

August 30, 2002

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	DIRECT RE-DIRECT	CROSS/ RE-CROSS	EXAM. BY BOARD/STAFF
1. Foster Kennedy	18-21	----	----
2. Steven Hutchings	23-31 34-36	----	----

10-18-02

MC

## EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Board Exhibit	Hearing Officer Report	15	15
Exhibit 1 (Item 10)	Affidavit of testimony (Foster Kennedy)	21	21
Exhibit 2 (Item 10)	Amended affidavit of notice (William T. Watson)	16	17
Exhibit 1 (Item 14)	Affidavit of notice (William T. Watson)	22	22
Exhibit 2 (Item 14)	8/12/02 letter to to James C. May with attached green card (Steven M. Hutchings)	31	31
Exhibit 3 (Item 14)	7/29/02 letter to Stephen R. Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 4 (Item 14)	8/12/02 letter to Mary Lou Breland with attached green card (Steven M. Hutchings)	31	31
Exhibit 5 (Item 14)	8/12/02 letter to Cindy Lou Quinn Westoby with attached green card (Steven M. Hutchings)	31	31
Exhibit 6 (Item 14)	8/12/02 letter to Frances Quinn with attached green card (Steven M. Hutchings)	31	31

## EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 7 (Item 14)	8/12/02 letter to Camilla Bennie Lou Ausmus Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 8 (Item 14)	8/12/02 letter to Larry Paul Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 9 (Item 14)	8/12/02 letter to Emily Diane Quinn Stallings with attached green card (Steven M. Hutchings)	31	31
Exhibit 10 (Item 14)	8/12/02 letter to Jacqueline Peggy Quinn Wood with attached green card (Steven M. Hutchings)	31	31
Exhibit 11 (Item 14)	8/12/02 letter to Beryl Leigh Quinn McLeod with attached green card (Steven M. Hutchings)	31	31
Exhibit 12 (Item 14)	8/12/02 letter to Stephen R. Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 13 (Item 14)	7/29/02 letter to Camilla Bennie Lou Ausmus Quinn with attached green card (Steven M. Hutchings)	31	31

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EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 14 (Item 14)	7/29/02 letter to Timothy P. Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 15 (Item 14)	7/29/02 letter to Frances Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 16 (Item 14)	7/29/02 letter to Larry Paul Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 17 (Item 14)	7/29/02 letter to J. Clifton Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 18 (Item 14)	7/29/02 letter to Beryl Leigh Quinn McLeod with attached green card (Steven M. Hutchings)	31	31
Exhibit 19 (Item 14)	7/29/02 letter to Emily Diane Quinn Stallings with attached green card (Steven M. Hutchings)	31	31
Exhibit 20 (Item 14)	7/29/02 letter to Cindy Lou Quinn Westoby with attached green card (Steven M. Hutchings)	31	31

## EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 21 (Item 14)	7/29/02 letter to Stephen R. Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 22 (Item 14)	7/29/02 letter to Jacqueline Peggy Quinn Wood with attached green card (Steven M. Hutchings)	31	31
Exhibit 23 (Item 14)	7/29/02 letter to James C. May with attached green card (Steven M. Hutchings)	31	31
Exhibit 24 (Item 14)	7/29/02 letter to Mary Lou Breland with attached green card (Steven M. Hutchings)	31	31
Exhibit 1 (Item 15)	Affidavit of notice (William T. Watson)	22	22
Exhibit 2 (Item 15)	7/29/02 letter to Jacqueline Peggy Quinn Wood with attached green card (Steven M. Hutchings)	31	31
Exhibit 3 (Item 15)	7/29/02 letter to Larry Paul Quinn with attached green card (Steven M. Hutchings)	31	31

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Exhibit 4 (Item 15)	7/29/02 letter to Timothy P. Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 5 (Item 15)	7/29/02 letter to Ashley Clark Chinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 6 (Item 15)	7/29/02 letter to Emily Diane Quinn Stallings with attached green card (Steven M. Hutchings)	31	31
Exhibit 7 (Item 15)	7/29/02 letter to Cindy Lou Quinn Westoby with attached green card (Steven M. Hutchings)	31	31
Exhibit 8 (Item 15)	7/29/02 letter to Camilla Bennie Lou Ausmus Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 9 (Item 15)	7/29/02 letter to Mary Lou Breland with attached green card (Steven M. Hutchings)	31	31
Exhibit 10 (Item 15)	7/29/02 letter to Frances Quinn with attached green card (Steven M. Hutchings)	31	31

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EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 11 (Item 15)	7/29/02 letter to J. Clifton Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 12 (Item 15)	7/29/02 letter to Stephen R. Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 13 (Item 15)	7/29/02 letter to Beryl Leigh Quinn McLeod with attached green card (Steven M. Hutchings)	31	31
Exhibit 14 (Item 15)	7/29/02 letter to James C. May with attached green card (Steven M. Hutchings)	31	31
Exhibit 1 (Item 16)	Affidavit of notice (William T. Watson)	22	22
Exhibit 2 (Item 16)	7/29/02 letter to Ashley Clark Chinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 3 (Item 16)	7/29/02 letter to Frances Quinn with attached green card (Steven M. Hutchings)	31	31

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Exhibit 4 (Item 16)	7/29/02 letter to Larry Paul Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 5 (Item 16)	7/29/02 letter to Camilla Bennie Lou Ausmus Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 6 (Item 16)	7/29/02 letter to Emily Diane Quinn Stallings with attached green card (Steven M. Hutchings)	31	31
Exhibit 7 (Item 16)	7/29/02 letter to Beryl Leigh Quinn McLeod with attached green card (Steven M. Hutchings)	31	31
Exhibit 8 (Item 16)	7/29/02 letter to Jacqueline Peggy Quinn Wood with attached green card (Steven M. Hutchings)	31	31
Exhibit 9 (Item 16)	7/29/02 letter to Cindy Lou Quinn Westoby with attached green card (Steven M. Hutchings)	31	31



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EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 1 (Item 17)	Affidavit of notice (William T. Watson)	22	22
Exhibit 2 (Item 17)	7/29/02 letter to Frances Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 3 (Item 17)	7/29/02 letter to Ashley Clark Chinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 4 (Item 17)	7/29/02 letter to Emily Diane Quinn Stallings with attached green card (Steven M. Hutchings)	31	31
Exhibit 5 (Item 17)	7/29/02 letter to Larry Paul Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 6 (Item 17)	7/29/02 letter to Stephen R. Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 7 (Item 17)	7/29/02 letter to Camilla Bennie Lou Ausmus Quinn with attached green card (Steven M. Hutchings)	31	31

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EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 8 (Item 17)	7/29/02 letter to Beryl Leigh Quinn McLeod with attached green card (Steven M. Hutchings)	31	31
Exhibit 9 (Item 17)	7/29/02 letter to Jacqueline Peggy Quinn Wood with attached green card (Steven M. Hutchings)	31	31
Exhibit 1 (Item 18)	Affidavit of notice (William T. Watson)	22	22
Exhibit 2 (Item 18)	7/29/02 letter to Cindy Lou Quinn Westoby with attached green card (Steven M. Hutchings)	31	31
Exhibit 3 (Item 18)	7/29/02 letter to Frances Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 4 (Item 18)	7/29/02 letter to Beryl Leigh Quinn McLeod with attached green card (Steven M. Hutchings)	31	31
Exhibit 5 (Item 18)	7/29/02 letter to Jacqueline Peggy Quinn Wood with attached green card (Steven M. Hutchings)	31	31

## EXHIBITS

EXHIBIT NO. (ITEM NO.)	TITLE (TESTIMONY OF)	OFFERED	RECEIVED
Exhibit 6 (Item 18)	7/29/02 letter to Emily Diane Quinn Stallings with attached green card (Steven M. Hutchings)	31	31
Exhibit 7 (Item 18)	7/29/02 letter to Camilla Bennie Lou Ausmus Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 8 (Item 18)	7/29/02 letter to Ashley Clark Chinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 9 (Item 18)	7/29/02 letter to Stephen R. Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 10 (Item 18)	7/29/02 letter to Larry Paul Quinn with attached green card (Steven M. Hutchings)	31	31
Exhibit 1 (Item 19)	Affidavit of notice (William T. Watson)	33	33

August 30, 2002

STATE OIL AND GAS BOARD OF ALABAMA

Tuscaloosa, Alabama

August 30, 2002

Testimony and proceedings before the State Oil and Gas Board in Regular Session in the Board Room of the State Oil and Gas Board Building, University of Alabama Campus, Mobile, Alabama, pursuant to adjournment, on this the 30<sup>th</sup> day of August, 2002.

BEFORE:

Mr. Gaines C. McCorquodale.....Chairman  
Mr. Matthew S. Metcalfe.....Member  
Mr. M. Stephen Dampier.....Member

BOARD STAFF

Mr. Marvin Rogers.....Attorney  
Dr. Donald Oltz.....Supervisor and Secretary  
Mr. Gary Wilson.....Deputy Director  
Mr. Jay H. Masingill.....Assistant Supervisor  
Dr. David E. Bolin.....Assistant Supervisor  
Mr. Richard Hamilton.....Engineer

August 30, 2002

APPEARANCES

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11

NAME	REPRESENTING
1. Steve Hutchings Tuscaloosa, AL	Phillips Petroleum Co.
2. Tom Watson Tuscaloosa, AL	----
3. David Minor Birmingham, AL	El Paso Production

(The hearing was convened at 10:05 a.m.  
on Friday, August 30, 2002, at Tuscaloosa, Alabama.)

CHMN. MCCORQUODALE: Let the record reflect that the State Oil and Gas Board is  
now in session.

DR. OLTZ: Mr. Chairman, the staff has prepared a docket for today's hearing.

AGENDA  
STATE OIL AND GAS BOARD OF ALABAMA  
AUGUST 28 & 30, 2002

The State Oil and Gas Board of Alabama will hold its regular Board Meeting at 10:00 a.m. on Wednesday, August 28, 2002, and Friday, August 30, 2002, in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama. to consider among other items, the following petition(s):

1. DOCKET NO. 10-31-01-12

Continued petition by EXXON MOBIL 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 in accordance with the terms and conditions of Rules 400-1-7-01 and 400-2-6-.10(4)(b) of the *State Oil and Gas Board of Alabama Administrative Code* approving the installation of bi-directional piping and metering connections for the installation of approved meters to the inlet pipelines of its Mary Ann Treating Facility, Mobile 823 Treating Facility and the Onshore Treating Facility in order to allow production from Petitioner's offshore leases to be treated in any of these three (3) ExxonMobil operated onshore facilities located in Coden, Mobile County, Alabama. Petitioner's initial pipeline installation will include one 12-inch gas pipeline, one 8-inch gas pipeline, one 6-inch liquid pipeline, one 4-inch liquid pipeline and one 4-inch utility line, each approximately 1000 feet in length. The installation of such pipelines will afford Petitioner greater flexibility in directing flow in order to best utilize plant capacity, meet operational needs, and maximize the production of Alabama's offshore hydrocarbon resources.

1 2. DOCKET NO. 2-13-02-1

2 Continued petition by BLACK WARRIOR METHANE CORP., an Alabama  
3 corporation, requesting the State Oil and Gas Board to enter an order reforming  
4 the unit for the Champion/Alawest 08-06-299 Well, Permit No. 12223-C, from an  
5 80-acre unit consisting of the South Half of the Northwest Quarter of Section 8,  
6 Township 20 South, Range 8 West, Tuscaloosa County, Alabama, in the  
7 Brookwood Coal Degasification Field, to a 40-acre unit consisting of the  
8 Southeast Quarter of the Northwest Quarter of Section 8, Township 20 South,  
9 Range 8 West, Tuscaloosa County, Alabama.

10  
11 3. DOCKET NO. 2-13-02-2

12 Continued petition by BLACK WARRIOR METHANE CORP., an Alabama  
13 corporation, requesting the State Oil and Gas Board to enter an order reforming  
14 the unit for the Champion/Alawest 08-03-308 Well, Permit No. 12224-C, from an  
15 80-acre unit consisting of the North Half of the Northwest Quarter of Section 8,  
16 Township 20 South, Range 8 West, Tuscaloosa County, Alabama, in the  
17 Brookwood Coal Degasification Field, to a 40-acre unit consisting of the  
18 Northeast Quarter of the Northwest Quarter of Section 8, Township 20 South,  
19 Range 8 West, Tuscaloosa County, Alabama.

20  
21 4. DOCKET NO. 3-13-02-9

22 Continued petition by MEDALLION EXPLORATION, a foreign corporation  
23 authorized to do and doing business in the State of Alabama, requesting the State  
24 Oil and Gas Board to enter an order force pooling, with a risk compensation  
25 penalty, all tracts and interests in hydrocarbons produced from formations of  
26 Mississippian and Pennsylvanian Age, from the proposed re-entry of the Keasler 4-2  
27 #1 Well, Permit No. 5567, located on a proposed 320-acre wildcat unit consisting of  
28 the North Half of Section 4, Township 19 South, Range 15 West, Pickens County,  
29 Alabama.

30  
31 This Petition is in accordance with Section 9-17-13, *Code of Alabama* (1975), as  
32 amended, and Rule 400-7-2-.01 of the *State Oil and Gas Board of Alabama*  
33 *Administrative Code*.

34  
35 5. DOCKET NO. 4-17-02-3

36 Continued petition by ENERGEN RESOURCES CORPORATION, an Alabama  
37 corporation, requesting the State Oil and Gas Board to enter an order confirming that  
38 natural gas produced from the USX-TAURUS-88-18-7-34-11 #781, Permit No.  
39 6072-C, is occluded natural gas produced from coal seams in the Oak Grove Coal  
40 Degasification Field, Jefferson County, Alabama. Petitioner avers that the above-  
41 described well produces from coal seams and qualified under Section

1 107(c)(3)(High Cost Natural Gas) of the former Natural Gas Policy Act (NGPA),  
2 15 U.S.C. 3413.

3  
4 6. DOCKET NO. 4-17-02-4

5 Continued petition by ENERGEN RESOURCES CORPORATION, an Alabama  
6 corporation, requesting the State Oil and Gas Board to enter an order confirming that  
7 natural gas produced from the USX-TAURUS-89-18-7-33-15-777, Permit No.  
8 6174-C, is occluded natural gas produced from coal seams in the Oak Grove Coal  
9 Degasification Field, Jefferson County, Alabama. Petitioner avers that the above-  
10 described well produces from coal seams and qualified under Section  
11 107(c)(3)(High Cost Natural Gas) of the former Natural Gas Policy Act (NGPA),  
12 15 U.S.C. 3413.

13  
14 7. DOCKET NO. 4-17-02-5

15 Continued petition by ENERGEN RESOURCES CORPORATION, an Alabama  
16 corporation, requesting the State Oil and Gas Board to enter an order confirming that  
17 natural gas produced from the USX-TAURUS-89-18-7-33-7-775, Permit No. 6099-  
18 C, is occluded natural gas produced from coal seams in the Oak Grove Coal  
19 Degasification Field, Jefferson County, Alabama. Petitioner avers that the above-  
20 described well produces from coal seams and qualified under Section  
21 107(c)(3)(High Cost Natural Gas) of the former Natural Gas Policy Act (NGPA),  
22 15 U.S.C. 3413.

23  
24 8. DOCKET NO. 4-17-02-6

25 Continued petition by ENERGEN RESOURCES CORPORATION, an Alabama  
26 corporation, requesting the State Oil and Gas Board to enter an order confirming that  
27 natural gas produced from the USX-TAURUS-88-18-7-28-10-749, Permit No.  
28 6098-C, is occluded natural gas produced from coal seams in the Oak Grove Coal  
29 Degasification Field, Jefferson County, Alabama. Petitioner avers that the above-  
30 described well produces from coal seams and qualified under Section  
31 107(c)(3)(High Cost Natural Gas) of the former Natural Gas Policy Act (NGPA),  
32 15 U.S.C. 3413.

33  
34 9. DOCKET NO. 4-17-02-7

35 Continued petition by ENERGEN RESOURCES CORPORATION, an Alabama  
36 corporation, requesting the State Oil and Gas Board to enter an order confirming that  
37 natural gas produced from the USX-TAURUS-88-18-7-27-12 #745, Permit No.  
38 6067-C, is occluded natural gas produced from coal seams in the Oak Grove Coal  
39 Degasification Field, Jefferson County, Alabama. Petitioner avers that the above-  
40 described well produces from coal seams and qualified under Section



1 107(c)(3)(High Cost Natural Gas) of the former Natural Gas Policy Act (NGPA),  
2 15 U.S.C. 3413.  
3

4 10. DOCKET NO. 5-29-02-8

5 Continued petition by CROSBYS CREEK OIL & GAS LLC, a foreign limited  
6 liability company, authorized to do and doing business in the State of Alabama,  
7 requesting the State Oil and Gas Board to enter an order force pooling, with the  
8 imposition of a risk compensation penalty, all tracts and interests in hydrocarbons  
9 produced from the Smackover Formation in a horizontal sidetrack well being drilled  
10 from the plugged and abandoned wellbore of the W.M. Curlee Estate Unit 31-13 #1  
11 Well, Permit No. 1906, on a proposed 640-acre unit described as follows:  
12

13 Northwest Quarter, West Half of Northeast Quarter, North Half of Southwest  
14 Quarter, Northwest Quarter of Southeast Quarter of Section 6, Township 6 North,  
15 Range 4 West; East Half of Northeast Quarter and Northeast Quarter of Southeast  
16 Quarter of Section 1, Township 6 North, Range 5 West; South Half of Southwest  
17 Quarter and Southwest Quarter of Southeast Quarter of Section 31, Township 7  
18 North, Range 4 West; Southeast Quarter of Southeast Quarter of Section 36,  
19 Township 7 North, Range 5 West, Washington County, Alabama in the Copeland  
20 Gas Field.  
21

22 This Petition is in accordance with Section 9-17-13, *Code of Alabama* (1975), as  
23 amended, and Rule 400-7-2-.01 of the *State Oil and Gas Board of Alabama*  
24 *Administrative Code*.  
25

26 This petition is filed as a companion to a petition bearing Docket No. 5-29-02-7  
27 requesting an exception to Rule 5b of the Special Field Rules for the Copeland Gas  
28 Field for open hole completion of the above-mentioned well.  
29

30 11. DOCKET NO. 7-10-02-1

31 Continued petition by MEDALLION EXPLORATION, a foreign corporation  
32 authorized to do and doing business in the State of Alabama, requesting the State  
33 Oil and Gas Board to enter an order establishing a new oil field in Pickens  
34 County, Alabama, to be named the Southwest Chicken Swamp Branch Oil Field,  
35 or such other name as the Board deems proper, and to adopt Special Field Rules  
36 therefor. The proposed field, as underlain by the Dunn Sand Oil Pool, consists of  
37 all of Section 10, Township 19 South, Range 15 West, Pickens County, Alabama.

1 The Dunn Sand Oil Pool should be defined as that interval of Mississippian age  
2 strata productive of hydrocarbons between the depths of 5,403 feet and 5,433 feet  
3 as indicated on the Haliburton Spectral Density Dual Spaced Neutron Log for the  
4 Gladys Dunn #10-10 Well, Permit No. 6416-A, and all zones in communication  
5 therewith and all productive extensions thereof. Petitioner is requesting well  
6 spacing of forty (40) acres, and is also requesting the establishment of allowables for  
7 said field.

8  
9 12. DOCKET NO. 7-10-02-11

10 Continued petition by EL PASO PRODUCTION COMPANY, a foreign  
11 corporation authorized to do and doing business in the State of Alabama,  
12 requesting the State Oil and Gas Board to enter an order pursuant to Sections 9-  
13 17-1 through 9-17-33 and 9-17-80 through 9-17-88, *Code of Alabama* (1975)  
14 approving and establishing a partial field-wide unit, to be known as Unit I of the  
15 White Oak Creek Coal Degasification Field, consisting of the hereinbelow  
16 described "Unit Area" in the White Oak Creek Coal Degasification Field,  
17 Tuscaloosa and Jefferson Counties, Alabama, and requiring the operation of said  
18 Unit Area as a single unit in order to avoid the drilling of unnecessary wells,  
19 increase the efficiency of operations and improve the ultimate recovery of  
20 occluded natural gas from the Unitized Formation, as hereinafter defined, and  
21 avoid waste. The "Unitized Formation" is to be designated as the Pottsville Coal  
22 Interval defined as the productive coal seams found between the depths of 419  
23 feet and 1,621 feet as encountered in the USX 08-03-160 Well, Permit No. 11604-  
24 C, located in Section 8, Township 18 South, Range 7 West, Tuscaloosa County,  
25 Alabama, as indicated on the Gamma Ray High-Resolution Density Log for said  
26 well, and all zones in communication therewith and all productive extensions  
27 thereof, including any coal seam stringer that might occur within a depth of either  
28 80 feet above or 80 feet below the Pottsville Coal Interval, and including those  
29 coal seams which can be correlated therewith. Petitioner further seeks approval of  
30 the Unit Agreement and Unit Operating Agreement, as ratified, in accordance  
31 with Section 9-17-84, *Code of Alabama* (1975), and approval of the amendments  
32 to the Special Field Rules for the White Oak Creek Coal Degasification Field in  
33 order to conform to the provisions of the aforementioned Unit Agreement and  
34 Unit Operating Agreement.

35  
36 Petitioner further seeks entry of an order unitizing, pooling and integrating the  
37 Unit Area, as underlain by the above defined unitized formation so as to require a  
38 owners or claimants of royalty, overriding royalty, mineral, and leasehold  
39 interests within the Unit Area to unitize, pool and integrate their interests and  
40 develop their lands or interests as a unit, and designating El Paso Production  
41 Company as operator of the Unit Area in accordance with the laws of Alabama.

The proposed Unit Area, to be designated as Unit I of the White Oak Creek Coal Degasification Field, consists of the Southeast Quarter of the Northeast Quarter, South Half of the Northwest Quarter, Southwest Quarter, West Half of the Southeast Quarter and Southeast Quarter of the Southeast Quarter, all in Section 8, Township 18 South, Range 7 West; and the North Half of the Northeast Quarter and the Northeast Quarter of the Northwest Quarter, all in Section 17, Township 18 South, Range 7 West, Tuscaloosa and Jefferson Counties, Alabama.

13. DOCKET NO. 8-28-02-1

Petition by UNION OIL COMPANY OF CALIFORNIA, a foreign corporation authorized to do and doing business in the State of Alabama, and operator of the Churchula Field Unit in Mobile County, Alabama, requesting that the State Oil and Gas Board of Alabama enter an order extending for one year the temporary abandoned status of the following fifteen wells listed below in the Churchula Field Unit, Mobile County, Alabama:

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
2357	I.P.C. 2-6 #1	Sec. 2, T2S, R2W
2355-B	R.J. Smith 6-10 #1A	Sec. 6, T1S, R1W
3650	M.V. Kelly 10-3 #1	Sec. 10, T1S, R2W
4255-B	M.V. Kelly 11-1 #1	Sec. 11, T1S, R2W
2914	R.L. Smith 12-11 #1	Sec. 12, T1S, R2W
2044	J.A. Smith 15-6 #1	Sec. 15, T1S, R2W
2584-B	R.E. Davis 1-11 #1	Sec. 1, T1S, R2W
2350	Creola Investment 34-7 #1	Sec. 34, T1S, R2W
2005-B	Mobile County Board of School Commissioners 16-10 #1	Sec. 16, T1S, R2W
2252	Richard W. Rascoe 3-10 #1	Sec. 3, T2S, R2W
2062-B-1	I.P.C. 17-7 #1A-B	Sec. 17, T1S, R2W
2525	I.P.C. 13-10 #2	Sec. 13, T1S, R2W
4692	Arthur R. Outlaw 34-15 #1	Sec. 34, T1S, R2W
2642	Wright Turner 3-10 #1	Sec. 3, T1S, R2W
2499	I.P.C. 2-10 #1	Sec. 2, T1S, R2W

and, granting for one year temporary abandoned status to the two wells listed below in the Churchula Field Unit, Mobile County, Alabama:

2158	M. V. Kelly 11-10 #1	Sec. 11, T1S, R2W
5151-B	Maherg-Ferguson 24-8 #1	Sec. 24, T1S, R2W

14. DOCKET NO. 8-28-02-2

Petition by PHILLIPS PETROLEUM COMPANY, a Delaware 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 a risk compensation penalty, all tracts and interests in hydrocarbons produced from coalbeds in the Pottsville Formation in the Hausman 04-09-294 Well, to be drilled on an 80-acre unit consisting of the North Half of the Southeast Quarter of Section 4, Township 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field.

This Petition is in accordance with Section 9-17-13, *Code of Alabama* (1975), as amended, and Rule 400-7-2-.01 of the *State Oil and Gas Board of Alabama Administrative Code*.

15. DOCKET NO. 8-28-02-3

Petition by PHILLIPS PETROLEUM COMPANY, a Delaware 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 a risk compensation penalty, all tracts and interests in hydrocarbons produced from coalbeds in the Pottsville Formation in the Hausman 04-15-293 Well, to be drilled on an 80-acre unit consisting of the South Half of the Southeast Quarter of Section 4, Township 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field.

This Petition is in accordance with Section 9-17-13, *Code of Alabama* (1975), as amended, and Rule 400-7-2-.01 of the *State Oil and Gas Board of Alabama Administrative Code*.

16. DOCKET NO. 8-28-02-4

Petition by PHILLIPS PETROLEUM COMPANY, a Delaware 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 a risk compensation penalty, all tracts and interests in hydrocarbons produced from coalbeds in the Pottsville Formation in the Hausman 04-03-289 Well, to be drilled on an 80-acre unit consisting of the North Half of the Northwest Quarter of Section 4, Township 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field.

1 This Petition is in accordance with Section 9-17-13, *Code of Alabama* (1975), as  
2 amended, and Rule 400-7-2-.01 of the *State Oil and Gas Board of Alabama*  
3 *Administrative Code*.

4  
5 17. DOCKET NO. 8-28-02-5

6 Petition by PHILLIPS PETROLEUM COMPANY, a Delaware corporation,  
7 authorized to do and doing business in the State of Alabama, requesting the State  
8 Oil and Gas Board to enter an order force pooling, with a risk compensation  
9 penalty, all tracts and interests in hydrocarbons produced from coalbeds in the  
10 Pottsville Formation in the Hausman 04-06-290 Well, to be drilled on an 80-acre  
11 unit consisting of the South Half of the Northwest Quarter of Section 4, Township  
12 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Blue Creek Coal  
13 Degasification Field.

14  
15 This Petition is in accordance with Section 9-17-13, *Code of Alabama* (1975), as  
16 amended, and Rule 400-7-2-.01 of the *State Oil and Gas Board of Alabama*  
17 *Administrative Code*.

18  
19 18. DOCKET NO. 8-28-02-6

20 Petition by PHILLIPS PETROLEUM COMPANY, a Delaware corporation,  
21 authorized to do and doing business in the State of Alabama, requesting the State  
22 Oil and Gas Board to enter an order force pooling, with a risk compensation  
23 penalty, all tracts and interests in hydrocarbons produced from coalbeds in the  
24 Pottsville Formation in the Hausman 04-11-291 Well, to be drilled on an 80-acre  
25 unit consisting of the North Half of the Southwest Quarter of Section 4, Township  
26 17 South, Range 9 West, Tuscaloosa County, Alabama, in the Blue Creek Coal  
27 Degasification Field.

28  
29 This Petition is in accordance with Section 9-17-13, *Code of Alabama* (1975), as  
30 amended, and Rule 400-7-2-.01 of the *State Oil and Gas Board of Alabama*  
31 *Administrative Code*.

32  
33 19. DOCKET NO. 8-28-02-7

34 Petition by PHILLIPS PETROLEUM COMPANY, a Delaware corporation,  
35 authorized to do and doing business in the State of Alabama, requesting the State  
36 Oil and Gas Board to enter an order force pooling, without the imposition of a risk  
37 compensation penalty, all tracts and interests in hydrocarbons produced from the  
38 Chevron 30-10-365 Well to be drilled on a 40-acre unit consisting of the Northwest  
39 Quarter of the Southeast Quarter of Section 30, Township 17 South, Range 9 West,  
40 Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field.

1 This Petition is in accordance with Section 9-17-13, *Code of Alabama* (1975), as  
2 amended, and Rule 400-7-2-.01 of the *State Oil and Gas Board of Alabama*  
3 *Administrative Code*.

4  
5 20. DOCKET NO. 8-28-02-8

6 Petition by ENERGEN RESOURCES CORPORATION, an Alabama corporation,  
7 requesting the State Oil and Gas Board, pursuant to Section 9-17-1, *et seq.*, *Code of*  
8 *Alabama*, (1975), and Rule 400-3-4-.17(1) of the *State Oil and Gas Board of*  
9 *Alabama Administrative Code*, to enter an order extending the temporarily  
10 abandoned status for certain coal degasification wells in the Oak Grove Coal  
11 Degasification Field located in Tuscaloosa and Jefferson Counties, Alabama, in the  
12 following areas:

13 Township 18 South, Range 7 West  
14 Sections 27, 30, 33 and 34

15  
16 Township 18 South, Range 8 West  
17 Sections 24 and 26

18  
19 Township 19 South, Range 7 West  
20 Section 14

21  
22 Township 19 South, Range 8 West  
23 Sections 2, 10, 15 and 16

24  
25 The previously granted temporarily abandoned status expires on August 30, 2002,  
26 and Energen Resources Corporation is requesting this Board to grant a one year  
27 extension of the temporarily abandoned status beginning August 30, 2002 because  
28 all of the wells in the aforementioned Sections have future utility and should not be  
29 plugged.

30  
31 21. DOCKET NO. 8-28-02-9

32 Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an  
33 Alabama corporation, requesting the Board to further address the Temporarily  
34 Abandoned Status for 134 wells, 34 wells which are operated by Land and  
35 Natural Resource Development, Inc. and 100 wells which are operated by TECO  
36 Coalbed Methane, Inc., all of which are located in the Moundville Coal  
37 Degasification Field, Tuscaloosa and Hale Counties, Alabama. The Board has  
38 addressed the status of these wells in Board Order 2002-137(1), and in said order  
39 stayed prior Order Nos. 2001-85 and 2001-162 to the extent that such orders  
40 required plugging and abandonment of all wells by August 31, 2002. Petitioner

1 desires to resume operation and asks the Board to extend the temporarily  
2 abandoned status of these wells, because they have future utility. These wells are  
3 located in the following sections:

4  
5 Township 23 North, Range 3 East  
6 Sections: 13, 24

7  
8 Township 23 North, Range 4 East  
9 Sections: 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 28, 29, 30

10  
11 Township 23 North, Range 5 East  
12 Sections: 1, 3, 4, 5, 7, 8, 9, 15, 16, 17, 18, 19, 20

13  
14 Township 24 North, Range 4 East  
15 Sections: 24, 25

16  
17 Township 24 North, Range 5 East  
18 Sections: 19, 30, 31

19  
20 22. DOCKET NO. 8-28-02-10

21 Petition by CASTLE EXPLORATION CO., INC., a foreign corporation authorized  
22 to do and doing business in the State of Alabama, requesting the State Oil and Gas  
23 Board to enter an order amending Rule 2 of the Special Field Rules for the Deerlick  
24 Creek Coal Degasification Field, Tuscaloosa County, Alabama to add the Northeast  
25 Quarter of the Southeast Quarter; the Northwest Quarter of the Southeast Quarter;  
26 the Northeast Quarter of the Southwest Quarter; the Northwest Quarter of the  
27 Southwest Quarter; and the Southwest Quarter of the Southwest Quarter, all in  
28 Section 35, and the Northwest Quarter of the Southwest Quarter of Section 36, all in  
29 Township 20 South, Range 9 West, Tuscaloosa County, Alabama, to the field limits  
30 of said field.

31  
32 This petition is a companion to petition bearing Docket No. 8-28-02-11 requesting  
33 establishment of a partial field-wide unit to be known as Unit I of the Deerlick  
34 Creek Coal Degasification Field and Docket No. 8-28-02-12 requesting  
35 establishment of a partial field-wide unit to be known as Unit II of the Deerlick  
36 Creek Coal Degasification Field.

37  
38 23. DOCKET NO. 8-28-02-11

39 Petition by CASTLE EXPLORATION CO., INC., a foreign corporation authorized  
40 to do and doing business in the State of Alabama, requesting the State Oil and Gas  
41 Board to enter an order pursuant to Sections 9-17-1 through 9-17-33 and 9-17-80

through 9-17-88, *Code of Alabama* (1975) approving and establishing a partial field-wide Unit, to be known as Unit I of the Deerlick Creek Coal Degasification Field, Tuscaloosa County, Alabama, consisting of the hereinafter described "Unit Area" in said field, and requiring the operation of said Unit Area as a single Unit in order to avoid the drilling of unnecessary wells, increase the efficiency of operations and improve the ultimate recovery of occluded natural gas from the Unitized Formation, as hereinafter defined, and avoid waste. The "Unitized Formation" is to be designated as the Pottsville Coal Interval and is defined as the productive coal seams found between the depths of 595 feet and 2,767 feet as encountered in the Ramsay McCormack 35-5 Well, Permit No. 11228-C, located in Section 35, Township 20 South, Range 9 West, Tuscaloosa County, Alabama, as indicated on the density log of said well, and all zones in communication therewith and all productive extensions thereof, including any coal seam stringer that might occur within a depth of either 80 feet above or 80 feet below the Pottsville Coal Interval, and including those coal seams which can be correlated therewith. Petitioner further seeks approval of the Unit Agreement and Unit Operating Agreement, as ratified, in accordance with Section 9-17-84, *Code of Alabama* (1975), and approval of the amendments to the Special Field Rules for the Deerlick Creek Coal Degasification Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

Petitioner further seeks entry of an order unitizing, pooling and integrating the Unit Area, as underlain by the above defined unitized formation so as to require all owners or claimants of royalty, overriding royalty, mineral, and leasehold interests within the Unit Area to unitize, pool and integrate their interests and develop their lands or interests as a Unit, and designating Castle Exploration Co., Inc. as operator of the Unit Area in accordance with the laws of Alabama. The proposed Unit Area, to be designated Unit I, consisting of 157 acres, more or less, and described as follows: East Half of the Southeast Quarter of Section 34; and the West Half of the Southwest Quarter and the Northeast Quarter of the Southwest Quarter of Section 35, all in Township 20 South, Range 9 West, Tuscaloosa County, Alabama, in the Deerlick Creek Coal Degasification Field, less and except from the above described property all of those certain lands condemned by the United States of America for the Holt Lock & Dam Project as described in Deed Book 510 at Page 343 of the records of the Probate Judge of Tuscaloosa County, Alabama.

This petition is a companion to petition bearing Docket No. 8-28-02-10 to add acreage to the Deerlick Creek Coal Degasification Field.



24. DOCKET NO. 8-28-02-12

Petition by CASTLE EXPLORATION CO., INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Sections 9-17-1 through 9-17-33 and 9-17-80 through 9-17-88, *Code of Alabama* (1975) approving and establishing a partial field-wide Unit, to be known as Unit II of the Deerlick Creek Coal Degasification Field, Tuscaloosa County, Alabama, consisting of the hereinafter described "Unit Area" in said field, and requiring the operation of said Unit Area as a single Unit in order to avoid the drilling of unnecessary wells, increase the efficiency of operations and improve the ultimate recovery of occluded natural gas from the Unitized Formation, as hereinafter defined, and avoid waste. The "Unitized Formation" is to be designated as the Pottsville Coal Interval and is defined as the productive coal seams found between the depths of 595 feet and 2,767 feet as encountered in the Ramsay McCormack 35-5 Well, Permit No. 11228-C, located in Section 35, Township 20 South, Range 9 West, Tuscaloosa County, Alabama, as indicated on the density log of said well, and all zones in communication therewith and all productive extensions thereof, including any coal seam stringer that might occur within a depth of either 80 feet above or 80 feet below the Pottsville Coal Interval, and including those coal seams which can be correlated therewith. Petitioner further seeks approval of the Unit Agreement and Unit Operating Agreement, as ratified, in accordance with Section 9-17-84, *Code of Alabama* (1975), and approval of the amendments to the Special Field Rules for the Deerlick Creek Coal Degasification Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

Petitioner further seeks entry of an order unitizing, pooling and integrating the Unit Area, as underlain by the above defined unitized formation so as to require all owners or claimants of royalty, overriding royalty, mineral, and leasehold interests within the Unit Area to unitize, pool and integrate their interests and develop their lands or interests as a Unit, and designating Castle Exploration Co., Inc. as operator of the Unit Area in accordance with the laws of Alabama. The proposed Unit Area, to be designated Unit II, consisting of 263 acres, more or less, and described as follows: The East Half of the Northeast Quarter; Southwest Quarter of the Northeast Quarter; North Half of the Southeast Quarter of Section 35; and the Northwest Quarter; Northwest Quarter of the Southwest Quarter of Section 36, all in Township 20 South, Range 9 West, Tuscaloosa County, Alabama, in the Deerlick Creek Coal Degasification Field, less and except from the above described property all of those certain lands condemned by the United States of America for the Holt Lock & Dam Project as described in Deed Book 510 at Page 343 of the records of the Probate Judge of Tuscaloosa County, Alabama.

1 This petition is a companion to petition bearing Docket No. 8-28-02-10 to add  
2 acreage to the Deerlick Creek Coal Degasification Field.

3  
4 The meetings of the State Oil and Gas Board are public meetings, and members of  
5 the public are invited to attend and present their position concerning this  
6 petition(s). Requests to continue or oppose a petition should be received by the  
7 Board at least two (2) days prior to the hearing. For additional information, you  
8 may contact the State Oil and Gas Board, P. O Box 869999, Tuscaloosa, Alabama  
9 35486-6999, Telephone Number 205/349-2852, Fax Number 205/349-2861, or by  
10 email at petitions@ogb.state.al.us.

11  
12 DR. OLTZ: The Hearings Reporter has received and compiled proofs of publication of  
13 the items to be heard today. The Hearing Officer and the staff heard certain items at the Hearing  
14 Officer meeting and at this time the Hearing Officer will make his report to the Board.

15 MR. ROGERS: Mr. Chairman, Mr. Dampier and Mr. Metcalfe, I have a written report of  
16 the items heard by the Hearing Officer and the staff on Wednesday, August 28, 2002. Copies of  
17 the report are available for members of the public to review and study. I recommend the report  
18 be adopted by the Board.

19 MR. DAMPIER: Move.

20 MR. METCALFE: Second.

21 CHMN. MCCORQUODALE: All in favor say "aye."

22 (All Board members voted "aye")

23 CHMN. MCCORQUODALE: "Ayes" have it.

24 MR. ROGERS: I recommend that the report be made a part of the record.

25 (Whereupon, the Hearing Officer Report  
26 was received in evidence)

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1 CHMN. MCCORQUODALE: That request is granted.

2 DR. OLTZ: Mr. Chairman, the staff would recommend approval of the minutes of the  
3 following meetings: June 28, 2002, emergency Hearing Officer meeting; July 10, 2002, Hearing  
4 Officer meeting; July 12, 2002, Board meeting; and July 12, 2002, emergency Board meeting.

5 MR. METCALFE: Move.

6 MR. DAMPIER: Second.

7 CHMN. MCCORQUODALE: All in favor say "aye."

8 (All Board members voted "aye")

9 CHMN. MCCORQUODALE: "Ayes" have it.

10 MR. ROGERS: The following items are set for hearing today: Item 10, Docket No. 5-  
11 29-02-8A, petition by Crosbys Creek Oil and Gas LLC; Item 14, Docket No. 8-28-02-2, petition  
12 by Phillips Petroleum Company. Actually, that would be Items 14, 15, 16, 17, 18 & 19, all  
13 petitions by Phillips Petroleum Company, Docket Nos. 8-28-02-2 through 8-28-02-7. The first  
14 item then will be Item 10, Docket No. 5-29-02-8A, amended petition by Crosbys Creek Oil and  
15 Gas, LLC.

16 MR. WATSON: Mr. Chairman, I have one witness and would like to have him sworn in,  
17 please, sir.

18 MR. ROGERS: Sir, would you stand and state your name and address?

19 MR. KENNEDY: Foster Kennedy, 306 Club Park Drive, Aberdeen, Mississippi.

20 (Witness was sworn by Mr. Rogers)

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1 MR. WATSON: Mr. Chairman, I have prefiled an amended affidavit of notice that I  
2 would like admitted into the record of this hearing.

3 CHMN. MCCORQUODALE: The affidavit is admitted.

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

5 MR. WATSON: We have amended the petition and the notice for force pooling without  
6 imposition of the risk compensation fee for a unit in the Copeland Gas Field, the Curlee 31-13  
7 No. 1 well. This is on a 640-acre unit. You have heard testimony in previous hearings about  
8 Crosbys Creek's intent to go back into two wells at Crosbys Creek and drill horizontal holes in  
9 an attempt to re-establish production. The production from those wells has almost ceased. You  
10 also heard in the testimony of Jim Stephens that we are trying to recomplete these wells before  
11 the Phillips plant at Chatom ceases to function when they lose their production. So, we are here  
12 today requesting force pooling without risk compensation. We have outstanding in this 640-acre  
13 unit 59.18 net mineral acres. My witness, Mr. Kennedy, is the landman who has examined the  
14 record concerning this 640-acre tract in Washington County.

15 MR. KENNEDY: That's correct, under my direction.

16 MR. WATSON: All right, sir. You have appeared before the Board and have on file an  
17 affidavit of your qualifications as a petroleum landman, do you not?

18 MR. KENNEDY: I do.

19 MR. WATSON: I tender Mr. Kennedy as an expert witness for giving testimony in this  
20 item, Mr. Chairman.

21 CHMN. MCCORQUODALE: He is so recognized.

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1 MR. WATSON: I had prefiled an affidavit of testimony of Mr. Kennedy in view of the  
2 fact that this was a force pooling without risk compensation. It's normally your procedure to  
3 accept the affidavits of testimony in these circumstances without the witness. I have brought Mr.  
4 Kennedy over here today due to the staff's concern about some language in the affidavit of  
5 testimony relative to his search to locate four parties that are named in his affidavit. I am at your  
6 discretion, Mr. Chairman, to go into the details of the due diligence to find those parties or I can  
7 submit this on the affidavit of testimony. It's up to you, sir.

8 CHMN. MCCORQUODALE: Why don't you just briefly get him to summarize what he  
9 did in trying to locate those four?

10 MR. WATSON: All right, sir.

11 FOSTER KENNEDY

12 Appearing as a witness on behalf of Petitioner, Crosbys Creek Oil and Gas LLC, testified  
13 as follows:

14 DIRECT EXAMINATION

15 Questions by Mr. Watson:

16 Q. Mr. Kennedy, would you please give the Board a summary of your due diligent efforts to  
17 locate these four parties, name them, please, and tell us what you have done.

18 A. One of them is a gentleman, Fred Endom. Mr. Endom we could tell was a professional  
19 mineral owner. These are minerals owned in Washington County, Alabama. I had under  
20 my direction at various times three different landmen which all had over 20 years  
21 experience in dealing with unfound owners. Initially on Mr. Endom we searched the

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1 records of Washington County to try to determine what might have happened to him. He  
2 purchased these minerals with other parties in Laurel, Mississippi. I had a landman in  
3 that area contact some of the people who suggest they remembered Mr. Endom. They  
4 thought he had moved to Jackson, Mississippi. We in turn did a search of the records  
5 there and didn't really find anything on him but got a lead through an heir and  
6 interviewed his grandson and granddaughter. It was determined that Mr. Endom had  
7 married a second time. He had died. We're not sure at that time whether he died with or  
8 without a will but his second wife moved to the Atlanta area and was not heard from  
9 again. We later found a probate on Fred Endom in Hines County, Mississippi, and  
10 determined that June Gaskins Endom was his widow of which he left all of his estate to.  
11 We have searched the Atlanta area phone listings and other Internet data base searches  
12 for any Endom to try to get a lead. We never found anything. O. L. Brase was also a part  
13 of this unfound interest or unlocatable[sic] interest. The people in Laurel said they  
14 thought Mr. Brase had moved to Texas. We went back to the record room in Washington  
15 County to try to determine if there was anything else Mr. Brase may have been a part of  
16 or another way that we might locate him through some activity there and found nothing.  
17 We ran data base searches for Brases in Texas and interviewed other industry landmen,  
18 professional people, and were not able to find anything on O. L. Brace. The last we  
19 heard they thought he had moved to Texas. Lora Swank was the widow of Clarence  
20 Swank, the successor of his interest. She had lived in Gainesville, Texas. Her daughter  
21 was Betty Wakeland who we had an address for. We mailed letters to Betty Wakeland to

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1 try to determine what had happened to Lora Swank. The letters were not returned. We  
2 mailed lease and letter and got no response. We in turn did the force pooling letter sent  
3 to the same address. It was not returned and we were never able to find anything on  
4 Betty Wakeland. Henry Toler was an owner that we had been told was part of this Laurel  
5 group and that he had moved to the Jackson area. Harold Kennedy interviewed a Henry  
6 Toler living in the Washington County area and said that he was not part of the same  
7 Toler's and knew nothing of this particular Henry Toler. We contacted a Dr. Toler in  
8 Jackson which we believed that there was a relationship there. Mr. Toler said he was not  
9 familiar with Henry Toler.

10 Q. Do you mean Dr. Toler?

11 A. Dr. Toler said he was not familiar with Henry Toler. There were some other Toler's  
12 contacted there and none of them had knowledge of this particular Henry Toler.

13 Q. Now, when you mentioned that you checked databases, we put that in our affidavit. The  
14 staff inquired of me what that entailed. Why don't you tell them the routine databases or  
15 indices that you and your brokers run through when you are trying to find these people.

16 A. You've got several and some of them use different ones than I use. Harold notes here  
17 that he went through the Internet Explorer and Verizon and also Yahoo.com as far as any  
18 kind of directory or name search databases. In doing that, he also went through phone  
19 listings outside the Internet as far as trying to call and make contact and was not able to  
20 secure any other leads other than what I have already disclosed.

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1 Q. I informed you that the staff had found a Henry Toler in Silverhill, Alabama. Is it true  
2 that we determined that this Henry Toler is no relation to the Henry Toler that has an  
3 ownership in Washington County?

4 A. That's correct.

5 Q. I even talked to his wife myself, Mr. Chairman, and they have always lived in Baldwin  
6 County. They came there from Elmore County. So, is it your testimony then that these  
7 four unlocated parties that you feel like have an interest in this 640-acre tract, that you  
8 and those brokers working under your supervision and control have, in accordance with  
9 the rules of this Board, exercised reasonable diligence in an effort to determine those  
10 parties and those efforts have been unsuccessful. Is that a fair statement?

11 A. That is correct.

12 Q. Is it also your understanding, Mr. Kennedy, that if those reasonably, diligent efforts fail  
13 to come up with these parties that under Rule 400-7-1-.112(i)(2) of the Oil and Gas Board  
14 Administrative Code that those persons are deemed to have been served by the  
15 publication notice after those reasonably diligent efforts are made?

16 A. Yes sir.

17 Q. Is it your testimony that the approval of the force pooling without risk compensation will  
18 promote orderly development in this 640-acre unit, prevent waste, and protect coequal  
19 and correlative rights?

20 A. Yes sir.



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1 MR. WATSON: Mr. Chairman, I would ask that you receive into the record of this  
2 hearing the affidavit of testimony that was prefiled by Mr. Kennedy.

3 CHMN. MCCORQUODALE: The affidavit is admitted.

4 (Whereupon, the affidavit was received in evidence)

5 MR. WATSON: I submit him to you and the staff for any questions you have.

6 CHMN. MCCORQUODALE: Are there any questions?

7 MR. DAMPIER: I have just one question. Is this just a mineral interest owner that we  
8 are talking about?

9 MR. KENNEDY: Yes it is.

10 MR. DAMPIER: Mr. Chairman, I move that this petition is granted.

11 CHMN. MCCORQUODALE: All in favor say "aye."

12 (All Board members voted "aye")

13 CHMN. MCCORQUODALE: "Ayes" have it. Thank you.

14 MR. ROGERS: The next item is Item 14, Docket No. 8-28-02-2, petition by Phillips  
15 Petroleum Company.

16 MR. WATSON: I have one witness on these items, Mr. Chairman, and if we could  
17 consolidate these I will move through them a little faster.

18 CHMN. MCCORQUODALE: We will do so.

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

20 MR. HUTCHINGS: Steve Hutchings, Tuscaloosa, Alabama.

21 (Witness was sworn by Mr. Rogers)

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1 MR. WATSON: Mr. Chairman, I would offer into evidence the prefiled affidavits of  
2 notice in these consolidated items for Phillips Petroleum Company.

3 CHMN. MCCORQUODALE: The affidavits are admitted.

4 (Whereupon, the affidavits were received in evidence)

5 MR. WATSON: I have also prefiled green cards. Let me say this at the outset that the  
6 next items that you will hear, save and except for Docket No. 8-28-02-7, are all force poolings  
7 with the imposition of the risk compensation fee. I have some paperwork to clear up with you at  
8 the outset before we go through the testimony. As you know, Mr. Chairman and members of the  
9 Board, we have to prefile under the statute the green cards indicating that we have complied with  
10 the requirements of the statute by sending information out to the parties that we seek to impose  
11 the risk compensation penalty. In the first docket item to be heard, 8-28-02-2, I have an  
12 additional green card that came in yesterday that I would like to hand up.

13 STEVE HUTCHINGS

14 Appearing as a witness on behalf of Petitioner, Phillips Petroleum Company, testified as  
15 follows:

16 DIRECT EXAMINATION

17 Questions by Mr. Watson:

18 Q. Now, Mr. Hutchings, this first item deals with the Hausman 4-9-294 well in Section 4 of  
19 17 South, 9 West, Tuscaloosa County. It's on an 80-acre unit consisting of the North  
20 Half of the Southeast Quarter of Section 4 in the Blue Creek Coal Degasification Field,

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1 Tuscaloosa County, Alabama. Are you familiar with the ownership and title in that 80-  
2 acre unit?

3 A. Yes sir.

4 Q. We have stated in our petition that we have in that 80-acre unit approximately 3.14 net  
5 mineral acres or 3.93 percent of the unit that have not voluntarily agreed to pool their  
6 interest for the purpose of drilling a unit. Is that correct?

7 A. That's correct as of the filing of the petition. Since that time Mr. May has agreed to lease  
8 and his lease was delivered to the office late Wednesday afternoon. We have also had  
9 one individual, Cindy Lou Quinn Westoby, fax the office late yesterday with her electing  
10 to participate in the drilling of this well along with the other well. So, that has affected  
11 the ownership, the outstanding ownership as of this morning.

12 Q. So, the interest that I've just read into the record based on the petition has been reduced  
13 by the consents or the agreements to participate by other parties. Is that correct?

14 A. Correct, yes sir.

15 Q. On the affidavit of notice that I have prefled we have listed several names and addresses  
16 there and all of those persons have either returned a green card which we have filed now  
17 with the Board or have agreed to lease or participate. Is that correct?

18 A. That's correct.

19 Q. Let's go to the next item, the next petition. This is for the force pooling, with the  
20 imposition of the risk compensation fee, for the Hausman 4-15-293 well on an 80-acre  
21 unit consisting of the South Half of the Southeast Quarter of Section 4.

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1 MR. ROGERS: Mr. Watson, let me keep track of this. Let's see, on the first item the  
2 Hausman 4-9-294 well, this is the one that the original letter went out. Didn't you send an  
3 amended letter?

4 MR. HUTCHINGS: An amended letter. The location had to be amended.

5 MR. ROGERS: I see the letter here from Mr. May. It has an amended location or  
6 change of location.

7 MR. WATSON: I was going to get into that when I go into the questions on these things.  
8 I'm just trying to get these---

9 MR. ROGERS: I'm just getting confused here. So, you are going to address that?

10 MR. WATSON: I'm going to address the amended. I'm just trying to get all the folks  
11 that are noticed cleared up first with the green cards.

12 MR. ROGERS: All right. Please address that.

13 Q. Let's go to the next well unit, Mr. Hutchings. That's Docket No. 8-28-02-3A for an 80-  
14 acre unit consisting of the South Half of the Southeast Quarter of Section 4, Township 17  
15 South, Range 9 West, in the Blue Creek Coal Degasification Field, Tuscaloosa County.  
16 We do not have-- all of the interest owners in that unit have not agreed. Is that correct?

17 A. That is correct.

18 Q. Have we filed green cards on all of those parties? Have they either all returned green  
19 cards or have either agreed to participate?

20 A. Yes sir.

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1 Q. All right, so we've got all of those people properly noticed. Let's go to the next one.  
2 This is Docket No. 8-28-02-4, the Hausman 4-3-289 well which is on an 80-acre unit  
3 consisting of the North Half of the Northwest Quarter of that same Section 4 in the Blue  
4 Creek Coal Degasification Field. We have outstanding interest in that unit that have not  
5 agreed to participate or pool their interest. Is that correct?

6 A. That's correct.

7 Q. Have all the parties listed on the affidavit of notice either returned green cards or agreed  
8 to participate or lease their interest?

9 A. Yes sir.

10 Q. So, it's effective notice on that one. The next one is Docket No. 8-28-02-5 for an 80-acre  
11 unit consisting of the South Half of the Northwest Quarter of the same Section 4,  
12 Township 17 South, Range 9 West, in the Blue Creek Coal Degasification Field. There  
13 are outstanding interests in that unit that have not agreed to participate. Is that correct?

14 A. That's correct.

15 Q. Have all the parties listed on the affidavit of notice for this force pooling request with the  
16 risk compensation fee imposed either returned green cards or agreed to participate or  
17 lease?

18 A. Yes sir.

19 Q. Finally, we have the Hausman 4-11-291 well which is on an 80-acre unit consisting of the  
20 North Half of the Southwest Quarter of Section 4, same township and range, in the Blue

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1 Creek Coal Degasification Field. There are interests there that have not agreed. Is that  
2 correct?

3 A. That's correct.

4 Q. On the affidavit of notice for the imposition of the risk compensation fee and the force  
5 pooling of this tract, have all the parties either leased or returned their green cards?

6 A. Yes sir.

7 Q. I have one additional green card here from Cindy Lou Westoby that I am going to hand  
8 up for inclusion into this record. One of the key points in the force pooling with risk  
9 compensation is that in complying with the statutes that everyone either returned their  
10 green card or everyone leased or agreed to participate or farm out their interest or  
11 otherwise give control to the operator, Phillips Petroleum Company. It's your testimony  
12 that we have complied with that, is that correct?

13 A. Yes sir.

14 Q. Now, in sending out these letters to these parties that we are seeking to penalize, let's go  
15 back now to the first docket, 8-28-02-2, that's an amended docket. In the letters that we  
16 sent out with the particulars as to the cost of the well, the location of the well, did we  
17 change the location of that well after we sent it out?

18 A. Yes sir, that's correct.

19 Q. So your second letter went out to those persons. What was changed in that?

20 A. The distance from the South line in said Section 4 in the original letters dated July 29<sup>th</sup>  
21 indicated that it was 1,421 feet from the South line. The amended letter, the second

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1 notice, the location was placed at 1,471 feet from the South line. The second notice you  
2 will note, first paragraph, was all in bold type and the 1,471 it was bold as well to be  
3 readily ascertainable as to the change in the letter.

4 Q. The notices that we have just gone through in our testimony, all were pertaining to that  
5 amended location letter. Is that correct?

6 A. That's correct.

7 Q. All right. Let's then go to Docket No. 8-28-02-3.

8 MR. ROGERS: Do we have all the amended letters or do you need to submit some more,  
9 if we leave the record open?

10 MR. WATSON: We have all the amended letters and all the cards from those letters, Mr.  
11 Rogers.

12 A. Or leases in hand. For example, James May--I think Mr. Watson turned that in a minute  
13 ago. The same day we that got the green card his lease came in as well.

14 MR. ROGERS: We don't need to leave the record open for additional letters?

15 MR. HUTCHINGS: No sir.

16 MR. WATSON: We've got everything in.

17 Q. Now on Docket No. 8-28-02-3, the Hausman 4-15-293 well, was the location changed in  
18 that well?

19 A. No sir.

20 Q. So the original letter that went out with the green card had the correct location?

21 A. Correct, yes sir.

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1 Q. And those parties were properly noticed and either sent their cards back in leased or  
2 agreed to participate, correct?

3 A. That's correct.

4 Q. On the next one, the Hausman 4-3-289 well, was that letter amended?

5 A. No sir.

6 Q. So all those parties received the original notices with the correct location of the well?

7 A. Correct.

8 Q. On 8-28-02-5, that's the Hausman 4-6-290 well, was that location changed?

9 A. No sir.

10 Q. The first letter that went out to all those parties was correct and they have responded?

11 A. Yes sir.

12 Q. Finally, the 8-28-02-6 for the Hausman 4-11-291 well, was that location changed?

13 A. No sir.

14 Q. So they were all properly notified of the location of all the particulars that they are  
15 required to receive. They received them, correct?

16 A. Yes.

17 Q. Now, let's talk about what you sent out. I'm going to refer to all these items that we've  
18 consolidated for force pooling with risk compensation. Does Phillips Petroleum together  
19 with the other consenting owners in these units own a majority of interest in the drilling  
20 units and the operating rights in these proposed units?

21 A. Yes sir.



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1 Q. Have you made a good faith effort to negotiate with each of the nonconsenting owners to  
2 have their interest voluntarily pooled into the unit?

3 A. Yes sir.

4 Q. Have you notified each of the nonconsenting owners of record of the names of all the  
5 owners of drilling rights who have agreed to pool their interests or have you notified  
6 them that Phillips owns a majority of the interest?

7 A. Yes sir.

8 Q. Have you ascertained the addresses of each of the nonconsenting owners?

9 A. Yes sir.

10 Q. Have you given each nonconsenting owner written notice of the proposed operation,  
11 specifying the work to be performed, the proposed location, the proposed depth, the  
12 objective formation, and the estimated cost of the proposed operation for all of these  
13 wells?

14 A. Yes sir, that was included in our letters.

15 Q. Have you offered each nonconsenting owner the opportunity to lease or farm out on  
16 reasonable terms or to participate in the cost and the risk of developing and operating the  
17 unit well involved on reasonable terms for all these units?

18 A. Yes sir, again, that was included in the letter.

19 Q. Did you notify each of the nonconsenting owners in each of these petitions that if they  
20 did not pay their proportionate share of the drilling and completion costs within 30 days  
21 after commencement of actual drilling operations or prior to reaching total depth,

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1           whichever is earlier, that there shall be charged to the tract or interest a risk compensation  
2           fee equal to 150 percent of such tract's or interest's share of the actual and reasonable  
3           costs of drilling, reworking, testing, plugging back, deepening, and completing the well?

4   A.     Yes sir, again that was included in the letter.

5   Q.     Did you advise the nonconsenting owners that before commencement of actual drilling  
6           operations if they provide you with a notarized statement agreeing to pay their costs then  
7           in that case their tract or interest would not be penalized?

8   A.     Yes sir.

9   Q.     That's also in your letter, is it not?

10   A.    Yes sir, that's correct.

11   Q.     All right. Now, Mr. Hutchings, in your opinion, would the granting of these petitions  
12           force pooling these tracts and interests that we have outlined promote orderly  
13           development in the coal degasification fields to which these units apply and would waste  
14           be prevented?

15   A.     Yes sir.

16           MR. WATSON: Mr. Chairman, I ask that you receive into the record of this hearing all  
17           of the documentation relative to notice in these items which would include the green cards and  
18           the letters that were sent out to the parties.

19           CHMN. MCCORQUODALE: All of those items are admitted.

20                           (Whereupon, all the exhibits were received in evidence)

21           MR. WATSON: I tender my witness to you on these items.

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1 CHMN. MCCORQUODALE: Are there any questions of the witness?

2 STEVEN HUTCHINGS

3 EXAMINATION BY BOARD/STAFF

4 Questions by Mr. Rogers:

5 Q. The only question I have--to make sure this was covered--is the requirement that you  
6 negotiate in good faith with all the nonconsenting owners when you have the force  
7 pooling with risk compensation. Have you negotiated in good faith with the  
8 nonconsenting owners?

9 A. Yes sir. There have been numerous telephone conversations. All of these--most of these  
10 are still on the West Coast. There have been several conversations with all of them. We  
11 believe we will receive a couple of additional leases on, for instance, the Camilla Bennie  
12 Lou Ausmus Quinn interest and the Emily Diane Quinn Stallings interest. I talked to Mr.  
13 Stallings, Mrs. Stalling's husband, late Wednesday and he indicated that they would  
14 execute a lease and sign it, however, as of this morning it has not been received in our  
15 office. Therefore, we will treat it such as we did in the past that it would be leased and  
16 not subject to--you know, if it comes in shortly.

17 MR. ROGERS: Thank you.

18 MR. WATSON: I thank you for that question, Mr. Rogers. I think that's a point we need  
19 to make. If the lease comes in, just because we have asked the Board to impose the risk  
20 compensation fee, if it is in transient and later comes in, those parties are not penalized.

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1 Q. There is an ongoing effort to try to give those parties, is there not, a reasonably diligent  
2 effort?

3 A. In fact, one or two may decide to participate again. That indication has not arrived at the  
4 office.

5 Q. That means that we have to leave them on this in order to file the affidavit of ownership  
6 and control?

7 A. Correct.

8 MR. WATSON: That's all we have on these items, Mr. Chairman.

9 MR. ROGERS: Just for the record, Mr. Chairman, we have heard all of Items 14, 15, 16,  
10 17, 18 & 19, all petitions by Phillips Petroleum Company. That record is complete.

11 MR. WATSON: We have not heard Item 19. That's a force pooling without risk  
12 compensation.

13 MR. ROGERS: Okay. So we need to vote on 14 through 18.

14 MR. WATSON: Correct.

15 MR. METCALFE: Mr. Chairman, I move that we approve all of the petitions.

16 CHMN. MCCORQUODALE: Second. All in favor say "aye."

17 (Board members McCorquodale and Metcalfe voted "aye")

18 MR. ROGERS: Item 19, Docket No. 8-28-02-7, is another petition by Phillips Petroleum  
19 Company for force pooling without risk compensation.

20 MR. WATSON: That's correct, Mr. Rogers. I have prefiled an affidavit of notice in this  
21 matter, Mr. Chairman, and would like for it to be admitted into the record.

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1 CHMN. MCCORQUODALE: It is admitted.

2 (Whereupon, the affidavit was received in evidence)

3 MR. WATSON: This is requesting the force pooling, as you have said, without risk  
4 compensation on a 40-acre tract consisting of the Northwest Quarter of the Southeast Quarter of  
5 Section 30, Township 17 South, Range 9 West, in the Blue Creek Coal Degasification Field,  
6 Tuscaloosa County, Alabama.

7 STEPHENS HUTCHINGS

8 Appearing as a witness on behalf of Petitioner, Phillips Petroleum Company, testified as  
9 follows:

10 DIRECT EXAMINATION

11 Questions by Mr. Watson:

12 Q. Mr. Hutchings, you remain under oath. You are familiar with the title on this tract, are  
13 you not?

14 A. Yes sir.

15 Q. You have outstanding tracts or interests that have not, as of today, agreed to voluntarily  
16 participate in the drilling of this well. Is that correct?

17 A. That is correct.

18 Q. As of the filing of this petition we had two net mineral acres or approximately five  
19 percent of the unit that have not agreed to participate. Is that approximately correct?

20 A. That is correct.

21 Q. Can you tell us what efforts you have made to contact those parties?

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1 A. Let me make one statement. We have a lease from Chevron on the entire 40-acre unit.  
2 Our title work indicates that these two acres may be owned. We believe it is owned by  
3 the heirs of J. N. Olive. J. N. Olive's minerals were severed from the surface effectively  
4 in 1906. We have conducted searches, again the Internet and the Courthouse in Fayette,  
5 Walker and Tuscaloosa Counties. We have located one branch of the heirs of J. N. Olive.  
6 It is possible that there are additional heirs. They are lending some assistance to try and  
7 help run those down but as of this date, you know, I cannot advise with any degree of  
8 certainty names and addresses of any additional heirs. So, we are trying to proceed on. If  
9 it were determined that Chevron had or owns the two net mineral acres that we are  
10 attributing to J.N. Olive, then it's already under lease and ready to be developed. In my  
11 title search I did find, and there is an incentive for us to continue to locate the heirs, I  
12 found an additional 40-acre tract that the Olive heirs would also, we believe, at least by  
13 our cursory review, own the minerals under that. So there is an additional incentive there  
14 for Phillips to, at least in my mind, obtain leases covering their interest under the 42  
15 acres.

16 Q. Another tract that could be drilled at a later date, if you were successful.

17 A. That's correct, yes sir.

18 Q. So you could have, based on the lease from Chevron on the entire 40 acres, except for  
19 your title search, you could have filed a permit application based on that and had the well  
20 permitted and drilled, could you not?

21 A. That's correct, yes sir.

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1 Q. But the title information indicated that there is a possible two acre title conflict there and  
2 that's what you have attempted to cure up by locating folks. You heard me earlier talk  
3 about the reasonably diligent search to find parties. I take it from your testimony that you  
4 feel like you have made a reasonably diligent search. I also point out for the record that  
5 notice of this item has appeared in the newspaper, a legal notice. It is that constructive  
6 notice of this item that the rule speaks to as to the catch-all or the protective clause for  
7 those parties that you cannot location. You are familiar with that process?

8 A. Yes sir.

9 Q. In your opinion would the granting of this petition force pooling the outstanding tracts  
10 and interests that you claim have a title conflict, would that promote orderly  
11 development, prevent waste, and protect correlative rights?

12 A. Yes sir.

13 MR. WATSON: I tender Mr. Hutchings to you for any questions you have on this item.

14 CHMN. MCCORQUODALE: Are there any questions?

15 MR. METCALFE: Mr. Chairman, I move we approve the petition.

16 CHMN. MCCORQUODALE: Second. All in favor say "aye."

17 (Board members McCorquodale and Metcalfe voted "aye")

18 CHMN. MCCORQUODALE: "Ayes" have it.

19 MR. WATSON: Thank you, sir. That's all we have.

20 CHMN. MCCORQUODALE: That concludes all of the items on the agenda. Mr.

21 Rogers, do you have a proposal to read into the record?

1 MR. ROGERS: Yes sir. I have a Resolution that the staff would propose for  
2 consideration by the members of the Board. This relates to Dr. Don Oltz who will be retiring.  
3 Should I read it, Mr. Chairman?

4 CHMN. MCCORQUODALE: Please.

5  
6  
7  
8 **RESOLUTION**

9 **KNOW ALL MEN BY THESE PRESENTS**

10  
11 **WHEREAS**, Donald F. Oltz has served the State of Alabama admirably  
12 in the position of State Geologist and State Oil and Gas Supervisor since August  
13 of 1996; and

14 **WHEREAS**, Donald F. Oltz has been only the seventh person to hold the  
15 position of State Geologist of Alabama in the one hundred fifty-four year history  
16 of the Geological Survey of Alabama and has been only the fifth person to serve  
17 as State Oil and Gas Supervisor for the State Oil and Gas Board in its history; and

18 **WHEREAS**, during the tenure of Donald F. Oltz as State Oil and Gas  
19 Supervisor, the petroleum industry in Alabama has prospered, and the State is  
20 recognized nationally as a major oil and gas producing state and is now ranked  
21 15<sup>th</sup> nationally in the production of liquid hydrocarbons and 9<sup>th</sup> among the states  
22 in the production of natural gas, with production now exceeding 400 billion cubic  
23 feet annually; and

24 **WHEREAS**, Donald F. Oltz has led important nationwide discussions and  
25 has briefed congressional members on the issues related to the hydraulic  
26 fracturing of coalbeds, and under his direction the Board revised its Underground



1 Injection Control Program relating to hydraulic fracturing and successfully  
2 defended its program in the court system; and

3 **WHEREAS**, Donald F. Oltz has provided distinctive service to our state  
4 and nation by promoting the continued development of the petroleum resources in  
5 the Gulf of Mexico region through his active service as Chairman of the U.S.  
6 Department of the Interior Outer Continental Shelf (OCS) Policy Committee; and

7 **WHEREAS**, Donald F. Oltz has promoted the use of modern technology  
8 in well spacing and oil and gas development during his six years of service as Oil  
9 and Gas Supervisor, during which time more than 1,700 petroleum exploration  
10 wells have been permitted in the state; and

11 **WHEREAS**, during the tenure of Donald F. Oltz as State Oil and Gas  
12 Supervisor, new state-of-the-art oil and gas regulations were developed for the  
13 State of Alabama, including stand-alone regulations for Onshore, Offshore, and  
14 Coalbed Methane, and entirely new sections of regulations were established for  
15 Reservoir Gas Storage and Solution-Mined Cavity Gas Storage; and

16 **WHEREAS**, Donald F. Oltz has provide important services to his country  
17 and has brought honor to the State of Alabama by providing leadership in  
18 international programs and by sharing regulatory and technical expertise to  
19 enhance the development of oil and gas resources in developing countries,  
20 including Ukraine, Kazakhstan, and other countries of the former Soviet Union.

21 **NOW, THEREFORE, BE IT RESOLVED BY THE STATE OIL**  
22 **AND GAS BOARD OF ALABAMA** that Gaines C. McCorquodale, Chairman  
23 of the Board, Matthew S. Metcalfe and M. Stephen Dampier, Members of the  
24 Board, express the gratitude of the Board and its staff and, on behalf of the  
25 citizens of Alabama, appreciation to Donald F. Oltz for his years of dedicated  
26 service as State Oil and Gas Supervisor by incorporating this Resolution into the  
27 official minutes of the hearing of the State Oil and Gas Board.  
28

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1 CHMN. MCCORQUODALE: Is there a move for the adoption of the Resolution?

2 MR. METCALFE: So move, Mr. Chairman

3 MR. DAMPIER: Second.

4 CHMN. MCCORQUODALE: All in favor say "aye."

5 (All Board members voted "aye")

6 CHMN. MCCORQUODALE: That concludes the regular meeting of the State Oil and

7 Gas Board.

8 (Whereupon, the hearing was adjourned at 10:42)

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 Friday, August 30, 2002, in the Board Room of the State Oil and Gas Board Building, University of Alabama Campus, Tuscaloosa, Alabama, I reported the proceedings before the State Oil and Gas Board in Regular Session; that the foregoing 39 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