

FILED FOR RECORD

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STATE OIL AND GAS BOARD  
Clyde R. Davis, State Oil & Gas Supervisor

BEFORE THE STATE OIL AND GAS BOARD  
OF THE STATE OF MISSISSIPPI

DOCKET NO. 262-78-45

ORDER NO. 362-78

ORDER ADOPTING SPECIAL FIELD RULES  
SOUTH FAYETTE FIELD  
JEFFERSON COUNTY, MISSISSIPPI

This cause this day came on to be heard before this Board on sworn Petition, publication of notice, oral and documentary evidence, and argument of counsel, and having so heard, the Board finds:

1. That due, legal and sufficient notice of this meeting and the hearing of this Docket has been given as prescribed by law and the Rules of this Board, and sufficient proofs of the publication are on file with the Board. The Board thus had jurisdiction of the parties and the subject matter.

2. The South Fayette Field was first drilled many years ago and hydrocarbons were found to be located therein. None of those wells, however, proved economically feasible under the circumstances of technology and economics then existing. The said wells were plugged and abandoned and the field remained dormant for many years.

3. Early in 1977, Petitioner drilled the well known as Victor P. Smith Drilling, Inc.-A. M. LIDDELL WELL NO. 1 in said South Fayette Field. The said well did encounter a stratum bearing hydrocarbons, which stratum was thought on the initial test to be a gas pool. This Board did, in Docket Number 288-77-45 and Order Number 9-78 dated January 18, 1978 so define the stratum as the Lower Tuscaloosa Gas Pool, and created a 320-acre unit for the production of the same. There have been no Special Field Rules yet promulgated for the said field, however.

4. On further preliminary testing authorized by this Board in Docket No. 243-78-45 the stratum was given further and more extensive tests. There it developed that the Lower Tuscaloosa Formation is an oil pool and

not a gas pool. Thus, further definition of the pool is necessary and Special Field Rules would be useful, in the interest of conservation, and in the interest of adequate development of the said pool.

5. The said Victor P. Smith Drilling, Inc.-A.M. LIDDELL WELL NO. 1 as above described encountered a stratum within the Lower Tuscaloosa Formation which is now known to be productive of oil, as that term is defined by the Statutes of the State of Mississippi and the Rules of this Board. That stratum is encountered between 9,980 feet and 10,140 feet on the electric log for the said A. M. LIDDELL WELL NO. 1, which strata Petitioner proposes to re-define as the Lower Tuscaloosa Oil Pool.

6. The said LIDDELL WELL described as aforesaid has been completed into the stratum above described through perforations between 10,060 and 10,080 feet on the electric log for said well. As completed, the well appears to be capable of producing oil in commercial quantities.

7. The only well now capable of commercial production is assigned to a 320-acre gas unit. The said well is not capable, however, of producing gas and, thus, the unit must in any event be reformed. Prior to its reformations, Special Field Rules should be promulgated establishing a pattern and spacing for oil wells.

8. The said oil pool lies at a depth less than 12,000 feet below the surface of the earth. Under the Statewide Rules, the same would normally be produced on drilling units of forty acres each. The Board finds, however, that forty-acre units for this particular pool would be inappropriate, would result in economic waste, and would probably result in said pool being inadequately developed for the production of the oil therefrom.

9. The Board finds from the preliminary tests that have been done to date, and the other information available, the producing characteristics of Lower Tuscaloosa Oil Pool, and the single well now located therein are as follows:

a. The pressure, porosity, the permeability, and other characteristics of the said pool are such that wells located on drilling units of eighty acres each, shaped in accordance with the Special Field Rules attached, with wells a minimum of 1,000 feet apart, will adequately and effectively

drain all of the oil that is economically feasible to be produced from the said pool.

b. It would create economic waste to drill two wells, on forty acres each, into this pool when a single well on eighty acres will adequately drain all the oil that is economically feasible to produce.

c. Units of eighty-acre spacing would encourage the development of the field and the hydrocarbons therefrom and would protect the correlative and co-equal rights of all parties in interest the same as would units of smaller size. It would be in the best interest of the owners of said pool, and in the interest of complete development of resources, that the land be developed on eighty-acre units.

10. Special Field Rules for the said South Fayette Field in the words and figures as contained in Exhibit "A" attached hereto and made a part hereof by reference as though copied herein in full are appropriate and adequate to guide and control the development of the field, and should be adopted.

11. The areal extent of the Field is not yet precisely known. From such information as is available it appears that the Field should be defined as:

JEFFERSON COUNTY, MISSISSIPPI

TOWNSHIP 9 NORTH, RANGE 1 EAST

Sections 51, 65, 66, and 67: Those parts thereof that are underlain by the Tuscaloosa Formation-bearing hydrocarbons, and all productive extensions thereof.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED that:

A. The Lower Tuscaloosa Oil Pool is defined as that stratum encountered between 9,980 feet and 10,140 feet on the electric log for the Victor P. Smith Drilling, Inc.-A. M. LIDDELL WELL NO. 1 located within the said South Fayette Field; and any prior definition of this Board establishing the same as a gas pool is hereby revoked and nullified.

B. Special Field Rules for the said South Fayette Field in Jefferson County, Mississippi are adopted, which said Field Rules define the areal

extent of the field, define the only oil pool, provide for spacing of wells and related matters; said Field Rules being set out in full in Exhibit "A" attached hereto and made a part hereof by reference as though copied herein in full.

ORDERED, ADJUDGED AND DECREED this the 20th day of September, 1978.

STATE OIL AND GAS BOARD OF THE  
STATE OF MISSISSIPPI

By Joe R. Sanchez, Jr.  
CHAIRMAN

EXHIBIT "A"

SPECIAL FIELD RULES FOR  
SOUTH FAYETTE FIELD  
JEFFERSON COUNTY, MISSISSIPPI

A.

The South Fayette Field as used herein is that area consisting of:

TOWNSHIP 9 NORTH, RANGE 1 EAST

Sections 51, 65, 66, and 67: Those parts thereof that are underlain by the Tuscaloosa Formation bearing hydrocarbons; and,

All productive extensions thereof.

B.

1. The Lower Tuscaloosa Oil Pool in the South Fayette Field shall be construed to mean those strata of the Lower Tuscaloosa Formation productive of oil in the interval between 9,980 feet and 10,140 feet in the Victor P. Smith Drilling, Inc.-A. M. LIDDELL WELL NO. 1 located in Sections 51, 65, 66 and 67, Township 9 North, Range 1 East, Jefferson County, Mississippi, as indicated on the electric log of said well and all intervals correlative of said strata productive of hydrocarbons.

C.

The characteristics of said Lower Tuscaloosa Oil Pool in said Field as above defined are such that wells located in conformance with the hereinafter prescribed spacing rules will efficiently drain and produce the recoverable oil from each of said pools without waste.

RULE 1 - Spacing of Oil Wells.

Every well drilled as an oil well for production from the Lower Tuscaloosa Oil Pool above defined (a) shall be drilled on a drilling unit consisting of eighty (80) surface contiguous acres, rectangular in shape, which must be completely encompassed by the perimeter of a rectangle 1,600 feet by 2,725 feet; (b) shall be located at least 500 feet from every exterior boundary of the drilling unit; and, (c) shall be located at least 1,000 feet from every other drilling or producible well to be produced from the same pool.

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 in 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.