



# Agenda

## STATE OIL AND GAS BOARD OF ALABAMA

December 13 and 15, 2016

The State Oil and Gas Board of Alabama will hold its regular hearing at 10:00 a.m. on Tuesday, December 13 and Thursday, December 15, 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:

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### 1. Docket No. 09-13-16-06

Continued petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order declaring that if wells located in Tuscaloosa County, Alabama, in the Brookwood Coal Degasification Field, previously classified as temporarily abandoned are put back on production and continue to produce, those wells, along with wells that have been plugged and abandoned, can be removed from the list of temporarily abandoned wells listed in Board Order No. 2016-04 and that, together, said wells, plugged and put back on production, will be credited toward the minimum of fifteen percent (15%) of the total wells shown on Exhibits "A" and "B" to said Order No. 2016-04.

Further, Petitioner requests such relief that the Board deems appropriate related to the Brookwood Coal Degasification Field. Although the Field includes parts of Tuscaloosa and Jefferson Counties, none of the wells affected by this petition is in Jefferson County.

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

### 2. Docket No. 09-13-16-07

Continued petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order declaring that if wells in the Oak Grove Coal Degasification Field previously classified as temporarily abandoned are put back on production and continue to produce, those wells, along with wells that have been plugged and abandoned, can be removed from the list of temporarily abandoned wells listed in Board Order No. 2016-05 and that, together, said wells, plugged and put back on production, will be credited toward the minimum of fifteen percent (15%) of the total wells shown on Exhibits "A" and "B" to said Order No. 2016-05.

Further, Petitioner requests such relief that the Board deems appropriate related to the Oak Grove Coal Degasification Field, which Field is located in Tuscaloosa and Jefferson Counties, Alabama.

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

### 3. Docket No. 11-01-16-04

Continued petition by PRIDE ENERGY COMPANY, an Oklahoma general partnership, requesting the State Oil and Gas Board of Alabama to enter an Order approving a temporarily abandoned status for the following wells, to-wit:

Lamar County, Alabama  
Beaverton Field  
Ogden #5-1 Well, Permit No. 2651.  
Allen Benton 30-15 No.1 Well, Permit No. 3392.

Petitioner is requesting the Board to approve a temporarily abandoned status for the Ogden #5-1 Well, Permit No. 2651, and for the Allen Benton 30-15 No. 1 Well, Permit No. 3392, for a one-year period or to the next regularly scheduled meeting of the Board following said one-year period 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. Both of the subject wells are in the Beaverton Field, Lamar County, Alabama.

#### **4. Docket No. 11-01-16-05**

Continued petition by SKLAR EXPLORATION COMPANY L.L.C., a Louisiana limited liability company, 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), approving the plans for a partial field-wide oil Unit for the Little Cedar Creek Field to be known as the “Little Cedar Creek Oil Unit IV,” 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 IV is defined as the subsurface portion of the Unit Area (which is within the Smackover Formation) in the interval between the depths of 10,778 feet measured depth (MD) and 10,877 feet measured depth (MD) in the Craft-Ralls 28-16 No. 1 Well, Permit No. 16327-B, with a surface location 333 feet FSL and 834 feet FEL of Section 28, Township 5 North, Range 13 East, Conecuh County, Alabama, as defined by the Platform Express, Borehole Sonic Array Induction, Lithology Density Compensated Neutron, Gamma Ray, SP log for said well and including those strata underlying the Unit Area which can be correlated therewith, which are in communication therewith, or which are productive extensions thereof, which said Unitized Formation is part of the Smackover Oil Pool of the Little Cedar Creek Field.

The proposed “Unit Area” is designated as the following described areas:

**Township 5 North, Range 13 East**

**Section 27: Northeast Quarter, Northwest Quarter, Southwest Quarter, North 660 feet of Northwest Quarter of Southeast Quarter, and all that part of the following tract lying within the Northwest Quarter of the Southeast Quarter of Section 27: Point of commencement is a concrete marker set by judicial litigation as the Southwest corner of the Northeast Quarter of the Southwest Quarter of Section Twenty-seven (27). From Point of Commencement run North 1 degree 01 minutes 36 seconds East for 428.45 feet to a judicial concrete marker. Then South 89 degrees 31 minutes 33 seconds East along fence for 1373.44 feet to an iron on the East right-of-way of Conecuh County Highway 43, the Point of Beginning. From Point of Beginning run along right-of-way in a curve having a central angle of 8 degrees 32 minutes 55 seconds and radius of 2000.16, for 298.43 feet to an iron. Then South 89 degrees 31 minutes 33 seconds East for 411.45 feet to an iron. Then South 28 degrees 46 minutes 21 seconds East for 90.00 feet to a spring leaf. Continue South 28 degrees 46 minutes 21 seconds East for 210.00 feet to an iron. Then North 89 degrees 31 minutes 33 seconds West for 415.27 feet to the Point of Beginning.**

**Section 28: Southeast Quarter, East half of East half of Southwest Quarter, and South Half of Northeast Quarter**

**Section 33: Northeast Quarter and East half of East half of Northwest Quarter**

**Section 34: Northwest Quarter of Northwest Quarter, West Half of Northeast Quarter of Northwest Quarter, and North Half of Southwest Quarter of Northwest Quarter**

**All in Conecuh County, Alabama, in the Little Cedar Creek Field.**

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 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 Sklar Exploration Company L.L.C. 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 form of the Unit Agreement and Unit Operating Agreement.

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. 11-1-16- 06 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 IV.

**5. Docket No. 11-01-16-06**

Continued petition by SKLAR EXPLORATION COMPANY L.L.C., a Louisiana limited liability company, 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 following described parcels to the field limits of said field:

**Township 5 North, Range 13 East**

**Section 27: North 660 feet of Northwest Quarter of Southeast Quarter, and all that part of the following tract lying within the Northwest Quarter of the Southeast Quarter of Section 27: Point of commencement is a concrete marker set by judicial litigation as the Southwest corner of the Northeast Quarter of the Southwest Quarter of Section Twenty-seven (27), Township Five (5) North, Range Thirteen (13) East, St. Stephens Meridian. From Point of Commencement run North 1 degree 01 minutes 36 seconds East for 428.45 feet to a judicial concrete marker. Then South 89 degrees 31 minutes 33 seconds East along fence for 1373.44 feet to an iron on the East right-of-way of Conecuh County Highway 43, the Point of Beginning. From Point of Beginning run along right-of-way in a curve having a central angle of 8 degrees 32 minutes 55 seconds and radius of 2000.16, for 298.43 feet to an iron. Then South 89 degrees 31 minutes 33 seconds East for 411.45 feet to an iron. Then South 28 degrees 46 minutes 21 seconds East for 90.00 feet to a spring leaf. Continue South 28 degrees 46 minutes 21 seconds East for 210.00 feet to an iron. Then North 89 degrees 31 minutes 33 seconds West for 415.27 feet to the Point of Beginning.**

**Section 28: East half of East half of Southwest Quarter and South Half of Northeast Quarter**

**Section 33: East half of East half of Northwest Quarter**

**Section 34: Northwest Quarter of Northwest Quarter, West Half of Northeast Quarter of Northwest Quarter, and North Half of Southwest Quarter of Northwest Quarter**

**All in Conecuh County, Alabama.**

This petition is filed as a companion to a petition bearing Docket No. 11-1-16-05 requesting approval of the plans to establish the Little Cedar Creek Oil Unit II in the Little Cedar Creek Field, and the above-described parcels are requested to be included within the proposed Little Cedar Creek Oil Unit II.

**6. Docket No. 12-13-16-01**

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 approving an exceptional location for the John Hancock 4-2 No. 1 Well, to be drilled on a 40-acre wildcat drilling unit consisting of the Northwest Quarter of the Northeast Quarter of Section 4, Township 5 North, Range 8 East, Monroe County, Alabama, as an exception to Rule 400-1-2-.02(2)(a) of the State Oil and Gas Board of Alabama Administrative Code. Said Rule requires that wells be drilled at least 330 feet from every exterior boundary of the drilling unit, and the proposed location for the referenced well is 146 feet from the West line and 933 feet from the North line of said 40-acre wildcat drilling unit, and as such, is an exception to said Rule 400-1-2-.02(2)(a).

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.

**7. Docket No. 12-13-16-02**

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 an exceptional non-governmental 40-acre wildcat drilling unit for the Craft-Goodwin 17-13 No. 1 Well consisting of the South Half of the Northwest Quarter of the Southwest Quarter and the North Half of the Southwest Quarter of the Southwest Quarter of Section 17, Township 6 North, Range 5 East, Clarke County, Alabama as an exception to Rule 400-1-2-.02(2)(a) of the State Oil and Gas Board of Alabama Administrative Code, which provides that such wells be drilled on units consisting of a governmental quarter-quarter section containing approximately 40 acres. This petition is filed pursuant to Section 9-17-1, et seq. of the Code of Alabama (1975), as amended.

This petition is filed as a companion to a petition bearing Docket No. 12-13-16-03 requesting the forced pooling, with imposition of a risk compensation fee, of all tracts and interests in the proposed exceptional non-governmental 40-acre wildcat drilling unit for the Craft-Godwin 17-13 No. 1 Well referenced hereinabove.

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.

**8. Docket No. 12-13-16-03**

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 force pooling, with the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Tuscaloosa, Cotton Valley, Smackover and Norphlet Formations from the proposed Craft-Goodwin 17-13 No. 1 Well to be drilled on an exceptional non-governmental 40-acre wildcat drilling unit consisting of the South Half of the Northwest Quarter of the Southwest Quarter and the North Half of the Southwest Quarter of the Southwest Quarter of Section 17, Township 6 North, Range 5 East, Clarke County, Alabama.

This Petition is in accordance with Section 9-17-13 of the 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. 12-13-16-02 requesting approval of an exceptional non-governmental 40-acre wildcat drilling unit for the Craft-Goodwin 17-13 No. 1 Well described hereinabove.

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.

**9. Docket No. 12-13-16-04**

Petition by Land and Natural Resource Development, Inc., an Alabama corporation, requesting the State Oil and Gas Board of Alabama (“the Board”) to enter an order pursuant to Sections 9-17-83 and 9-17-84 of the Code of Alabama (1975): (1) finding that agreements incorporating the provisions of Section 9-17-83 with respect to the Chicken Swamp Branch Oil Unit, as heretofore approved by the Board, have been signed or in writing ratified or approved by the owners of at least sixty-six and two-thirds percent (66 2/3%) in interest as costs are shared under the Allocation Formula established by the Board and by sixty-six and two-thirds percent (66 2/3%) in interest of the royalty owners in the Unit Area as revenues are distributed under the terms of the Allocation Formula established by the Board in Order No. 2016-52; and (2) providing that Order No. 2016-52 shall become effective at 7 a.m. on the first day of the month after the issuance of the order requested by this petition.

The Unit Area for the Chicken Swamp Branch Oil Unit is comprised of the following described property:  
Township 18 South, Range 15 West:

Section 21:South Half of the Southeast Quarter and the Southeast Quarter of the Southwest Quarter

Section 26:South Half of the Southwest Quarter and the Northwest Quarter of the Southwest Quarter

Section 27:South Half of the Northeast Quarter and the Southeast Quarter and West Half

Section 28:East Half and the East Half of Northwest Quarter

Section 34:North Half; Southeast Quarter; East Half of the Southwest Quarter; Northwest Quarter of Southwest Quarter

Section 35:West Half; Southeast Quarter; West Half of the Northeast Quarter; and the Southeast Quarter of the Northeast Quarter

Section 36:Southwest Quarter of the Southwest Quarter

Township 19 South, Range 15 West

Section 1:Northwest Quarter and the Northwest Quarter of the Southwest Quarter

Section 2:North Half and the North Half of the South Half

Section 3:North Half of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter,

all in Pickens County, Alabama, in the Chicken Swamp Branch Oil Field, containing approximately 3,240 acres, more or less

**10. Docket No. 12-13-16-05**

Petition by FLETCHER PETROLEUM CORP., a domestic corporation authorized to do and doing business in the State of Alabama, requesting that the State Oil and Gas Board of Alabama enter an order (i) amending Rule 1 of the Special Field Rules for the Brooklyn Field to add the East Half of Section 3, and the Northwest Quarter of Section 2, Township 3 North, Range 13 East, Conecuh County, Alabama to the field limits of the said Brooklyn Field, and (ii) establishing the final 160-acre production unit for each of the following wells:

Pate 3-9 #1 Well, Permit No. 17207-B, the proposed production unit to consist of the Southeast Quarter of Section 3, Township 3 North, Range 13 East, Conecuh County, Alabama.

Cedar Creek Land & Timber 3-7 #1 Well, Permit No. 17204-B, the proposed production unit to consist of the Northeast Quarter of Section 3 Township 3 North, Range 13 East, Conecuh County, Alabama.

Findley 2-5 Well, Permit No. 17193, the proposed production unit to consist of the Northwest Quarter of Section 2, Township 3 North, Range 13 East, Conecuh County, Alabama.

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.

**11. Docket No. 12-13-16-06**

Petition by PGP OPERATING, LLC, an Alabama 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 pursuant to Section 9-17-1 et seq., Code of Alabama (1975) to amend Rule 5 of the Special Field Rules for the Big Sandy Creek Coal Degasification Field, Tuscaloosa County, Alabama to include the additional following provision:

“Upon approval by the Supervisor, coalbed gas may be produced from the annular space between the surface casing and production casing. In order to obtain approval, the Operator shall provide to the Supervisor a schematic of the coalbed gas well. Such schematic shall depict the casing, cementing and test pressure specifications and the exposed coal beds in the borehole production casing annulus. Additionally, the following information shall be furnished within a one-quarter mile radius of the coalbed gas well: 1) an inventory, accompanied by a location map of all water supply wells; 2) the results of a test conducted to determine the presence of gas at the wellhead of the closest water supply well, or wells(s) designated by the Supervisor; and 3) an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor. Operators shall also provide a statement indicating that they will take all necessary precautions to prevent endangering any water supply wells, protect fresh water aquifers and the environment, and maintain safe operation of the coalbed gas well at all times.

In order to maintain approval, the Operator shall file with the Board on an annual basis an updated water well inventory and location map of water supply wells within said one-quarter mile radius including the results of a test conducted to determine the presence of gas at the wellhead with an analysis for pH, chlorides and specific conductance of water collected from the closest water supply well, or well(s) designated by the Supervisor.”

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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](mailto:petitions@ogb.state.al.us).