

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

RE: PETITION OF COHO RESOURCES, INC.  
TO AMEND THE SPECIAL FIELD RULES  
FOR THE BENTONIA FIELD, YAZOO AND  
MADISON COUNTIES, MISSISSIPPI

APR 03 2001

STATE OIL AND GAS BOARD  
WALTER BOONE, SUPERVISOR

DOCKET NO. 65-2001-164

ORDER NO. 109-2001

ORDER

This matter came on for hearing before the State Oil and Board of Mississippi on the 21st day of March, 2001, on the Petition of Coho Resources, Inc. (hereinafter the "Petitioner") to amend the Special Field Rules for the Bentonia Field, Yazoo and Madison Counties, Mississippi, to define the Mooringsport Oil Pool as a separate and distinct underground reservoir or pool or accumulation of hydrocarbons within the Bentonia Field; to prescribe rules governing the spacing of wells and the formation and establishment of drilling and production units within said pool in said field; and for related relief, said hearing being called for such purpose; and

WHEREAS, the Board finds that due, proper and legal notice of the meeting of the Mississippi State Oil and Gas Board for the purpose of considering and taking action with respect to such matter was given in the manner and way provided by law and the Rules and Regulations of the Mississippi State Oil and Gas Board; that due, legal and sufficient

Proofs of Publication are on file with the Board in said matter; and that the Board has full jurisdiction of the subject-matter to hear and determine same; and

WHEREAS, pursuant to said notice a public hearing was held by the said Board in the Hearing Room of the Mississippi State Oil and Gas Board located at 500 Greymont Avenue, Suite E, Jackson, Mississippi, commencing at 9:30 o'clock, A. M. on March 21, 2001, at which hearing all persons present who desired to be heard in said matter were heard and all testimony and documentary evidence duly considered by those present at said meeting; and

WHEREAS, the Board having considered the Petition and the evidence, and being fully advised in the premises, is of the opinion and finds that the relief requested by the Petitioner should be and the same is hereby granted. The Board further finds and determines as follows:

1.

The Board finds that the Mississippi State Oil and Gas Board has previously established Special Field Rules for the Bentonia Field, Yazoo and Madison Counties, Mississippi. Those Special Field Rules were last amended by the Mississippi State Oil and Gas Board on November 16, 1994 (Order No. 410-94, Docket No. 297-1994-164). Those Special Field Rules establish the geographic limits of the Bentonia Field; define various oil and gas pools within the field; and prescribe spacing rules applicable to wells drilled and completed in said pools. The Board finds that the Mooringsport Oil Pool is not presently

defined as a separate and distinct pool or accumulation of hydrocarbons within the Bentonia Field.

2.

The Board finds that the Petitioner is the owner/operator of the Coho Resources, Inc. - Farmer 3-6 No. 7 Well located in the Bentonia Field, Yazoo and Madison Counties, Mississippi. The Farmer 3-6 No. 7 Well is located on a regular 80-acre oil drilling and production unit comprised of the following described lands:

SE 1/4 of NW 1/4 and NE 1/4 of SW 1/4 of Section 3, Township 9 North, Range 1 West, Yazoo County, Mississippi.

3.

The Board finds that the location of the Farmer 3-6 No. 7 Well on the hereinabove described 80-acre oil drilling and production unit is as follows:

2322.0 feet from the North line and 2128.0 feet from the West line of Section 3, Township 9 North, Range 1 West, Yazoo County, Mississippi.

and

1022.0 feet from the North exterior drilling unit boundary and 512.0 feet from the East exterior drilling unit boundary of said 80-acre oil unit.

4.

The Board finds that the Farmer 3-6 No. 7 Well was drilled by the Petitioner pursuant to the authority of Drilling Permit No. 64 which was issued administratively by the Mississippi State Oil and Gas Board on August 26, 1988. The well was permitted to be

drilled to a depth of approximately 11,700 feet below the surface to test the Hosston Formation.

5.

The Board finds that the Farmer 3-6 No. 7 Well was spudded on August 28, 1988. The well was completed on September 25, 1988, in the Lower Hosston Oil Pool through production perforations at a depth between 10,659 feet and 10,670 feet below the surface in said well.

6.

The Board finds that the Farmer 3-6 No. 7 Well last produced from the Lower Hosston Oil Pool through production perforations at a depth between 11,100 feet and 11,112 feet below the surface.

7.

The Board finds that commercial production from the Farmer 3-6 No. 7 Well ceased on or about April 1997. The well was thereafter placed on an inactive, standby status and was routinely reflected on SEMI-ANNUAL INACTIVE WELL STATUS REPORTS (Form 9-A's) filed with the Mississippi State Oil and Gas Board.

8.

The Board finds that the Petitioner has recently recompleted the Farmer 3-6 No. 7 Well in a presently undefined and productive interval of the Mooringsport Formation through production perforations at a depth between 9054 feet and 9081 feet below the surface in said well.

9.

The Board finds that the productive interval of the Mooringsport Formation recently encountered in the Farmer 3-6 No. 7 Well is a separate and distinct oil-bearing interval or sand of the Mooringsport Formation which is not presently defined by the Special Field Rules for the Bentonia Field. The Board finds that it would, therefore, be in the best interests of all parties, and would further facilitate the more efficient and economical development of the Bentonia Field, if the Special Field Rules were amended to separately define this presently undefined oil-bearing sand as the Mooringsport Oil Pool and to prescribe spacing rules applicable thereto.

10.

The Board finds that the Mooringsport Oil Pool, as recently encountered in the Farmer 3-6 No. 7 Well, is a separate and distinct underground reservoir or pool or accumulation of hydrocarbons within the Bentonia Field and that said pool is not in communication with any other reservoirs, pools or accumulations of hydrocarbons within the field. The Board finds that the said pool is not presently defined by the Special Field Rules for the Bentonia Field. The Board finds that the Special Field Rules should, therefore, be amended by adding thereto a new Rule 2.(H.) to separately define the Mooringsport Oil Pool in the Bentonia Field as follows:

H. The Mooringsport Oil Pool in the Bentonia Field shall be construed to mean those strata of the Mooringsport Formation productive of oil in the interval between 8,872 feet and 9,084 feet as indicated on the electric log of the Coho Resources, Inc. - Farmer 3-6 No. 7 Well located 2322.0 feet from the North line and 2128.0 feet from the West line of Section 3, Township

9 North, Range 1 West, Yazoo County, Mississippi, and all sands correlative therewith.

11.

The Board further finds that the section of the Special Field Rules currently designated as Rule 2.(G.) should be redesignated as a new Rule 2.(H.)

12.

The Board further finds that the presently-known characteristics of the Mooringsport Oil Pool within the Bentonia Field, as it is proposed to be defined, indicate that the efficient and adequate drainage and production of oil and other hydrocarbons from said pool will be facilitated if wells drilled and completed in said pool are located on drilling and production units consisting of a governmental half-quarter section containing not less than seventy-two (72) acres, or on drilling and production units consisting of not more than eighty (80) contiguous surface acres upon which no other drilling or producible well is located; provided, however, that two (2) wells otherwise located in conformity with such spacing should be authorized to be located on each such drilling unit and produced from the same pool.

13.

The Board additionally finds that the presently-known characteristics of the Mooringsport Oil Pool within the Bentonia Field, as it is proposed to be defined, indicate that the efficient and adequate drainage and production of oil and other hydrocarbons from said pool will be facilitated if wells drilled and completed in said pool are located at least

100.0 feet from every exterior drilling unit boundary of each such drilling unit, as well as at least 200.0 feet from any other well which is located outside that drilling unit and at least 500.0 feet from any other well which is located on that drilling unit. In addition, the Board finds that the distance between any two (2) points farthest apart on the drilling unit upon which any such well is located should not exceed 3150.0 feet.

14.

The Board finds that the adoption of the proposed pool definition for the Mooringsport Oil Pool, as hereinabove set forth, and the proposed spacing rules applicable to said pool, will facilitate the efficient and adequate draining and production of hydrocarbons from said pool within the Bentonia Field and will insure that the maximum recoverable hydrocarbons in such area are produced without waste.

15.

The Board finds that the amendment of the Special Field Rules for the Bentonia Field to define the Mooringsport Oil Pool and to prescribe rules governing the spacing of wells drilled and completed in said pool, all as hereinabove set forth, will promote conservation, will prevent waste, will avoid the drilling of unnecessary wells, and will fully protect the co-equal and correlative rights of all parties in interest. In addition, the Board finds that the adoption of the proposed amendments to the Special Field Rules will result in the ultimate recovery of oil and other hydrocarbon reserves from the Bentonia Field, Yazoo and Madison Counties, Mississippi, which would not otherwise be recoverable.

16.

A copy of the Special Field Rules for the Bentonia Field, Yazoo and Madison Counties, Mississippi, as amended for the hereinabove specified purposes, is attached hereto as Exhibit "A" and is made a part hereof by reference for all purposes.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the Special Field Rules for the Bentonia Field, Yazoo and Madison Counties, Mississippi, should be and the same are hereby amended to define the Mooringsport Oil Pool as a separate and distinct underground reservoir or pool or accumulation of hydrocarbons within the Bentonia Field and to prescribe rules governing the spacing of wells and the formation and establishment of drilling and production units within said pool in said field, all as more fully set forth on the attached Exhibit "A" which is incorporated herein and made a part hereof by reference for all purposes.

IT IS FURTHER ORDERED AND ADJUDGED that Coho Resources, Inc. shall acquire all other permits, if any, required by any other permitting authority.

IT IS FURTHER ORDERED AND ADJUDGED that this Order shall be in force and effect from and after March 21, 2001.

ORDERED AND ADJUDGED this the 30<sup>th</sup> day of March, 2001.

MISSISSIPPI STATE OIL AND GAS BOARD

By: Joseph S. Succaro  
CHAIRMAN



ORDER PREPARED BY:

Howard O. Leach  
MB - No. 1119  
Armstrong, Thomas, Leach & Lampton  
Attorneys-at-Law  
246 West Gallatin Street  
P. O. Box 190  
Hazlehurst, Mississippi 39083  
Telephone: (601) 894-4061  
Telecopier: (601) 894-4792

## EXHIBIT "A"

### SPECIAL FIELD RULES FOR THE BENTONIA FIELD YAZOO AND MADISON COUNTIES, MISSISSIPPI

#### 1. FIELD AREA

The Bentonia Field, as used herein, is that area consisting of Sections 33 and 34, Township 10 North, Range 1 West, Yazoo County, Mississippi; and Section 4, Township 9 North, Range 1 West, Yazoo County, Mississippi; and that part of Sections 3 and 10 of Township 9 North, Range 1 West, Yazoo and Madison Counties, Mississippi, underlain by the Lower Tuscaloosa Oil Pool, the Washita-Fredericksburg Oil Pool, the Upper Hosston Oil Pool, the Lower Hosston Oil Pool, the Upper Tuscaloosa Oil Pool, the Rodessa Oil Pool and the Mooringsport Oil Pool, all as hereinafter defined and all productive extensions thereof.

#### 2. POOL DEFINITIONS

A. The Lower Tuscaloosa Oil Pool in the Bentonia Field shall be construed to mean those strata of the Lower Tuscaloosa Formation productive of oil in the interval between the top of the marine shale at 6,967 feet and the top of the Lower Cretaceous at 7,178 feet as indicated on the electric log of the Humble Oil & Refining Company Dorothy Farmer No. 2 Well and all sands correlative therewith.

B. The Washita-Fredericksburg Oil Pool in the Bentonia Field shall be construed to mean those strata of the Washita-Fredericksburg Formation productive of oil in the interval between 7,200 feet and 7,650 feet as indicated on the electric log of the Humble Oil & Refining Company Dorothy Farmer No. 2 Well and all sands correlative therewith.

C. The Upper Hosston Oil Pool in the Bentonia Field shall be construed to mean those strata of the Hosston Formation productive of oil in the interval between 10,152 feet to 10,555 feet as indicated on the dual induction log of the Coho Resources, Inc.-

Thompson 3-4 Well No. 7 in Section 3, Township 9 North, Range 1 West, and all sands correlative therewith.

D. The Lower Hosston Oil Pool in the Bentonia Field shall be construed to mean those strata of the Hosston Formation productive of oil in the interval between 10,555 feet to 11,470 feet as indicated on the dual induction log of the Coho Resources, Inc.- Thompson 3-4 Well No. 7 in Section 3, Township 9 North, Range 1 West, and all sands correlative therewith.

E. The Upper Tuscaloosa Oil Pool in the Bentonia Field shall be construed to mean those strata of the Upper Tuscaloosa Formation productive of oil in the interval between 6,680 feet and 6,950 feet as indicated on the electric log of the Humble Oil & Refining Company Bentonia Oil Unit No. 2, Well No. 1, in Section 10, Township 9 North, Range 1 West, and all sands correlative therewith.

F. The Rodessa Oil Pool in the Bentonia Field shall be construed to mean those strata of the Rodessa Formation productive of oil in the interval between 9,090 feet and 9,500 feet as indicated on the electric log of Coho Resources, Inc., Thompson 3-5 No. 4 Well in Section 3, Township 9 North, Range 1 West, and all sands correlative therewith.

G. The Mooringsport Oil Pool in the Bentonia Field shall be construed to mean those strata of the Mooringsport Formation productive of oil in the interval between 8,872 feet and 9,084 feet as indicated on the electric log of the Coho Resources, Inc. - Farmer 3-6 No. 7 Well located 2322.0 feet from the North line and 2128.0 feet from the West line of Section 3, Township 9 North, Range 1 West, Yazoo County, Mississippi, and all sands correlative therewith.

H. The characteristics of the said Lower Tuscaloosa Oil Pool, the Washita-Fredericksburg Oil Pool, the Upper Hosston Oil Pool, the Lower Hosston Oil Pool, the Upper Tuscaloosa Oil Pool, the Rodessa Oil Pool and the Mooringsport Oil Pool in said field are such that a well located as hereinafter prescribed and drilled upon a drilling unit

containing approximately 80 contiguous surface acres conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable oil from such unit in said pools without avoidable waste.

3. SPACING OF OIL WELLS

A. A drilling unit is hereby established for each oil well in each of the pools hereinabove described as an area consisting of a governmental half-quarter section, containing not less than 72 acres, or a drilling unit consisting of not more than 80 contiguous surface acres upon which no other drilling or producible well is located; provided, however, two wells otherwise located in conformance herewith may be located on each drilling unit and produced from the same oil pool. Every well drilled as an oil well shall be located at least 100.0 feet from every exterior boundary of the drilling unit. Every well drilled as an oil well shall be located at least 200.0 feet from any other well located outside that drilling unit and shall also be located at least 500.0 feet from any other well which is situated on that drilling unit. The distance between any two points farthest apart on the drilling unit upon which the well is located shall not exceed 3150.0 feet.

B. When a well is drilled at any location less than 200.0 feet from any exterior boundary of a drilling unit, a directional survey shall be run for the well before the well is completed and submitted to the Board within thirty (30) days after the making thereof.

4. APPLICABILITY OF STATEWIDE RULES

A. All rules and regulations contained in Statewide Order No. 201-51, and any amendments thereto, not specifically covered in the foregoing Special Field Rules are hereby adopted and shall apply to said field; and

B. The Board expressly reserves the right, after notice and hearing, to alter, amend, or repeal any and all of the foregoing rules and regulations.

**- END OF SPECIAL FIELD RULES -**