

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF CIMAREX ENERGY COMPANY TO AMEND THE SPECIAL FIELD RULES FOR THE CARSON DOME FIELD AND TO AMEND SPECIAL FIELD RULES FOR THE CARSON FIELD BY CONVERTING AND COMBINING BOTH FIELDS INTO CARSON FIELD, ALL IN JEFFERSON DAVIS COUNTY, MISSISSIPPI

FILED FOR RECORD

SEP - 3 2003

STATE OIL AND GAS BOARD  
WALTER BOONE, SUPERVISOR

DOCKET NO. 282-2003-474 & 811

ORDER NO. 419-2003

ORDER

THIS MATTER came on for hearing before the State Oil and Gas Board on the Petition of Cimarex Energy Company to amend the Special Field Rules for Carson Dome and Carson 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 and service 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 and service of process, public hearing was held by said Board, in the hearing room, 500 Greymont Avenue, Suite E, Jackson, Mississippi, commencing on August 20, 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. By Order No. 175-2002, Docket No. 111-2002-474, dated May 28, 2002, effective May 15, 2002, Roundtree & Associates, Inc. was authorized to drill its Broome 14-8 No. 1 Well on a regular 640 acre gas unit, but at an exception location. This well was productive from the Hosston Formation, but is presently offline.

2. By Order No. 504-2002, Docket No. 337-2002-474, Roundtree & Associates, Inc. was authorized to drill its Broome 14-9 No. 1 Well at a regular location

on the same unit as the Broome 14-8 No. 1 Well, but at an exception distance between the wells.

3. The unit for the Broome 14-8 No. 1 Well and the Broome 14-9 No. 1 Well (Collins No. 1 Well) situated in Jefferson Davis County, Mississippi is described as follows:

Township 7 North, Range 18 West

Section 13: SW  $\frac{1}{4}$  of NW  $\frac{1}{4}$  and W  $\frac{1}{2}$  of SW  $\frac{1}{4}$

Township 7 North, Range 18 West

Section 14: E  $\frac{3}{4}$  and E  $\frac{1}{2}$  of W  $\frac{1}{2}$  of NW  $\frac{1}{4}$

4. On May 19, 2003, a change of operator form dated May 16, 2003 was filed naming Cimarex Energy Company as operator of the Broome 14-9 No. 1 Well, such well having been drilled but not yet completed to test the Hosston Formation. The name of this well has been changed to the Collins No. 1 Well.

5. In 1979, Forest Oil Corporation established special field rules for Carson Field and three separate Hosston Gas Pools based on the Magnolia No. 1 Well were defined. Only three wells were completed in said field prior to the time of the drilling of the Roundtree Broome 14-8 No. 1 Well. There has been no production from these wells since 1985 and all three wells have been plugged and abandoned.

6. There is presently no production of oil or gas from any well situated in Carson Dome Field, Jefferson Davis County, Mississippi.

7. On January 30, 2003, Order No. 562-2002, Docket No. 306-2002-474, Petro-Pro, LLC was authorized to reenter and redrill its Magnolia No. 1 Well situated on a unit comprised of all of Section 11, Township 2 North, Range 18 West, to test the Hosston and Sligo Formations from depths of 14,990 feet to 15,804 feet. This well has not yet been drilled or completed

8. Since the Broome 14-8 No. 1 and the Broome 14-9 No. 1 (Collins No. 1) Wells overlap geographically Carson Field and Carson Dome Field and since there is only one (1) well presently productive in either field, and in order to protect the coequal and correlative right of all owners, it would be to the best interest of all parties concerned to combine geographically and geologically Carson Field and Carson Dome Field into one new field to be named Carson Field. Petitioner has shown that the special field rules for Carson Field and Carson Dome Field should be both amended and combined into one

field in order to prevent overlapping field rules and in order to prevent potential confusion.

IT IS THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules of Carson Dome Field and Carson Field, Jefferson Davis County, Mississippi shall be and are hereby amended and combined and will read as follows:

**SPECIAL FIELD RULES**  
**FOR CARSON FIELD**  
**JEFFERSON DAVIS COUNTY, MISSISSIPPI**

**The Carson Field** as used herein, is that area consisting of the following described land, to-wit:

Sections 18 and 19, T7N, R17W, and Sections 11, 13, 14, 23 and 24, T7N, R18W, Jefferson Davis County, Mississippi, underlain by the Hosston Gas Pool as defined hereafter and all productive extensions thereof.

**HOSSTON GAS POOL DEFINED:**

- A. The **Hosston Gas Pool** in the Carson Field shall be construed to mean those strata of the Hosston Formation in the interval between the depths of 14,850 feet to 16,000 feet encountered in the Forest Oil Corporation - Red Oak No. 1 Well, as indicated on the dual induction electric log of said well, said well being located 2580 feet from the North line and 2300 feet from the West line of Section 14, Township 7 North, Range 18 West, Jefferson Davis County, Mississippi and all strata productive of gas correlative to and in communication therewith.
- B. The characteristics of said **Hosston Gas Pool** in said field are such that a well located and drilled upon a drilling unit as hereinafter prescribed will foster, encourage, and promote the development, production and utilization of natural resources in this field.

**RULE 1 - SPACING OF GAS WELLS:**

As to the **Hosston Gas Pool** of the Hosston Formation, every well drilled as a gas well:

- (a) shall be located on a drilling unit consisting of (1) 640 contiguous surface acres; or (2) a governmental section containing not less than 600 acres or more than 680 acres; or (3) sixteen (16) contiguous governmental quarter-quarter sections whose total acreage is not less than 600 acres or more than 680 acres. In any case no other well producing from the same pool shall be located on any such unit.
- (b) Any gas drilling unit formed under Section 1(a) of this rule must be completely encompassed by the perimeter of a rectangle 5580 feet by 6245 feet. Provided, however, no unit shall be permitted which will create island acreage.
- (c) The well shall be located at least 3,000 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule; and

(d) The well shall be located not less than 1,500 feet from every exterior boundary of the drilling unit.

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

- A. All rules and regulations contained in Statewide Order No. 201-51, and any 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.

ORDERED AND ADJUDGED this 3<sup>rd</sup> of ~~August~~<sup>SEPTEMBER</sup> 2003, effective August 20, 2003.

MISSISSIPPI STATE OIL AND GAS BOARD

By: \_\_\_\_\_

CHAIRMAN

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