1	STATE OIL AND GAS BOARD OF ALABAMA			
2	TUSCALOOSA, ALABAMA			
3	SEPTEMBER 23, 2014 ORIGINAL			
4				
5	Testimony and proceedings before the			
6	Hearing Officer, Marvin Rogers, before the State			
7	Oil and Gas Board of Alabama, University of			
8	Alabama, W. B. Jones Hall, 420 Hackberry Lane,			
9	Tuscaloosa, Alabama, pursuant to adjournment, on			
10	this the 23rd day September, 2014, before Sheri			
11	G. Connelly, RPR, CCR.			
12				
1 2 2				
13	APPEARANCES			
14	APPEARANCES S. Marvin RogersGeneral Counsel			
14	S. Marvin RogersGeneral Counsel			
14	S. Marvin Rogers			
14 15 16	S. Marvin Rogers			
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14 15 16 17 18 19 20	S. Marvin Rogers			

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- MR. ROGERS: This hearing is in
- 2 session. Dr. Tew, have the items for the
- 3 September 23rd and September 25th, 2014,
- 4 meetings been properly noticed?
- DR. TEW: The items on the September
- 6 23rd and the September 25th, 2014, docket have
- been properly noticed and the docket is due to
- 8 be admitted into the record.
- 9 MR. ROGERS: The Board's staff and I
- 10 have reviewed -- have received and compiled the
- proofs of publication for the items appearing on
- the docket for the first time. The proofs of
- publication received for the items on the
- September 23 and September 25, 2014, docket are
- admitted into the record. Furthermore, copies
- of the information posted on the website of the
- 17 Secretary of State announcing the meetings of
- the State Oil and Gas Board of Alabama on
- 19 September 23 and September 25, 2014, are also
- admitted into the record.
- I have an order of the State Oil and
- 22 Gas Board appointing me as hearing officer to
- conduct this hearing on behalf of the Board.

- 1 The order will be made a part of the record at
- 2 this time.
- The procedure for the meeting is as
- 4 follows: The hearing officer and the staff will
- 5 hear the -- will hear certain items on the
- 6 docket today, including primarily uncontested
- ⁷ items. The State Oil and Gas Board will hear
- 8 the recommendation -- recommendations of the
- 9 hearing officer, contested items, and certain
- other items beginning on ten o'clock a.m. on
- 11 Thursday, September 25, 2014, here in the office
- of the State Oil and Gas Board in Tuscaloosa.
- I will recommend that the following
- 14 petitions -- that the following petition be
- 15 dismissed:
- 16 Item 21, Docket Number 9-23-14-09A,
- petition by Sklar Exploration Company, LLC.
- I will recommend that the following
- 19 petitions be continued:
- Item one, Docket Number 6-16-14-03A,
- 21 petition by Mississippi Resources, LLC.
- Item two, Docket Number 6-16-14-04A,
- petition by Mississippi Resources, LLC.

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1
               Item three, Docket Number 6-16-14-05A,
2
    petition by Mississippi Resources, LLC.
3
               Item four, Docket Number 6-16-14-06A,
4
    petition by Mississippi Resources, LLC.
5
               Item five, Docket Number 6-16-14-12B,
    is a petition by Texas Petroleum Investment
6
7
    Company, Incorporated. We will recommend that
8
    that petition be continued with the stipulation
9
    that the temporary abandoned status for the well
    subject to the petition is extended to the next
10
11
    regularly scheduled hearing of the Oil and Gas
12
    Board.
              Item eight, Docket Number 6-16-14-18,
13
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- 14 is a petition by Texas Petroleum Investment
- 15 Company, Incorporated. Also, we will recommend
- 16 that that petition be continued with the
- 17 stipulation that the temporary abandoned status
- 18 for the Tocumen 1-3 one well, permit number
- 19 4060, be extended to the next regularly
- 20 scheduled hearing of the State Oil and Gas
- 21 Board.
- 22 Item ten, Docket Number 8-5-14-07, is
- 23 a petition by Black Warrior Methane Corporation.

- We will recommend that that petition be
- 2 continued in stipulation that the temporary
- 3 abandoned status and shut-in status for the well
- 4 subject to the petition be extended to the next
- 5 regularly scheduled hearing of the Board.
- 6 Item 11, Docket Number 8-5-14-08, is
- another petition by Black Warrior Methane
- 8 Corporation and we will recommend that that
- 9 petition be continued with a stipulation that
- the temporary abandoned status and shut-in
- 11 status for the well subject to the petition be
- extended to the next regularly scheduled meeting
- of the Board.
- The following items we will recommend
- 15 be continued:
- 16 Item 12, Docket Number 8-5-14-09,
- petition by Roundtree and Associates,
- 18 Incorporated.
- 19 Item 18, Docket Number 9-23-14-06,
- 20 petition by Pruet Production Company.
- 21 Item 22, Docket Number 9-23-14-10,
- 22 petition by Sklar Exploration Company, LLC.
- 23 Item 23, Docket Number 9-23-14-11,

- 1 petition by Sklar.
- 2 Item 26, Docket Number 9-23-14-14,
- 3 petition by Hughes Eastern Corporation, and Item
- 4 27, Docket Number 9-23-14-15, another petition
- by Hughes, so we'll recommend that those
- 6 petitions be continued.
- 7 The following three items are set for
- 8 the hearing by the Board on Thursday:
- 9 Item 6, Docket Number 6-16-14-16,
- petition by Pruet Production Company; Item 7,
- Docket Number 6-16-14-7, again a petition by
- Pruet; and Item 28, Docket Number 7-20-10-07,
- which is a motion by the Oil and Gas Board for
- 14 S. Lavon Evans to show cause why certain wells
- should not be plugged.
- Are there any corrections or comments
- on all of those recommendations?
- 18 (No response.)
- MR. ROGERS: All right. Then we will
- 20 proceed with the first item, except that Land
- 21 and Natural Resources Development, Incorporated,
- 22 and Venture Oil and Gas, Incorporated, have
- 23 agreed that Fletcher Petroleum Corporation may

- 1 proceed with its petition. So the first item we
- will hear, at least unless there's any objection
- 3 to that, we will proceed with Item 14. Is there
- 4 any objection to hearing Item 14, petition by
- ⁵ Fletcher Petroleum Corporation, first?
- 6 (No response.)
- 7 MR. ROGERS: Then we'll proceed with
- 8 that petition. Item 14, Docket Number
- 9 9-23-14-02, petition by Fletcher Petroleum
- 10 Corporation. Mr. Coleman.
- MR. COLEMAN: Mike Coleman for
- 12 Fletcher Petroleum Corporation.
- Mr. Rogers, this is a petition to
- enter an order approving an exceptional 160-acre
- wildcat drilling unit for the proposed Pate
- 16 14-15 well, said unit to consist of the
- southwest quarter of the southeast quarter and
- the southeast quarter of the southwest quarter
- of Section 14 and the northwest quarter of the
- 20 northeast quarter and the northeast quarter of
- the northwest quarter of Section 23, Township 3
- North, Range 13 East in Conecuh County, Alabama.
- The proposed drilling unit is an exception to

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Rule 400-1-2-.02(2)(b) of the State Oil and Gas
1
2
    Board of the Alabama Administrative Code, which
    requires that a 160-acre drilling unit be
3
4
    drilled on a governmental quarter section.
                                                  Τ
5
    have one witness, who is Mr. Robert Wood.
6
              MR. ROGERS: Good to have you with us,
7
    Mr. Wood.
8
              MR. WOOD:
                          Thank you, Mr. Rogers.
9
              MR. ROGERS: Are you doing all right?
10
              MR. WOOD: I appreciate you letting me
11
    use this and not sit at the table today and I
12
    appreciate Mr. Watson and Mr. Tyra letting me go
    first, so thank you.
13
14
              MR. ROGERS: Good to have you. Raise
15
    your right hand.
16
17
                       ROBERT WOOD,
18
              being first duly sworn, was
19
           examined and testified as follows:
20
21
              MR. ROGERS:
                            Thank you.
22
              MR. COLEMAN: I also appreciate you
    letting us go first.
23
```

1

4

- EXAMINATION BY MR. COLEMAN:

 Q. Would you state your name for the
 - 5 A. Robert Wood.

record, please?

- 6 Q. Mr. Wood, what is your occupation?
- 7 A. I'm a drilling geologist and also a
- 8 geophysicist. I am a consulting geologist with
- ⁹ Tom Joiner and Associates.
- Q. Do you have more than 34 years of
- 11 experience and have been recognized as an expert
- in geology and geophysics by the Board?
- 13 A. Yes, I am.
- 14 Q. And you have a statement of
- qualifications on file with them?
- 16 A. I do.
- MR. COLEMAN: I ask that he be
- 18 recognized as an expert in his field.
- MR. ROGERS: He's so recognized.
- MR. COLEMAN: Thank you.
- Q. (By Mr. Rogers) Mr. Wood, you've been
- 22 engaged by Fletcher Petroleum Corporation to
- assist in the preparation of exhibits and

- 1 testimony in this matter, have you not?
- A. I have.
- Q. Okay. And you have prepared and/or
- 4 directed the preparation of certain exhibits in
- 5 connection with this item; is that correct?
- 6 A. That is correct. I have seven
- ⁷ exhibits and an affidavit.
- 8 Q. All right.
- 9 MR. ROGERS: Do you want to handle the
- notice, Mr. Coleman? I wrote you a letter on
- 11 September 2, 2014, if you want to admit that
- directly in your affidavits related to notice.
- MR. COLEMAN: Yes, there was -- there
- 14 are several things that I would like to admit
- into the record. One is my affidavit of notice,
- which was filed on September 8, and then a
- supplemental affidavit of notice pursuant to
- your letter where you wanted landowners
- 19 identified by quarter quarter section in certain
- areas, and submitted with that supplemental
- 21 affidavit of notice is an affidavit of ownership
- of mineral rights, et cetera, by John B. Ross, a
- petroleum landman, which provides that

- ¹ information.
- MR. ROGERS: All right.
- MR. COLEMAN: And so I would ask that
- 4 those affidavits be admitted into the record.
- 5 Also, there is an affidavit of confidentiality
- on certain exhibits and we would ask that the
- 7 confidential exhibits pursuant to that affidavit
- 8 of Mr. Wood be treated as confidential in
- 9 accordance with Alabama law.
- MR. ROGERS: All right. The affidavit
- of notice is admitted. Your supplemental
- 12 affidavit of notice, the affidavit of John Ross,
- petroleum landman, and the affidavit of
- 14 confidentiality, all of those would be -- these
- will be A, B, C, D, and then my letter to you,
- 16 Mr. Coleman, will be E. Do you also want to
- admit the affidavit of Mr. Wood now too?
- MR. COLEMAN: Yes, I would like to --
- 19 I would like to admit the affidavit of testimony
- of Mr. Wood as well as his affidavit of
- 21 confidentiality.
- MR. ROGERS: All right. That will
- be -- that will be Exhibit F, so the affidavit

- of Mr. Wood would be Exhibit F.
- MR. COLEMAN: I would also like to
- admit into the record, since we're doing this at
- 4 this point, a letter from Benjamin Y. Ford of
- 5 the Armbrecht Jackson firm in Mobile
- 6 representing Sklar Exploration, LLC, in support
- of this matter, the letter dated September 10,
- 8 2014.
- 9 MR. ROGERS: Do you have a copy of
- that, Mr. Coleman?
- MR. COLEMAN: I do. The letter was
- written to you but I don't have an extra copy
- but I have the -- I have a copy in my file. Do
- you need it right now?
- MR. ROGERS: Yeah, if you have it.
- MR. COLEMAN: Okay.
- MR. ROGERS: That's admitted. That
- will be -- let's see, take your time -- that
- will be Exhibit G. That letter will be Exhibit
- ²⁰ G. All those items are admitted, A through G.
- MR. COLEMAN: All right, sir. Are you
- 22 ready to proceed?
- MR. ROGERS: Ready to proceed.

- 1 Q. (By Mr. Coleman) Mr. Wood, in
- 2 connection with the exhibits which you prepared,
- will you turn to those and let's just go through
- 4 them for the staff? Look at Exhibit Number 1.
- 5 A. Certainly.
- 6 Q. Describe what that is.
- A. Exhibit Number 1 is a location map
- 8 showing the location of this proposed wildcat
- 9 well in Conecuh and Escambia County. It's near
- the Escambia County line in the extreme
- 11 southeastern extension of Conecuh County. It is
- 12 located approximately four miles southeast of
- the Brooklyn Field and it is shown on this
- exhibit with a red circle and the yellow and
- qreen box showing the proposed unit. This
- location is in the southern portion of Section
- 17 14 and the northern portion of Section 23,
- 18 Township 3 North, Range 13 East.
- 19 I'd like to point out that this --
- this is the wildcat prospect. It being four
- miles southeast of the Brooklyn Field, it's not
- 22 expected to be an extension or contiguous
- production of the Brooklyn Field, and I would

- 1 like to point out that there are two dry holes
- that have been drilled between this location and
- 3 the Brooklyn Field. Fletcher drilled the
- 4 McMillan 15-4 well, state permit number 16604.
- 5 That well was nonproductive and had tight
- 6 Smackover. Malatex also drilled the Johnson
- 7 12-4 number one well, state permit number 11119,
- 8 in the northern part of Section 12. Both of
- ⁹ these are in the same township and neither one
- were successful tests.
- This is a separate and distinct
- 12 structure and prospect from any -- any other
- fields, as well as also located about four or
- 14 five miles west of the Mobley Creek Field. I
- did the regulatory work for Smacko and that
- was -- or Long Leaf when that was done. That's
- Haynesville sand and that's small and isolated
- and in no way in connection with this
- 19 prospect.
- Q. All right, sir. If you would look at
- 21 Exhibit Number 2. Identify that.
- 22 A. Exhibit Number 2 is our area map and
- 23 it better shows the irregular drilling unit that

- we are requesting today. The proposed Fletcher
- 2 Pate 14-15 well is shown located with the
- 3 bottomhole location being the red circle with
- 4 the yellow highlighted circle. The surface
- 5 location is the small square that's located
- 6 north northwest of the bottomhole location. The
- 7 proposed irregular drilling unit is outlined in
- 8 the green and yellow dashed line. That drilling
- 9 unit is irregular in -- in two different
- orientations, north south -- the northern part
- is in one section and the southern part of the
- proposed unit is in another section, and the
- western portion is in the west half of two
- 14 sections and the eastern portion of this unit is
- in the eastern half. So it's in regular
- drilling unit that we're requesting both north
- south and east west.
- 18 As you can see that the proposed
- bottomhole location is extremely close to the
- section line. The optimum location, we'll show
- you with other exhibits, happened to be only 50
- feet north of the section line, which would be
- 23 an extreme location and so we didn't believe

- 1 that it would work requesting this on the
- ² 40-acre wildcat drilling unit because it was
- 3 still an extreme location. We're requesting
- 4 this unit to consist of the southeast of the
- 5 southwest and the southwest of the southeast of
- 6 Section 14 and the northeast of the northwest
- and the northwest of the northeast of Section
- 8 23.
- The -- there's also a well proposed
- 10 location that's immediately to the east
- 11 southeast of this. That's the Sklar CCL&T,
- 12 Cedar Creek Land and Timber, 23-1 well. That is
- a permit that is pending that has been received
- by the Board and we have a copy of that permit
- application that we would like to make that a
- 16 part of the record. But I also represent Sklar
- and as a matter of fact, Sklar owns an interest
- in this proposed Pate 14-15 well. They own a
- working interest or a drilling interest in this
- unit and Sklar did a 3-D survey that Fletcher
- 21 participated in so they both have ownership of
- the 3-D survey that I'll be testifying about in
- a moment but this prospect was developed and

- both wells were considered. However, the Sklar
- 2 23-1 well could be drilled on a -- on a wildcat
- 3 40-acre drilling unit in that the bottomhole
- 4 location was not closer than 330 feet from any
- offset unit boundary and so it was decided to
- 6 permit that well on 40-acre spacing.
- 7 The plan for development with the
- 8 Sklar unit, if successful, was for contiguous
- 9 units. In other words, the 160-acre unit for
- the Sklar well would be immediately to the east
- of the proposed irregular unit for the Pate well
- in that that the unit would be -- they wouldn't
- be stair-stepped down or no island acreage or no
- 14 irregular spacing is planned for this
- proposed -- these two proposed wildcat wells.
- The unit that would be requested that
- we were considering consisted of the northeast
- of the northeast of -- let's see, the northeast
- of the northeast Section 23, the southeast of
- southeast of Section 14, the southwest of the
- southwest of Section 13, and the northwest of
- the northwest of Section 24, and so that
- would -- we wouldn't -- we're not proposing any

- discontinutious units with this proposed
- development plan.
- Q. All right, sir, if you will turn to
- 4 Exhibit Number 3.
- 5 A. Exhibit Number 3 is a copy of the
- 6 structure map. The datum for this is from the
- ⁷ 3-D seismic survey, this structure has drawn the
- 8 contours of two-way seismic time. The contours
- ⁹ are in time. I would like to point out that the
- scale of this map is -- it's a larger scale.
- 11 This is one inch to 1,000. The previous exhibit
- was one to 2,000. The contour interval for this
- is one millisecond and what this shows, again,
- is the bottomhole location with the same symbol,
- the red circle with yellow highlight, and the
- proposed irregular drilling unit, the 160-acre
- drilling unit, is the green and yellow dashed
- 18 line.
- The structure here is an east west
- trending anticline. The location is at the
- highest structural point, the 2.425 second
- 22 contour, and it is located just south of an area
- of steeper structural dip. In fact, the --

- where the contour lines converge, it runs across
- this just to the north of this location in the
- east west orientation and so this proposed
- 4 location is -- is south of that and that can be
- 5 explained more with some of the subsequent
- 6 exhibits.
- 7 The bottomhole location is south of
- 8 the surface location, and in other words,
- 9 this -- this highest structural point is -- is
- not only the optimal location, it's the location
- that the operators want to drill and are wanting
- to drill a directional well to make sure that
- they -- that they hit that point and also to
- 14 the -- to the east you can see the location for
- the Cedar Creek Land and Timber, 23-1 number one
- well. That's the one that has a permit pending.
- 17 It's also at a higher structural position on
- this structure and so the location is also
- 19 moved -- for the Pate well is moved to the west
- 20 because of the proximity of the two proposed
- locations for the most efficient economic
- ²² drainage.
- Without drilling this optimum

- 1 location, it would leave attic oil and because
- this prospect is for an area of a microbial
- 3 buildup or a thrombolite is what we're looking
- 4 for and that would be in an area that if we
- 5 didn't drill the highest structural position,
- 6 there could be strata or a stratum that wouldn't
- ⁷ be penetrated or connected to a well that was
- 8 not an optimum location and perhaps it couldn't
- 9 be drained, so it's paramount that we get -- not
- 10 leave any attic oil and we also intercept the
- 11 highest portions of the Smackover microbial
- ¹² buildup here.
- Q. All right, sir. You also prepared
- some confidential seismic exhibits; is that
- 15 correct?
- 16 A. That is correct.
- Q. These are Exhibits 4 through 6.
- 18 If you would, would you turn to
- 19 Exhibit Number 4, confidential exhibit, and
- describe that for the staff?
- 21 A. Exhibit Number 4 is called a seismic
- 22 data map. This has the same structure as I just
- testified to with Exhibit Number 3 but it also

- 1 shows the location of the lines and traces for
- the 3-D seismic survey, which is the basis for
- 3 the structure map; the proposed irregular unit
- 4 shown, same symbol as the bottomhole location,
- 5 and this shows the north south orientation of
- 6 line -- arb line two, which is the most
- 7 important because that will show the
- 8 relationship of the bottomhole location to the
- 9 south or the unit line or the section line just
- south of the well, which would be the resultant
- 11 extreme exceptional location. It also shows an
- east west arb line, arb line one.
- 13 Arb line one is the next exhibit,
- which is Exhibit 5. Arb line two is the -- is
- 15 Exhibit 6 and I would like to point out when
- 16 you're looking at this map that the arb line two
- extends south to the Pruet and Hughes T.R.
- Miller mill well located in the southern portion
- of Section 23 and we'll reference that when
- 20 we -- when we get there, so I believe that's --
- let's now turn to Exhibit Number 5.
- Q. Okay. Exhibit Number 5.
- A. Exhibit Number 5 is arb line one,

- which is pretty much an east west line running
- along the axis of the anticline that I testified
- 3 to in Exhibit 3. This shows a portion of the
- 4 proposed drilling unit on the left-hand portion
- of this arb line. West is to the left and east
- is to the right. The proposed Pate 14-15 well
- is shown with a red symbol and the vertical
- 8 wellbore tract, it shows that three horizons
- 9 have been labeled. There's a Buckner marker
- that's in blue, Smackover top is the magenta or
- 11 purple color, and the basement is in red and it
- shows that the proposed Pate well is on the
- western side of that structural high that's in
- the proposed irregular unit. It also shows the
- 15 Sklar well that's in the process of being
- permitted, the 23-1 well, which will intercept
- 17 a -- a second structural high to the east of the
- 18 Pate well.
- Note that the top of the -- below the
- top of the Smackover, the Smackover here is --
- is a strong peak and there's a double peak here
- in comparison with the next line of how that
- looks in other areas. So this is just simply

- 1 along the axis and shows the relationship of
- this proposed Pate well and the irregular unit
- 3 to the Sklar 23-1 well.
- 4 If you would now turn to the second
- 5 arb line, which is arb line two. The south is
- on the left, north is on the right. The
- 7 proposed Pate well is shown on the right with
- 8 the red symbol and the red circle. To the south
- 9 is the T.R. Miller well that was drilled by
- 10 Pruet and Hughes and on this arb line, I've
- 11 labeled the Buckner marker in blue again, the
- top of Smackover is the red or the magenta
- color, the purple color, and then the basement
- 14 is the red color.
- And if you would, start on the left
- and notice the -- at the Miller well, the
- 17 Smackover, there was only one large peak at that
- point and then moving to the north is where we
- abruptly move on to the area we hope that is a
- ²⁰ microbial buildup or mound there and we have
- 21 continuing gaining structure with south hip up
- to the Pate well -- the 14-5 well.
- 23 And then to the north we lose that

- double couplet or double peak there to the north
- and it's not as abrupt along this arb line and
- 3 if you refer back to Exhibit 4 and look just
- 4 north of the well where this arb line, the
- 5 contours east and west of this arb line converge
- 6 and are very closely spaced and make the dark --
- dark band, which makes it hard to see the
- 8 contours. It just so happened just due north of
- 9 this well they're spread out and that moving off
- of the buildup is not as -- as prominent there,
- it's more of a ramp and -- and that's what's
- 12 shown on -- on this exhibit starting at about
- trace 5230 is where that would occur.
- But also please note the red --
- vertical red line for the wellbore of the Pate
- 16 14-5 well. Moving the location any further
- north or north away from the section line, you
- would -- we would lose structural position
- and -- and the Smackover -- this buildup would
- come thinner, so moving away from the optimum
- location would be very undesirable because we
- would have attic oil and perhaps there are upper
- 23 Smackover strata there that we would not

- 1 encounter with a well that was drilled at a
- ² regular location on a 40 or any further to the
- 3 north. So that is the reason for the extreme
- 4 location which precipitated the need for this
- ⁵ irregular unit.
- 6 Q. Okay. And finally Exhibit Number 7?
- A. Exhibit Number 7 is a copy of the
- 8 survey plat that was prepared by Engineering
- 9 Service for this well. It was signed by Russell
- 10 McDill and this plat we're just showing as
- 11 accompanying the permit application for this
- well shows the irregular drilling unit with 40
- acres from four separate governmental 40s and
- once again, this irregular unit would be the
- southeast of the southwest and the southwest of
- the southeast of Section 14, the northeast of
- the northwest and the northwest of the northeast
- of Section 23, and all in Township 3 North,
- 19 Range 13 East. It also shows the distance that
- the surveyors have. It shows that the
- 21 bottomhole location is 50 feet off of the south
- section line and it also shows the bottomhole
- location being 2,020 feet from the east section

- 1 line. So this is the optimum location to drill
- this for efficient and economic drainage of this
- unit and the prospect area, also considering the
- 4 other offset wildcat well too.
- ⁵ Q. All right, sir. In your professional
- opinion, would the granting of this petition
- 7 prevent waste as that term is usually defined
- 8 and used by the Alabama Oil and Gas Board,
- 9 protect the code of equal and correlative rights
- of all owners, and avoid the drilling of
- unnecessary wells?
- 12 A. Yes, it will.
- Q. Is it your professional opinion that
- this is the optimum geological location to drill
- 15 this well?
- 16 A. It is.
- Q. And is it your professional opinion
- that this potential reservoir is not in
- communication with any other field in the area?
- A. That is correct.
- Q. Is it your professional opinion that
- the configuration of this unit, as well as the
- 23 proposed configuration of the Sklar unit if it

- 1 goes forward, would be the best use of land and
- 2 geological resources in this area?
- A. Yes, it -- yes, it will.
- 4 MR. COLEMAN: I tender Mr. Wood to the
- 5 staff for any questions.
- 6 MR. ROGERS: The only question I have
- ⁷ is we have a -- we've got a petition set for
- 8 Thursday and it's -- it has to do with Allen
- 9 acreage in between the Brooklyn Field and the
- 10 Little Cedar Creek Field. I guess would you --
- would you discuss or clarify, Mr. Wood, why you
- think this is separate and won't be a part of
- one of those fields and I guess the most likely
- one would be the Brooklyn Field to the
- northwest? What is the evidence to support
- 16 that?
- MR. WOOD: Well, as a geologist, I'm
- optimistic. I hope this is a large field but
- having reviewed the 3-D seismic in this area,
- this prospect is for an isolated buildup area,
- 21 an isolated structure that's not contiguous with
- 22 Brooklyn. As I pointed out earlier, there were
- two dry holes that had been drilled in proximity

- or close between this well and the Brooklyn
- Field and the Smackover there is noncommercial.
- 3 It's not as tight. It's a matter of -- it's not
- 4 a matter that it produced water, it's not going
- 5 to produce anything, and that's part of this
- 6 prospect.
- We're looking at the structure but the
- 8 structure when we have this -- this morphology
- ⁹ in the Smackover, that typically means porosity
- and permeability, which is paramount. So this
- 11 looks like an isolated structural event and it's
- not -- it doesn't continue to any of the known
- fields to the north or to the east.
- MR. ROGERS: Did you have an
- opportunity to see the logs in those two wells,
- the ones that you're discussing?
- MR. WOOD: I have. I have the logs
- 18 for the -- for the Fletcher well. The other one
- 19 I've just seen a report from and I also have the
- 20 core information and I -- I have those in my
- office. I don't have them with me.
- MR. ROGERS: The only other point is
- that you testified that this would be the most

- 1 effective and efficient unit or drainage or
- 2 something to that effect but your request is
- only for a drilling unit, so that will be
- 4 determined at a later date --
- MR. WOOD: That is right.
- 6 MR. ROGERS: -- in a petition to set
- 7 up a field.
- MR. WOOD: Absolutely. Once we have
- 9 the -- have the tests and know that these are
- 10 commercial wells, we understand that we will
- 11 have to come back for production units and
- justify those wells.
- MR. ROGERS: All right. Anything
- 14 else?
- 15 (No response.)
- MR. ROGERS: All the exhibits are
- admitted. This was Exhibits 1 through 7. The
- 18 confidential exhibits were admitted so we have
- the original of those and we'll return the other
- 20 confidential exhibits. Thank you, Mr. Wood,
- ²¹ appreciate you being here.
- MR. WOOD: Thank you.
- MR. ROGERS: Anything else,

- 1 Mr. Coleman?
- MR. COLEMAN: No, the only thing I
- just would point out that Mr. Jack Hart is here.
- 4 He's one of the landowners in this proposed
- 5 unit. He's here with his son-in-law to visit
- 6 and just observe and I just wanted to recognize
- 7 him.
- MR. ROGERS: What's his last name?
- 9 MR. COLEMAN: Hart, H-A-R-T.
- MR. ROGERS: Mr. Hart, you're welcome
- 11 to -- anything you want to say? You're welcome
- to address the hearing officer, the state
- geologist, and the staff.
- MR. HART: No, I'd just like to say --
- MR. ROGERS: You need to come to the
- podium up here, come to the microphone.
- 17 State your name and address, sir.
- MR. HART: Jack T. Hart -- Jack T.
- 19 Hart, 4418 Brooklyn Road, Andalusia, Alabama.
- MR. ROGERS: Anything you want to say?
- MR. HART: Yes, I would like to say I
- wish my grandparents would have lived to see it.
- 23 I'm the fifth generation it's been passed to, me

- 1 and my brothers.
- MR. ROGERS: You're in the proposed
- unit, I assume, Mr. Coleman; is that right?
- 4 MR. COLEMAN: That's correct, he and
- ⁵ his brother.
- 6 MR. ROGERS: We hope you get a
- ⁷ successful well.
- MR. HART: I certainly do too.
- 9 Appreciate it, we've enjoyed it.
- MR. ROGERS: Thank you.
- MR. COLEMAN: Thank you, Mr. Hart.
- 12 Mr. Rogers, just one other thing, Mr. Wood
- 13 mentioned the information about the Sklar permit
- that had been sent here to the staff and we'd
- like to make this part of the record also if we
- 16 could.
- MR. ROGERS: So they have filed a
- 18 permit application?
- MR. COLEMAN: Yes, this is just a copy
- of what was sent.
- MR. ROGERS: All right. That will be
- 22 admitted as Exhibit 8.
- MR. COLEMAN: Thank you very much.

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1
              DR. TEW: There's the confidential
2
    exhibits if you want to put those up.
3
                            The staff will review the
              MR. ROGERS:
4
    evidence and make a recommendation to the Board.
5
    Thank you.
6
              MR. COLEMAN:
                              Thank you.
7
              MR. ROGERS: The next item then are
8
    the -- back to the beginning of the docket is
    Item 9, Docket Number 8-5-14-06A, petition by
9
    Land and Natural Resource Development,
10
11
    Incorporated.
12
              MR. COLEMAN: Thank you, gentlemen.
13
              MR. WATSON: Mr. Rogers, I have one
14
    witness, I'd like to have him sworn in, please,
15
    before he's seated.
16
              MR. ROGERS: State your name and
17
    address.
18
              MR. HAMMONS: Robert Hammons, 11711
    Gate Circle East, Theodore, Alabama.
19
20
              MR. ROGERS: Raise your right hand.
21
22
                    ROBERT W. HAMMONS,
              being first duly sworn, was
23
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1
            examined and testified as follows:
2
3
              MR. WATSON: Mr. Rogers, this is a
4
    petition by Land and Natural Resource
    Development, Incorporated, asking the Board to
    extend the temporary abandonment status of the
6
7
    R.J. Newman 21-11 well located on a 160-acre
    unit consisting of the southwest corner of
8
    Section 21, Township 1 South, Range 1 West,
9
10
    Mobile County, Alabama, in the Turnerville
11
    Field.
12
13
    EXAMINATION BY MR. WATSON:
14
              Mr. Hammons, you are a petroleum
15
    engineer; is that correct?
16
         Α.
              That is correct.
17
              And you have on file here an affidavit
         Ο.
18
    of your qualifications as a petroleum engineer?
19
         Α.
              That's correct.
20
              Are you familiar with the R.J. Newman
         0.
21
    21-11 well that I've just described?
22
         Α.
              Yes, I am.
23
              MR. WATSON: I tender Mr. Hammons as
```

- an expert petroleum engineer for giving
- 2 testimony in this item, Mr. Rogers.
- MR. ROGERS: He's so recognized.
- Q. (By Mr. Watson) Mr. Hammons, I have
- 5 handed up to the staff an affidavit of testimony
- 6 that you prepared in connection with this well
- but what I want to do with you this morning is
- 8 to supplement that affidavit of testimony with
- ⁹ your testimony here today to give the staff a
- 10 chance to answer or to ask any questions and you
- a chance to answer those questions about this
- 12 well.
- This well has been temporarily
- 14 abandoned for some time. The history of this
- well is stated in the petition. Would you tell
- 16 Mr. Rogers and the members of the staff about
- your plans for this well and why we're asking
- 18 for the extension of the temporary abandonment
- 19 status?
- 20 A. The Newman 21-11 well was drilled in
- 1985, conventionally cored. It has 63 feet of
- net pay and two different intervals of lower
- 23 Smackover. The lower interval was completed

- initially, very weak acid job, under performed.
- 2 It's my opinion that there are remaining
- 3 reserves left with this interval.
- The upper interval, there's 18 feet of
- ⁵ net pay that has not been perforated. That net
- 6 pay is defined by logs and 13-and-a-half feet of
- 7 the 18 feet is confirmed by conventional core
- 8 drilling. So we're really looking at two
- ⁹ targets here of a previously tested Smackover
- zone and an untested Smackover zone and due to
- the depth involved, the upper 18 feet, the well
- was -- let me back up one second.
- The well was re-entered in 2005
- unsuccessfully. The operator got within 120
- 15 feet of the original perforations and basically
- did not make progress, had financial problems,
- and ceased operations. What we're trying to do
- is find someone to come in, sidetrack the well,
- 19 test the lower zone, and in addition test the
- 20 upper zone. So we feel that there's a --
- there's substantial remaining potential here.
- The idea is to move forward to find a group that
- would come in and put up the capital to conduct

- 1 the sidetrack operation.
- MR. WATSON: Mr. Rogers, I think we
- moved -- maybe I didn't accept Mr. Hammons as an
- 4 expert petroleum engineer for giving testimony
- ⁵ in this item.
- 6 MR. ROGERS: We did.
- 7 MR. WATSON: Oh, you did?
- MR. ROGERS: I'll state it again that
- 9 he can testify as an expert.
- MR. WATSON: That's fine. That's
- 11 fine.
- Q. (By Mr. Watson) Now, Mr. Hammons, so
- your role in this is to try to avoid the
- premature plugging of this well and lose this
- area that you feel like can be properly tested
- with a sidetrack well; is that right?
- 17 A. That is correct. We feel that if
- the -- if the well is permanently plugged, we
- will never have the opportunity to test the
- upper zone because the standalone economics of
- the upper zone, although they're decent, we
- don't think will allow us to bring someone in
- to -- to spend the six million dollars to build

- 1 a new well.
- Q. Mr. Rogers, on September 9 I sent you
- 3 a letter at your request explaining something
- 4 about this well and the structure and this log
- 5 that Mr. Hammons has just testified to.
- 6 Attached to that letter are three plats. You
- ⁷ are familiar with these plats that are the
- 8 structure map and the log that you have just
- 9 testified to; correct?
- 10 A. That's correct.
- MR. WATSON: I want you to make the
- letter to you on September 9 a part of this
- 13 record because of the attachments there,
- 14 Mr. Rogers, if you would, please.
- MR. ROGERS: That is admitted as
- 16 Exhibit 1.
- Q. (By Mr. Watson) Now, Mr. Hammons,
- 18 because of the longevity of this well and having
- been drilled as you previously stated in 1985,
- would you give Mr. Rogers and the staff the time
- table that you have in mind for trying to test
- this additional zone?
- A. What we hope to do is to bring a group

- in to provide the capital to do the sidetrack
- operation and we hope to have that money raised
- within the next six months and commence
- 4 operations within 60 days after that point. So
- 5 hopefully by mid-summer, early summer next year,
- 6 we hope to have this well moving forward.
- Q. Just as Mr. Rogers asked the question
- 8 about an item that's coming up on Thursday,
- 9 isn't -- isn't it true that there is a lot of
- activity going on in Mobile County now with the
- 11 Hatters Pond unit and with the Chunchula unit?
- 12 A. That's correct. It's my understanding
- that both fields have been sold and one thing
- that we hope to do is to approach a new operator
- with this -- with this project and try to get
- 16 them interested.
- 17 Q. That new operator being a company that
- will take over one or both of those units I just
- mentioned, Hatters Pond and Chunchula?
- A. That's correct.
- Q. Do you plan to take this prospect to
- 22 any of the forums in Houston such as NAPE?
- A. Yes, we do. Our idea is to try to

- 1 market it to companies that are currently
- 2 exploring in Alabama and if need be, show the
- prospect in the February of 2015 North American
- 4 Prospect Expo in Houston.
- ⁵ Q. And you will be handling that?
- A. I will be part of that, yes, sir.
- Q. All right, sir. In your opinion,
- 8 Mr. Hammons, would the granting of this
- 9 petition -- the granting the extension of
- temporary abandonment status for R.J. Newman
- 11 21-11 well prevent waste as that term is defined
- in the Oil and Gas laws of Alabama?
- 13 A. Yes.
- Q. It will also give you an opportunity
- to complete this well if it could be completed
- and that would protect the correlative rights of
- the mineral owners in the unit, would it not?
- A. That's correct.
- Q. One particular lessor in this area has
- 20 expressed his desire to see that this item would
- go forward with a temporary abandonment status
- 22 and that's Lowell Friedman, who is a majority
- 23 royalty owner in the Hatters Pond Field, which

- is nearby; is that right?
- 2 A. That's correct.
- MR. WATSON: Mr. Rogers, receive into
- 4 the record of this hearing a prefiled affidavit
- of testimony of Mr. Hammons, please.
- 6 MR. ROGERS: The affidavit of
- 7 testimony is admitted as Exhibit 2.
- MR. WATSON: And I submit him to you
- 9 and the rest of the staff for any questions you
- 10 have.
- MR. ROGERS: Mr. Patterson, do you
- have a question about the questionnaire?
- MR. PATTERSON: Yes, Mr. Hammons, on
- your questionnaire, you said the operator's
- agent is releasing all the interest in the unit.
- 16 Could you give us an update on where that
- 17 stands?
- MR. HAMMONS: Yes. Seventy-five
- 19 percent of the leasehold has been committed
- 20 by -- there are two groups that control 75
- percent and the agreement has been reached.
- There are -- 25 percent of the minerals are
- controlled by a group of small owners. That's

- qoing to take some time to clean up. We wanted
- to get the two large owners under lease to begin
- with, so that's currently taking place.
- 4 MR. ROGERS: So you have 75 percent of
- 5 the unit under lease, is that what you said?
- 6 MR. HAMMONS: It's been committed to.
- 7 I'm not sure if the leases have actually been
- 8 signed yet but this is all recent activity.
- 9 MR. WATSON: I think that those leases
- are in the hands and I'm not positive but I
- think they've been signed, Mr. Rogers. I think
- that's the reason Mr. Friedman called me this
- week to express his support. He would be one of
- 14 the major signers.
- MR. ROGERS: Anything else,
- 16 Mr. Watson?
- MR. WATSON: I'm going to ask
- Mr. Hammons one other question.
- Q. (By Mr. Watson) Mr. Hammons, is this
- wellbore for the Newman well, is it in a safe
- 21 condition -- safe and would not be a threat to
- the environment if this temporary abandonment is
- 23 extended?

- 1 A. Yes, following operations in 2006 by
- 2 Energy Recovery, the wellbore integrity was
- 3 established. The well was left and -- with a
- 4 PH-6, 2 and 7/8 inch work string unit. It
- buttoned up the wellhead. It was pressure
- 6 tested -- the casing was pressure tested before
- ⁷ it was temporarily abandoned.
- MR. WATSON: That's all I have,
- 9 Mr. Rogers.
- MR. ROGERS: All right. We note this,
- of course, that if we don't have all the leases,
- that means you need to force pool this
- interest -- the outstanding interest.
- 14 Otherwise, your OGB2 would not be valid and I
- 15 recall that that's -- this has been force pooled
- before, maybe two years ago.
- MR. WATSON: Yes, that's correct,
- 18 yes.
- MR. ROGERS: But no operations have
- 20 taken place since then?
- MR. WATSON: We would be premature
- filing a force pooling until this cleanup
- leasing program is completed so that we would

```
1
    know exactly who we would be force pooling, if
2
    that becomes necessary.
3
              MR. ROGERS: I don't know if it would
4
    be premature, Mr. Watson, because right now --
5
    let's just take a -- let's take a brief recess,
6
    so we're in recess.
7
8
         (Whereupon, a discussion was held off
9
         the record.)
10
11
              MR. ROGERS: Anything else,
12
    Mr. Watson?
              MR. WATSON: That's all we have.
13
14
              MR. ROGERS: Any more questions from
15
    the staff?
16
                      (No response.)
17
                            The staff will review the
              MR. ROGERS:
18
    evidence and make a recommendation for the
19
    Board.
20
              MR. WATSON:
                            Thank you.
21
              MR. ROGERS:
                            The next item then will
22
    be Item 13, Docket Number 9-23-14-01, petition
23
    by Venture Oil and Gas, Incorporated.
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will identify your name and address yourself,
1
2
    Mr. Tyra.
3
              MR. TYRA: I will do so. Mr. Rogers,
4
    I am John Tyra from here in Tuscaloosa appearing
5
    on behalf of Venture Oil and Gas, Inc. I have
    one witness that needs to be sworn in, please.
6
7
              MR. ROGERS: State your name and
8
    address.
9
              MR. HANBY: Ken Hanby, Tuscaloosa,
10
    Alabama.
11
              MR. ROGERS: Raise your right hand.
12
13
                        KEN HANBY,
14
              being first duly sworn, was
15
           examined and testified as follows:
16
17
              MR. ROGERS:
                            Thank you.
18
              MR. TYRA: Mr. Rogers, Docket
19
    9-23-14-01 is a request by Venture Oil and Gas,
20
    Inc., to establish a new gas field in Monroe
21
    County, Alabama. We're proposing the name of
22
    Northeast Goodway Gas Field. We're asking that
23
    special field rules be adopted, that fuel limits
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- 1 be set up, that the upper Smackover gas pool be
- defined, and that the drilling unit for the well
- 3 be approved as a production unit for the well.
- 4 As a -- as a little history -- well,
- 5 before that, let me -- I have prefiled an
- 6 affidavit of notice in this matter. Let's go
- ⁷ ahead and make that part of the record if that's
- 8 all right with you, sir.
- 9 MR. ROGERS: The affidavit of notice
- 10 is admitted.
- MR. TYRA: All right, sir.
- The subject well is the Andress 13-4
- number one well, which is permit number 16722.
- 14 In October of 2012, Venture drilled that well
- and completed in the Smackover oil pool.
- 16 Thereafter in May of 2013, this Board set up the
- field rules for the Northeast Goodway Field to
- deal with that oil well. Unfortunately, the oil
- well was not -- was a poor well and it was
- depleted pretty quickly, so Venture recompleted
- the very same well as a wildcat gas condensate
- well and has encountered gas condensate on the
- exact same unit that we had the first well on.

- 1 So we're coming before you now to ask for the
- 2 Northeast Goodway Gas Field to deal with the gas
- 3 production that used to be oil production. Is
- 4 that clear enough?

5

- 6 EXAMINATION BY MR. TYRA:
- ⁷ Q. Mr. Hanby, are you familiar with the
- 9 petition filed in this matter?
- 9 A. Yes, sir, I am.
- Q. And you have prepared exhibits in
- support of this petition; is that correct?
- 12 A. Yes, I have ten exhibits.
- Q. You've also testified when the
- Northeast Goodway Field was established; is that
- 15 correct?
- 16 A. That's correct.
- Q. All right, sir. And you have
- 18 testified many, many times before this Board; is
- 19 that correct?
- A. Yes, sir, I have testified here a
- 21 number of times.
- Q. And your affidavit is on file -- your
- affidavit of qualifications is on file, you've

- been recognized as an expert in your field; is
- 2 that correct?
- A. Yes, sir, that's correct.
- 4 Q. You are a petroleum engineer; right?
- A. Yes, sir.
- 6 O. And you're also a log analyst; is that
- 7 correct?
- 8 A. Yes, sir.
- 9 MR. TYRA: All right, sir. I'd ask
- that Mr. Hanby be recognized as an expert to
- 11 testify in this matter.
- MR. ROGERS: He's so recognized.
- Q. (By Mr. Tyra) Mr. Hanby, if you
- would, turn to your first exhibit in support of
- the petition and explain what that shows,
- 16 please.
- A. Yes, sir, Exhibit Number 1 is a
- 18 location map showing the proposed Northeast
- 19 Goodway Gas Field and that is shown with the red
- circle around the well, the Andress 13-4 number
- one well, the outline of the 160-acre drilling
- unit, and we're proposing the production unit
- 23 and the field limits are established shown by

- the yellow highlight around it and this exhibit
- 2 also shows the Goodway Field, the Northwest
- 3 Goodway Field, and to the south, the Vocation
- 4 Field.
- ⁵ Q. All right, sir. And your Exhibit 2,
- 6 please?
- A. Exhibit 2 is a closer up view of this
- 8 area showing the area map in the proposed field.
- ⁹ This is the proposed Northeast Goodway Gas
- 10 Field. The Andress 13-4 number one was
- 11 recompleted as a gas well, gas condensate in the
- upper Smackover gas reservoir. The proposed
- unit is overlapping with the unit that was for
- the Goodway Oil Field, which was adopted May 9
- of 2013. The exhibit also shows the Goodway
- 16 Field, which was adopted by this Board September
- 29 of 2011, and the Northwest Goodway Field
- adopted September 12 of 2013.
- 19 Q. So the Goodway Field and the Northwest
- 20 Goodway Field are both gas condensate wells --
- fields as well; is that correct?
- A. That's correct.
- Q. And the special field rules that we're

- 1 recommending for this well are identical to
- those; is that correct as well?
- A. That is correct.
- 4 O. All right, sir. On this Exhibit 3
- 5 structure map, Mr. Hearing Officer, you have
- 6 seen this and the staff has seen this Exhibit 3
- ⁷ before. It was introduced first in connection
- 8 with Docket 5-7-13-08 when the Northeast Goodway
- ⁹ Field was established. Of course, the original
- exhibit did not list the Northwest Goodway Field
- because that had not been drilled at that time.
- 12 Since that time, the Northwest Goodway Field was
- established and this same exhibit was used for
- that under Dockets Number 9-10-13-04 and 13-05.
- 15 So we've used this -- this exhibit a couple of
- times and we'll use it one more time.
- 17 At the appropriate time I will ask
- that the exhibits and the testimony for those
- 19 Docket Numbers, which is 5-7-13-08, 9-10-13-04,
- and 9-10-13-05 be made a part of the record in
- this matter but I'll do that at the end of the
- hearing.
- Q. Mr. Hanby, what is depicted on this

- 1 Exhibit 3?
- 2 A. Exhibit Number 3 is the structure map
- drawn on the top of the Smackover for each of
- 4 these fields shown. The map is constructed with
- 5 a 50-foot contour and I'll direct your attention
- 6 to the proposed Northeast Goodway Gas Field and
- 7 as you stated this -- this structure map has
- 8 previously been submitted to the Board in
- 9 previous testimony. The only difference is
- the -- this exhibit shows the outline of the gas
- pool for the Northeast Goodway Field. With this
- well, the top of the Smackover was discovered at
- minus 13,493 feet subsea TVD and the logs and
- using the cores revealed the lowest proven gas
- at minus 13,536 feet subsea TVD. All of this is
- shown on this exhibit.
- 17 The other -- the Goodway Field and the
- Northwest Goodway Field are shown. The gas
- 19 contact was found in the Goodway Field at minus
- 20 13,555 feet subsea TVD and it was shown as
- 21 Exhibit 2 on the docket that's listed on the
- exhibit, and for the Northwest Goodway Field,
- the docket number is given with Exhibit 3 being

53

- the original that this structure map is -- is
- ² following. Also shown on this exhibit is the
- 3 cross-section A, A' that we will talk about in
- 4 the next two exhibits.
- ⁵ Q. And that's the exact same cross-
- 6 section presented when we proposed the Northeast
- ⁷ Goodway Field for the oil well; is that correct?
- 8 A. It is with the addition of the
- 9 Smackover desk structure that's shown at the top
- and this cross-section A' running from the
- 11 southwest to the northeast. On the left is
- 12 shown the Coffin well, which was the well -- the
- discovery well of the Goodway Field. The
- 14 Smackover gas reservoir is shown on the log
- below the top of the Smackover, which is
- 16 identified by the red line and that is the datum
- 17 for this stratigraphic cross-section. The
- 18 proposed Northeast Goodway Gas Field is shown.
- 19 The area of the upper Smackover reservoir for
- the gas field is shown where the perforated
- intervals are highlighted with the red
- indication and the depth track. Below that is
- the reservoir, which was the Smackover oil pool

- in about a middle Smackover part, and it has now
- 2 been depleted.
- Also shown on this cross-section is a
- 4 lower Smackover marker in blue and the Norphlet
- 5 and basement are shown with the green line and
- 6 the brown line on the base of this cross-
- ⁷ section.
- Q. All right, sir. And Exhibit 5?
- 9 A. Exhibit 5 is a structural cross-
- section, the same A, A' directions southwest to
- 11 northeast. Once again, the Coffin 14-10 number
- one is shown on the left with the Smackover gas
- pool shown with the top of Smackover identified
- with the red line with the Goodway Field, the
- 15 GAS water contact that was determined for that
- reservoir is shown at A minus subsea of 13,555
- ¹⁷ subsea TVD.
- Moving to the right, the Andress 13-4
- 19 number one is shown with the upper Smackover
- interval highlighted and below the red line as
- the pay interval. The perforated intervals are
- shown in the depth tract. The lowest proven gas
- is shown at a minus subsea 15,536 feet TVD.

- 1 Q. It's 13,536; is that correct?
- 2 A. 13,536 feet.
- Yeah.
- 4 A. And then below that is shown, once
- 5 again, the Northeast Goodway Oil Field in green
- 6 with the lower Smackover marker also identified
- as well as the Norphlet and the basement and the
- 8 Coffin in the Andress 13-4 well.
- 9 Q. Okay. I would point out that both
- 10 Exhibits 4 and 5 were previously submitted with
- the Northeast Goodway Field. It was established
- under Docket 5, 17-13-08, again as Exhibits 4
- and 5 in that exhibit.
- What does your Exhibit 6 show?
- A. Exhibit 6 is the net pay isopach for
- the Northeast Goodway Gas Field. On the exhibit
- you'll see the 160-acre unit for the Andress
- well as well as what we're requesting as the
- 19 proposed Northeast Goodway Gas Field and the
- production unit for the Andress 13-4 number one
- well, the lowest proven -- lowest proven gas,
- which is shown with a dashed curve, is at subsea
- minus 13,536 TVD depth. The bottomhole location

- is shown as well as the surface location for the
- 2 Andress well and the Andress 13-4 number one
- well encountered 10 feet of net pay and that is
- 4 shown on the isopach and all of the productive
- 5 area of this reservoir is within the 160-acre
- 6 unit.
- Q. All right, sir. Let's look at your
- 8 log, Exhibit 7.
- 9 A. Exhibit 7 is the type log, which is a
- part of the platform express that was run on the
- 11 Andress 13-4 number one. The top of the
- 12 Smackover is shown at a measured depth of 13,900
- 13 feet with a subsea TVD depth of minus 13,493
- 14 feet. The base of the Smackover is shown -- the
- base of the Smackover gas pool is shown at a
- measure of depth of 13,943 feet and minus 13,536
- feet subsea TVD. In the depth tract, the
- 18 perforated interval is indicated and the
- 19 perforations are from 13,915 to 13,935 feet, and
- those are measured there.
- Q. All right, sir. Exhibit 8, sir?
- 22 A. Exhibit 8 is the well survey plat
- 23 prepared by Engineering Service and it's signed

- 1 by Mr. McDill and this was the drilling plat
- that was submitted with the application for the
- 3 permit to drill the well.
- 4 O. All right, sir. And the drilling unit
- 5 is also the proposed production unit and it's
- 6 also the proposed fuel limits for this field; is
- ⁷ that correct?
- 8 A. That is correct.
- 9 Q. So it will all be the northwest
- quarter of Section 13, 4 North, 6 East?
- 11 A. Yes, sir.
- Q. All right, sir. What is your last --
- no, your next to the last, your Number 9?
- 14 A. Exhibit Number 9 is a copy of the
- OGB-9 filed following the test of the Andress
- 16 13-4 and the upper Smackover. You'll note the
- perforated interval is highlighted. The well
- was tested on May -- June 9 of 2014, a 24-hour
- 19 test. The well produced at the rate of 426 NCF
- of gas and 106 barrels of condensate. The
- gas-oil ratio was 4,019. The final flowing
- tubing pressure was 1,350 PSI.
- Q. Is it your professional opinion then

- based upon what you've seen that this is a gas
- 2 condensate well?
- A. Yes, sir.
- Q. All right, sir. And then if you will,
- ⁵ your last exhibit, which is your production?
- 6 A. The last exhibit is the historical
- 7 production since the well was recompleted in the
- 8 upper Smackover. The first production was shown
- 9 as May '14 and goes through the first part of
- 10 September. The gas production is shown in red
- and the condensate production is shown in green.
- 12 The initial production, the first month of June,
- produced -- this well produced 9,980 Mcf of gas
- and 406 barrels of condensate.
- 0. All right, sir. In your opinion,
- would the granting of this petition establishing
- the Northeast Goodway Gas Field prevent waste
- and protect correlative rights?
- 19 A. Yes, sir, it will.
- MR. TYRA: Yes, sir. I would ask that
- the exhibits to the testimony of Mr. Hanby be
- made a part of the record, please, sir.
- MR. ROGERS: Exhibits are admitted.

- MR. TYRA: I would also ask that you
- incorporate the exhibits and the testimony
- presented under Dockets Number 5-7-13-08,
- 4 9-10-13-04, 9-10-13-05, and finally 6-20-11-05.
- MR. ROGERS: Records from those
- 6 hearings are incorporated into this record.
- 7 MR. TYRA: I tender Mr. Hanby for any
- ⁸ questions that you may have.
- 9 MR. ROGERS: Any questions from the
- 10 staff?
- 11 (No response.)
- MR. ROGERS: The staff has no
- questions. Exhibits 1 through 10 were admitted
- and then the affidavit of notice is Exhibit A.
- MR. TYRA: Thank you.
- MR. ROGERS: Anything else, Mr. Tyra?
- MR. TYRA: No, sir.
- MR. ROGERS: The staff will review the
- evidence and make a recommendation to the Board.
- MR. TYRA: Thank you very much.
- MR. ROGERS: Could you just place in
- the order that comment that the evidence that
- the entire reservoir is included in the end?

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1
              MR. TYRA: Absolutely.
2
              MR. ROGERS:
                            Thank you, Mr. Tyra.
3
              MR. TYRA: Thank you.
4
                            The next item then is
              MR. ROGERS:
5
    Item 15, Docket Number 9-23-14-03, petition by
    Escambia Operating Company, Incorporated.
6
7
              MR. WATSON: Mr. Rogers, I have one
8
    witness and I'd like to have him sworn in.
9
              MR. ROGERS: State your name and
10
    address, sir.
11
              MR. BENRUD: My name is Michael
12
    Benrud. I live on 2009 Elmen Street, Houston,
13
    Texas.
14
              MR. ROGERS: All right. Raise your
    right hand.
15
16
17
                    MICHAEL BENRUD,
18
              being first duly sworn, was
19
           examined and testified as follows:
20
21
              MR. ROGERS:
                            Thank you.
22
              MR. WATSON: And for the record, I'm
23
    Tom Watson representing Escambia Operating.
```

- 1 can have a seat, Michael.
- Mr. Rogers, this petition filed by
- 3 Escambia Operating Company is asking the Board
- 4 to enter an order approving an exceptional
- 5 location for the Pineville Timber Company, LLC,
- 6 13-16 number one well to be drilled on a
- ⁷ 640-acre production unit in the Big Escambia
- 8 Creek Field consisting of Section 13, Township 1
- 9 North, Range 7 East, Escambia County, as an
- exception to Rule 3(b) of the Special Field
- 11 Rules for the Big Escambia Creek Field.
- Let me hand up to you first an
- affidavit of testimony I'll introduce if you'll
- take one of those and pass them down.
- MR. ROGERS: Mr. Watson, why don't you
- give us just a brief history so we'll know the
- background. It's a little unusual.
- MR. WATSON: Yes, I'm going to do that
- 19 right now, Mr. Rogers.
- MR. ROGERS: Thank you.
- MR. WATSON: This very same request
- was presented by Escambia Operating Company and
- the Board in August of 2013, entered order

- 1 number 2013-63, which approved the exceptional
- location for the Pineville Timber Company 13-16
- 3 number one well. The well -- and my witness
- 4 will testify as to why this well was not drilled
- before that order expired and why it's necessary
- 6 for us to come back before the Board and ask
- ⁷ that this very same exceptional location be
- 8 approved once again in order for Escambia
- 9 Operating Company to have an opportunity to
- drill this well. That will be Mr. Benrud's
- testimony for you this morning to kind of bring
- 12 you up to -- up to date on what has been
- happening in this field.
- 14 The Big Escambia Creek Field continues
- to operate as a competitive field, that it is
- not being unitized, and numerous wells have been
- drilled on the 640-acre units within the Big
- 18 Escambia Creek Field. The second item that we
- will be presenting today is along the same lines
- here. We're trying to locate wells in optimum
- locations to intercept this gas field productive
- 22 area. In one case we're going to have a
- 23 situation with water plume. In this case, we've

- qot a situation with surface location problems,
- wetland -- regulated wetlands, and so the reason
- ³ for this exceptional location is both
- 4 topographical and geological.
- 5 MR. ROGERS: The only other point,
- 6 Mr. Watson, is that it expired under our rule --
- our regulation that states that exceptional
- 8 locations expire one year from the date and this
- ⁹ is what happened.
- MR. WATSON: That's correct. That's
- absolutely correct but the company still intends
- to build this well. So with that little brief
- introduction, let me just call upon my witness,
- 14 Mr. Benrud. I have filed an affidavit of his
- qualifications and I'm going to ask him:

16

- 17 EXAMINATION BY MR. WATSON:
- Q. Are you familiar, Mr. Benrud, with
- this petition relative to the Pineville Timber
- 20 Company 13-16 number one well?
- A. Yes, sir.
- Q. And just because you've never
- testified before the Board, just briefly give

- 1 Mr. Rogers and the staff your educational
- 2 background and your position with Escambia
- ³ Operating Company.
- A. I have a B.S. in geology that I got
- ⁵ from Bradley in 1985. I've been working as a
- 6 petroleum geologist since 1989 and I have been
- yorking at Eagle Rock for the past two years and
- 9 part of my duties there is to work the Big
- 9 Escambia Creek, the Flomaton, and Fanny Church
- ¹⁰ Fields.
- Q. All right, sir. And exhibits that I
- 12 have filed that you -- were prepared by you or
- under your direct control and supervision; is
- 14 that correct?
- A. Yes, sir.
- MR. WATSON: I tender him as an expert
- witness for giving testimony in this item,
- Mr. Rogers.
- MR. ROGERS: He is so recognized.
- Before you go into this case, we will
- 21 note that since it was already approved, I
- 22 assume that the facts haven't changed since last
- year, Mr. Watson. If not, then I don't see any

- 1 reason to go into great detail.
- MR. WATSON: I'm not going to. I just
- wanted to get that for the record and I'm going
- 4 to have him tell you why the well was not
- 5 drilled within that one-year period.
- 6 Q. (By Mr. Watson) So just as he's
- ⁷ asked, then nothing has changed, you plan to
- 8 drill this well at the same location we
- 9 presented to the Board when they issued order
- 10 2013-63; is that correct?
- 11 A. That's correct.
- 12 Q. So tell Mr. Rogers and the staff then
- why the well was not drilled within the time
- 14 frame allowed by the rules.
- A. Because we were drilling the
- 16 Timbervest well in Section 5 and we spotted that
- well in December of last year. That was another
- well that we got an exception location on and
- unfortunately, while drilling that well, we took
- a kick in the lower part of the Smackover which
- caused us to sidetrack the well and -- and we
- 22 also had, you know, some complications while
- 23 testing it. So we just recently just finished

- 1 completing that well, so that well took a lot
- longer than -- than we had planned.
- Q. And your plans were to move from that
- 4 well to one of the next of these two wells that
- we're about to present to the Board today;
- 6 correct?
- 7 A. That is correct.
- MR. WATSON: So Mr. Rogers, without
- ⁹ going into all the detail with his statement
- that nothing has changed since this was approved
- the last time, I'd ask that you receive into the
- record of this hearing the order 2013-63 dated
- 13 August 1, 2013, along with accompanying
- exhibits, and I have handed up to you a copy of
- those same exhibits that were presented at that
- time signed by Mr. Benrud, so if you would
- accept that into the record, please.
- MR. ROGERS: All of those items are
- incorporated into this record.
- Q. (By Mr. Watson) All right. And
- Mr. Benrud, if the Board sees fit to approve
- this exceptional location from Pineville Timber
- 23 Company 13-16 number one well, waste will be

- 1 prevented and correlative rights protected; is
- 2 that correct?
- A. That is correct.
- 4 MR. WATSON: That's all we have on
- 5 this item, Mr. Rogers, unless you have
- 6 additional questions.
- 7 MR. ROGERS: Questions from the staff?
- 8 (No response.)
- 9 MR. ROGERS: The staff has no
- questions. We will review the evidence and make
- 11 a recommendation to the Board.
- MR. WATSON: All right.
- MR. ROGERS: The next item is Item 16,
- Docket Number 9-23-14-04, petition by Escambia
- 15 Operating Company, LLC.
- MR. WATSON: Mr. Rogers, I have
- prefiled an affidavit of testimony from
- 18 Mr. Benrud in support of this item. I'll hand
- 19 you copies of that and ask that it be admitted
- 20 into the record.
- MR. ROGERS: The affidavit is
- 22 admitted.
- MR. WATSON: Mr. Rogers, we are asking

- that an exceptional location be approved for
- 2 Escambia Asset's 4-16 number one to be drilled
- on a production unit consisting of 640 acres of
- 4 Section 4, Township 1 North, Range 7 East,
- 5 Escambia County, Alabama, again as an exception
- 6 to Rule 3(b) of the Special Field Rules. This
- 7 very same item was approved on August 1, 2013,
- 8 by Board order 2013-65 of the exceptional
- 9 location as depicted on the exhibits I have just
- 10 handed up.
- Q. (By Mr. Watson) Has anything changed
- 12 relative to the drilling of this well, any
- 13 geological changes, or anything else since that
- 14 last hearing?
- 15 A. No, sir.
- Q. And the reason this well was not
- drilled is the same reason that we just
- testified to as to the previous well?
- 19 A. Yes, sir.
- Q. Okay. So now that you have
- 21 completed -- again, the name of the well that
- you just recently completed is the what?
- A. The Timbervest well.

- 1 Q. The Timbervest well, having completed
- that well, is -- which of these two wells will
- 3 Escambia Operating drill next?
- 4 A. I would say that would be the Escambia
- ⁵ Asset well.
- 6 O. All right. This well that we're
- ⁷ talking about now is Docket 9-23-14-04; correct?
- A. Yes, sir.
- 9 Q. All right. And can you tell us
- approximately when that well will be studded?
- 11 A. We currently are shopping for a
- drilling rig, so that would be imminent.
- Q. All right, sir. And again, with the
- delay having been explained, the same for both
- of these wells, and with your plans to move
- 16 forward in drilling these wells in sequence,
- would the granting of this petition approving
- 18 the exceptional location for the Escambia Assets
- 19 4-16 number one well prevent waste and protect
- 20 correlative rights?
- A. Yes, sir.
- MR. WATSON: Mr. Rogers, you can
- 23 receive into the record of this hearing the

- 1 affidavit of testimony of Mr. Benrud and also
- the exhibits that I've handed up that were the
- 3 same exhibits that were filed in support of
- ⁴ order 2013-65.
- 5 MR. ROGERS: The affidavit and
- 6 exhibits are admitted and those items are --
- 7 that record -- that prior record is incorporated
- 8 into this record.
- 9 MR. WATSON: Yes, please, and I tender
- 10 Mr. Benrud to you and the staff for any
- 11 questions you have.
- MR. ROGERS: Any questions from the
- 13 staff?
- 14 (No response.)
- MR. ROGERS: The staff has no
- 16 questions. We will review the evidence and make
- a recommendation to the Board.
- Thank you, Mr. Benrud. Good to have
- 19 you with us.
- MR. BENRUD: Thank you.
- MR. ROGERS: The next item then is
- 22 Item 17, Docket Number 9-23-14-05, petition by
- 23 Ventext Operating Corporation.

- MR. WATSON: Mr. Rogers, Ventex
- Operating Corporation is asking the Board to
- 3 extend a temporary abandonment status for the
- 4 Paramount-Findley 5-2 number one well located on
- 5 a 160-acre production unit consisting of the
- 6 northeast quarter of Section 5, Township 2
- North, Range 14 East, Covington County, Alabama,
- 8 in the North Rome Field. I've just handed up to
- 9 you an affidavit of testimony from David
- 10 Bissmeyer in support of this request.
- I might say to you that in addition,
- there's been a recent development in this matter
- 13 today. It's my understanding that a rig is
- being moved into the 5-7 well, which is nearby
- this 5-2 well, to attempt a completion of the
- 16 Cotton Valley and I think those plans have been
- filed with Mr. Hellmich. He's aware of that.
- This 5-2 well that we're asking for an
- extension of temporary abandonment status is for
- the use of or possibly to be used as a water
- 21 disposal well if the 5-7 well is completed as a
- producer, and if that is not the case, then
- 23 there would be no future utility for the 5-2

- well but we're asking today for an extension of
- that temporary abandonment status so that they
- 3 could attempt to complete in the Cotton Valley
- 4 and make a producer. So if you'll accept into
- 5 the record of this hearing the affidavit of
- 6 testimony of Mr. Bissmeyer, please.
- 7 MR. ROGERS: The affidavit is
- 8 admitted. Mr. Watson, this is the one that we
- 9 granted the extension of this well so that --
- temporary abandoned status of this well so that
- the other well, what was the name of it?
- MR. WATSON: 5-7, the Findley 5-7.
- MR. ROGERS: And it looked like it was
- a dry hole and now they are attempting
- completion in a different zone?
- MR. WATSON: Yes.
- MR. ROGERS: Talking to Mr. Patterson
- and the staff, our thinking is that this one
- should not be granted for a long time, so I
- think the most we would probably recommend this
- 21 be extended temporary abandoned status we
- 22 approve for three months and find out the status
- of the drilling of the other well.

1 MR. WATSON: I'm not aware of the -- I 2 note they're moving in a completion rig today. 3 That should be sufficient time to let them attempt the completion of the Cotton Valley. 4 5 MR. ROGERS: We're thinking maybe six 6 months --7 MR. WATSON: Ample time. 8 MR. ROGERS: -- would be ample time. MR. WATSON: Ample time, no question 9 10 about that. 11 MR. ROGERS: All right. Then we've 12 admitted the affidavit and we will review the 13 evidence and make a recommendation to the Board 14 and our inclination will be for six months. 15 MR. WATSON: Yes, sir, thank you. 16 MR. ROGERS: The next regular meeting 17 after six months. 18 Yes, sir. MR. WATSON: 19 If you would review that MR. ROGERS: 20 in the -- that evidence in the order, 21 Mr. Watson. 22 MR. WATSON: I will.

MR. ROGERS:

23

We have a prior order to

- discuss that pretty clearly.
- MR. WATSON: Yes, sir.
- MR. ROGERS: Anything else in that
- 4 item?
- MR. WATSON: That's all.
- 6 MR. ROGERS: The next item then is
- 7 Item 19, Docket Number 9-23-14-07, petition by
- 8 DCOR, LLC.
- 9 MR. WATSON: I have two witnesses,
- 10 Mr. Rogers, and for -- could we please
- 11 consolidate 9-23-14-07 with 9-23-14-08-1 as
- force pooling the others approving the
- 13 exceptional unit?
- MR. ROGERS: Yes, those items are
- consolidated. State your -- gentlemen, state
- 16 your names and addresses.
- MR. HADDOW: My name is Alastair
- 18 Haddow. I'm a resident of Ventura, California.
- MR. ROGERS: All right.
- MR. WIGGINS: My name is Roger
- Wiggins. I'm a resident of Dozer, Alabama.
- MR. ROGERS: Maybe this gentleman
- could spell his name. Can you spell your name?

```
1
              MR. HADDOW: Yes, A-L-A-S-T-A-I-R, and
2
    my last name is H-A-D-D-O-W.
              MR. ROGERS: Raise your right hands.
3
4
5
           ALASTAIR HADDOW and ROGER WIGGINS,
                being first duly sworn,
6
7
        were examined and testified as follows:
8
9
              MR. WATSON: Mr. Rogers, I have
10
    prefiled affidavits of notice in these two items
11
    that you've consolidated for hearing purposes
12
    and I would ask that you admit those into the
13
    record.
14
              MR. ROGERS: The affidavits of notice
15
    is admitted. Let's just keep these exhibits
16
    separate.
17
              MR. WATSON: That would be fine.
18
              MR. ROGERS: Let's see, we'll have the
19
    affidavit of notice for the --
20
              MR. WATSON: The exceptional unit
21
    first.
22
              MR. ROGERS: -- the exceptional unit
23
    first.
            That will be Exhibit A to that item.
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1
              MR. WATSON:
                            All right, sir. I might
2
    point out to you on this affidavit of notice
    that we're asking for a 160-acre exceptional
3
4
    unit consisting of the southeast quarter of the
5
    southeast quarter of Section 25, the northeast
    quarter of the northeast quarter of Section 36,
6
    Township 5 North, Range 13 East, and the
7
8
    southwest quarter of the southwest quarter of
9
    Section 30, and the northwest quarter of the
10
    northwest quarter of Section 31, Township 5
11
    North, Range 14 East, Conecuh County, Alabama,
12
    as an exception to Rule 400-1-2-.02(2)(b) by the
13
    State Oil and Gas Board Administrative Code.
                                                    In
14
    my affidavit of testimony, Mr. Rogers, I noticed
15
    not only the quarter quarter section that I just
16
    described but the entire quarter section out of
17
    which these quarter quarters come together to
18
    make this exceptional 160-acre unit.
19
              MR. ROGERS: Thank you for pointing
20
    that out, sir.
21
22
    EXAMINATION BY MR. WATSON:
              So we are asking for this exceptional
23
         Ο.
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- unit that I've just described to you for the
- 2 purposes of drilling a BSMC 36-1 number one well
- on that 160-acre exceptional unit. I have
- 4 prefiled an affidavit of qualifications of
- 5 Alastair Haddow and Mr. Haddow has prepared
- 6 exhibits in support of this petition but since
- ⁷ he has not testified before you, I would ask
- 8 that he give you a brief summary of his
- 9 educational background and work experience.
- 10 A. Thank you. Yes, I have a bachelor's
- in geology from the University of Birmingham, a
- master's in petroleum engineering science from
- the University of Aberdeen in Scotland. After
- that I worked at Chevron in Aberdeen also for
- three years in the North Sea.
- I returned to academia after that. I
- did a Ph.D. at Trinity College in Dublin and
- 18 moved over to Ventura, California, where I
- 19 started working at DCOR and I've been working
- there for one year and four months working on
- 21 assets in California in the Santa Barbara
- 22 Channel and on land and I've also been heavily
- involved in three wells that were drilled down

- 1 here in Alabama just to the south of the
- 2 Brooklyn Field. I was involved in those three
- wells from the inception all the way throughout
- 4 drilling and then completion, so I feel that I
- 5 have a good knowledge of the Smackover formation
- 6 and drilling into the Smackover formation in
- 7 Alabama.
- Q. And you've prepared exhibits in
- ⁹ support of this petition today?
- 10 A. Yes, sir, I have.
- MR. WATSON: I tender Mr. Haddow as an
- 12 expert petroleum geologist.
- MR. ROGERS: He is so recognized.
- MR. WATSON: Mr. Rogers, because we
- will be presenting some 3D seismic in support of
- this request, I have filed a letter and an
- affidavit in support of asking the Board to
- declare the seismic exhibits that will be
- presented today, Exhibits 6, 7, 8, 9, and 10
- 20 confidential, not available to the public but
- 21 available to the Board and interested parties.
- MR. ROGERS: That affidavit of
- 23 confidentiality is admitted and the exhibits are

- 1 ruled to be confidential and unavailable for
- ² public disclosure.
- MR. WATSON: All right, sir, and I'll
- 4 hand those out when Mr. Haddow gets to that
- 5 point in his testimony.
- Q. (By Mr. Watson) Mr. Haddow, I have
- ⁷ handed up the exhibits that you prepared to
- 8 Mr. Rogers and the staff. Turn to your Exhibit
- 9 Number 1, please, and tell us what's shown
- 10 there.
- 11 A. Exhibit Number 1 is a regional
- 12 location map showing the location of our
- proposed well, the BSMC 36-1 one well. The map
- is -- it's basically shown in the right -- top
- right-hand corner of the exhibit, that's where
- the location map is. It's the red box between
- 17 Conecuh and Covington counties and if we return
- to the main location map, you can see that
- 19 the -- I also show the little Cedar Creek
- 20 Field -- part of Little Cedar Creek Field, which
- is to the west of our proposed drilling
- location. You can see that the Little Cedar
- 23 Creek Field extends from the southwest to --

- 1 from the southwest to northeasterly direction.
- We can also see the smaller Pigeon Creek Field
- 3 to the north and in the southeast of the map, we
- 4 can see the smaller Fall Creek Field.
- 5 The proposed well is in Section 36 of
- 6 Township 5 North, Range 13 East in Conecuh
- 7 County, and the well is approximately two miles
- 8 away from the producing -- the closest producing
- ⁹ well in the Little Cedar Creek Field and I have
- to mention now that our prospect that our
- 11 proposed well is going to be drilling is --
- we -- it's a separate entity to the Little Cedar
- 13 Creek Field. It's orientated perpendicular to
- the Little Cedar Creek Field, so it's a separate
- isolated entity that we're looking to drill.
- Q. All right, sir. And we're going to
- show that on your next exhibit.
- 18 A. That's correct.
- Q. Let's go to Exhibit Number 2.
- 20 A. Yes.
- Q. And describe the information shown
- there, Mr. Haddow.
- A. What we're seeing in Exhibit Number 2,

- 1 again, we're showing the proposed drilling
- location of the BSMC 36-1 number one and we're
- 3 also seeing a stretch of contours for the top of
- 4 the Smackover formation. The stretch of
- 5 contours are in feet -- TVD subsea feet and what
- 6 we are seeing is a prospect, which is a
- ⁷ structural high orientated from the northwest to
- 8 the southeast where our well location is located
- 9 at the structural -- the highest point on that
- prospect and the prospect is defined by the
- deepest closing contour at ten -- minus 10,200
- 12 feet. The spill point is probably going to be
- just slightly deeper than that at 10,250 feet.
- I also show the Pigeon Creek River --
- 15 I'm sorry, Pigeon Creek in a darker -- I'm
- sorry, a thicker, paler, blue line.
- Q. All right, sir. Let's look at Exhibit
- Number 3, Mr. Haddow.
- A. Yes. What we're showing is a proposed
- 160-acre drilling unit, which is centered on our
- 21 proposed drilling location. It has -- the spill
- point at 10,215 feet would be within that
- 23 proposed drilling unit and we feel that the

- drilling unit is in the optimal location for --
- ² for draining this prospect, as is the well, the
- 3 proposed drilling location.
- Q. All right, sir. In -- in setting up
- 5 exceptions to the rule, of course, you just
- 6 touched on a key point, optimum geological
- 7 locations such as you've testified, this is
- 8 one --
- 9 A. Yes.
- 0. -- allows the structure to be drained
- 11 without the necessity of excessive wells --
- 12 A. Correct.
- Q. -- drilling down; correct?
- 14 A. Yes, yes, that's correct.
- 15 Q. Now, let's use this exhibit and tell
- Mr. Rogers and the staff if this well drills up
- 17 and is successful --
- 18 A. Yes.
- 19 Q. -- completed as a commercial producer,
- where would DCOR permit offset well?
- A. We would add a second 160-acre
- 22 drilling units putting -- to the south of --
- abutting a certain edge of the proposed drilling

- 1 unit. It would be -- the second 160-acre unit
- would be the southern half of the northwest
- 3 quarter of Section 31 and it would also include
- 4 the northern half of the southwest quarter of
- ⁵ Section 31.
- Q. All right, sir.
- 7 A. And we would most likely drill well --
- 8 we would drill a well within that 10,215 feet
- 9 stretch of contour.
- 10 Q. All right, sir. Still that would be
- 11 at the optimum location if this first well
- builds up and proves a geological prospect;
- 13 correct?
- 14 A. That's correct, yes.
- Q. And I've explained to you, have I not,
- Mr. Haddow, that the Board has a tolerance
- 17 regulation or a statute that would allow, if
- 18 necessary, and if in imminent danger of being
- drained, the additional -- up to 80 additional
- 20 acres to either of these proposed 160-acre units
- that you're discussing what the Board will do;
- 22 is that correct?
- 23 A. Yes.

- Q. But all -- everything rests on the
- 2 success of this first well?
- 3 A. That is correct.
- Q. Now, let's turn to your next exhibit,
- 5 Exhibit Number 4.
- 6 A. Yes.
- 7 Q. Tell us what's shown on that,
- 8 Mr. Haddow.
- A. We've seen the same prospects, the
- same -- outstream location group. We've also
- 11 seen three -- the orientation of three seismic
- 12 lines. Seismic line A to A' runs north south
- through the proposed drilling location. Seismic
- line B to B' runs east -- from west to east
- through the proposed drilling location, and
- 16 seismic line C to C' runs along the axis of our
- prospect.
- Q. Now, just before -- let's go ahead and
- do this one. Let's go to the next, Exhibit
- 20 Number 5 --
- 21 A. Yes.
- Q. -- and what's shown on that, please,
- 23 sir?

- A. We're seeing the orientation of
- further two seismic lines. D to D' runs from
- 3 the Little Cedar Creek Field to the northwest
- 4 and it actually passes through a producing well
- 5 that's the Cedar Creek Land and Timber 23-3
- 6 well, which are permit number 16053. The
- ⁷ seismic line then passes through a built and
- 8 abandoned well, a well that never produced.
- 9 That's the Blackstone 24-12-1 well, permit
- number 15544, and then the seismic line extends
- to the southeast running through our proposed
- drilling location and through the axis of
- our prospect, and so the second seismic line, E
- to E', runs again through our proposed drilling
- location and through another built and abandoned
- well to the northeast.
- Q. Now, if we can look just a minute,
- 18 Mr. Haddow, at these wells in the upper left-
- 19 hand corner of Exhibit Number 5.
- 20 A. Yes.
- Q. Those are Little Cedar Creek wells;
- 22 correct?
- A. Yes, correct.

- Q. And looking at your Exhibit Number 1,
- 2 Little Cedar Creek runs from the southwest to
- 3 the northeast in that general direction;
- 4 correct?
- 5 A. That is correct, yes.
- 6 O. And you stated in -- in your --
- ⁷ earlier that this structure was perpendicular to
- 8 Little Cedar Creek; correct?
- ⁹ A. Yes, yes, perfectly perpendicular and
- 10 further evidence suggests that this is a
- 11 separate -- our proposed well will be -- and the
- prospect is a separate entity to the Little
- 13 Cedar Creek Field, that it's -- it has no
- bearing on the Little Cedar Creek Field.
- Q. Okay. And as we were preparing for
- this hearing, we discussed the possibility of
- permitting this well on a governmental quarter
- section, which would be the northeast quarter of
- 19 Section 36.
- A. Right.
- Q. But you had planned to drill this well
- on this exceptional unit and the exceptional
- unit better fits your geology and has a does fit

- 1 your geology and it has a better outlook for
- further development should that well be
- 3 successful?
- 4 A. Yes.
- 5 Q. And you -- your offset well to that
- 6 well, if it is successful, will be such that it
- yould abut this unit and it would not be in the
- island of acreage between this proposed
- 9 exception unit and the next exception unit; is
- 10 that correct?
- 11 A. That is correct, yes.
- 12 Q. And with the advent of the 50-percent
- tolerance for acreage and the imminent danger of
- being drained, is it your testimony that you
- would be able to get all of the productive
- structure that you've depicted here into one of
- these two units?
- 18 A. Yes.
- Q. Now we're going to turn to your
- 20 confidential seismic information.
- A. Right.
- Q. And I'm going to hand those exhibits
- up to the staff. So let's look at -- I will

- 1 keep open your orientation map.
- A. Right.
- Q. And that's -- that's Exhibit Number 4
- 4 and let's look first at the seismic line A-A',
- ⁵ please.
- 6 A. Right. So seismic line A to A' runs
- 7 north south through our proposed drilling
- 8 location and you can see that our prospect is a
- 9 structural high that we're looking to to drill.
- 10 The top of the Smackover formation, which is our
- primary target, is depicted by a green seismic
- horizon there. It corresponds to a seismic
- 13 peak.
- 14 The yellow seismic horizon represents
- the top of the Mobley Creek formation and the
- 16 pink seismic horizon is the -- actually the
- Norphlet. So our proposed well is going to be
- drilling through the Smackover and Norphlet
- through the Mobley Creek to a proposed total
- depth of minus 10,620 that's TVD subsea.
- 21 And what I also show along -- down the
- 22 proposed well path, the depths that we
- 23 anticipate encountering, the -- the main

- 1 formation tops in the area -- the top of the
- 2 Haynes reformation, the top of Buckner, and as I
- 3 previously mentioned, the top of the Smackover,
- 4 the top of the Norphlet formation, and the base
- of the Norphlet formation. And I guess
- 6 that's --
- 7 Q. That's pretty much it on that one?
- A. That's pretty much it, yes, sir.
- 9 Q. Let's go to your next exhibit, Number
- 10 7, and that would be line B to B'.
- 11 A. That line runs west to east through
- our proposed drilling location showing the same
- seismic horizons, the top of the Smackover in
- green, top of the Norphlet formation in yellow,
- basement Norphlet formation in pink, and again,
- the proposed well location with the depths and
- 17 TVD subsea that we anticipate encountering in
- the key formations.
- 19 Q. Let's go to your next exhibit, Number
- 20 8, which is C-C'.
- 21 A. This seismic line runs from the
- 22 northwest to the southeast along the axis of our
- prospect. As you can see, we -- the proposed

- well is drilled -- we'll be drilling into the
- 2 most structurally high -- the highest part of
- 3 the structure. Again, we are showing the same
- 4 seismic horizons as in the previous two seismic
- ⁵ lines.
- Q. All right, sir. Let's go now to
- ⁷ Exhibit Number 9, which is going to be D-D'.
- 8 This is connecting up now with the Little Cedar
- ⁹ Creek wells.
- 10 A. Correct. So the seismic line runs
- 11 from the northwest to the southeast. If we
- start in the northwest, we're in the Little
- 13 Cedar Creek Field where we have this producing
- well. Cedar Creek Land and Timber 23-3, as we
- move towards the southeast, we pass through a
- non -- a plugged and abandoned well, Blackstone
- 17 24-12 one. So we have a dry and abandoned well
- between our proposed well and the Little Cedar
- 19 Creek Field. We also show our prospect and our
- proposed drilling location of the 36-1 one.
- Q. What other seismic event do you see on
- that exhibit, Mr. Haddow, that tend to make you
- 23 believe that this accumulation or this structure

- is separate and apart from Little Cedar Creek?
- 2 A. Well, we are -- we have what we -- we
- 3 have the dry hole between us and Little Cedar
- 4 Creek, of course, and then we -- our spill
- 5 point -- we have a tracking mechanism, which --
- 6 which we may have prospect separate to the
- ⁷ Little Cedar Creek Field as well.
- Q. All right, sir. Let's go to your next
- 9 exhibit, Exhibit 10, which is seismic line E,
- 10 E'.
- 11 A. This seismic line runs from the
- southwest to the northeast through our proposed
- drilling location and to the -- to the northeast
- we have an additional plugged and abandoned
- well, a well that encountered tight Smackover
- limestone. So we have a plugged and abandoned
- well to the northeast of our structures and so
- we are trying to show that our prospect is an
- 19 isolated feature isolated from the Little Cedar
- 20 Creek Field.
- Q. Yes, sir. That's then -- that's all
- of the seismic exhibits. Let's look at the
- 23 Exhibit Number 11, please, your survey plat and

- describe exactly where we plan to drill this
- 2 well.
- 3 A. This plat was generated by Engineering
- 4 Services. We show the -- the well location,
- ⁵ which is 335 feet from the -- from the section
- 6 line between Section 36 and Section 25 in
- 7 Township 5 North, 13 East, and the well location
- 8 is 119 feet away from the township line --
- 9 sorry, the section line between 36, Township 5
- North and Range 13 East and Section 31 in
- 11 Township 5 North, Range 14 East. We also see
- our proposed 160-acre drilling unit outlined in
- 13 that.
- Q. All right, sir. Now, Mr. Haddow, your
- testimony then that the approval of this
- exceptional 160-acre unit would allow you to
- drill a Smackover test at an optimum geological
- 18 location on this unit?
- 19 A. That is correct.
- Q. Is it also your testimony to this
- 21 Board that by approving this exceptional unit,
- 22 assuming the well is completed as a commercial
- 23 producer, that you can develop this structure as

- 1 it were in a reasonable manner so as to avoid
- 2 drilling unnecessary wells and to have -- and to
- include all of the proven productive acreage
- 4 within the structure?
- 5 A. Yes.
- Q. It's also your -- is it also your
- 7 testimony that this accumulation is separate and
- 8 apart from the -- would be a separate and
- 9 distinct oil pool separate and apart from Little
- 10 Cedar Creek and the Brooklyn Field?
- 11 A. That is correct, yes.
- 12 Q. And then would the granting of the
- 13 petition as -- for this exception prevent waste
- 14 and protect correlative rights?
- ¹⁵ A. Yes.
- MR. WATSON: Mr. Rogers, I would ask
- that you receive into the record as hearing
- Exhibits 1 through 11 to the testimony of
- 19 Mr. Haddow.
- MR. ROGERS: Exhibits are admitted.
- MR. WATSON: And why I don't tender
- him to you for any questions on the geology
- 23 before I get into our land testimony.

1 MR. ROGERS: Any questions? 2 (No response.) 3 MR. ROGERS: The only point I'll make 4 is that you've shown that this well -- the optimum location would be an exception from the 6 east end to the north if it were on a regular 7 governmental unit. 8 MR. WATSON: Yes, that's correct. 9 MR. ROGERS: And the other point is that, of course, if the well is successful, then 10 you will petition the Court to set up a field 11 12 and a final production unit. 13 Yes, of course. MR. WATSON: 14 MR. ROGERS: All right. Do you want 15 to proceed, Mr. Watson, with the force pooling? 16 MR. WATSON: Yes, sir, let us -- let 17 us proceed now with the force pooling. My next 18 witness, if you will hand the microphone over to 19 Roger. 20 My next witness is Roger Wiggins. 21 Mr. Wiggins has not testified before you but has 22 on file an affidavit of his qualifications as a

petroleum landman.

23

- 1 2 EXAMINATION BY MR. WATSON: Mr. Wiggins, would you briefly give 3 Ο. 4 the Board your qualifications as a petroleum landman and confirm that you are familiar with 6 the title in this proposed 160-acre unit? 7 I graduated with a business degree and Α. 8 a master's degree in business from Auburn 9 University. I went to work for Shell Oil 10 Company where I worked for 31 years, 26 of them 11 as a petroleum landman. I retired from Shell 12 and then since then have worked several years as 13 an independent landman consultant -- consulting 14 landman for several -- different companies, most 15 of it in Alabama. 16 All right, sir. And you are familiar 0. 17 with this -- the title in this 160-acre unit? 18 Α. I am. 19 MR. ROGERS: He's recognized as an 20 expert. 21 MR. WATSON: All right, sir. Thank
- **Freedom Court Reporting, Inc**

0.

you, Mr. Rogers.

(By Mr. Watson)

22

23

Does DCOR, LLC, own

- or control a 100-percent interest in this
- proposed 160-acre unit?
- A. It does not.
- Q. If you would tell Mr. Rogers and the
- 5 staff of the outstanding unleased interests and
- 6 your efforts to secure leases on those
- ⁷ interests.
- 8 A. Okay. There are four outstanding
- 9 interests. Mrs. Bassi and Mrs. Collins I have
- 10 not spoken to directly. One of their sisters,
- who has leased to us, advised me that they were
- 12 represented by counsel and so I have dealt with
- their attorney directly as opposed to dealing
- with them and he is of the opinion that we
- should have those leases in the near future.
- Q. And that attorney being Tony Hubbard
- here in Tuscaloosa. In fact, Tony sent us
- 18 yesterday a lease that he actually had it in
- hand as he promised you you would have and this
- morning I have amended my petition to reflect
- that we have that lease from Mrs. Carrington;
- 22 correct?
- A. Correct.

- 1 Q. All right, sir. Go ahead.
- A. Okay. Regarding Mr. Joseph S.
- 3 Collins, who lives in Modesto, California, I've
- 4 had numerous conversations with him. He has the
- oil and gas lease in hand and continues to tell
- 6 me that he will execute the lease and send it
- ⁷ back but as of today, we do not have it, hence
- 8 the forced pooling. I last talked with his
- 9 secretary on -- this past Thursday and she
- advised that he would be coming to the office to
- 11 sign that. I checked Friday and had not yet --
- 12 I had the return FedEx sent back, so he still
- 13 remains unleased.
- Mrs. Ettehadieh lives in London,
- 15 England, and she has not refused to execute a
- lease but she -- it's a small interest and she
- just -- she has just not done it. She's not
- disagreeing with it but she does not like
- dealing with the embassy where she has to go to
- have the document notarized, so we -- once
- again, she has the documents in her hand but has
- not signed them but has -- has not disagreed
- 23 with the terms.

- Q. So what's the total outstanding
- ² unleased interest in this 160 acres?
- A. In terms of net mineral acreage, it is
- 4 .3832.
- ⁵ Q. All right, .3832, and that represents,
- if my math is correct, 0.2395 percent of the
- ⁷ unit. Is that your understanding?
- 8 A. That's correct.
- 9 Q. These -- so you -- there are no owners
- that you could not locate. You located all the
- unleased owners; correct?
- 12 A. It was either I or Tony Hubbard.
- Q. That's fine. And you had good
- addresses on everyone, you just testified to
- 15 that. These people are members of a -- an old
- line Alabama family, are they not?
- 17 A. That's correct.
- Q. And that -- what's that family name?
- 19 A. It's -- they're the heirs of the
- original shareholders of the W. T. Smith Lumber
- 21 Company.
- Q. Okay. Is it your testimony to this
- Board, Mr. Wiggins, that you have offered these

- 1 nonconsenting owners an opportunity to lease on
- terms as good or better than those that were
- offered to those who have leased?
- 4 A. Yes, it -- yes, it is.
- ⁵ Q. And in your opinion, would the
- 6 granting of this petition forced pooling these
- 7 tracts in interest without the imposition of the
- 8 risk compensation fee protect correlative rights
- 9 and avoid the drilling of unnecessary wells and
- 10 prevent waste?
- 11 A. Yes.
- 12 Q. I'd ask that you receive into the
- 13 record of this hearing a revised affidavit of
- testimony in support of this petition by
- ¹⁵ Mr. Wiggins.
- MR. ROGERS: The revised affidavit is
- admitted. We'll just call that Exhibit 1 to the
- 18 force pooling petition.
- MR. WATSON: All right, sir.
- MR. ROGERS: We've already admitted
- the other exhibits.
- MR. WATSON: All right, sir. And I
- tender Mr. Wiggins to you for any questions you

- have on the force pooling request.

 MR. ROGERS: Does the staff have any
 questions?
- 4 (No response.)
- MR. ROGERS: Anything else on these
- 6 two items?
- 7 MR. WATSON: That's all we have,
- 8 Mr. Rogers.
- 9 MR. ROGERS: The staff will review the
- evidence and make a recommendation to the Board.
- MR. WATSON: Thank you.
- MR. ROGERS: Thank you.
- The next two items are -- the next
- 14 item is Item 24, Docket Number 9-23-14-12,
- petition by Sklar Exploration Company, LLC.
- MR. FORD: Mr. Rogers, you might want
- to check with this lady. She's been patiently
- waiting here for Item Number 6 that I've -- it's
- my understanding that that's going to be
- Thursday. I don't want her to wait any longer
- if that's okay.
- MR. ROGERS: Ma'am, that item is set
- for hearing on Thursday and I'm sorry we didn't

- 1 know that that's the reason you were here. It's
- 2 going to be set at ten o'clock on Thursday. If
- we can answer some simple questions, we'll be
- 4 glad to to give you some information since
- 5 you've already been here and Mr. Watson is
- 6 Pruet's attorney and he's here and he could
- 7 probably give you some -- he could discuss it
- 8 with you. Do you mind doing that, Mr. Watson?
- 9 MR. WATSON: I'd be glad to.
- MR. ROGERS: All right. I'm sorry we
- 11 didn't understand that. That is a -- that item
- is set for the Board on Thursday at ten o'clock
- and you're welcome to be here and ask questions
- or address the full board at that time. Maybe
- Mr. Watson can help and after that if you want
- stay and some of us will be around and can give
- you some facts about the item.
- FEMALE ATTENDEE: Okay, thank you.
- MR. ROGERS: Thank you. Thank you,
- Ben, we appreciate that.
- MR. FORD: Ben Ford on behalf of Sklar
- 22 Exploration Company, LLC.
- Mr. Rogers, I have actually two

- 1 companion matters here. The first is a petition
- 2 to force pool all tracts and interests in the
- 3 southeast quarter of Section 12, Township 3,
- ⁴ Range 12, Escambia County, Alabama, a 160-acre
- ⁵ wildcat drilling unit, and the next matter,
- 6 which is the next item on the docket, is a
- ⁷ petition to approve an exceptional location for
- 8 that -- for the Robinson 12-16 number one well
- 9 to be drilled on that 160-acre unit.
- MR. ROGERS: We'll consolidate those.
- MR. FORD: Okay. I have filed --
- well, first I'll start with the force pooling
- 13 petition. The force pooling involves five
- owners who have not returned signed leases to
- 15 Sklar or otherwise agreed to participate in the
- pooling of the well. The total unleased
- interest is 0.66666667 net mineral acres or
- 0.416667-percent interest in the unit as a
- 19 whole.
- MR. ROGERS: All right.
- MR. FORD: And we've -- in support of
- the petition we've submitted an amended
- 23 affidavit of J. Marshall Jones, III, pertaining

- 1 to the mineral ownership in the completed unit
- 2 and Sklar has also submitted my affidavit
- 3 pertaining to notice of the petitioner and
- 4 we'd -- we'd ask that both of those affidavits
- 5 be admitted to the record and that the -- based
- on this evidence that the petition be
- ⁷ approved.
- 8 MR. ROGERS: All right. Can you
- 9 submit copies of those to us?
- MR. FORD: Sure.
- MR. ROGERS: Why don't we just say
- it's amended. I don't want -- you don't need
- another one. We'll admit the amended affidavit
- of Marshall Jones and your affidavit of notice.
- MR. FORD: Do you need it? I've
- got -- that should be on file as well.
- MR. ROGERS: Yeah, it's admitted. The
- affidavit of Ben Ford will be Exhibit 1. The
- 19 affidavit of Marshall Jones will be Exhibit 2.
- MR. FORD: And I just want to make
- 21 clear that that is the amended affidavit of
- 22 Marshall Jones.
- MR. ROGERS: All right. If you'll

- 1 state that in your proposed order, if you'll
- 2 state the interest and the owners as shown on
- 3 that amended affidavit.
- 4 MR. FORD: Yes, sir.
- 5 MR. ROGERS: All right.
- 6 MR. FORD: The second item is --
- 7 MR. ROGERS: I assume that you don't
- 8 have any parties you couldn't locate; is that
- 9 right?
- MR. FORD: That's correct. We've been
- able to locate everybody. We sent them -- we've
- offered them leases or opportunities to
- 13 participate and we haven't received anything
- 14 back from the five nonconsenting owners.
- MR. ROGERS: All right.
- MR. FORD: The next item, which is
- 9-23-14-13A, which is the petition to approve
- the exceptional location for the Robinson 12-16
- 19 number one well. This is -- this proposed
- location for the well is 330 feet from the east
- line and 780 feet from the south line of the
- 22 proposed unit, the east line making this the
- 23 exceptional location. In support of this

- 1 petition, Sklar has submitted three affidavits.
- The first is the amended affidavit of
- 3 Robert Wood and attached to his affidavit were
- 4 Exhibits 1 through 7 and in that -- in the
- 5 affidavit, Mr. Wood described Exhibits 1 through
- 6 7 and testifies that the proposed location --
- ⁷ the optimum geological location for the most
- 8 efficient and economic drainage of the unit. I
- 9 have copies of those exhibits if you'd like
- 10 them.
- MR. ROGERS: Why don't you submit a
- 12 copy of the exhibit so that the staff can review
- those if they'd like to? We try to be lenient
- around him and Mr. Wood's situation. Normally
- we would have had a witness. The other one was
- a bit more uncertain, maybe a bit more
- controversial. This one the exhibits support
- but since his condition, we didn't have him
- 19 testify to say that the evidence supported this.
- It was a little bit unusual and it's by
- 21 affidavit -- by several affidavits.
- Let's see, so we have the affidavit of
- Mr. Wood that addresses Exhibits 1 through 7.

- 1 That's admitted to this item as Exhibit 1 -- the
- 2 exhibit affidavit, we'll call that Exhibit A and
- 3 the exhibits will be admitted as 1 through 7.
- ⁴ We have the affidavit of confidentiality and the
- 5 affidavit of confidentiality is admitted and
- 6 we'll rule that the confidential Exhibits 4, 5,
- and 6 are confidential, so the affidavit of
- 8 confidentiality will be Exhibit B. We have your
- ⁹ affidavit from Benjamin Ford. Is that where you
- notified the offset operator?
- MR. FORD: That's correct, DCOR, LLC,
- operates the 18-4 well and they were notified.
- MR. ROGERS: And that affidavit is
- admitted as Exhibit C. I guess any comments you
- want to make, Mr. Ford? We have reviewed the
- affidavits and the exhibits. Any comments you
- want to make on this?
- MR. FORD: Again, just to make sure
- 19 the record is clear, the affidavit of Robert
- Wood that's going to be admitted is the amended
- 21 affidavit of Robert Wood.
- MR. ROGERS: We'll note that it's
- 23 amended affidavit. That's Exhibit A.

```
1
              MR. FORD: But otherwise I have
2
    nothing further unless -- to answer questions.
3
              MR. ROGERS: Any questions?
                                            You've
4
    reviewed this, Mr. McQuillan. Any questions?
5
                      (No response.)
6
              MR. ROGERS: As I said, this is
7
    unusual to just have an affidavit but the
8
    evidence seemed clearly to support it and
    therefore we didn't think we would need him as a
9
10
    witness, even though he had to come on the
11
    others.
12
              Anything else?
13
              MR. FORD: No, sir.
14
              MR. ROGERS: The staff has no
15
    questions. We will review the evidence and make
16
    a recommendation to the Board.
17
              MR. FORD: Thank you.
18
              MR. ROGERS:
                            Thank you.
19
              The hearing is adjourned.
20
21
         (Whereupon, the hearing was concluded
22
         at 12:00 p.m.)
23
```

```
1
                       CERTIFICATE
2
3
    STATE OF ALABAMA
4
    TUSCALOOSA COUNTY
5
               I, Sheri G. Connelly, RPR, Certified
6
7
    Court Reporter, hereby certify that the above
8
    and foregoing hearing was taken down by me in
9
    stenotype and the questions, answers, and
    statements thereto were transcribed by means of
10
11
    computer-aided transcription and that the
12
    foregoing represents a true and correct
    transcript of the said hearing.
13
14
               I further certify that I am neither of
15
    counsel, nor of kin to the parties to the
    action, nor am I in anywise interested in the
16
17
    result of said cause.
18
19
20
                   /s/ Sheri G. Connelly
21
                   SHERI G. CONNELLY, RPR
22
                   ACCR No. 439, Expires 9/30/2015
23
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