

BEFORE THE STATE OIL AND GAS BOARD OF THE
STATE OF MISSISSIPPI

RE: SPECIAL FIELD RULES
BLACKBURN FIELD, FIRST DISTRICT
JONES COUNTY, MISSISSIPPI

DOCKET NO. 38-66-195

ORDER NO. 58-66

ORDER

This cause coming on this day to be heard upon application of Triad Oil and Gas Company, Inc., McAlester Fuel Company, and others, asking for the approval and adoption of amended Special Field Rules for the Blackburn Field, First District, Jones County, Mississippi, upon proof of publication of notice as required by statute and the rules of this Board and upon oral and documentary evidence introduced at this hearing and the Board being of the opinion that the relief asked should be granted does find as follows:

I.

The Board does find and adjudicate that proper, due and legal notice for the meeting of this Board to consider this application has been given as required by law and the Rules of this Board, and that due, legal and sufficient proofs of publication of notice are now on file with this Board. The Board does further adjudicate that it has full and complete jurisdiction of the subject matter to hear and determine this application at this time and place.

II.

The Board having heard all the evidence at this meeting and having fully considered the matter of the amendment to Special Field Rules for the Blackburn Field, First District, Jones County, is of the opinion that the following Special Field Rules for the Lower Paluxy Oil Pool, the Upper Paluxy Oil Pool, the Mooringsport Oil Pool, and the Rodessa Oil Pool in said Field should be adopted for the prevention of waste, the protection of the coequal and correlative rights of all owners in said pools and in said Field and for the development, promotion, conservation and utilization of the natural resources of oil and gas in said field.

III.

The Board does further find that the presently known characteristics of the four oil pools hereinabove mentioned and hereinafter defined are such that a well located in conformance with said amended special field rules and drilled upon a unit containing approximately 80 contiguous surface acres conforming to the requirements of said special field rules as amended, will efficiently drain and produce and economically recover the recoverable hydrocarbons from said unit in said pools without avoidable waste.

IV.

The Board does further find that the units as presently established by Order of this Board in said Field for the Lower Paluxy Oil Pool should be established and approved as the drilling and producing units for the Upper Paluxy Oil Pool, the Mooringsport

Oil Pool and the Rodessa Oil Pool.

IT IS, THEREFORE, ORDERED that the Special Field Rules for the Blackburn Field, First District, Jones County, Mississippi previously adopted by this Board under date of July 17, 1964, by Order No. 159-64 in Docket No. 93-64-195 be and they are hereby amended as hereinafter set forth and the following Special Field Rules be and they are hereby adopted and approved by this Board for the Upper Paluxy Oil Pool, the Lower Paluxy Oil Pool, the Mooringsport Oil Pool and the Rodessa Oil Pool in the Blackburn Field, First District, Jones County, Mississippi, to-wit:

SPECIAL FIELD RULES FOR THE BLACKBURN FIELD

JONES COUNTY, MISSISSIPPI

FIELD LIMITS:

The Blackburn Field, as used herein, is that area consisting of the South half of South half of Section 11; all of Section 14; Southwest quarter of Southeast quarter and the East half of the East half of Section 15; North half of the Northeast Quarter of Section 22, and the North half of the North half of Section 23, all being located in Township 7 North, Range 13 West, Jones County, Mississippi, underlain by the Lower Paluxy Oil Pool, as hereinafter defined, and all productive extensions thereof.

DEFINITIONS:

(a) Upper Paluxy Oil Pool

The Upper Paluxy Oil Pool in the Blackburn Field shall be construed to mean those strata of the Paluxy Formation productive of oil in the interval between 11,500 feet to 12,490 feet in the Triad-McAlester Fuel Company et al Trotter-Collins Unit No. 1 Well, located 330 feet North and 510 feet East of the Southwest corner of Southwest Quarter of Northeast Quarter, Section 14, Township 7 North, Range 13 West, First District, Jones County, Mississippi, as indicated on the electric log of said well and all sands correlative of these strata productive of oil.

(b) Lower Paluxy Oil Pool

The Lower Paluxy Oil Pool in the Blackburn Field shall be construed to mean those strata of the Paluxy Formation productive of oil in the interval between 12,490 feet to 12,903 feet in the Triad-McAlester Fuel Company et al Trotter-Collins Unit No. 1 Well, located 330 feet North and 510 feet East of the Southwest corner of Southwest Quarter of Northeast Quarter, Section 14, Township 7 North, Range 13 West, First District, Jones County, Mississippi, as indicated on the electric log of said well and all sands correlative of these strata productive of oil.

(c) Mooringsport Oil Pool

The Mooringsport Oil Pool in the Blackburn Field shall be construed to mean those strata of the Mooringsport Formation productive of oil in the interval between 12,903 feet to 13,302 feet in the Triad-McAlester Fuel Company et al Trotter-Collins Unit No. 1 Well, located 330 feet North and 510 feet East of the Southwest corner of Southwest Quarter of Northeast Quarter, Section 14, Township 7 North, Range 13 West, First District, Jones County, Mississippi, as indicated on the electric log of said well and all sands correlative of these strata productive of oil.

(d) Rodessa Oil Pool

The Rodessa Oil Pool in the Blackburn Field shall be construed to mean those strata of the Rodessa Formation productive of oil in the interval between 13,546 feet to 13,668 feet in the Triad-McAlester Fuel Company et al Trotter-Collins Unit No. 1 Well, located 330 feet North and 510 feet East of the Southwest corner of Southwest Quarter of Northeast Quarter, Section 14, Township 7 North, Range 13 West, First District, Jones County, Mississippi, as indicated on the electric log of said well and all sands correlative of these strata productive of oil.

The characteristics of the four oil pools above described 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 pool without avoidable waste.

RULE I - Spacing of Oil Wells:

Every well drilled as an oil well:

- (a) shall be located on a drilling unit consisting of a governmental half-quarter section, containing not less than 72 acres or on a drilling unit consisting of approximately 80 contiguous surface acres, upon which no other drilling or producible well is located;

- (b) shall be located at least 880 feet from every other drilling or producible well located in the Blackburn Field;
- (c) shall be located at least 330 feet from every exterior boundary of the drilling unit; and
- (d) the distance between any two points farthest apart on the drilling unit upon which the well is located shall not exceed 3150 feet.

RULE II - Measurement of Production:

The operator of each producing lease shall maintain proper separators, treaters, and stock tanks and/or metering devices and such connections thereto as they are necessary to measure the total production from such lease. Where metering devices are used, the production may be commingled in a common storage system. And if, upon a sale therefrom a variance exists between the measurement from the common storage system and the total measurement of the production of all the leases commingled in such common storage system, then such variance shall be allocated back to each of the leases producing into such common storage system proportionately to the production measured from each lease.

RULE III - Use of Meters:

The use of meters for testing and for measurement of lease production shall be subject to and in accordance with the following provisions:

- (a) Only a positive displacement or dump type metering device or vessel which registers the volume of oil passed through it in barrels or multiples thereof may be used.
- (b) All meters shall be downstream of the necessary separating or treating vessels. All meters shall be designed and installed in conformance with recognized metering practices and acceptable to the Oil and Gas Board.
- (c) No meter used for oil production measurement shall be directly or indirectly by-passed in such manner as to permit oil to pass into common storage without first being measured by said meter including wells on test.
- (d) A calibration vessel shall be provided so that each meter measuring actual lease production and the test meter may be tested for accuracy at any time, but no tests shall be required at intervals of less than ninety (90) days.
- (e) The meter used to measure the oil from the system to the purchaser will be compensated for temperature, will be so equipped as to provide a cumulative total of all oil transferred by the system, and will have a standard of accuracy equivalent to the accuracy obtained in measurements made in a calibrated stock tank.

(f) The corrected meter reading at 7:00 a.m. on the first day of each month for each meter shall be reported on the bottom of the Form 9 reporting the monthly production from the wells being measured by such meter.

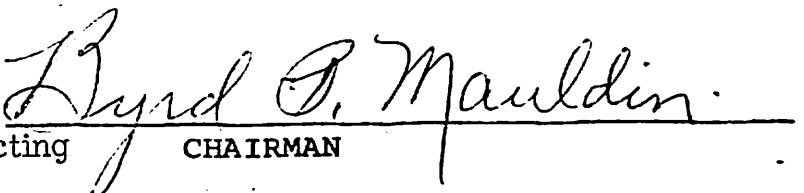
RULE IV - Applicability of Statewide Rules:

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.

It is further ordered that the following units as presently established and approved by this Board for the wells now located thereon are established and approved for production from said wells from the four pools as hereinabove defined, subject to the applicable Rules of this Board:

1. Triad Oil and Gas Co., Inc., et al - Trotter Collins Unit #1, $W\frac{1}{2}$ of $NE\frac{1}{4}$ of Section 14, Township 7 North, Range 13 West.
2. Triad - McAlester A. C. Jordan Unit #1
 $W\frac{1}{2}$ of $SE\frac{1}{4}$ of Section 14, Township 7 North, Range 13 West.
3. Triad - McAlester C. R. Cross Unit #1
 $E\frac{1}{2}$ of $SW\frac{1}{4}$ of Section 14, Township 7 North, Range 13 West.
4. Triad - McAlester A. C. Jordan Unit #2
 $W\frac{1}{2}$ of $SW\frac{1}{4}$ of Section 14, Township 7 North, Range 13 West.
5. Triad - McAlester Old Kent Bank & Trust Company, et al Unit #1. $N\frac{1}{2}$ $NW\frac{1}{4}$ of Section 23, Township 7 North, Range 13 West.
6. Shell Oil Company - Cross et al #1
 $E\frac{1}{2}$ of $NW\frac{1}{4}$ of Section 14, Township 7 North, Range 13 West.

ORDERED this the 16th day of March, 1966.


Acting CHAIRMAN