certain wells in the
22 following areas in the West Foshee Field, Escambia County, Alabama, as
23 shut-in for a period of six (6) months:

24
25 Township 2 North, Range 8 East
26 Sections 32 and 33

27
28 Said wells are shut-in due to non-commercial production rates. Petitioner is
29 requesting the Board to classify said wells as shut-in for a period of six (6)
30 month in accordance with Rule 400-1-3-.06 of the State Oil and Gas Board
31 of Alabama Administrative Code because all of the wells have potential for
32 future production in Spooner Petroleum Company's operations in Alabama
33 and should not be plugged.

34
35 12. DOCKET NO. 3-1-20009

36 Petition by MOON-HINES-TIGRETT OPERATING CO., INC., a foreign
37 corporation authorized to do and doing business in the State of Alabama,
38 requesting the State Oil and Gas Board to enter an order force pooling, with
39 a risk compensation penalty, all tracts and interests in hydrocarbons
40 produced from formations of Mississippian and Pennsylvanian Age, from a
41 well to be drilled on a 320-acre unit consisting of the Southwest Quarter of

1 Section 18 and the Northwest Quarter of Section 19, Township 17 South,
2 Range 13 West, Fayette County, Alabama. The Petition is in accordance
3 with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-
4 1-13-.01 of the State Oil and Gas Board of Alabama Administrative Code.
5

6 Petitioner proposes to drill the Betsy-Williamson 18-13 No. 2 Well at a
7 location 660 feet FWL and 660 feet FSL of Section 18, Township 17 South,
8 Range 13 West, Fayette County, Alabama, on a drilling unit consisting of the
9 Southwest Quarter of Section 18 and the Northwest Quarter of Section 19.
10 The Board, in Order 99-54 issued on August 20, 1999, previously force
11 pooled said unit. Petitioner previously drilled and completed the Betsy-
12 Williamson 19-4 No. 1 Well as a productive natural gas well. Petitioner
13 proposes to drill the Betsy-Williamson 18-13 No. 2 Well in the same unit.
14

15 13. DOCKET NO. 3-1-200010

16 Petition by VENTEX OPERATING CORP., a foreign corporation
17 authorized to do and doing business in the State of Alabama, requesting the
18 State Oil and Gas Board of Alabama to enter an Order approving the
19 enhanced recovery project for the East Haynesville Sand Oil Unit in the
20 North Rome Field, Covington County, Alabama, so as to qualify the project
21 for the four percent (4%) privilege tax for the incremental oil or gas
22 production from said Unit, in accordance with Section 40-20-1, et seq., Code
23 of Alabama (1975), as amended. The Unit Area of the East Haynesville
24 Sand Oil Unit, containing 406.25 acres, more or less, is located in Covington
25 County, Alabama, and is described as follows: The East Half of the
26 Northwest Quarter and the West Half of the Northeast Quarter; the North
27 Half of the Northwest Quarter of the Southeast Quarter; the North Half of
28 the South Half of the Northwest Quarter of the Southeast Quarter; the
29 South Half of the Southeast Quarter of the Northwest Quarter of the
30 Southeast Quarter; the North Half of the Northeast Quarter of the
31 Northeast Quarter of the Southwest Quarter; the Southeast Quarter of the
32 Northeast Quarter of the Northeast Quarter of the Southwest Quarter; the
33 East Half of the Southwest Quarter of the Northeast Quarter of the
34 Northeast Quarter of the Southwest Quarter; the Northeast Quarter of the
35 Southeast Quarter of the Northeast Quarter of the Southwest Quarter; the
36 North Half of the Southeast Quarter of the Southwest Quarter of the
37 Northwest Quarter of the Southeast Quarter, all in Section 4, Township 2
38 North, Range 14 East, Covington County, Alabama and the West Half of
39 the Northwest Quarter of Section 3; the East Half of the Northeast Quarter
40 and the Northeast Quarter of the Southeast Quarter, less and except the
41 South Half of the Southeast Quarter of the Southeast Quarter of the

1 Northeast Quarter of the Southeast Quarter of Section 4, all in Township 2
2 North, Range 14 East, Covington County, Alabama.
3

4 14. DOCKET NO. 3-1-200011

5 Petition by NORTHWEST ALABAMA GAS DISTRICT, an Alabama
6 municipal corporation, requesting the State Oil and Gas Board of Alabama
7 to enter an order: (1) determining the remaining commercially recoverable
8 reserves of gas in the Carter Sand Gas Pool of the East Detroit Field,
9 Lamar County, Alabama; (2) determining the period of time encompassing
10 the remaining natural production capability of said Carter Sand Gas Pool
11 of said East Detroit Field; and (3) determining an apportionment of the
12 total volume of such gas withdrawn from the East Detroit Gas Storage
13 Facility between (i) injected gas withdrawn from storage and (ii)
14 production of said remaining commercially recoverable gas in said
15 reservoir. This request is in accordance with the provisions of Section 9-
16 17-152 (e) of the Code of Alabama (1975), the provisions of Board Order
17 No. 2000-1, and requests such other findings as are required under Section
18 9-17-150 et seq. of the Code of Alabama (1975).
19

20 This petition is a companion to petitions bearing Docket No. 3-1-200012
21 requesting amendment of the Special Field Rules for the East Detroit Field
22 and Docket No. 3-1-200013 requesting establishment of Special Gas
23 Storage Rules for the East Detroit Gas Storage Facility.
24

25 15. DOCKET NO. 3-1-200012

26 Petition by NORTHWEST ALABAMA GAS DISTRICT, an Alabama
27 municipal corporation, requesting the State Oil and Gas Board of Alabama
28 to enter an order amending the Special Field Rules for the East Detroit
29 Field, Lamar County, Alabama, so as to eliminate all rules pertaining to
30 the production of natural gas, such order to become effective as of the
31 effective date of the East Detroit Gas Storage Facility, pursuant to the
32 provisions of Order No. 2000-1 and Section 9-17-150 et seq. of the Code
33 of Alabama (1975).
34

35 This petition is a companion to petitions bearing Docket No. 3-1-200011
36 to determine the remaining commercially recoverable natural gas reserves
37 for the Carter Sand Gas Pool of the East Detroit Field, to determine the
38 period of time encompassing the remaining natural production capability
39 of said Carter Sand Gas Pool of said East Detroit Field, and to determine
40 an apportionment of the total volume of such gas withdrawn from the East
41 Detroit Gas Storage Facility, and Docket No. 3-1-200013 requesting

1 establishment of Special Gas Storage Rules for the East Detroit Gas
2 Storage Facility.

3
4 16. DOCKET NO. 3-1-200013

5 Petition by NORTHWEST ALABAMA GAS DISTRICT, an Alabama
6 municipal corporation, requesting the State Oil and Gas Board of Alabama
7 to enter an order establishing Special Gas Storage Rules for the East
8 Detroit Gas Storage Facility, Lamar County, Alabama, pursuant to the
9 provisions of Order No. 2000-1 and Section 9-17-150 et seq. of the Code
10 of Alabama (1975).

11
12 This petition is a companion to petitions bearing Docket No. 3-1-200011
13 to determine the remaining commercially recoverable natural gas reserves
14 for the Carter Sand Gas Pool of the East Detroit Field, to determine the
15 period of time encompassing the remaining natural production capability
16 of said Carter Sand Gas Pool of said East Detroit Field, and to determine
17 an apportionment of the total volume of such gas withdrawn from the East
18 Detroit Gas Storage Facility, and Docket No. 3-1-200012 requesting
19 amendment of the Special Field Rules for the East Detroit Field.

20
21 17. DOCKET NO. 3-1-200014

22 Petition by ROUNDTREE & ASSOCIATES, INC., a foreign corporation
23 authorized to do and doing business in the State of Alabama, requesting
24 the State Oil and Gas Board to enter an order amending Rule 3 of the
25 Special Field Rules for the McCracken Mountain Field, Fayette County,
26 Alabama, to allow 320-acre contiguous spacing.

27
28 18. DOCKET NO. 3-1-200015

29 Petition by ROUNDTREE & ASSOCIATES, INC., a foreign corporation
30 authorized to do and doing business in the State of Alabama, requesting
31 the State Oil and Gas Board to enter an order amending Rule 3 of the
32 Special Field Rules for the West McCracken Mountain Field, Fayette
33 County, Alabama, to allow 320-acre contiguous spacing.

34
35 19. DOCKET NO. 3-1-200016

36 Petition by ROUNDTREE & ASSOCIATES, INC., a foreign corporation
37 authorized to do and doing business in the State of Alabama, requesting
38 the State Oil and Gas Board to enter an order amending Rule 3 of the
39 Special Field Rules for the Scareum Mountain Field, Fayette County,
40 Alabama, to allow 320-acre contiguous spacing.

1 20. DOCKET NO. 11-3-997

2 Continued MOTION BY THE STATE OIL AND GAS BOARD OF
3 ALABAMA, requesting operator Duer Wagner & Co., to show cause why
4 the wells identified hereinbelow located in the Movico Field, Mobile
5 County, Alabama, should not be ordered immediately plugged.

6	7	8	9
	<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>LOCATION</u>
10	3407-OS-9B	Annie M. Hill et al Unit 39 #3	Sec. 39, T1N, R1E
11	3559-OS-12B	Board of School Commissioners	The surface location
12		of Mobile Co. Unit 16-1	is in Sec. 39 and the
13			bottom hole location
14			is in Sec. 16, T1N,
15			R1E

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

22 DOCKET NO. 3-1-200017

23 Petition by MOBIL OIL EXPLORATION & PRODUCING SOUTHEAST,
24 INC., a foreign corporation, authorized to do and doing business in the State
25 of Alabama, requesting the State Oil and Gas Board to enter an order
26 approving an exception to Rule 400-3-3-.04(d) of the State Oil and Gas
27 Board of Alabama Administrative Code pertaining to blow-out prevention
28 equipment and the frequency of testing said equipment for the State Lease
29 348 (Tract 77) #3 Well, Permit No. 9597-OS-43-B-1, with a surface location
30 2,179 feet from the North line and 6,873 feet from the West line of Tract 95
31 in Baldwin County, Alabama, with a proposed bottom hole location located
32 in State Lease 348 (Tract 77) being 2,465 feet from the West line and 1,248
33 feet from the South line of Tract 77 in Mobile County, Alabama, in the
34 Lower Mobile Bay-Mary Ann Field (Norphlet) Unit.

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

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

The State Oil and Gas Board was originally established by Act No. 1 of the Legislature of Alabama in the Regular Session of 1945. The applicable law pertaining to the establishment of the Board now appears in Section 9-17-1 et seq. of the Code of Alabama (1975), as last amended. The applicable rules pertaining to the conduct of hearings by the Board are found in Rule 400-1-12-.01 et seq. of the State Oil and Gas Board of Alabama Administrative Code.

The next meeting of the Board will be held at 10:00 a.m. on Wednesday, April 5, 2000, and Friday, April 7, 2000, in the Board Room of the State Oil and Gas Board Building, Tuscaloosa, Alabama. The notices for the April meeting should be filed on or before Monday, March 13, 2000. Petitions, exhibits, affidavits, and proposed orders must be filed on or before Wednesday, March 22, 2000. 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)

1 MR. ROGERS: The procedure for the meeting is as follows: The Hearing Officer and
2 the staff will hear the uncontested items on the docket today and certain other items. The State
3 Oil and Gas Board will hear the recommendations of the Hearing Officer, contested items, and
4 certain other items beginning at 10:00 a.m. on Friday, March 3, 2000, at the Board's offices in
5 Tuscaloosa. I recommend that the following items be continued: Item 1, Docket No. 5-13-9817,
6 petition by JN Exploration and Production Limited Partnership; Item 2, Docket No. 9-28-998,
7 petition by S. Lavon Evans, Jr. Operating Company, Inc.; Item 13, Docket No. 3-1-200010,
8 petition by Ventex Operating Corporation; Item 17, Docket No. 3-1-200014A, petition by
9 Roundtree & Associates, Inc.; Item 18, Docket No. 3-1-200015A, petition by Roundtree &
10 Associates, Inc.; Item 19, Docket No. 3-1-200016A, petition by Roundtree & Associates, Inc.;
11 and Item 20, Docket No. 11-3-997, a motion by the State Oil and Gas Board. I will recommend
12 that the following items be dismissed without prejudice: Item 7, Docket No. 3-1-20004, petition
13 by Medallion Exploration; Item 12, Docket No. 3-1-20009, petition by Moon-Hines-Tigrett
14 Operating Company, Inc. The following items are set for hearing by the Board at the hearing on
15 Friday: Item 14, Docket No. 3-1-200011, petition by Northwest Alabama Gas District; Item 15,
16 Docket No. 3-1-200012A, petition by Northwest Alabama Gas District; and Item 16, Docket No.
17 3-1-200013A, petition by Northwest Alabama Gas District. Are there any changes or comments
18 on those? I might ask one, Mr. Brooker. You are here and you represent the petitioner in Item 1,
19 JN Exploration and Production Limited Partnership. Do you have an idea, Mr. Brooker, about
20 that item?

21 MR. BROOKER: We think we will be ready to go, hopefully, by the next meeting.

1 MR. ROGERS: All right. Thank you. The first item to be heard today is Item 3, Docket
2 No. 11-3-994A, petition by Finley Resources, Inc.

3 MR. WATSON: Mr. Rogers, I have prefiled an affidavit of notice in this matter and
4 would ask that that be made a part of the record of this hearing.

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

6 (Whereupon, the affidavit was received in evidence)

7 MR. WATSON: I have also prefiled an affidavit of qualifications of Clinton Koerth and
8 I have prefiled an affidavit of testimony by Mr. Koerth in support of Finley's petition to force
9 pool one net mineral acre in a 320-acre unit consisting of the East Half of Section 17, Township
10 16 South, Range 15 West, Lamar County, Alabama, in the Star Field. I would ask that the
11 affidavit of testimony in support of the force pooling on the amended petition without risk
12 compensation be admitted to the record.

13 MR. ROGERS: The affidavit is admitted.

14 (Whereupon, the affidavit was received in evidence)

15 MR. WATSON: That's all I have on that one, Mr. Rogers.

16 MR. ROGERS: I note that we have--since this was originally a petition for force pooling
17 with risk compensation, we actually have the green card indicating certified mail but as you
18 stated it has been amended to withdraw the risk compensation. Would you like that letter to be
19 admitted?

20 MR. WATSON: Yes. Let's go ahead and admit that, Mr. Rogers.

21 MR. ROGERS: That will be admitted also. Anything else?

1 MR. WATSON: That's all.

2 (Whereupon, the letter was received in evidence)

3 MR. ROGERS: The staff will review the evidence and make a recommendation to the
4 Board. The next item is Item 4, Docket No. 3-1-20001, petition by Phillips Petroleum Company.

5 MR. BROOKER: I'm Norton Brooker. I represent Phillips in this matter. We are asking
6 that three wells--the temporarily abandoned status on three wells at the Chatom Unit in
7 Washington County, Alabama, be extended for--we've asked for one year which we understand
8 is the most recent amendment to the rules that is currently going through the Administrative
9 Procedure process. If for some reason we can't get a year, we would like six months anyway.
10 To bring y'all up-to-date, in the affidavit--well, first let me introduce the affidavit of Clayton
11 Fryer who has been recognized as an expert in petroleum engineering by the Board on prior
12 occasions.

13 MR. ROGERS: The affidavit of Mr. Fryer is admitted.

14 (Whereupon, the affidavit was received in evidence)

15 MR. BROOKER: To bring y'all up-to-date, if you will recall in the prefiled affidavit
16 with respect to the 4-1 and the 2-1, additional work was proposed to be done on those two wells
17 to see if they could be brought back to production. I can tell the staff today that apparently
18 neither of those procedures are successful, the 4-1 and the 2-1. The 2-1 will be cleaned out.
19 They are both going through the Phillips internal procedures right now for plugging. Those
20 wells probably will be plugged fairly shortly, just as soon as all the approvals can be obtained.
21 With respect to the 3-2 well, as noted in Mr. Fryer's affidavit, Phillips does feel that this well

1 does have some future utility and would like to keep it from being plugged for at least the period
2 of time that the temporarily abandonment status can be approved. The other thing I do want to
3 point out to you, the form that was attached to the affidavit apparently is a form that comes, I
4 think, from New Mexico which they use in connection with temporary abandonment. It looks to
5 me like it's a pretty good form in format for reporting on these wells. That's all I have.

6 MR. ROGERS: All right. These forms that you mentioned will be identified as Exhibits
7 1, 2 and 3 and they are admitted.

8 (Whereupon, the exhibits were received in evidence)

9 MR. BROOKER: That's all I have.

10 MR. ROGERS: The staff will review the evidence and make a recommendation to the
11 Board. The next item is Item 5, Docket No. 3-1-20002, petition by Medallion Exploration.

12 MR. SCOGIN: My name is Mark Scogin representing Medallion Exploration. This is a
13 petition to amend Rule 2 of the Special Field Rules for the Star Field to add the Devonian Gas
14 Pool. I have previously submitted an affidavit of notice and ask that it be admitted into the
15 record.

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

17 (Whereupon, the affidavit was received in evidence)

18 MR. SCOGIN: I have one witness to be sworn in.

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

1 MR. KORNEGAY: My name is Gary Kornegay. I am from Houston, Texas, 18202
2 Wilstone Drive, 77084.

3 (Witness was sworn by Mr. Rogers)

4 MR. SCOGIN: State your name, please.

5 MR. KORNEGAY: My name is Gary Kornegay.

6 MR. SCOGIN: How are you employed?

7 MR. KORNEGAY: I am a consultant for Medallion Exploration.

8 MR. SCOGIN: How long have you been a consultant?

9 MR. KORNEGAY: I've been consulting since 1992.

10 MR. SCOGIN: Have you previously filed with this Board an affidavit of your
11 qualifications?

12 MR. KORNEGAY: Yes, I have.

13 MR. SCOGIN: You have previously testified before the Board as an expert?

14 MR. KORNEGAY: Yes, I have.

15 MR. SCOGIN: I would ask that Mr. Kornegay be recognized as an expert.

16 MR. ROGERS: He is so recognized.

17 GARY KORNEGAY

18 Appearing as a witness on behalf of Petitioner, Medallion Exploration, testified as
19 follows:

DIRECT TESTIMONY

Questions by Mr. Scogin:

Q. Are you familiar with the petition of Medallion Exploration to amend Rule 2 of the Special Field Rules for the Star Field to add the Devonian Gas Pool?

A. Yes.

Q. Medallion has recently obtained production from the gas pool in the L.J. Hays 2-8 No. 1 Well?

A. Yes.

Q. Would you give the staff a little background about that?

A. Okay. Medallion purchased this well and originally recompleted the well to the Chandler. We produced those reserves, depleted the reserves in the Chandler, and have recently moved down hole to the Devonian and have done an open hole completion in the Devonian.

Q. Do you have exhibits that you have prepared in support of the petition?

A. Yes, I do.

Q. Would you review those for the staff?

A. Exhibit No. 1 is simply an index map showing the location of the L.J. Hays 2-8 and the spacing unit that is currently in existence for other horizons. We simply want to extend that to the Devonian. On there also are red circles that indicate the existing producing Devonian wells on the map and their initial IP's and if they had a cumulative and what that cumulative is.

1 Q. Okay. How about Exhibit 2?

2 A. Exhibit 2 is a structure map on the Tuscumbia which would reflect the same structure as
3 on the Devonian. The reason we do not have a Devonian structure map is there are very
4 few penetrations into the Devonian horizon that we are producing from and the
5 Tuscumbia does accurately reflect what that structure would be. As we can see, the L.J.
6 Hays is a structural pressed feature. It is fault separated from the Star Field to the north,
7 indicating a small Devonian pool.

8 Q. Okay. How about Exhibit 3?

9 A. Exhibit 3 is a log of the Medallion well, the Hays 2-8. On there are the induction log, the
10 SP, the neutron density log with gamma ray, and the micro log. As we can see, the open
11 hole portion of the completion is from 4,824 to 4,860. Our initial IP was 257 Mcf/d. It is
12 currently producing about 250 a day. The main part of the production is at the very base
13 of that where we get good mico development and higher porosity. The resistivity is
14 indicating and the SP is indicating reservoir.

15 Q. Okay, your Exhibit 4.

16 . Exhibit 4 is the OGB-9, the form simply laying out the completion interval, the pressures
17 that we encountered. Our shut-in tubing pressure after test was 1,450. It establishes a
18 rate of 257 Mcf/d. We tested oil at a rate of 4.64 barrels per day. The current pressures
19 are similar. I think the calculated bottom hole pressure was 1,850.

20 Q. Okay, your Exhibit 5.

21 A. Exhibit 5 is simply a geologic summary summarizing what I have talked about here.

1 Q. I notice that you don't have a net sand isopach in the exhibits.

2 A. No, I do not. Number one, the reservoir is a fractured chert and in that the parameters
3 that we use for mapping fractures are not as distinct and there are very few penetrations
4 of the reservoir in this area. The map would be meaningless.

5 Q. Mr. Kornegay, do you have an opinion as to whether the Devonian Gas Pool is a separate
6 and distinct pool from any other producing pool in the Star Field?

7 A. Yes, sir.

8 Q. What is your opinion?

9 A. I think it is a separate and distinct pool.

10 Q. Okay. Medallion has already submitted proposed Special Field Rules for the Star Field
11 which add the Devonian Gas Pool. Are these rules as proposed, do they comport with the
12 Special Field Rules for other similar fields in the State of Alabama?

13 A. Yes, they do.

14 Q. Are you familiar with the term "waste" as that term is used in the conservation statutes of
15 the State of Alabama?

16 A. Yes, I am.

17 Q. In your opinion, would a well producing from the Devonian Gas Pool as presented in the
18 proposed Special Field Rules for the Star Field efficiently and effectively drain and
19 produce and economically recover the recoverable hydrocarbons from a maximum of 320
20 acres in the Star Field without avoidable waste?

21 A. Yes.

1 Q. In your opinion, is the adoption of the proposed Special Field Rules for the Star Field
2 necessary in order to provide for the orderly development of the Devonian Gas Pool in
3 the Star Field and to promote the conservation of natural resources?

4 A. Yes.

5 Q. In your opinion, would the granting of the petition by Medallion bearing Docket No. 3-1-
6 20002 prevent "waste" and protect the coequal and correlative rights of all the effective
7 mineral interest owners?

8 A. Yes, it will.

9 MR. SCOGIN: I would ask that the exhibits be admitted.

10 MR. ROGERS: The exhibits are admitted.

11 (Whereupon, the exhibits were received in evidence)

12 MR. SCOGIN: I would tender Mr. Kornegay for any questions from the staff.

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

15 MR. SCOGIN: Thank you.

16 MR. ROGERS: The next item is Item 6, Docket No. 3-1-20003A, petition by LaTeX
17 Petroleum Corporation.

18 MR. TYRA: Mr. Rogers, I'm John Tyra here on behalf of LaTeX. I have previously
19 filed an affidavit of qualifications of Ronald Hudnall and I have also filed an affidavit of
20 testimony in support of this petition that Mr. Hudnall has executed. I would ask that those

1 documents be made a part of the record at this time. There are actually two affidavits, the one
2 that we initially filed and then we did a revised affidavit.

3 MR. ROGERS: The affidavit is admitted.

4 (Whereupon, the affidavit was received in evidence)

5 MR. TYRA: Thank you. This is a petition to extend the temporary abandonment status
6 of wells in the South Carlton Field in Clarke County, Alabama. We submitted to you on the basis
7 of that affidavit the improvements to the infrastructure and the production that LaTeX has
8 achieved since the last temporary abandonment status hearing. We are requesting a twelve
9 month temporary abandonment status but if that is not possible then we would request a six
10 month extension. We present this on the basis of the affidavit.

11 MR. ROGERS: We will review the evidence and make a recommendation to the Board.
12 Thank you, Mr. Tyra.

13 MR. TYRA: Thank you.

14 MR. ROGERS: The next item is Item 8, Docket No. 3-1-20005, petition by Medallion
15 Exploration.

16 MR. TYRA: I'm John Tyra here on behalf of Medallion Exploration for this docket.
17 This is a request for an exceptional location for a proposed well in Lamar County. The well is
18 the Day 16-9 No. 1 Well. We propose to drill it on the South Half of Section 16, Township 16
19 South, Range 16 West, Lamar County, Alabama. It's in the Yellow Creek Field. The location
20 is--or the proposed location is 2,160 feet from the South line and 1,000 feet from the East line of
21 Section 18 which puts it 480 feet from the North line of the proposed unit. This is an exception

1 to the Special Field Rules which requires all wells to be located at least 660 feet from every
2 exterior boundary. I have one witness, Mr. Kornegay, who has been sworn in.

3 MR. ROGERS: I remind him that he remains under oath.

4 MR. TYRA: I would also submit or ask that you continue to recognize him as an expert
5 witness.

6 MR. ROGERS: He is recognized as an expert.

7 GARY KORNEGAY

8 Appearing as a witness on behalf of Petitioner, Medallion Exploration, testified as
9 follows:

10 DIRECT EXAMINATION

11 Questions by Mr. Tyra:

12 Q. Mr. Kornegay, did you prepare or have you prepared exhibits in support of the petition
13 that we have filed in this matter?

14 A. Yes, I have.

15 Q. If you would, please, turn to your exhibits and explain what they show and say.

16 A. Okay. The first item in the package is a geologic summary. It simply states what I will
17 go through on the following exhibits. Exhibit 1 is an index map showing the location of
18 our proposed location as well as the proposed spacing unit for the 16-9 Day located 1,000
19 feet from the East line and 2,160 feet from the South line and its relative position to other
20 wells. The second exhibit is a structure map on top of the Chandler formation which is
21 our prime objective at this location. It demonstrates structural position as well as what

1 we postulate the gas/water contact to be. Structurally the highest location that we can
2 achieve in the south half would be located at the approximate location of our proposed
3 location. Also indicated on there are the red circles indicating wells that produce out of
4 the Chandler. The blue circles are wells that have tested the Chandler. The wells in blue
5 are signified to be tight or wet.

6 Q. Your next exhibit.

7 A. Exhibit 3 is a net sand isopach of the Chandler formation. The colors represented by the
8 light yellow are zero to 25 feet. The darker yellow is 25 to 50 feet and the tan color is 50
9 feet plus. That is superimposed on the structure map to indicate where that reservoir
10 occurs relative to structure.

11 Q. The red circled wells and the blue circled wells represent what?

12 A. They continue to represent producing wells and tested wells. Exhibit 4 is an isopach
13 map of micro development as logged by the micro logs. The colors here represent 10-
14 foot increments, so we go 0 to 10, 10 to 20, 20 to 30. The blue will be 30 plus. The wells
15 that are critical to this isopach are the 16-8 which has a micro development of 31 feet in
16 the Chandler and the 16-1 which is a recently drilled well which had only one foot--or
17 two feet of micro development. It is our intent to try and stay as close to the well that has
18 the thickest micro development as we can.

19 Q. You mentioned the Day 16-1 well. You participated in the hearing in Mobile earlier
20 concerning that well. Do you have any current information concerning that well?

1 A. The latest information we have is that the well tested 500 Mcf/d and 100 barrels of fluid
2 of which 10 to 15 barrels a day are oil. The rest is water. The final exhibit is just simply
3 a map showing the proposed location with Medallion's holdings in that section. We own
4 a tract of 182 acres, Tract No. 3, of which 160 acres will be within the proposed unit.

5 Q. We had initially filed this as a companion petition to force pool the interest over in the
6 southwest quarter and as you know, Mr. Rogers, we have since dismissed that petition
7 having gotten permission from all the owners to go forward. Exhibit No. 6, please, sir.

8 A. This is a log panel for the 16-8 Day which is the nearest well to our proposed location of
9 the Chandler formation. Displayed here are the induction log with SP, the neutron
10 density with gamma ray, and the micro log with gamma ray. As you can see the 16-8
11 Day's best micro development is toward the base of the Chandler sand.

12 Q. Exhibit 7.

13 A. Exhibit 7 is a log panel representing the recently drilled 16-8 Day--I mean the 16-1 Day
14 showing the Chandler formation once again. The first log in that panel is the induction
15 with gamma ray and SP. The second log is the neutron density with gamma ray. The
16 final log is micro with gamma ray. Once again, here we can see that the sand is blocky
17 sand and here the only micro development that we encounter is at the top and it is a two
18 foot increment at the very top of the unit.

19 Q. Your final exhibit, Exhibit No. 8.

1 A. Exhibit 8 is a topo map of the area indicating the location of a swamp relative to our
2 location as well as a topographic high to the north. This is feasibly about the only
3 location we can get to in the northeast of the southeast.

4 Q. Is it your opinion based upon the data that you have reviewed that the proposed location
5 is the optimum geologic location?

6 A. Yes, I do.

7 Q. Is it also, in looking at the topo, the optimum topographic location?

8 A. Yes.

9 Q. Are you familiar with the term "waste" as it's defined by the laws and statutes of the
10 State of Alabama and the Administrative Code of this Board?

11 A. Yes, I am.

12 Q. In your opinion would the granting of this petition prevent waste and protect coequal and
13 correlative rights?

14 A. Yes, it would.

15 MR. TYRA: That is all the testimony that we have. I will tender the witness for any
16 questions that you may have.

17 MR. ROGERS: Actually it would be helpful to give some detail about that Board's prior
18 order, that the Board on October 28, 1999, in Order No. 99-76 approve a petition establishing a
19 unit to the north. Is that right?

1 MR. TYRA: Yes, sir. That was a north half unit that Samson Resources Company
2 proposed. Medallion was also involved in the hearing requesting an east half unit. The north
3 half unit was approved and has been drilled. So, this would be the next adjacent unit to that.

4 MR. ROGERS: In the proposed order that you submitted you stated that the interest of
5 Medallion was force pooled by the Board in that order?

6 MR. TYRA: Yes, sir, without risk compensation.

7 MR. ROGERS: Is that correct?

8 MR. TYRA: Yes, sir. It was force pooled without risk compensation at that time.

9 MR. ROGERS: It did force pool the interest of Medallion?

10 MR. TYRA: That's correct.

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

13 MR. TYRA: Mr. Rogers, I have also prefiled an affidavit of notice that if you will, admit
14 and make a part of the record.

15 MR. ROGERS: The affidavit of notice is admitted and all the exhibits are admitted.

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

17 MR. TYRA: Thank you.

18 MR. ROGERS: The next item is Item 9, Docket No. 3-1-20006, petition by Sanford
19 Resources Corporation.

20 MR. WATSON: Mr. Rogers, there is a prefiled affidavit of notice in this matter to be
21 admitted into the record.

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

2 (Whereupon, the affidavit was received in evidence)

3 MR. WATSON: I have also filed an affidavit of testimony in support of this request for
4 force pooling , without risk compensation, by Emmett Sanford. I would ask that that affidavit of
5 testimony be made a part of the record of this hearing.

6 MR. ROGERS: The affidavit is admitted.

7 (Whereupon, the affidavit was received in evidence)

8 MR. WATSON: I submit this on the basis of the testimony in the affidavit.

9 MR. ROGERS: The staff will review the evidence and make a recommendation to the
10 Board. Thank you. The next item is Item 10, Docket No. 3-1-20007B, petition by Spooner
11 Petroleum Company.

12 MR. WATSON: This is an amended request by Spooner asking the Board to approve the
13 shut-in status of three wells in the Foshee Field, Escambia County, Alabama. Mr. Mike Spooner
14 prepared an affidavit which has been prefiled. He has been recognized as an expert engineer
15 before this Board. I would ask that Mr. Spooner's affidavit of testimony be admitted to the
16 record, Mr. Rogers.

17 MR. ROGERS: The affidavit is admitted.

18 (Whereupon, the affidavit was received in evidence)

19 MR. WATSON: I submit this request on the basis of the testimony contained in that
20 affidavit.

1 MR. HAMILTON: Mr. Watson, one of the wells we removed was a disposal well. Is
2 that correct?

3 MR. WATSON: Yes.

4 MR. HAMILTON: What are your plans for that well?

5 MR. WATSON: They will be requesting action on that in a separate matter before the
6 Board.

7 MR. HAMILTON: All right.

8 MR. ROGERS: The affidavit of Mr. Spooner has been admitted. Anything else, Mr.
9 Watson?

10 MR. WATSON: That's all on that item.

11 MR. HAMILTON: One other comment, Mr. Watson. You are asking for six months
12 status on it?

13 MR. WATSON: That's correct.

14 MR. HAMILTON: Okay.

15 MR. ROGERS: The next item is Item 11, Docket No. 3-1-20008B, petition by Spooner
16 Petroleum Company.

17 MR. WATSON: This petition by Spooner is requesting shut-in status for wells in the
18 West Foshee Field. Again, I have prefiled an affidavit of testimony of Mike Spooner. I would
19 ask that that affidavit of testimony be admitted in support of this request for the shut-in status of
20 these wells.

21 MR. ROGERS: The affidavit of Mr. Spooner is admitted.

1 (Whereupon, the affidavit was received in evidence)

2 MR. WATSON: I submit the matter on the basis of that affidavit of testimony, Mr.
3 Rogers.

4 MR. ROGERS: The staff will review the evidence and make a recommendation to the
5 Board. The last item is Docket No. 3-1-200017, petition by Mobil Oil Exploration & Producing
6 Southeast, Inc.

7 MR. WATSON: Mr. Rogers, we need to admit into the record of this hearing the
8 publication notices on this item.

9 MR. ROGERS: We have a publication notice from the Mobile Register and we have a
10 faxed copy of the one from Baldwin County.

11 MR. WATSON: They are suppose to have the original of that in the mail to us. It may
12 come today. I will deliver it as soon as the original is received.

13 MR. ROGERS: We will admit the one from the Mobile Register and admit the one from
14 the Baldwin County newspaper and leave the record open to substitute the original.

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

17 MR. WATSON: This is a request by Mobil Oil Exploration & Producing Southeast, Inc.
18 for an exception to Rule 400-3-3-.04(d) of the Administrative Code relative to the drilling
19 operations of the State Lease 348 No. 3 Well in the Lower Mobile Bay-Mary Ann (Norphlet)
20 Unit. I have submitted an affidavit in support of this request for an exception to the rule by Jay
21 Sutter who has been previously qualified before this Board as an expert petroleum engineer. He

1 has an affidavit of his qualifications on file. I would submit the affidavit of Mr. Sutter in support
2 of this request for an exception to the rule that I have just mentioned.

3 MR. ROGERS: The affidavit is admitted.

4 (Whereupon, the affidavit was received in evidence)

5 MR. WATSON: Also I would point out to you, Mr. Rogers, that we have been in contact
6 with the Department of Conservation and Natural Resources and requested that they notify the
7 Board of their position in this matter. I have been advised orally that there would be no
8 opposition. I don't know whether you have received any letter yet from Mr. Griggs. His right
9 arm was out yesterday and he should be there today to get that to us.

10 MR. ROGERS: All right. We will leave the record open for the letter from the
11 Department of Conservation and Natural Resources to be admitted.

12 (Whereupon, the letter was received in evidence)

13 MR. WATSON: I have not received my copy. It was promised yesterday but like I say
14 Mr. Griggs' assistant, Ms. Cone, was out. I will follow up on that this morning.

15 MR. ROGERS: Anything else for this hearing? Sir, is there anything you would like to
16 address.

17 FROM THE AUDIENCE: What's the status of Item 12?

18 MR. WILSON: That item has been dismissed.

19 MR. ROGERS: Sir, if you would like to address the staff you would need to come to the
20 microphone. We could discuss it with you afterwards.

1 FROM THE AUDIENCE: I'm assuming it has been dismissed because it's being force
2 pooled?

3 MR. ROGERS: I'm assume that they have agreements from all the mineral owners, the
4 reason they dismissed that. Anything else you would like to address, sir?

5 FROM THE AUDIENCE: No, sir.

6 MR. ROGERS: Any other business for this hearing? The hearing is adjourned.

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


1 REPORTER'S CERTIFICATE

2
3
4
5 STATE OF ALABAMA

6 COUNTY OF TUSCALOOSA
7

8 I, Rickey Estes, Hearing Reporter in and for the State of Alabama, do hereby certify that
9 on Wednesday, March 1, 2000, in the Board Room of the State Oil and Gas Board Building,
10 University of Alabama Campus, Tuscaloosa, Alabama, I reported the proceedings before a
11 Hearing Officer; that the foregoing 32 typewritten pages contain a true and accurate verbatim
12 transcription of said proceedings to the best of my ability, skill, knowledge, and belief.

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

15
16 
17 Rickey Estes
18 Hearing Reporter
State of Alabama