

RE: PETITION OF OUTPUT EXPLORATION
COMPANY, INC. TO ESTABLISH SPECIAL
FIELD RULES FOR THE BROWNSVILLE
DOME FIELD, HINDS COUNTY, MISSISSIPPI

APR 25 1997

STATE OIL AND GAS BOARD
Water, Earth, Supervisor

DOCKET NO. 99-97-817

ORDER NO. 149-97

ORDER

THIS CAUSE came on for hearing on April 16, 1997, upon the Petition of Output Exploration Company, Inc. to establish Special Field Rules for the Brownsville Dome Field in Hinds County, Mississippi, and based on the evidence presented to it, the Board finds as follows:

I.

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, and 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.

II.

Petitioner has either acquired or will acquire operatorship of producing and non-producing wells in the Brownsville Dome Field in Hinds County, Mississippi, including the Trotter-Copeland 10-15 No. 1 Well and Trotter Enterprises No. 1 Well, all located in Section 10, Township 7 North, Range 2 West, Second Judicial District of Hinds County, Mississippi. Petitioner plans to drill other wells in this area to explore the Eutaw and Tuscaloosa Formations.

III.

On September 20, 1995, Torch Operating Company received Permit No. 96-OPD-044 to drill the Trotter-Irby 10-10 No. 1 Well in the Brownsville Dome Field. The operator was authorized to directionally drill the well, which was spudded on October 9, 1995, and reached a total depth of 7,000 feet on October 26, 1995. Production was thereafter established on December 9, 1995, at a producing interval of 5,570 feet - 5,704 feet from the Perry Sand of the Eutaw Formation. On

February 18, 1996, Nuevo Energy Company became operator of the well. On March 20, 1996, the unit was reformed to a different configuration to carry out the field exploration plans of the operator.

On December 20, 1995, Torch Operating Company was authorized to drill the Trotter-Copeland 10-15 No. 1 Well as a South offset to the Trotter-Irby Well. The well was spudded on December 30, 1995, and reached total depth of 7,758 feet. The well was placed on production on May 17, 1996, at a producing interval of 5,912 feet to 5,942 feet from the Perry Sand of the Eutaw Formation.

On December 3, 1996, Petitioner received Permit No. 97-OPD-099 to drill the Trotter Enterprises No. 1 Well in Section 10, Township 7 North, Range 2 West, as a North offset to the Trotter-Irby Well. The well was spudded on December 15, 1996, and was drilled to a total depth of 6,002 feet. Total depth was reached on or about January 5, 1997, with commercial production anticipated from what is believed to be the Tuscaloosa Formation at a producing interval of 5,866 feet - 5,915 feet.

IV.

Cumulative production to date from the above wells equals 36,895 barrels of oil and 1,955 barrels of water. Although production has been limited to the Perry Sand of the Eutaw Formation, in each well, the operators drilled to a depth sufficient to test the Tuscaloosa Formation. In fact, in the Trotter-Copeland 10-15 No. 1 Well, the following perforations of the Tuscaloosa Formation were made:

6812' - 6942' MD
 6997' - 7014' MD
 7050' - 7080' MD
 7097' - 7104' MD
 7121' - 7135' MD

During operations for the Trotter-Irby 10-10 No. 1 Well, potential production from the Tuscaloosa Formation was also identified at a shallower interval, 6,310 feet to 6,812 feet. Based on the geological data acquired by Petitioner during its operations and that of its predecessors (Torch Operating Company and Nuevo Energy Company), Petitioner believes that the following oil pools should be defined as separate and distinct pools not in communication with each other, to-wit:

Perry Sand Oil Pool: 5,910 feet - 6,010 feet MD

Tuscaloosa Oil Pool: 6,310 feet - 7,300 feet MD

V.

No special field rules have ever been established for the Brownsville Dome Field. It is believed that adoption of Special Field Rules will promote conservation, protect the coequal and correlative rights of all owners in interest and avoid the drilling of unnecessary wells and permit oil to be produced from each of the above pools, which would not otherwise be produced.

IT IS, THEREFORE, ORDERED AND ADJUDGED, that the Special Field Rules for the Brownsville Dome Field, Hinds County, Mississippi, as more particularly set forth on the attached Exhibit "A," are hereby adopted.

ORDERED AND ADJUDGED, this the 23rd day of April, 1997.

STATE OIL AND GAS BOARD OF
MISSISSIPPI

BY: Joseph D. Zuccaro
CHAIRMAN

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**SPECIAL FIELD RULES FOR THE
BROWNSVILLE DOME FIELD
HINDS COUNTY, MISSISSIPPI**

DESCRIPTION OF FIELD

A. The Brownsville Dome Field, as used herein, is comprised of those lands in Hinds County, Mississippi, described as:

TOWNSHIP 7 NORTH, RANGE 2 WEST

Section 10: All

Section 15: N 1/2

and all productive extensions of any hydrocarbon pool that may underlie any of the above described lands.

POOLS

B. (1) The Perry Sand Oil Pool, as used herein, shall be construed to mean those strata of the Eutaw Formation productive of oil between the electric log depths of 5,910 feet and 6,010 feet measured depth in the Trotter-Irby 10-10 No. 1 Well situated in the SE 1/4 of Section 10, Township 7 North, Range 2 West, Hinds County, Mississippi, and such strata as are correlative and in communication therewith in said field.

(2) The Tuscaloosa Oil Pool, as used herein, shall be construed to mean those strata of the Tuscaloosa Formation productive of oil between the electric log depths of 6,310 feet and 7,300 feet measured depth in the Trotter-Irby 10-10 No. 1 Well situated in the SE 1/4 of Section 10, Township 7 North, Range 2 West, Hinds County, Mississippi, and such strata as are correlative and in communication therewith in said field.

RULE 1 - SPACING OF OIL WELLS

With respect to the Perry Sand Oil Pool and Tuscaloosa Oil Pool as defined above, every oil well drilled to or completed in one of said pools shall be located on a drilling unit established in conformance with the configuration and spacing requirements set forth in Statewide Rule 7.3.



RULE 2 - APPLICABILITY OF STATEWIDE RULE

A. The Board expressly reserves the right, after notice and hearing, to alter, amend, or repeal any or all of the foregoing Rules and Regulations.

B. All Rules and Regulations contained in the Statewide Rules, as amended, which are not specifically covered or amended by the foregoing rules, are hereby adopted and shall apply to the Brownsville Dome Field.