

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF SOUTHEAST GAS STORAGE, LLC  
TO AMEND THE SPECIAL FIELD RULES FOR  
BUTTAHATCHIE RIVER GAS STORAGE FIELD,  
MONROE AND LOWNDES COUNTIES,  
MISSISSIPPI, AND FOR RELATED RELIEF

FILED FOR RECORD

AUG 31 2009

STATE OIL AND GAS BOARD  
LISA IVSHIN, SUPERVISOR

DOCKET NO. 262-2009-437  
ORDER NO. 443-2009

**ORDER APPROVING SPECIAL FIELD RULES**

This day this matter came on for hearing before the State Oil and Gas Board at its regular August 19, 2009, hearing on the Petition of Southeast Gas Storage, LLC, a Delaware limited liability company, by and through its contract operator, Tennessee Gas Pipeline Company, a Delaware corporation, (collectively "Petitioner"), to amend the Special Field Rules for Buttahatchie River Field and to grant related relief.

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 this Board for the August 19, 2009, hearing of this Board; that due, legal and sufficient proofs of publication are on file with the Board; that the Board has full jurisdiction of the parties and subject matter to hear and determine same; and

WHEREAS, pursuant to said notice given, public hearing was held by the Board at the hearing room of the Board, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on August 19, 2009, 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 the Board at said meeting; and

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

1. The Special Field Rules for Buttahatchie River Gas Storage Field were approved effective June 17, 2009, by Order No. 290-2009 in Docket 72-2009-437, wherein the "Storage Area" (Statewide Rule 67.1.K) was established as the following described lands, located in Monroe County, Mississippi:

**TOWNSHIP 15 SOUTH, RANGE 17 WEST**

Section 17: S1/2

Section 18: S1/2

Section 19: Entire

Section 20: Entire  
Section 21: S3/4 of W1/2 lying West of Buttahatchie River  
Section 28: All that part lying West of Buttahatchie River  
Section 29: Entire  
Section 30: Entire  
Section 31: Entire  
Section 32: Entire

TOWNSHIP 15 SOUTH, RANGE 18 WEST

Section 23: S3/4  
Section 24: S3/4  
Section 25: Entire  
Section 26: Entire  
Section 35: NE1/4  
Section 36: Entire

And the following lands lying in Lowndes County, Mississippi:

TOWNSHIP 15 SOUTH, RANGE 17 WEST

Section 21: S3/4 of W1/2 lying East of Buttahatchie River  
Section 28: All that part lying East of Buttahatchie River

3. By virtue of a scrivener's error the Storage Area was misdescribed by showing Section 32, Township 15 South, Range 17 West as being located entirely in Monroe County, when in fact a portion of said Section 32 is located in part in Lowndes County.

4. The Petitioner has proposed to amend the Special Field Rules for Buttahatchie River Gas Storage Field to correct the scrivener's error and to correctly describe the Storage Area as consisting of the following described lands, located in Monroe County, Mississippi:

TOWNSHIP 15 SOUTH, RANGE 17 WEST

Section 17: S1/2  
Section 18: S1/2  
Section 19: Entire  
Section 20: Entire  
Section 21: S3/4 of W1/2 lying West of Buttahatchie River  
Section 28: All that part lying West of Buttahatchie River  
Section 29: Entire  
Section 30: Entire  
Section 31: Entire  
Section 32: All that part lying West of Buttahatchie River

TOWNSHIP 15 SOUTH, RANGE 18 WEST

Section 23: S3/4  
Section 24: S3/4  
Section 25: Entire  
Section 26: Entire  
Section 35: NE1/4  
Section 36: Entire

And the following lands lying in Lowndes County, Mississippi:

TOWNSHIP 15 SOUTH, RANGE 17 WEST

Section 21: S3/4 of W1/2 lying East of Buttahatchie River

Section 28: All that part lying East of Buttahatchie River  
Section 32: All that part lying East of Buttahatchie River

5. There are no other changes to the special field rules and the Amended Special Field Rules for Buttahatchie River Gas Storage Field are attached hereto as Exhibit "A".

**IT IS, THEREFORE, ORDERED AND ADJUDGED** that the Amended Special Field Rules for the Buttahatchie River Gas Storage Field are approved as set forth in Exhibit "A", attached hereto;

**IT IS FURTHER ORDERED AND ADJUDGED** that Petitioner shall acquire all other permits, if any, from any other permitting authority.

**SO ORDERED AND ADJUDGED** this the 19 day of August, 2009, and effective August 19, 2009.

**STATE OIL AND GAS BOARD OF MISSISSIPPI**

By: 

DAVID A. SCOTT, Chairman

**Submitted by:**

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**ATTORNEY FOR PETITIONER**

**EXHIBIT "A"**

**AMENDED SPECIAL FIELD RULES FOR  
BUTTAHATCHIE RIVER GAS STORAGE FIELD  
MONROE AND LOWNDES COUNTIES, MISSISSIPPI**

**A. FIELD AREA:**

The Buttahatchie River Gas Storage Field, as used herein, shall be that geographical area consisting of the following described lands in Monroe County, Mississippi:

**TOWNSHIP 15 SOUTH, RANGE 17 WEST**

Section 17: S1/2  
Section 18: S1/2  
Section 19: Entire  
Section 20: Entire  
Section 21: S3/4 of W1/2 lying West of Buttahatchie River  
Section 28: All that part lying West of Buttahatchie River  
Section 29: Entire  
Section 30: Entire  
Section 31: Entire  
Section 32: All that part lying West of Buttahatchie River

**TOWNSHIP 15 SOUTH, RANGE 18 WEST**

Section 23: S3/4  
Section 24: S3/4  
Section 25: Entire  
Section 26: Entire  
Section 35: NE1/4  
Section 36: Entire

And the following lands lying in Lowndes County, Mississippi:

**TOWNSHIP 15 SOUTH, RANGE 17 WEST**

Section 21: S3/4 of W1/2 lying East of Buttahatchie River  
Section 28: All that part lying East of Buttahatchie River  
Section 32: All that part lying East of Buttahatchie River

**B. BUTTAHATCHIE RIVER GAS STORAGE FACILITY**

1. **Definitions.** The "Definitions" set forth in Statewide Rule 67.1. are hereby incorporated by reference as fully as if set forth herein.
2. **Geographical Area.** The Buttahatchie River Gas Storage Facility (herein "Facility") is established for the development and operations of an Underground Storage Facility. The Storage Area for the Facility is the same as the Field Area described above.
3. **Underground Storage Reservoir.** The Reservoir that is authorized to be used as part of the Underground Storage Facility for the injection, storage and withdrawal of natural gas or compressed air is an underground reservoir, stratum or formation described as follows:

those certain geological stratum or formations 100 feet above the top of the Millerella Limestone to 100 feet below the base of the Lewis formation that includes the Carter and Lewis Sands and is more specifically as the interval between a measured depth of 4,118 feet to a measured depth of 5,144 feet as seen on the Electric Log of the Pruet Production- Dobbs 29-5 No.1 Well

located 1,647 feet from North line and 1,000 feet from West line of Section 29, T15S, R17W, Monroe County, Mississippi, and the stratigraphic equivalent thereof.

**C. RULES:**

**RULE 1. – BUTTAHATCHIE RIVER GAS STORAGE FACILITY:**

1.1 Within the Storage Area of the Facility the injection, storage and withdrawal of natural gas or compressed air from the Reservoir is hereby authorized.

1.2 Wells may be drilled, reworked, re-completed and/or otherwise utilized in the development, operation and maintenance of the Storage Area and Facility upon a permit being issued for each such well, as provided for herein.

1.3 Each well that is reentered, drilled, reworked or re-completed and/or otherwise utilized as a part of the Facility shall comply with the requirements of Statewide Rule 67.

1.4 The operator of the Facility is authorized to use for injection, storage and withdrawal of natural gas or compressed air all existing wells that are located in the Storage Field, which wells may be reentered, converted, reworked or re-completed for purposes of the development, operation or maintenance of the Underground Storage Facility and/or additional well(s) may be drilled within the Storage Field for such purposes. Each such well may be administratively permitted, utilizing Form 2, by the Supervisor of the Board, provided that the operator submits all data and information that are required by Statewide Rule 67, and any other rule, regulation or statute which may then be applicable; provided, however, each such well shall not be subject to the otherwise applicable location and spacing requirements of the Statewide Rules or the Special Field Rules for Buttahatchie River Field that pertain to wells that are drilled to produce oil or gas.

1.5 No permit shall be issued pursuant to Rule 1.4 until notice thereof has been published for at least twenty (20) days prior to issuance of such permit in a newspaper published daily in Jackson, Mississippi, of general circulation in the state, in a newspaper of general circulation in Monroe County, and in a newspaper of general circulation in Lowndes County, in substantially the following form:

**STATE OIL AND GAS BOARD OF MISSISSIPPI**  
**NOTICE**

To all owners and persons interested in the following described lands:

(here describe well location by legal description in the Facility)

Take notice (insert name of operator) has applied with the State Oil and Gas Board of Mississippi requesting a permit to: (here describe permit requested).

Supervisor State Oil and Gas Board

Publish on:

1.6 No well that is not a part of the Facility shall be drilled to or through or within one hundred feet (horizontal and vertical) of the Reservoir except as permitted by the Board, after notice and hearing before the Board and personal service upon the operator of the Facility. No well pursuant to this paragraph shall be permitted unless the petitioner affirmative shows that it can and will comply with all requirements of Statewide Rules 67.6.D and these Special Field Rules. The Board may require additional assurance of financial responsibility prior to granting any permit hereunder.

1.7 Unless changed by order of this Board after notice and hearing, the maximum operating bottom hole pressure of the Facility shall be 2,593 psia.

1.8 With respect to horizontal wells permitted in the Facility, required Mechanical Integrity Testing (MIT), will be conducted from the packer set depth above the top of the radius where the wells are still vertical, approximately 3,700 feet, to the surface.

1.9 The development, operation and maintenance of the Storage Area and the Facility shall be subject to all provisions of Statewide Rule 67 as revised by these Special Field Rules. All other Statewide Rules and Regulations, or parts thereof, except those that are specifically referred to in Statewide Rule 67 shall not be applicable to the development, operation and maintenance of the Storage Area and the Facility. In the event of any conflict or inconsistency between any prior orders or other rules and regulations, and any provision(s) of the foregoing Rules, these Special Field Rules shall control.

**RULE 2 – APPLICABILITY OF STATEWIDE RULES:**

2.1 All rules and regulations contained in Statewide Order 201-51, and any amendments thereto, not specifically covered in the foregoing Special Field Rules are hereby adopted and shall apply to this field.

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

***- End of Special Field Rules for the Buttahatchie River Gas Storage Field -***