BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

PETITION OF KFG PETROLEUM CORPORATION TO AMEND SPECIAL FIELD **FOR** SOUTH RULES THE **CARTHAGE POINT FIELD** TO RENAMED THE GENE A. RADZEWICZ

FIELD, ADAMS COUNTY, MISSISSIPPI

JUL 0 8 2013 STATE OIL AND GAS BOARD LISA IVSHIN, SUPERVISOR

DOCKET NO. 216-2013-D

ORDER NO. 356-2013

ORDER

THIS CAUSE came to be heard on the Petition of KFG Petroleum Corporation ("Petitioner") requesting that the Board amend the Special Field Rules for the South Carthage Point Field to be renamed the Gene A. Radzewicz Field in Adams, County, Mississippi; and

WHEREAS, the Boards 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 required by 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, a public hearing was held by said Board in the Hearing Room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on June 19, 2013, at 10:00 o'clock a.m. at which hearing all persons present who desired to be heard on said matter were heard and all testimony and the 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:

Petitioner has drilled wells in the Field. Special Field Rules were last adopted in Docket No. 340-80-510, Order No. 463-80.

2.

Petitioner seeks to amend the Special Field Rules to change the name of the Field from South Carthage Point Field to be renamed the Gene A. Radzewicz Field. Gene Radzewicz was a long time geologist who explored for oil and gas in this Field and drilled numerous wells in this Field. Tragically, while working on a well in the Field, Mr. Radzewicz was killed by an unfortunate oilfield accident. Mr. Radzewicz successfully developed several fields in this area and made numerous attempts to drill and produce oil and gas from this Field. Because of his conviction that the Field still contained commercial quantities of oil and gas, he continued to drill in this area and his efforts developed information that lead to the discovery of additional oil and gas that would not have otherwise been discovered. Petitioner seeks to rename the Field in his honor.

3.

The Special Field Rules set forth in Exhibit "A" promote conservation, protect the co-equal and correlative rights of all owners of all owners in interest, avoid the drilling of unnecessary wells and permit oil and gas to be produced which would not otherwise be recoverable.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the Special Field Rules for the Carthage Point Field, which is hereby renamed the Gene A. Radzewicz Field, shall be and hereby are amended as follows:

SPECIAL FIELD RULES GENE A. RADZEWICZ FIELD ADAMS COUNTY, MISSISSIPPI

The Gene A. Radzewicz Field, as used herein, is that area in Sections 11 and 12, Township 6 North, Range 3 West, Adams County, Mississippi, including all productive extensions thereof underlain by the Stewart "B" Sand Oil Pool of the Wilcox Formation.

A. The Stewart "B" Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 4,394 feet to 4,402 feet, in the Billups-Punches-Linwood Plantation Unit No. 1, located in Section 12, Township 6 North, Range 3 West, Adams County, Mississippi, and including those strata productive of oil which can be correlated therewith. The well location for the Billups-Punches-Linwood Plantation No. 1 Unit is as follows:

From the Southwest Corner of Section 12, Township 6 North, Range 3 West, Adams County, Mississippi, go easterly along the south boundary of Section 12 for 3,472 feet; thence northerly at right angles for 2,63 fee to location in Section 12.

The foregoing definition of the reservoir in the Gene Radzewicz Field supersedes all prior definitions, if any, of the reservoir in the said Field.

- B. The above described oil pool is a separate and distinct reservoir, and not in communication with any other reservoir or producing formation, pool, or horizon.
- C. The characteristics of the above mentioned oil pool is such that one well for such pool drilled on a regularly formed forty (40) acre drilling unit will efficiently drain and produce recoverable oil from such unit in such pool without avoidable waste.

RULE 1 – SPACING OF OIL WELLS

With respect to each 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 1,810 feet by 1,445 feet. Provided, however, no unit shall be permitted which will create island acreage.
- C. No portion of the drilling unit upon which the well is located shall be attributed in whole or in part to any other drilling or producible well in the same pool.
- D. Each well shall be located at least 660 feet from every other drilling or producible well located in conformity with this rule.
- E. Each well shall be located at least 330 feet from every exterior boundary of the drilling unit.

RULE 2 – APPLICABILITY OF STATEWIDE RULES

- A. All rules and regulations contained in Statewide Order 201-51, and amendments thereto, not specifically covered in the foregoing 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 of the foregoing rules and regulations.

END OF SPECIAL FIELD RULES

IT IS FURTHER ORDERED AND ADJUDGED that this Order shall be in force and effect from and after June 19, 2013.

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

STATE OIL AND GAS BOARD OF MISSISSIPPI

CHAIRMAN

Prepared By:

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