

AGENDA  
STATE OIL AND GAS BOARD OF ALABAMA  
SEPTEMBER 22 AND 24, 2015

The State Oil and Gas Board of Alabama will hold its regular hearing at 10:00 a.m. on Tuesday, September 22 and Thursday, September 24, 2015 in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama, to consider, among other items, the following petition(s):

1. DOCKET NO. 9-22-15-01

Petition by BAY GAS STORAGE COMPANY, LTD. ("Petitioner"), an Alabama limited partnership whose general partner is MGS Storage Services, Inc., an Alabama corporation, requesting that the State Oil and Gas Board of Alabama ("Board") enter an order amending the Special Gas Storage Rules for "Bay Gas Salt Dome Gas Storage Facility No. 1 at McIntosh" which is located in the Northwest Quarter, Section 29, Township 3 North, Range 1 East, and the East Half of the Northeast Quarter of the Northeast Quarter of Section 1, Township 3 North, Range 1 West, Washington County, Alabama, by adding two new Rules, Rules 8 and 17, authorizing solution mining under gas operations at said facility and to make technical changes in certain other rules in order to make the wording of those Rules more consistent with rules more recently adopted for Petitioner's other Salt Dome Gas Storage Facilities. This petition is filed in accordance with and as authorized the provisions of Ala. Code Sections 9-17-150 et seq. and State Oil and Gas Board of Alabama Administrative Code Rules 400-6-1 et seq. and 400-7-1 et seq.

2. DOCKET NO. 9-22-15-02

Petition by CROSBYS CREEK OIL & GAS, LLC, 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 approving a revision of the Unit Operations Plan for the Crosbys Creek Gas Unit, Crosbys Creek Field, Washington County, Alabama. The Board, in Order No. 2010-112 dated December 9, 2010, established the Crosbys Creek Gas Unit, a field wide Unit for the Crosbys Creek Gas Field, effective January 1, 2011. Condensate production has steadily declined in the Crosbys Creek Gas Unit while the gas production has remained relatively constant, which has resulted in a higher gas/condensate ratio and is evidence of a drop in reservoir pressure, and Petitioner proposes to revise the Unit Operations Plan to include enhanced recovery by water injection.

Petitioner proposes to convert the Darlys Dees 3-3 #1 Well, Permit No. 5115-B-H, a shut-in well, to Class II water injection well in order to re-pressure the Smackover reservoir which will reduce the pressure decline and enhance the recovery of the gas condensate.

This petition is filed pursuant to Section 9-17-80 through 9-17-88 of the Code of Alabama (1975).

3. DOCKET NO. 9-22-15-03

Amended Petition by 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 South Coal Fire 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 shall consist

of all of Section 35, Township 18 South, Range 14 West and the North Half of Section 1 and the East Half and Northwest Quarter of Section 2, Township 19 South, Range 14 West, all in Pickens County, Alabama.

The Pottsville A Sand Oil Pool in the South Coal Fire Creek Oil Field should be defined as those strata productive of hydrocarbons in the interval between 3,982 feet measured depth (MD) and 4,026 feet measured depth (MD) as indicated on the Schlumberger Dual Induction Log for the Peco Foods 35-11 #1 Well, Permit No. 4710, located on a proposed reformed 80-acre unit consisting of the East Half of the Southwest Quarter of Section 35, Township 18 South, Range 14 West, Pickens County, Alabama.

Petitioner is requesting well spacing of 80 contiguous surface acres, and is also requesting the establishment of allowables for each well in said field.

That Petitioner has filed a companion petition bearing Docket No. 9-22-15-04 to reform the 40-acre wildcat drilling unit for the Peco Foods 35-11 #1 Well to an 80-acre production unit in the South Coal Fire Creek Oil Field and a companion petition bearing Docket No. 9-22-15-05 to reform the 40-acre wildcat drilling unit for the Hickman 35-15 #1 Well to an 80-acre production unit in said Field.

4. DOCKET NO. 9-22-15-04

Amended 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 40-acre wildcat drilling unit for the Peco Foods 35-11 #1 Well, Permit No. 4710, consisting of the Northeast Quarter of the Southwest Quarter of Section 35, Township 18 South, Range 14 West, Pickens County, Alabama, to an 80-acre production unit in the proposed South Coal Fire Creek Oil Field consisting of the East Half of the Southwest Quarter of said Section 35, 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. 9-22-15-03 requesting to establish the South Coal Fire Creek Oil Field.

5. DOCKET NO. 9-22-15-05

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 40-acre wildcat drilling unit for the Hickman 35-15 #1 Well, Permit No. 17145, consisting of the Southwest Quarter of the Southeast Quarter of Section 35, Township 18 South, Range 14 West, Pickens County, Alabama, to an 80-acre production unit in the proposed South Coal Fire Creek Oil Field consisting of the West Half of the Southeast Quarter of said Section 35, 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. 9-22-15-03 requesting to establish the South Coal Fire Creek Oil Field.

6. DOCKET NO. 9-22-15-06

Petition by DAN A. HUGHES COMPANY, L.P., a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order establishing a new oil field in Monroe County, Alabama, to be named the East Excel Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field consists of the Southwest Quarter of Section 1, Township 5 North, Range 7 East, Monroe County, Alabama, underlain by the Smackover Oil Pool.

The Smackover Oil Pool in said Field is defined as those strata productive of hydrocarbons between the interval of 12,205 feet measured depth (MD) and 12,324 feet measured depth (MD) as indicated on the Array Induction Log of the Kelly-Johnson 1-11 #1 Well, Permit No. 17091, and all zones in communication therewith and all productive extensions thereof. This petition is filed as a companion to a petition bearing Docket No. 9-22-15-07 requesting to reform the 40-acre wildcat drilling unit for the Kelly-Johnson 1-11 #1 Well consisting of the Northeast Quarter of the Southwest Quarter of Section 1, Township 5 North, Range 7 East, Monroe County, Alabama, to a 160-acre production unit in the proposed East Excel Field consisting of the Southwest Quarter of said Section 1; and a companion petition bearing Docket No. 9-22-15-08 requesting the forced pooling, without imposition of a risk compensation penalty.

Petitioner requests well spacing of 160 acres, and also requests the establishment of production allowables for said field.

This petition is filed pursuant to Rule 400-1-1-.07 and Rule 400-7-1, et seq., of the State Oil and Gas Board of Alabama Administrative Code.

7. DOCKET NO. 9-22-15-07

Petition by DAN A. HUGHES COMPANY, L.P., a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order reforming the 40-acre wildcat drilling unit for the Kelly-Johnson 1-11 #1 Well, Permit No. 17091, consisting of the Northeast Quarter of the Southwest Quarter of Section 1, Township 5 North, Range 7 East, Monroe County, Alabama, to a 160-acre production unit in the East Excel Field consisting of the Southwest Quarter of said Section 1, and approving and establishing said 160-acre unit as the permanent production unit for said well.

This petition is filed as a companion to a petition bearing Docket No. 9-22-15-06 requesting to establish the East Excel Field; and a companion petition bearing Docket No. 9-22-15-08 requesting the forced pooling, without imposition of a risk compensation penalty.

8. DOCKET NO. 9-22-15-08

Petition by DAN A. HUGHES COMPANY, L.P., a foreign limited liability partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Kelly-Johnson 1-11 #1 Well, Permit No. 17091, located on a proposed reformed 160-acre production unit in the proposed East Excel Field consisting of the Southwest Quarter of Section 1, Township 5 North, Range 7 East, Monroe County, Alabama.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code. This petition is filed as a companion to a petition bearing Docket No. 9-22-15-06 requesting to establish the East Excel Field; and a petition bearing Docket No. 9-22-15-07 requesting to reform the 40-acre wildcat drilling unit for the Kelly-Johnson 1-11 #1 Well to a 160-acre production unit in the proposed East Excel Field consisting of the Southwest Quarter of Section 1, Township 5 North, Range 7 East, Monroe County, Alabama.