

BEFORE THE STATE OIL AND GAS BOARD OF ALABAMA

**PURSUANT TO A DECISION RENDERED FOLLOWING
A REGULAR SESSION OF THE STATE OIL AND GAS BOARD OF ALABAMA
ON MAY 5, 2022
THE FOLLOWING ORDER IS HEREBY PROMULGATED:**

IN RE: ORDER NO. 2022-26

DOCKET NO. 5-03-22-03

THIS CAUSE came on for hearing before the State Oil and Gas Board of Alabama (hereinafter referred to as "Board") on the Petition of Hilcorp Energy Company, a Texas corporation, authorized to do and doing business in the State of Alabama as HILCORP ENERGY COMPANY, INC. (hereinafter referred to as "Hilcorp"), requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the following wells located Mobile County, Alabama, in the Hatter's Pond Fieldwide Unit, pursuant to Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code and Section 9-17-1, et seq. of the Code of Alabama (1975), as amended:

Well Name: Hatter's Pond Unit 21-15 #1, Permit No. 3697, Location: S21-T2S-R1W;
Well Name: Hatter's Pond Unit 33-16 #1, Permit No. 3451-B, Location: S33-T1S-R1W; and
Well Name: Hatter's Pond Unit 35-11 #3, Permit No. 3277, Location: S35-T1S-R1W.

And extending the shut-in status for the following wells located in Mobile County, Alabama, in the Hatter's Pond Fieldwide Unit, in the following areas, in accordance with Rule 400-1-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code and Section 9-17-1, et seq. of the Code of Alabama (1975), as amended:

Well Name: Hatter's Pond Unit 2-3 #1, Permit No. 16543-B, Location: S2-T2S-R1W;
Well Name: Hatter's Pond Unit 15-3 #1, Permit No. 10453, Location: S15-T2S-R1W;
Well Name: Hatter's Pond Unit 15-5 #1, Permit No. 11007, Location: S15-T2S-R1W;
Well Name: Hatter's Pond Unit 28-2 #2, Permit No. 8889, Location: S28-T2S-R1W;
Well Name: Hatter's Pond Unit 3-6 #1, Permit No. 11118, Location: S3-T2S-R1W;
Well Name: Hatter's Pond Unit 9-16 #1, Permit No. 3995, Location: S9-T2S-R1W; and
Well Name: Hatter's Pond Unit 3-3 #2, Permit No. 15611, Location: S3- T2S-R1W.

The Board, after receiving and considering the evidence, finds that notice of the hearing of said cause has been given in the manner and form and for the time required by law and the rules and regulations of this Board, that proofs of publication of notice are on file with the Board, and that the Board has full jurisdiction of this cause; and the Board being fully informed and being fully advised in the premises further finds as follows:

I.

That the Board in Order No. 83-170 on July 29, 1983, Order No. 84-382 on October 9, 1984, and Order No. 85-63 on April 9, 198, established the Hatter's Pond Fieldwide Unit. All the

wells that are the subject of this order are located in the Hatter's Pond Fieldwide Unit, Mobile County, Alabama.

II.

That pursuant to Order No. 2016-15 issued on March 10, 2016, the Board approved transfer of operations on the above-listed wells that are the subject of this Petition from Four Star Oil & Gas Company, Inc. to Hilcorp.

III.

That Hilcorp is the current operator of the following wells, all located in the Hatter's Pond Fieldwide Unit, which have previously been granted temporarily abandoned status in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code:

Well Name: Hatter's Pond Unit 21-15 #1, Permit No. 3697, Location: S21-T2S-R1W;
Well Name: Hatter's Pond Unit 33-16 #1, Permit No. 3451-B, Location: S33-T1S-R1W; and
Well Name: Hatter's Pond Unit 35-11 #3, Permit No. 3277, Location: S35-T1S-R1W.

IV.

The temporarily abandoned status for the above-listed wells was last extended on April 1, 2021, by Board Order 2021-05 for a period of one year or until the next regularly scheduled Board meeting thereafter. Hilcorp has requested extension of the temporarily abandoned status for the above-listed wells in accordance with Rule 400-1-40.17(1) of the State Oil and Gas Board Administrative Code. Hilcorp presented testimony that the Hatter's Pond Unit 3-1 #1 Well, Permit 4706 was plugged and abandoned since the April 1, 2021, meeting and is thus not the subject of this Petition.

V.

That Hilcorp presented testimony that the above-described wells having current temporarily abandoned status have future utility, are monitored, and are in a safe condition and therefore should not be plugged.

VI.

That Hilcorp is the current operator of the following wells, all located in the Hatter's Pond Fieldwide Unit, which have previously been granted shut-in status in accordance with Rule 400-1-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code:

Well Name: Hatter's Pond Unit 2-3 #1, Permit No. 16543-B, Location: S2-T2S-R1W;
Well Name: Hatter's Pond Unit 15-3 #1, Permit No. 10453, Location: S15-T2S-R1W;
Well Name: Hatter's Pond Unit 15-5 #1, Permit No. 11007, Location: S15-T2S-R1W;
Well Name: Hatter's Pond Unit 28-2 #2, Permit No. 8889, Location: S28-T2S-R1W;
Well Name: Hatter's Pond Unit 3-6 #1, Permit No. 11118, Location: S3-T2S-R1W;
Well Name: Hatter's Pond Unit 9-16 #1, Permit No. 3995, Location: S9-T2S-R1W; and
Well Name: Hatter's Pond Unit 3-3 #2, Permit No. 15611, Location: S3- T2S-R1W.

VII.

That the shut-in status for above wells was last extended on April 1, 2021, by Board Order 2021-05 for a period of one year or until the next regularly scheduled Board meeting thereafter. Hilcorp has requested extension of the shut-in status for the above-listed in accordance with Rule 400-1-40.17(2) of the State Oil and Gas Board Administrative Code.

VIII.

That Hilcorp presented testimony that the above-described wells having current shut-in status have potential for future production, are monitored, and are in a safe condition and therefore should not be plugged.

IX.

That Hilcorp presented testimony that the granting of its request for extension of temporarily abandoned status for the three wells listed above and the granting of its request for extension of shut-in status for the seven wells listed above will prevent waste, promote the production of hydrocarbons, avoid the drilling of unnecessary wells, and protect correlative rights.

FINDINGS OF FACT

X.

That the evidence indicates that the following wells have future utility, and the temporarily abandoned status as set forth below is due to be extended for the wells:

Well Name: Hatter's Pond Unit 21-15 #1, Permit No. 3697, Location: S21-T2S-R1W;
Well Name: Hatter's Pond Unit 33-16 #1, Permit No. 3451-B, Location: S33-T1S-R1W; and

Well Name: Hatter's Pond Unit 35-11 #3, Permit No. 3277, Location: S35-T1S-R1W.

XI.

That the evidence indicates that the following wells have potential for future production, and the shut-in status as set forth below is due to be extended for the wells:

Well Name: Hatter's Pond Unit 2-3 #1, Permit No. 16543-B, Location: S2-T2S-R1W;
Well Name: Hatter's Pond Unit 15-3 #1, Permit No. 10453, Location: S15-T2S-R1W;
Well Name: Hatter's Pond Unit 15-5 #1, Permit No. 11007, Location: S15-T2S-R1W;
Well Name: Hatter's Pond Unit 28-2 #2, Permit No. 8889, Location: S28-T2S-R1W;
Well Name: Hatter's Pond Unit 3-6 #1, Permit No. 11118, Location: S3-T2S-R1W;
Well Name: Hatter's Pond Unit 9-16 #1, Permit No. 3995, Location: S9-T2S-R1W; and
Well Name: Hatter's Pond Unit 3-3 #2, Permit No. 15611, Location: S3-T2S-R1W.

XII.

That the evidence indicates that a number of the wells that are the subject of the Petition have not produced for over ten years. Considering the current high price of oil and natural gas and the great length of time that a number of wells has not produced, the wells are due to be approved for a period of six months so that Hilcorp can Petition the Board and report to the Board on the status of the wells.

CONCLUSIONS OF LAW

XIII.

That the granting this Petition as set forth below will prevent waste, promote the production of hydrocarbons, avoid the drilling of unnecessary wells, and will protect correlative rights. However, the Board suggests that the operator consider expending monies to place wells on production or plug some of the wells that are the subject of the Petition.

Based on the Findings of Fact and the Conclusions of Law as set forth hereinabove, **IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** by the State Oil and Gas Board of Alabama that the Petition bearing Docket No. 5-03-22-03 filed by Hilcorp Energy Company, Inc. is hereby granted as follows:

(1) extending the temporarily abandoned status for the following wells located Mobile County, Alabama, in the Hatter's Pond Fieldwide Unit, pursuant to Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, until the next regularly scheduled meeting of the Board following six months from the date of this order:


Well Name: Hatter's Pond Unit 21-15 #1, Permit No. 3697, Location: S21-T2S-R1W;
Well Name: Hatter's Pond Unit 33-16 #1, Permit No. 3451-B, Location: S33-T1S-R1W; and
Well Name: Hatter's Pond Unit 35-11 #3, Permit No. 3277, Location: S35-T1S-R1W.

(2) extending the shut-in status for the following wells located in Mobile County, Alabama, in the Hatter's Pond Fieldwide Unit, in the following areas, in accordance with Rule 400-1-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code, until the next regularly scheduled meeting of the Board following six months from the date of this order:

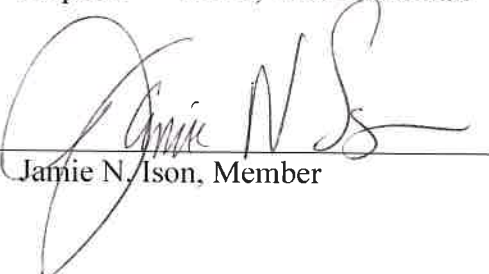
Well Name: Hatter's Pond Unit 2-3 #1, Permit No. 16543-B, Location: S2-T2S-R1W;
Well Name: Hatter's Pond Unit 15-3 #1, Permit No. 10453, Location: S15-T2S-R1W;
Well Name: Hatter's Pond Unit 15-5 #1, Permit No. 11007, Location: S15-T2S-R1W;
Well Name: Hatter's Pond Unit 28-2 #2, Permit No. 8889, Location: S28-T2S-R1W;
Well Name: Hatter's Pond Unit 3-6 #1, Permit No. 11118, Location: S3-T2S-R1W.
Well Name: Hatter's Pond Unit 9-16 #1, Permit No. 3995, Location: S9-T2S-R1W; and
Well Name: Hatter's Pond Unit 3-3 #2, Permit No. 15611, Location: S3- T2S-R1W.

ORDERED THIS 5th DAY OF MAY, 2022.

STATE OIL AND GAS BOARD OF ALABAMA

BY: 
Charles E. (Ward) Pearson, Chairman

BY: 
Stephen P. French, Vice-Chairman

BY: 
Jamie N. Ison, Member

ATTEST:


Berry H. (Nick) Tew, Jr., Secretary