

FILED FOR RECORD

JUN 22 1983

STATE OIL AND GAS BOARD  
A. Richard Henderson, Supervisor

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 128-83-340

ORDER NO. 182-83

ORDER

This day this cause came on to be heard on the petition of TXO Production Corp., of Jackson, Mississippi, requesting the State Oil and Gas Board to amend the Special Field Rules for the Cistercian Field in Jasper County, Mississippi, so as to identify and define the Hosston-Fleming Oil Pool and establishing drilling units consisting of 40 contiguous surface acres for said oil pool, and 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 said matter has been given in the manner and time as provided by law and the rules and regulations of this Board, and that due, legal and sufficient proofs of publication are on file with the Board, and the Board has full jurisdiction of the subject matter and the parties.

The Board further finds that TXO Production Corp. is the operator of the TXO Production Corp. - Fleming 29-3 No. 1 Well located in the NE $\frac{1}{4}$  of NW $\frac{1}{4}$  of Section 29, Township 3 North, Range 12 East, Jasper County, Mississippi. That said well was drilled pursuant to Permit No. 408 dated January 28, 1983 on a drilling unit described as the SE $\frac{1}{4}$  of SW $\frac{1}{4}$ , Section 20 and the NE $\frac{1}{4}$  of NW $\frac{1}{4}$ , Section 29, Township 3 North, Range 12 East, at a location 327 feet South of the North line and 2154 feet East of the West line of said Section 29. The Board finds that said well encountered oil in commercial quantities from the Hosston-Fleming Oil Pool at the interval 10,603 feet to 10,614 feet as indicated on the Dual Induction Electric Log of said well.

The Board finds that Special Field Rules for the Cistercian Field were adopted by Order No. 47-72 entered in Docket No. 35-72-340, defining the limits of the Cistercian Field and defining the Hosston Oil Pool in said field and establishing 80-acre units for said pool; that by Order No. 245-72 entered in Docket No. 194-72-340, this Board defined the Hosston-Harrington Oil Pool in said field and established 80-acre units for said pool; and by Order No. 196-74 entered in Docket No. 122-74-340, the Hosston-Skehan Oil Pool in said field was defined and 80-acre units were established for said pool.

The Board further finds that the presently known characteristics of the Hosston-Fleming Oil Pool encountered in the Fleming 29-3 No. 1 Well indicate that said oil pool is a separate and distinct oil pool and entirely disconnected from all other oil pools in the field, and that one well located on a drilling unit consisting of 40 contiguous surface acres and conforming to the provisions of Statewide Rule 7, subparagraph 2, will adequately and efficiently drain and produce the hydrocarbons in said pool without waste.

The Board further finds that for the proper and orderly development of the field and area, for the prevention of physical and economic waste and the protection of the co-equal and correlative rights of all owners and parties in interest, it is essential that the Special Field Rules for the Cistercian Field be amended so as to identify and define the Hosston-Fleming Oil Pool as a separate and distinct oil pool in said field and establishing drilling units for said pool in conformance with Statewide Rule 7, subparagraph 2.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the Special Field Rules

for the Cistercian Field in Jasper County, Mississippi, should be and the same are hereby amended so as to identify and define the Hosston-Fleming Oil Pool and establishing drilling units for said pool, and said Special Field Rules, as amended, shall hereafter read as set forth on Exhibit "A" attached hereto.

ORDERED AND ADJUDGED this 18th day of May, 1983.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By Joe R. Luecke, Jr.  
CHAIRMAN

SPECIAL FIELD RULES  
FOR THE CISTERCIAN FIELD  
JASPER COUNTY, MISSISSIPPI

1. The Cistercian Field of Jasper County, Mississippi, as used herein, consists of those parts of the following described land underlain by the Hosston Oil Pool, the Hosston-Harrington Oil Pool, the Hosston-Skehan Oil Pool, and the Hosston-Fleming Oil Pool, as hereinafter defined:

TOWNSHIP 3 NORTH, RANGE 12 EAST

Section 20: The South Half of the South Half ( $S\frac{1}{2}$  of  $S\frac{1}{2}$ )

Section 28: The West Half ( $W\frac{1}{2}$ )

Section 29: The East Half ( $E\frac{1}{2}$ ) and  
The East Half of Northwest Quarter ( $E\frac{1}{2}$  of  $NW\frac{1}{4}$ ),

and all productive extensions thereof. (Order No. 47-72).

I. The Hosston Oil Pool as used herein shall be construed to mean those strata of the Hosston Formation productive of oil as found on the electric log of the Harkins & Company - Cistercian Monastery No. 1 Well located in Section 29, Township 3 North, Range 12 East, between the intervals of 10,510 feet and 10,549 feet, including those productive strata that can be correlated therewith. (Order No. 47-72).

II. The Hosston-Harrington Oil Pool as used herein shall be construed to mean those strata of the Hosston Formation productive of oil as found on the electric log of the Harkins & Company - T. H. Harrington No. 29-8 Well located on the Southeast Quarter of the Northeast Quarter ( $SE\frac{1}{4}$  of  $NE\frac{1}{4}$ ) of the above described Section 29, between the intervals of 10,254 feet and 10,272 feet, including those productive strata that can be correlated therewith. (Order No. 245-72).

III. The Hosston-Skehan Oil Pool as used herein shall be construed to mean those strata of the Hosston Formation productive of oil as found on the electric log of the Harkins &

Company - Skehan Unit 28-12 Well located in the North Half of the Southwest Quarter (N½ of SW¼) of Section 28, Township 3 North, Range 12 East, between the intervals of 10,340 feet and 10,347 feet, including those productive strata that can be correlated therewith. (Order No. 196-74).

IV. The Hosston-Fleming Oil Pool as used herein shall be construed to mean those strata of the Hosston Formation productive of oil as found on the Dual Induction Electric Log of the TXO Production Corp. - Fleming 29-3 No. 1 Well located in the NE¼ of NW¼ of Section 29, Township 3 North, Range 12 East, between the interval of 10,603 feet to 10,614 feet, including those productive strata that can be correlated therewith. (Order No. 182-83).

RULE 1 - SPACING

1. With respect to the Hosston Oil Pool, the Hosston-Harrington Oil Pool and the Hosston-Skehan Oil Pool, every oil well:

(a) Shall be located on a drilling unit consisting of 80 surface contiguous acres, or two governmental quarter-quarter sections, containing not less than 72 acres nor more than 88 acres, upon which no other drilling or producible well is located;

(b) Any drilling unit not composed of two governmental quarter-quarter sections must be completely encompassed by the perimeter of a rectangle 1600 feet by 2725 feet. Provided, however, no unit shall be permitted which will create island acreage.

(c) Every well shall be located at least 1,000 feet from every other drilling or producible well located in conformity with this rule; and

(d) Each well shall be located at least 500 feet from every exterior boundary of the drilling unit.

2. With respect to the Hosston-Fleming Oil Pool, every oil well:

(a) Shall be located on a drilling unit consisting of forty (40) surface contiguous acres, or a governmental quarter-quarter section containing not less than thirty-six (36) acres or more than forty-four (44) acres, upon which no other drilling or producible well is located;

(b) Any drilling unit not a governmental quarter-quarter section must be completely encompassed by the perimeter of a rectangle 1810 feet by 1445 feet. Provided, however, no unit shall be permitted which will create island acreage.

(c) The well shall be located at least 660 feet from every other drilling or producible well located in conformity with this rule; and

(d) The well shall be located at least 330 feet from every exterior boundary of the drilling unit.

#### RULE 2 - RATABLE TAKE

(a) Each person now or hereafter engaged in the business of purchasing oil or gas from owners, operators, or producers in this field shall purchase the same without discrimination in favor of one owner, operator, or producer, as against another in the same common source of supply in proportion to the allowable specified by this Board; and

(b) No owners, operator, or producer of oil or gas shall abuse correlative rights of any other owner, operator, or producer in the common source of supply herein defined by causing unratable withdrawal therefrom or by causing undue drainage between tracts or units, resulting in one or more owners, operators, or producers, producing or withdrawing more than his or its just and equitable share from the common source, with allowances to be made for deficient wells.

RULE 3 - APPLICABILITY OF STATEWIDE RULES

A. All Rules and Regulations contained in the Statewide Rules as now existing, or as they may from time to time be amended, and which are not specifically in conflict with these Special Field Rules for Cistercian Field, are hereby adopted and shall apply to said field.

B. The Board expressly reserves the right after notice and hearing to alter these rules.