State Oil and Gas Board



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State Of Mississippi

500 Greymont Avenue, Suite E Jackson, MS 39202 Telephone (601) 576-4900 LISA IVSHIN Executive Director

HOWARD O. LEACH Board Attorney

Date:

March 17, 2016

From:

State Oil and Gas Supervisor

To:

All Oil and Gas "Operators" and Attorneys Who Practice Before

the Mississippi State Oil & Gas Board

Subject:

Exception Units/Exception Well Locations

This is to advise you that effective immediately all dockets seeking the approval of <u>irregularly-sized or irregularly-configured drilling and production units</u> and/or <u>exception well locations</u> must set forth in <u>Affidavit</u> form the justification for the exceptions requested. <u>In addition, such Affidavits must be accompanied by appropriate supporting exhibits</u>.

If the reasons for the exceptions are <u>topographical</u> in nature, those topographical reasons must be fully set forth in a supporting affidavit. In addition, such supporting affidavit must be accompanied by appropriate topographical exhibits (e. g., a <u>topographical map</u>, <u>photographs</u>, etc.) which depict the underlying topographical conditions relied upon. <u>Both the proposed unit and/or exception well location must be properly depicted on any such topographical map</u>, <u>photographs or other exhibits</u>. The Field Inspector will inspect the proposed wellsite location to verify the topographical conditions and a copy of the Field Inspector's report will be placed in the appropriate docket file.

If the reasons for the exceptions are <u>geological</u> in nature, those geological reasons must be fully set forth in a supporting affidavit duly executed by a petroleum geologist. Such supporting affidavit must be accompanied by appropriate geological exhibits (e. g., <u>structure maps</u>, etc.) which fully depict the geological conditions relied upon. <u>Again</u>, <u>both the proposed exception unit and/or exception well location must be properly depicted on any such structure maps</u>.

Simply stated, exception units and exception well locations cannot be approved by the Mississippi State Oil & Gas Board solely on the basis of allegations and statements contained in the petition. Claims for such relief must be fully supported by affidavits accompanied by appropriate exhibits.

In addition, in order for an oil well permitted on an exception unit or at an exception well location to be assigned a <u>full daily production allowable</u>, an appropriate affidavit duly executed by a petroleum geologist must be submitted <u>demonstrating that the proposed unit is underlain by not less than the minimum number of acres of productive oil sands required for a full allowable</u>. Again, such affidavit must be accompanied by appropriate supporting exhibits (e. g., <u>structure maps</u>) with the unit and well location properly depicted thereon.

Finally, any topographical or geological affidavits submitted to the Mississippi State Oil and Gas Board must state clearly that all accompanying exhibits were either prepared by or under the supervision and control of the affiant and that such exhibits accurately and correctly portray and depict the matters and facts purported to be shown therein.

Should you have any questions regarding this matter, please contact either Lisa A. Ivshin, the State Oil and Gas Supervisor, at <u>1-601-576-4920</u>, or Howard O. Leach, the Board Attorney, at <u>1-601-576-4921</u>.

MISSISSIPPI STATE OIL AND GAS BOARD

Lisa A. Ivshin

State Oil and Gas Supervisor