Agenda

STATE OIL AND GAS BOARD OF ALABAMA

August 13 & 15, 2024

The State Oil and Gas Board of Alabama will hold a regular hearing at 10:00 a.m. on Tuesday, August 13, and Thursday, August 15, 2024 in the Board Room of State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama, to consider among other items the following petitions:

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1. Docket No. 08-13-24-01

LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order establishing a new oil field in Pickens County, Alabama, to be named the Bear Creek Oil Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Pottsville A Sand Oil Pool, as hereinafter defined, shall consist of the North Half of the Southeast Quarter of Section 8, Township 19 South, Range 13 West, Pickens County, Alabama. The Pottsville A Sand Oil Pool in the Bear Creek Oil Field should be defined as those strata productive of hydrocarbons in the interval between 4,282 feet measured depth (MD) and 4,346 feet measured depth (MD) as indicated on the Baker Hughes-High Definition Induction Log for the AMA Energy-Nadir Land Company 8-10 #1 Well, Permit No. 17436, including those strata which can be correlated therewith, and all zones in communication therewith and all productive extensions thereof. Petitioner requests well spacing of 80 acres and also requests the establishment of production allowable for said field.

Petitioner has filed a companion petition bearing Docket No. 8-13-24-02 requesting to reform the alternate 40-acre wildcat drilling unit for the AMA Energy-Nadir Land Company 8-10 #1 Well to an 80-acre production unit in the Bear Creek Field, and a companion petition bearing Docket No. 8-13-24-03 requesting approval of an exceptional location for said well on said 80-acre production unit.

The jurisdiction and authority of the Oil and Gas Board is provided in Section 9-17-1, et seq. of the Code of Alabama (1975) as amended.

2. Docket No. 08-13-24-02

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board of Alabama to enter an order reforming the alternate 40-acre wildcat drilling unit for the AMA Energy-Nadir Land Company 8-10 #1 Well, Permit No. 17436, consisting of the Northwest Quarter of the Southeast Quarter of Section 8, Township 19 South, Range 13 West, Pickens County, Alabama, to an 80-acre production unit in the proposed Bear Creek Oil Field consisting of the North Half of the Southeast Quarter of said Section 8, and approving and establishing said 80-acre unit as the permanent production unit for said well.

This petition is filed as a companion to a petition bearing Docket No. 8-13-24-01 requesting to establish the Bear Creek Oil Field and as a companion to a petition bearing Docket No. 8-13-24-03 requesting approval of an exceptional location for the AMA Energy-Nadir Land Company 8-10 #1 Well on a proposed reformed 80-acre production unit for said well.

The jurisdiction and authority of the Oil and Gas Board is provided in Section 9-17-1, et seq. of the Code of Alabama (1975) as amended.

3. Docket No. 08-13-24-03

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving an exceptional location 230 feet from the South line and 1,145 feet from the West line of the proposed reformed 80-acre production unit for the AMA Energy-Nadir Land Company 8-10 #1 Well, Permit No. 17436, consisting of the North Half of the Southeast Quarter of Section 8, Township 19 South, Range 13 West, Pickens County, Alabama. Said location will be an exception to Rule 3(b) of the Special Field Rules for the Bear Creek Oil Field which requires that wells be located at least 330 feet from every exterior boundary of the unit.

This petition is filed as a companion to a petition bearing Docket No. 8-13-24-01 requesting establishment of the Bear Creek Oil Field and as a companion to a petition bearing Docket No. 8-13-24-02 requesting reformation of the alternate 40-acre wildcat drilling unit for the AMA Energy-Nadir Land Company 8-10 #1 Well to an 80-production unit in the Bear Creek Oil Field.

The jurisdiction and authority of the Oil and Gas Board is provided in Section 9-17-1, et seq. of the Code of Alabama (1975) as amended.

4. Docket No. 08-13-24-04

Petition by VENTEX OPERATING CORP., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a 160-acre nongovernmental production unit for the proposed ATIC 34-12 #1 Well to be drilled on a nongovernmental unit consisting of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter, all in Section 34, Township 4 North, Range 7 East, Conecuh County, Alabama, in the Barnett Field, Conecuh and Escambia Counties, Alabama, in accordance with Rules 2 and 3(a) of the Special Field Rules for said Field.

This petition is filed pursuant to Section 9-17-1, et seq. of the Code of Alabama (1975), as amended.

5. Docket No. 08-01-23-07

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA for operator Mr. Ripon Britton, conservator on behalf of Stephen L. Lewis, owner of Local, Inc. to show cause why said operator should not plug and abandon the following wells in Lamar County, Alabama:

Well NamePermit No.Location
W.A. Delaney #11565Sec. 16, T12S, R15E
Waldrop 7-10 #11933Sec. 7, T14S, R14W
Ogden 8-7 #12104Sec. 8, T14S, R14W
Hill 5-14 #12113Sec. 5, T14S, R14W
Hill 5-6 #12117Sec. 5. T14S. R14W
Gilmer 17-12 #12191Sec. 17, T14S, R14W
Ogden 9-5 #12211Sec. 9, T14S, R14W
Hollis 5-9 #22386Sec. 5, T14S, R14W
AMF 4-12 #23026Sec. 4, T14S, R14W
Burnett 16-14 #111652Sec. 16, T14S, R14W
Christian 16-10 #111874Sec. 16, T14S, R14W
Ogden 16-16 #111975Sec. 16, T14W, R14W
Gilmer 17-12 #212842Sec. 17, T14S, R14W
VMG 5-16 #12210Sec. 5, T14S, R14W (PR, 4 yrs since production)
VMG 8-2 #11968-WI-90-4Sec. 8, T14S, R14W
O. Gilmer 8-3 #12099-WI-90-5Sec. 8, T14S, R14W

• These are the 16 wells in "Abandoned" Status. The remaining 3 wells are:

W.A. Delaney #21595Sec. 16, T12S, R15E (producing)
Ogden 8-8 #12110Sec. 8, T14S, R14W (producing)
VMG 5-15 #12112Sec. 5, T14S, R14W (producing)

The Probate Court of Tuscaloosa County appointed Mr. Rippon Britton as conservator of the Estate of Steve Lewis, owner of Local, Inc. on or about the 6th day of August, 2015. Furthermore, the operator shall show cause why the operator should not be in found in violation Rule 400-1-10-.01 of the State Oil and Gas Board of Alabama Administrative Code relating to filing the operator's monthly production reports and injection reports.

Section 9-17-15 of the Code of Alabama (1975) provides that the Board may issue of fine of up to $10,000 per day for violations of rules, regulations, and orders of the Board. Furthermore, the Board may issue other sanctions allowed under the Board's general jurisdiction as set forth in Section 9-17-1, et seq. of the Code of Alabama (1975).

6. Docket No. 12-05-23-01

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to adopt new regulations governing Geologic Storage of Carbon Dioxide. The proposed regulations will be designated as Rule 400-8-1-.01 et seq. of the State Oil and Gas Board of Alabama Administrative Code. The State Oil and Gas Board of Alabama was established pursuant to Alabama Oil and Gas Conservation Laws as set forth in the Section 9-17-1 et seq. of the Code of Alabama (1975).

7. Docket No. 08-13-24-05

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA for Mellon Creek Operating Co. to show cause why Mellon Creek should not be responsible for costs related to the clean-up and plugging of the W.F. Thomas #1 Well, Permit No. 1708 located in Section 28, Township 1 North, Range 4 East, Baldwin County, Alabama.

Mellon Creek drilled and later plugged the W.F. Thomas Well in 1972. However, the well recently experienced a high-pressure leak. The Board incurred substantial costs and expenses to properly plug the well and restore the well site. Mellon Creek failed to properly plug the well as required by the rules and regulations of the Board. Furthermore, Mellon Creek submitted inaccurate and erroneous information to the Board concerning the plugging of the well.

Furthermore, Section 9-17-15 of the Code of Alabama (1975) provides that the Board may issue a fine of up to $10,000 per day for violations of rules, regulations, and orders of the Board. Furthermore, the Board may issue other sanctions allowed under the Board's general jurisdiction as set forth in Section 9-17-1, et seq. of the Code of Alabama (1975).

The public is further advised that, pursuant to this hearing, the applicable provisions of the Code of Alabama (1975), and the State Oil and Gas Board of Alabama Administrative Code, the Board will enter such Order or Orders as in its judgment may be necessary in accordance with the evidence submitted and accepted. Hearings of the State Oil and Gas Board are public hearings, and members of the public are invited to attend and present their position concerning petitions. Requests to continue or oppose a petition should be received by the Board at least two (2) days prior to the hearing. The public should be aware that a petition may be set for hearing on the first day or second day of the hearing or may be continued to another hearing at a later date. We suggest that prior to the hearing, interested parties contact the Board to determine the status of a particular petition. For additional information, you may contact Marvin Rogers, General Counsel for State Oil and Gas Board, P. O. Box 869999, Tuscaloosa, Alabama 35486-6999, Telephone Number 205/247-3680, Fax Number 205/349-2861, or by email at petitions@ogb.state.al.us.