

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF MOON-HINES-TIGRETT OPERATING CO., INC. TO ESTABLISH SPECIAL FIELD RULES FOR BUTTAHATCHIE HILLS FIELD, TOWNSHIP 14 SOUTH, RANGE 17 WEST, MONROE COUNTY, MISSISSIPPI, AND OBTAIN RELATED RELIEF

FILED FOR RECORD

MAY 5 1997

STATE OIL AND GAS BOARD
Water Boone, Supervisor

DOCKET NO. 106-97-823

ORDER NO. 155-97

ORDER

THIS cause came on to be heard at the regular April 1997 meeting of the Board, held on April 16, 1997, on the Petition of MOON-HINES-TIGRETT OPERATING CO., INC., Petitioner, requesting the Board to establish Special Field Rules for Buttahatchie Hills Field to define a gas pool and establish spacing for gas wells, and grant related relief. Having considered the Petition, the evidence in support thereof, and being fully advised in the premises, the Board finds that the Petition in this docket should be granted. The Board also finds as follows:

1.

The Board has jurisdiction over the parties and the subject matter of the Petition. Due and legal notice of the hearing on the Petition has been given in the time and manner required by law and the rules and regulations of this Board.

2.

Petitioner operates the Moon-Hines-Tigrett Operating Co., Inc. - Scott Paper 20-8 No. 1 Well (the "Well"), located 2,050 feet South of the North line and 125 feet West of the East line of Section 20, Township 14 South, Range 17 West, Monroe County, Mississippi.

3.

The Well was previously permitted as a wildcat on a 40-acre oil unit. The Well was drilled to a total depth of 3,250 feet and was completed into and is the discovery well for what is proposed to be defined as the "Carter Gas Pool," as herein proposed. The producing interval in the Well is at the measured depth intervals

from 3,150 feet to 3,162 feet. The Well has established the existence of gas productive intervals in the Carter Formation, which should be defined.

4.

The definition of the "Carter Gas Pool" should be defined to read as follows:

B. POOL DEFINITIONS

1. The **Carter Gas Pool**, as used herein, shall be construed to mean those strata of the Carter Formation productive of gas between the measured depths of 3,148 feet to 3,186 feet on the Phasor Induction Gamma Ray log for the Moon-Hines-Tigrett Operating Co., Inc. - Scott Paper 20-8 No. 1 Well, located in the SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 20, Township 14 South, Range 17 West, Monroe County, Mississippi, and such strata as are correlative and in communication with that interval in said field.

5.

The Board should establish Special Field Rules for the Buttahatchie Hills Field in order to define the said Carter Gas Pool and establish spacing, as more particularly set forth in the proposed Special Field Rules, attached hereto as Exhibit "1."

6.

The spacing for production from the said gas pool should be 320-acre spacing, each gas well should be located at least 1320 feet from every other drilling or producible gas well in the same pool, and each gas well should be located at least 660 feet from the nearest exterior boundary of the unit on which it is drilled, as more particularly provided for in the proposed Special Field Rules for Buttahatchie Hills Field.

7.

The proposed Special Field Rules will allow for the orderly development of the field, will avoid unnecessary wells, will prevent waste, will protect the coequal and correlative rights of the owners in the pools and in the field, and will allow the owners in the pool(s) the opportunity to recover their fair and equitable share of production from the pool(s).

IT IS, THEREFORE, ORDERED AND ADJUDGED, that the Petition filed herein is granted; Special Field Rules for Buttahatchie Hills Field are established in order to define a gas pool and spacing is established, as set forth in the attached Special Field Rules.

Permittee shall acquire all other permits, if any, required by any other permitting authority.

SO ORDERED AND ADJUDGED, this the 30th day of April, 1997.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By: Joseph Zuccaro
CHAIRMAN

PREPARED BY:

Glenn Gates Taylor (MBN 7453)
C. Glen Bush (MBN 7589)
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ATTORNEYS FOR PETITIONER

EXHIBIT "1"

SPECIAL FIELD RULES
FOR BUTTAHATCHIE HILLS FIELD IN
MONROE COUNTY, MISSISSIPPI

A. FIELD AREA

Buttahatchie Hills Field in Monroe County, Mississippi, as used herein, is that area consisting of the following described land, to-wit:

Monroe County, Mississippi
Township 14 South, Range 17 West

Section 16: W 1/2 of SW 1/4

Section 17: S 1/2

Section 20: All

Section 21: All

and all productive extensions thereof, underlain by the following described pool.

B. POOL DEFINITIONS

1. The Carter Gas Pool, as used herein, shall be construed to mean those strata of the Carter Formation productive of gas between the measured depths of 3,148 feet to 3,186 feet on the Phasor Induction Gamma Ray log for the Moon-Hines-Tigrett Operating Co., Inc. - SCOTT PAPER 20-8 NO. 1 WELL, located in the SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 20, Township 14 South, Range 17 West, Monroe County, Mississippi, and such strata as are correlative and in communication with that interval in said field.

C. SPACING OF WELLS

1. With respect to the Carter Gas Pool, every well drilled in and produced from such pool:

- (a) Each gas well must be located on a drilling unit consisting of at least 320 contiguous surface acres or a governmental half section containing not less than 300 acres;

(b) Each gas well must be located at least 1320 feet from every other drilling or producible gas well in the same pool; and

(c) Each gas well must be located at least 660 feet from the nearest exterior boundary of the unit on which it is drilled.

2. Spacing of all other wells shall be the same as provided in the Statewide Field Rules.

D. APPLICABILITY OF STATEWIDE RULES

1. All rules and regulations contained in the Statewide Rules, as amended, which are not specifically covered by the foregoing Special Field Rules are hereby adopted and shall apply to Buttahatchie Hills Field.

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