

OCT 1 1985

STATE OIL AND GAS BOARD
A. Richard Henderson, Supervisor

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF CITIES SERVICE OIL AND
GAS CORPORATION TO ESTABLISH SPECIAL
FIELD RULES FOR BOWLING CREEK FIELD,
SMITH COUNTY, MISSISSIPPI.

DOCKET NO. 288-85-653

ORDER NO. 381-85ORDER

THIS DAY this matter came on for hearing before the State Oil and Gas Board on the Petition of Cities Service Oil and Gas Corporation to establish Special Field Rules for Bowling Creek Field, such hearing being called for such purpose; and

WHEREAS, the Board finds that due, proper, and legal notice of the meeting of the 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 Board; that due, legal, and sufficient proofs of publication are on file with the Board; and that the Board has full jurisdiction of the subject matter to hear and determine same; and

WHEREAS, pursuant to said notice given, public hearing was held by said Board in the 14th Floor Auditorium of the Walter Sillers State Office Building, 550 High Street, Jackson, Mississippi, commencing on September 18, 1985, at which hearing all persons present who desired to be heard on said matter were heard and all testimony and evidence were duly considered by those present at said meeting; and

WHEREAS, the Board having fully considered said matter and the evidence and recommendations made in said hearing, finds as follows:

1. Petitioner completed its J. V. Matthews No. 1 Well as a wildcat in the Smackover Formation in the Northeast Quarter of Northwest Quarter (NE 1/4 NW 1/4) of Section 10, Township 3 North, Range 8 East, Bowling Creek Field, Smith County, Mississippi. This well has discovered a new field and oil

reservoir previous undefined in special field rules before this Board.

2. Based on the well potential tests and log characteristics, the Smackover Oil Pool as encountered by its J. V. Matthews No. 1 Well is a common accumulation of hydrocarbons not in communication with any other pool previously defined by the Board. Based on the information available at this time, it appears that one well completed in the Smackover Oil Pool of Bowling Creek Field can effectively and efficiently drain 160 acres underlain by said pool. Said spacing is therefore necessary to properly develop the Smackover Oil Pool of Bowling Creek Field, Smith County, Mississippi without waste and the drilling of unnecessary wells.

3. Based on the recommendation of Petitioner, these Special Field Rules, to the extent applicable to the Smackover Oil Pool, shall be temporary and shall terminate two years after the effective date of the Order unless otherwise extended or made permanent by the Board.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the following Special Field Rules be and are hereby established for Bowling Creek Field, Smith County, Mississippi:

SPECIAL FIELD RULES FOR
BOWLING CREEK FIELD, SMITH COUNTY, MISSISSIPPI

- A. The Bowling Creek Field, as used herein, is that area consisting of Sections 3, 4, 9, and 10, Township 3 North, Range 8 East, Smith County, Mississippi underlain by the Smackover Oil Pool and including all productive extensions to such area.
- B. The Smackover Oil Pool shall be construed to mean those strata productive of oil and casinghead gas in the Smackover Formation in the interval of 16,285-17,172' in the Cities Service Oil and Gas Corporation-

J. V Matthews No. 1 Well, located in the Northeast Quarter of Northwest Quarter (NE 1/4 NW 1/4) of Section 10, Township 3 North, Range 8 East, Smith County, Mississippi and those sands productive of gas correlative to and in communication therewith.

RULE I - SPACING OF WELLS:

(a) Every oil well completed in the Smackover Oil Pool shall be located on a drilling unit consisting of four contiguous governmental quarter-quarter sections containing not less than 144 nor more than 176 acres, upon which no other well drilling to or producing from said pool is located.

(b) All drilling units must be completely encompassed by the perimeter of a square 2,800' by 2,800'. Provided, however, no unit shall be permitted which will create island acreage.

(c) Each well shall be located at least 1,000' from every drilling or producible well from the same pool located in conformity with this rule and not less than 500 feet from every exterior boundary of the drilling unit.

RULE II - APPLICABILITY OF STATEWIDE RULES:

(a) All rules and regulations contained in the Statewide Order No. 201-51 and amendments thereto not specifically covered in the foregoing rules are hereby adopted and shall apply to Bowling Creek Field.

(b) Rule I, to the extent applicable to the Smackover Oil Pool, shall terminate two years after the effective date of this order unless otherwise extended or made permanent by the Board. The Board further expressly reserves its right after notice and hearing to alter, amend, or repeal any and all of the rules and regulations contained herein.

IT IS FURTHER ORDERED that Petitioner shall acquire all other permits, if any, required by any other permitting authority.

ORDERED AND ADJUDGED this the 18th day of September,
1985.

MISSISSIPPI STATE OIL AND GAS BOARD

By:

A handwritten signature in black ink, appearing to be "W. B. ...", written over a horizontal line. Below the line, the word "CHAIRMAN" is printed in capital letters.

CHAIRMAN