



Agenda

STATE OIL AND GAS BOARD OF ALABAMA

August 2 and 4, 2016

The State Oil and Gas Board of Alabama will hold its regular hearing at 10:00 a.m. on Tuesday, August 2 and Thursday, August 4, 2016 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:

1. Docket No. 08-02-16-02

Petition by ESCAMBIA OPERATING CO. LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order establishing a new oil field in Escambia County, Alabama, to be known as the North Fanny Church Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. Petitioner proposes that the field limits consist of the Northwest Quarter of Section 13, Township 1 North, Range 8 East, Escambia County, Alabama, as underlain by the Smackover Oil Pool, as hereinafter defined, and all zones in communication therewith and all productive extensions thereof.

The Smackover Oil Pool in said field is defined as those strata productive of hydrocarbons between the interval of 14,944 feet measured depth (-14,837 TVDSS) and 15,217 feet measured depth (-15,111 TVDSS) as indicated on the Density-Neutron log for the R.E. Loper et al 13-6 #2 Well, Permit No. 5052, and all zones in communication therewith, all productive extensions thereof and all strata which can be correlated therewith.

Petitioner requests well spacing of 160 acres, and also requests the establishment of production allowables for said field. Additionally, Petitioner requests that the 160-acre alternate oil unit for the R.E. Loper 13-6 #2 Well consisting of the Northwest Quarter of Section 13, Township 1 North, Range 8 East, Escambia County, Alabama, be approved as the permanent production unit for said well.

This petition is filed pursuant to Rule 400-1-1-.07 of the State Oil and Gas Board of Alabama Administrative Code and §9-17-1 et seq. of the Code of Alabama (1975).

2. Docket No. 08-02-16-03

Petition by SAGA PETROLEUM LIMITED LIABILITY COMPANY OF COLORADO, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the shut-in status for twenty-five (25) wells, all located in Bibb and Shelby Counties, Alabama, in the Gurnee Coal Degasification Field, in the following townships, for a period of one (1) year, pursuant to Rule 400-3-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code:

Township 22 South, Range 4 West, Bibb County
Sections 18 and 19

Township 22 South, Range 5 West, Bibb County
Sections 13, 23, 24 and 25

Township 21 South, Range 3 West, Shelby County
Section 7

Township 21 South, Range 4 West, Shelby County
Sections 1, 2, 21, 23, 26, 34 and 35.

Said wells are capable of producing and should not be plugged, and they are monitored and are in a safe condition.

3. Docket No. 08-02-16-04

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to (i) amend Rule 1 of the Special Field Rules for the Buncomb Creek Field to add the West Half of Section 4, Township 19 South, Range 15 West, Pickens County, Alabama, to the Field; (ii) amend Rule 2 of the Special Field Rules for the Buncomb Creek Field, Pickens County, Alabama, to add the Fayette Sand Gas Pool to said Field, to be construed to mean those strata of the Fayette Sand productive of hydrocarbons in the interval between 3,467 (-3,191) feet and 3,582 (-3,306) feet in the Burks 4-3 #1 Well, Permit No. 17158, located on a 320-acre unit consisting of the West Half of Section 4, Township 19 South, Range 15 West, Pickens County, as indicated on the Platform Express Compensated Neutron Lithology Density log of said well, and including those strata productive of hydrocarbons which can be correlated therewith; and (iii) approve the 320-acre drilling unit for the Burks 4-3 #1 Well consisting of the West Half of Section 4, Township 19 South, Range 15 West, Pickens County, Alabama, as the production unit for said well, as completed in the Fayette Sand Gas Pool, in the Buncomb Creek Field.

This petition is filed pursuant to Section 9-17-1, et seq., of the Code of Alabama (1975), and Rules 400-1, et seq., of the State Oil and Gas Board of Alabama Administrative Code.

4. Docket No. 08-02-16-05

Petition by DENBURY ONSHORE, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama, pursuant to Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order approving or extending the shut-in or temporarily abandoned status and pursuant to Rule 400-4-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code to enter an order approving the extension of the Class II injection permits with the approvals applying to certain wells located in the Citronelle Field, Mobile County, Alabama, in the following areas for a period of one (1) year:

Citronelle Unit

Township 2 North, Range 3 West

Sections 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36

Township 2 North, Range 2 West

Sections 17, 18, 19, 20, 29, 30, 31

Township 1 North, Range 3 West

Sections 1, 2, 3, 10, 11, 12, 13, 14

Township 1 North, Range 2 West

Sections 5, 6, 7, 8, 9, 16, 17, 18

Southeast Citronelle Unit

Township 1 North, Range 2 West

Sections 4, 5, 8, 9, 10

Township 2 North, Range 2 West

Sections 32 and 33

East Citronelle Unit

Township 1 North, Range 2 West

Section 6

Township 2 North, Range 2 West

Sections 29, 31, 32

5. Docket No. 08-02-16-06

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to reform the 40-acre wildcat drilling unit for the Palma-Martin 6-1 #1 Well, Permit No. 17180, consisting of the Northeast Quarter of the Northeast Quarter of Section 6, Township 19 South, Range 13 West, Pickens County, Alabama, to a 320-acre production unit in the Elmore Creek Field consisting of the East Half of said Section 6.

This Petition is filed as a companion to a Petition bearing Docket No. 8-2-16-08 requesting to amend Rules 1 and 2 of the Special Field Rules for the Elmore Creek Field to add certain parcels to the Field and to add the Carter Sand Gas Pool to the Field.

6. Docket No. 08-02-16-07

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to reform the 40-acre wildcat drilling unit for the Westervelt 31-16 #1 Well, Permit No. 17173, consisting of the Southeast Quarter of the Southeast Quarter of Section 31, Township 18 South, Range 13 West, Pickens County, Alabama, to a 320-acre production unit in the Elmore Creek Field consisting of the East Half of said Section 31.

This Petition is filed as a companion to a Petition bearing Docket No. 8-2-16-08 requesting to amend Rules 1 and 2 of the Special Field Rules for the Elmore Creek Field to add certain parcels to the Field and to add the Carter Sand Gas Pool to the Field.

7. Docket No. 08-02-16-08

Petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to (i) amend Rule 1 of the Special Field Rules for the Elmore Creek Field to add the East Half of Section 6, Township 19 South, Range 13 West, and the East Half of Section 31, Township 18 South, Range 13 West, all in Pickens County, Alabama, to the field limits of said Field; (ii) amending Rule 2 of the Special Field Rules for the Elmore Creek Field, Pickens County, Alabama, to add the Carter Sand Gas Pool to said Field, defined to include those strata of the Carter Sand productive of hydrocarbons in the interval between 4,982 feet and 5,000 feet in the Westervelt 31-16 #1 Well, Permit No. 17173, located on a proposed reform 320-acre production unit consisting of the East Half of Section 31, Township 18 South, Range 13 West, Pickens County, as indicated on the Platform Express Compensated Neturon Lithology Density log of said well, and including those strata productive of hydrocarbons which can be correlated therewith.

This Petition is filed as a companion to a Petition bearing Docket No. 8-2-16-06 requesting to reform the 40-acre wildcat drilling unit for the Palma-Martin 6-1 #1 Well, Permit No. 17180, to a 320-acre production unit in the Elmore Creek Field and to a Petition bearing Docket No. 8-2-16-07 requesting to reform the 40-acre wildcat drilling unit for the Westervelt 31-16 #1 Well, Permit No. 17173, to a 320-acre production unit in said Field.

8. Docket No. 08-02-16-09

Petition by PRUET PRODUCTION CO., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama ("the Board") to enter an order amending Rule 1 of the Special Field Rules for the Little Cedar Creek Field to add the Southeast Quarter of Southwest Quarter of Section 22, all in Township 5 North, Range 13 East, Conecuh County, Alabama, to the field limits of said field.

This petition is filed as a companion to a petition bearing Docket No. 8-2-16-10 requesting to establish the Little Cedar Creek Oil Unit III in the Little Cedar Creek Field, and the above-described parcels are requested to be included within the proposed Little Cedar Creek Oil Unit III.

9. Docket No. 08-02-16-10

Petition by PRUET PRODUCTION CO., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama (“the Board”) to enter an order pursuant to Sections 9-17-1 through 9-17-32 and 9-17-80 through 9-17-88, Code of Alabama (1975), establishing and approving a partial field-wide oil Unit in the Little Cedar Creek Field to be known as the “Little Cedar Creek Oil Unit III,” consisting of the hereinafter described “Unit Area” in Conecuh County, Alabama, and requiring the operation of said Unit Area as a single partial field-wide Unit for pressure maintenance, enhanced recovery, development and production of oil, gas, gaseous substances, condensate, distillate and all associated and constituent liquid or liquefiable substances within or produced from the Unitized Formation in order to prevent waste, to maximize recovery of the unitized substances, to avoid the drilling unnecessary wells and to protect correlative rights of interested parties.

The “Unitized Formation” within the Unit Area for the proposed Little Cedar Creek Oil Unit III is designated as the Smackover Formation which includes the Smackover Oil Pool defined as the productive interval found between the depths of 10,201 (-10,022) feet and 10,298 (-10,119) feet in the Cedar Creek Land & Timber 23-3 Well, Permit No. 16053, with a surface location 1,209 feet FNL and 1,792 feet FWL and a bottom hole location 554 feet FEL and 1,376 feet FNL of the Northwest Quarter of Section 23, Township 5 North, Range 13 East, Conecuh County, Alabama, as defined by the Halliburton Quad Combo ML 3 Curve Array log for said well, including those strata which can be correlated therewith and which are in communication therewith and all productive extensions thereof, or such other enlarged interval as may be ordered by the State Oil and Gas Board of Alabama.

The proposed “Unit Area” is designated as the following described areas: W/2 of NE/4 and the W/2 of Section 13; E/2 and the SW/4 of Section 14; SE/4 of SE/4 of SE/4 of Section 15; E/2 of NE/4, SW/4 of NE/4, SE/4, and SE/4 of SW/4 of Section 22; W/2 and NE/4 of Section 23; NW/4 of NW/4 of NW/4 of Section 24, all in Township 5 North, Range 13 East, Conecuh County, Alabama, in the Little Cedar Creek Field, containing 1,700 acres more or less.

Said petition further seeks entry of an order by the Board unitizing, pooling and integrating the Unit Area, as underlain by the above-described Unitized Formation, into a partial field-wide Unit so as to require all owners or claimants of royalty, mineral, leasehold and all other leasehold interests within said partial field-wide Unit to unitize, pool and integrate their interests and develop their lands or interests within the Unit Area as a Unit. Said petition further seeks to have Pruet Production Co. designated as Operator of the Unit Area in accordance with the laws of the State of Alabama and seeks an order from the Board approving the Unit Agreement and Unit Operating Agreement, as ratified.

Said petition also seeks approval of the amendments to the Special Field Rules for the Little Cedar Creek Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

This petition is filed as a companion to a petition bearing Docket No. 8-2-16-09 requesting to amend Rule 1 of the Special Field Rules for the Little Cedar Creek Field to add certain parcels which are not presently in said Field but which are included within the proposed Little Cedar Creek Oil Unit III.

10. Docket No. 08-02-16-11

First Amended Petition by Hilcorp Energy Company, a Texas Corporation, authorized to do and doing business in the State of Alabama as HILCORP ENERGY COMPANY, INC., requesting the State Oil and Gas Board to enter an order 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, extending the temporarily abandoned status for the following wells located Mobile County, Alabama, in the Chunchula Fieldwide Unit, for a period of one (1) year, as said wells have future utility and should not be plugged:

Well Name: Roy J. Smith et al 6-10 #1A, Permit No. 2355-B, Location: S6-T1S-R1W;
Well Name: Annie M. Hill 8-7 #1, Permit No. 13619, Location: S8-T1S-R2W;
Well Name: C.P. Newman 17-11 #1, Permit No. 2739, Location: S17-T1S-R1W;
Well Name: R.J. Newman 7-7 #1A, Permit No. 2233-B-2, Location: S7-T1S-R1W;
Well Name: International Paper Co. 24-11#1, Permit No. 2119-B, Location: S24-T1S-R2W;
Well Name: E.M. Maddox 26-12 #1, Permit No. 11629-B-1, Location: S26-T1S-R2W;
Well Name: E.M. Maddox 26-7 #1 ST 02, Permit No. 2310-B-2, Location: S26-T1S-R2W; and
Well Name: E.T. Stapleton 27-7 #1ST, Permit No. 2120-B-1, Location: S27-T1S-R2W.

Petitioner requests an extension of the shut-in status for certain wells located in Mobile County, Alabama, in the Chunchula Fieldwide Unit, in the following areas, for a period of one (1) year, in accordance with Rule 400-1-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code, as said wells are capable of producing and should not be plugged:

Well Name: E.L. Maples 24-16 #1, Permit No. 3193, Location: S24-T1S-R2W;
Well Name: Della M. Waltman 15-10 #1, Permit No. 2758, Location: S15-T1S-R2W;
Well Name: Arthur R. Outlaw 34-15 #1, Permit No. 4692, Location: S34-T1S-R2W;
Well Name: International Paper Co. 25-6 #1, Permit No. 2234, Location: S25-T1S-R2W;
Well Name: LL. Wright 28-7 #1, Permit No. 2322, Location: S28-T1S-R2W; and
Well Name: International Paper Co. 24-4 #1, Permit No. 3206, Location: S24-T1S-R2W.

Petitioner requests granting of shut-in status for the following well located in Mobile County, Alabama, in the Chunchula Fieldwide Unit, in the following area, for a period of one (1) year, in accordance with Rule 400-1-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code, as such well is capable of producing and should not be plugged:

Well Name: Board of School Commissioners 16-13 #1, Permit 5318, Location: S16-T1S-R2W.

11. Docket No. 08-02-16-12

First Amended Petition by Hilcorp Energy Company, a Texas Corporation, authorized to do and doing business in the State of Alabama as HILCORP ENERGY COMPANY, INC., requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for certain wells located in Mobile County, Alabama, in the Hatter's Pond Unit, in the following areas, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said wells have future utility and should not be plugged:

Well Name: Hatter's Pond Unit 10-2 #1ST, Permit No. 4894-B, Location: S10-T2S-R1W;
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;
Well Name: Hatter's Pond Unit 3-1 #1, Permit No. 4706, Location: S3-T2S-R1W; and
Well Name: Hatter's Pond Unit 35-11 #3, Permit No. 3277, Location: S35-T1S-R1W.

Petitioner further requests that the Board extend the shut-in status for the following wells located in Mobile County, Alabama, in the Hatter's Pond Unit, for one year, in accordance with Rule 400-1-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code because said wells have future utility and should not be plugged:

**Well Name: Hatter's Pond Unit 2-3 #1, Permit No. 16543-B, Location: S2-T2S-R1W, and
Well Name: Hatter's Pond Unit 15-3 #1, Permit No. 10453, Location: S15-T2S-R1W.**

Petitioner requests granting of shut-in status for the following well located in Mobile County, Alabama, in the Hatter's Pond Fieldwide Unit, in the following area, for a period of one (1) year, in accordance with Rule 400-1-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code, as such well is capable of producing and should not be plugged:

Well Name: Hatter's Pond Unit 3-3 #2, Permit No. 15611, Location: S3-T2S-R1W

12. Docket No. 08-02-16-01

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-1-2-.02 of the State Oil and Gas Board of Alabama Administrative Code relating to Spacing of Wells to provide that the Supervisor may approve exceptional locations on alternate drilling units pending a hearing to determine the proper spacing in the event the well is completed as a productive oil well. 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).

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.