

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI FILED FOR RECORD

RE: PETITION OF BRAMMER ENGINEERING,
INC., TO ESTABLISH SPECIAL FIELD
RULES FOR CAMP CREEK FIELD, JONES
COUNTY, MISSISSIPPI

MAR 13 2003

STATE OIL AND GAS BOARD
WALTER BOONE, SUPERVISOR

DOCKET NO. 39-2003-745
ORDER NO. 79-2003

ORDER

This day this matter came on for hearing before the State Oil and Gas Board at its regular February 19, 2003, hearing on the Petition of Brammer Engineering, Inc., for authority to establish Special Field Rules for Camp Creek Field, Jones County, Mississippi, and on affidavits, proofs of publication, and other matters in the docket file, such hearing being called for such purpose;

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 parties and subject matter to hear and determine same; and

WHEREAS, pursuant to said notice given, public hearing was held by said Board in Room 321 of the Lamar Law Center, University of Mississippi, University, Mississippi, commencing on February 19, 2003, 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 has fully considered said matter and the evidence and recommendations made in said hearing and finds as follows:

1. That under Permit No. 2002-OPD-229 dated April 11, 2002, Petitioner drilled its Walker 1-8 No. 1 Well on a 160 acre oil unit in Camp Creek Field, Jones County, Mississippi, and discovered a producing interval in the Hosston Formation and Cotton Valley Formation.
2. That the No. 1 G. W. Walker 6-1 Well and the Marian Walker No. 1 Well had previously been drilled in the vicinity but no special field rules have been established for Camp Creek Field. Petitioner proposed to establish Special Field Rules for Camp Creek Field to define the field limits of Camp Creek Field and to define the producing intervals therein.

3. That the field limits of Camp Creek Field should be established in two fault-separated segments. The East Fault Block Segment is described as the E/2 and SE/4 of NW/4, Section 6, Township 7 North, Range 10 West. The West Fault Block Segment is described as N/2 of NW/4, SW/4 of NW/4 and SW/4, Section 6 and the entire Section 7, Township 7 North, Range 10 West; and SW/4 of SW/4 of Section 31, Township 8 North, Range 10 West; and E/2 of Section 1; and the NE/4 of Section 12, Township 7 North, Range 11 West; and SE/4 of Section 36, Township 8 North, Range 11 West, Jones County, Mississippi, as outlined in the Field Limits paragraph in Exhibit "A" attached hereto.

4. That the East Fault Block Hosston Oil Pool is defined as those strata of the Hosston formation productive of oil and gas in the interval between 14,110 feet and 16,200 feet in the No. 1 Walker 6-7 Well, as indicated on the Dual Induction Log of said well as recorded by Schlumberger on October 3, 1990, and all sands correlative to and in communication therewith in said fault block, said well being located 2,089 feet from north line and 2,588 feet from east line of Section 6, Township 7 North, Range 10 West, Jones County, Mississippi.

5. That the West Fault Block Basal Hosston - Cotton Valley Oil Pool is defined as the interval encountered in the Brammer Engineering - Walker 1-8 No. 1 Well, located 1,567 feet from the north line and 580 feet from the east line of Section 1, Township 7 North, Range 11 West as indicated on the Array Induction Log of said well recorded by Schlumberger on August 21, 2002, to be at depths between 15,650 feet to 17,400 feet, and all strata correlative to and in communication therewith in said fault block.

6. That the Brammer Engineering - Walker 1-8 No. 1 well was logged by Schlumberger on August 21, 2002, to a depth of 17,200 feet. Thereafter the well was deepened to a total depth of 17,400 feet. The defined depth of 17,200 feet to 17,400 feet was established by mud log, cased hole Gamma Ray log and Acoustic tool used in conjunction with the cement bond log.

7. That the two producing intervals defined in the Camp Creek Special Field Rules are fault separated and are two distinct and separate accumulations of hydrocarbons.

8. That wells drilled to develop the East Fault Block Hosston Oil Pool should be developed consistent with Statewide Rule 7.1. Proration units of eighty acres will adequately and efficiently drain the East Fault Block Hosston Oil Pool.

9. That the wells drilled to develop the West Fault Block Basal Hosston - Cotton Valley Oil Pool be developed consistent with Statewide Rule 7.2. Proration units of one hundred sixty acres will adequately and efficiently drain the West Fault Block Basal Hosston - Cotton Valley Oil Pool.

10. That Petitioner has given personal notice of this docket to all operators in the proposed Camp Creek Field.

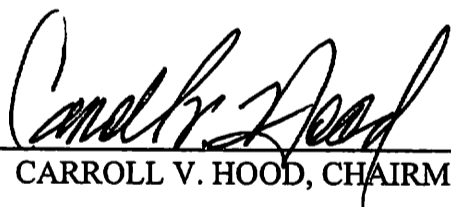
11. That the adoption of the Special Field Rules for Camp Creek Field, as set forth in Exhibit "A" attached hereto, will promote the orderly development of the field, will promote conservation and prevent waste, will protect and enforce the co-equal and correlative rights of all parties, will avoid the drilling of unnecessary wells, and permit hydrocarbons to be produced from the field which would not otherwise be recoverable.

IT IS, THEREFORE, ORDERED AND ADJUDGED, that the relief requested in the Petition herein is well taken and should be granted and that the Special Field Rules for Camp Creek Field, Jones County, Mississippi, shall be as set out in Exhibit "A", attached hereto.

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

ORDERED AND ADJUDGED this the 13th day of March, 2003.

MISSISSIPPI STATE OIL & GAS BOARD

By: 
CARROLL V. HOOD, CHAIRMAN

OF COUNSEL:

WATTS C. UELTSCHY
MS State Bar No. 5758
Brunini, Grantham, Grower & Hewes, PLLC
1400 Trustmark Bank Building
P. O. Drawer 119
Jackson, MS 39205
Telephone: 601-948-3101

ATTORNEY FOR PETITIONER,
BRAMMER ENGINEERING, INC.

EXHIBIT "A"

**SPECIAL FIELD RULES
CAMP CREEK FIELD
JONES COUNTY, MISSISSIPPI**

RULE 1: FIELD LIMITS

The Camp Creek Field, as used herein, is comprised of the following lands in Jones County, Mississippi, in two fault separated segments (East and West) and all productive extensions containing the below defined oil or gas pools.

E. EAST FAULT BLOCK SEGMENT:

Section 6: Township 7 North, Range 10 West
E/2 and SE/4 of NW/4

F. WEST FAULT BLOCK SEGMENT:

Section 6: Township 7 North, Range 10 West
N/2 of NW/4, SW/4 of NW/4 and SW/4
Section 7: Entire

Section 31: Township 8 North, Range 10 West
SW/4 of SW/4

Section 1: Township 7 North, Range 11 West
E/2
Section 12: NE/4

Section 36: Township 8 North, Range 11 West
SE/4

RULE 2: POOL DEFINITIONS

A. The EAST FAULT BLOCK HOSSTON OIL POOL is defined as the interval encountered in the Setex (formerly Pacific Enterprises) No. 1 Walker 6-7 Well, located 2,089 feet from north line and 2,588 feet from east line of Section 6, T7N-R10W, Jones County, Mississippi, as indicated on the Dual Induction log of said well recorded by Schlumberger on October 3, 1990, to be at depths between 14,110 feet to 16,200 feet, and all strata correlative to and in communication therewith in said fault block.

B. The WEST FAULT BLOCK BASAL HOSSTON - COTTON VALLEY OIL POOL is defined as the interval encountered in the Brammer Engineering - Walker 1-8 No. 1 Well, located 1,567 feet from the north line and 580 feet from the east line of Section 1, Township 7 North, Range 11 West as indicated on the Array Induction log of said well recorded by Schlumberger on August 21, 2002, to be at depths between 15,650 feet to

17,400 feet, and all strata correlative to and in communication therewith in said fault block.

RULE NO. 3: SPACING OF OIL WELLS IN EAST FAULT BLOCK SEGMENT

All wells drilled to develop the East Fault Block Hosston Oil Pool in Camp Creek Field and/or productive extensions thereof shall be drilled and/or produced on 80 acre, more or less, drilling units consistent with Statewide Rule 7.1.

RULE 4: SPACING OF WELLS IN WEST FAULT BLOCK SEGMENT

All wells drilled to develop the West Fault Block Basal Hosston - Cotton Valley Oil Pool in Camp Creek Field and/or productive extensions thereof shall be drilled and/or produced on 160 acre, more or less, drilling units consistent with Statewide Rule 7.2.

RULE NO.5: POOL DISCOVERY WELLS

The discovery well for defined pools in Camp Creek Field shall not be liable to the restrictions of Sections 53-1-1 through 53-1-47, inclusive, and Sections 53-3-1 through 53-3-21, inclusive, until the cost of drilling such well shall have been recovered in oil or gas from said discovery well, as provided in Section 53-1-17(1) Mississippi Code Annotated.

RULE 6: APPLICABILITY OF STATEWIDE RULES

- A. All rules and regulations contained in Statewide Order No. 201-51, and all amendments thereto, not specifically covered by the foregoing Special Field Rules are hereby adopted and shall apply to said field.
- B. 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