

SEP 13 1978

STATE OIL AND GAS BOARD
Clyde R. Davis, State Oil & Gas SupervisorBEFORE THE STATE OIL AND GAS BOARD
OF THE STATE OF MISSISSIPPI

DOCKET NO. 197-78

ORDER NO. 301-78ORDER DEFINING TWO OIL POOLS
AND GRANTING LEAR PETROLEUM CORPORATION
AUTHORITY TO CO-MINGLE
PRODUCTION FROM BOTH
UN-NAMED FIELD (GIBSON)
CLAY AND CHICKASAW COUNTIES, MISSISSIPPI

This cause this day came on to be heard on the Petition of LEAR PETROLEUM CORPORATION, on the process, oral and documentary evidence, and the argument of counsel, and upon said hearing, the Board finds:

1. That due and legal notice of the meeting of this Board for the purpose of considering this docket and this Petition has been given for the time and in the manner provided by law. Due and proper proofs of said notices are on file with the Board. The Board thus has jurisdiction of the subject matter of this Petition and the parties involved, with full right to hear and determine said cause.

2. This docket and this order pertains to a potentially productive area within Clay and Chickasaw Counties, Mississippi, which has not yet been named as to field name. There are no Special Field Rules applicable, nor have any of the potentially productive oil or gas pools been defined.

3. Petitioner has drilled a well known as the Lear Petroleum Corporation -FRANCES HENLEY NO. 1 in this Un-named Field on a location in Chickasaw County, Mississippi on a drilling unit described as:

TOWNSHIP 14 SOUTH, RANGE 5 EASTSection 35: The West Half of the Southwest
Quarter (W/2 SW/4).

The well is located on the said unit 660 feet North of the South line and 660 feet East of the West line. The well was drilled pursuant to Permit No. 377 dated January 19, 1978. Both the unit and the well location on the unit are regular in all respects according to the Statewide Rules and there are no Special Field Rules.

4. The well aforesaid is a discovery well and is the only well located within the area. The geological evidence which has been developed and presented to date is rather limited, but the Board finds on the best information yet available that the potentially productive pools underly those lands described as follows:

CHICKASAW COUNTY, MISSISSIPPI

TOWNSHIP 14 SOUTH, RANGE 5 EAST

Section 26: South Half (S/2).
Section 27: Entire.
Section 34: Entire.
Section 35: Entire.
Section 36: West Half (W/2).

CLAY COUNTY, MISSISSIPPI

TOWNSHIP 15 SOUTH, RANGE 5 EAST

Section 2: North (N/2).
Section 3: North Half (N/2).
Section 4: Northeast Quarter (NE/4).

This order applies, however, not only to the lands aforesaid, but any productive extensions thereof.

5. The FRANCES HENLEY WELL above described has discovered and penetrated two pools which appear to be productive of oil. These pools have not been defined by this Board. Petitioner proposes to define them as follows:

(a) The Carter Oil Pool is:

That interval at the measured depth of 4,236-4252 feet on the electric log of the Lear Petroleum Corporation HENLEY NO. 1 Well located in Section 35 of the above described land.

(b) The Abernathy Oil Pool is:

That interval at a measured depth of 4,582-4,595 feet on the electric log of the well aforesaid.

The Board finds that the above definitions are accurate and adequate and should be adopted as the definitions of these pools.

6. From the limited testing that has been accomplished to date, it appears as though neither of these oil pools are commercially productive alone. The preliminary testing indicates that neither will produce oil in

sufficient quantities to make completing, testing, casing and equipping the well with the elaborate pumps and other devices that would be required economically feasible. From the data now in hand, it appears as though the two pools together, if they can be produced simultaneously, would be commercially productive.

7. Such completion work as has been accomplished to date in said well has been done in such a fashion as to facilitate it being simultaneously completed in both pools, and produced from both pools simultaneously. Petitioner would show that the well now contains casing and equipment as follows:

(a) 8 5/8-inch surface casing to 1,250 feet cemented to the earth.

(b) 4 1/2-inch production casing to 5,075.6 feet cemented with 1,005 sacks of cement. The cement extends upward from the bottom to within 500 feet of the surface of the earth.

(c) A bridge plug at 4,900 feet.

8. Petitioner proposes to complete the said well simultaneously into both of the pools aforesaid in the fashion outlined on the schematic drawing which is attached hereto as an exhibit, and more specifically as follows:

(a) Perforate the Abernathy Pool at 4,586-4,594 feet.

(b) Perforate the Carter Oil Pool at 4,238-4,248 feet.

(c) Install production tubing to 4,435 feet and install rod-type pump with mud anchor at bottom of tubing.

The Board finds that the above outlined procedure is reasonable and feasible for the conditions here prevailing.

The Board further finds that it is necessary and in the interest of conservation to define the two oil pools here involved; and that the exceptional completion procedure above proposed will enable Petitioner and those aligned with it to produce such limited oil reserves as appear to be present within the pools, which production could not otherwise be accomplished.

Such will protect the rights of Petitioner and other owners within the unit; will protect the co-relative and co-equal rights of all parties and owners in interest in the unit and adjacent units; will prevent waste; will promote and encourage the orderly drilling, development, and production of the said oil pools in the area aforesaid; and especially will it prevent the plugging of the well and the non-production of such limited oil reserves as are present.

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

A. The Carter Oil Pool and the Abernathy Oil Pool are defined as described in paragraph five above.

B. Petitioner, Lear Petroleum Corporation, is authorized to complete the FRANCES HENLEY WELL NO. 1 simultaneously into both pools, to produce both pools simultaneously through a single string of production casing, with co-mingling of the product therefrom.

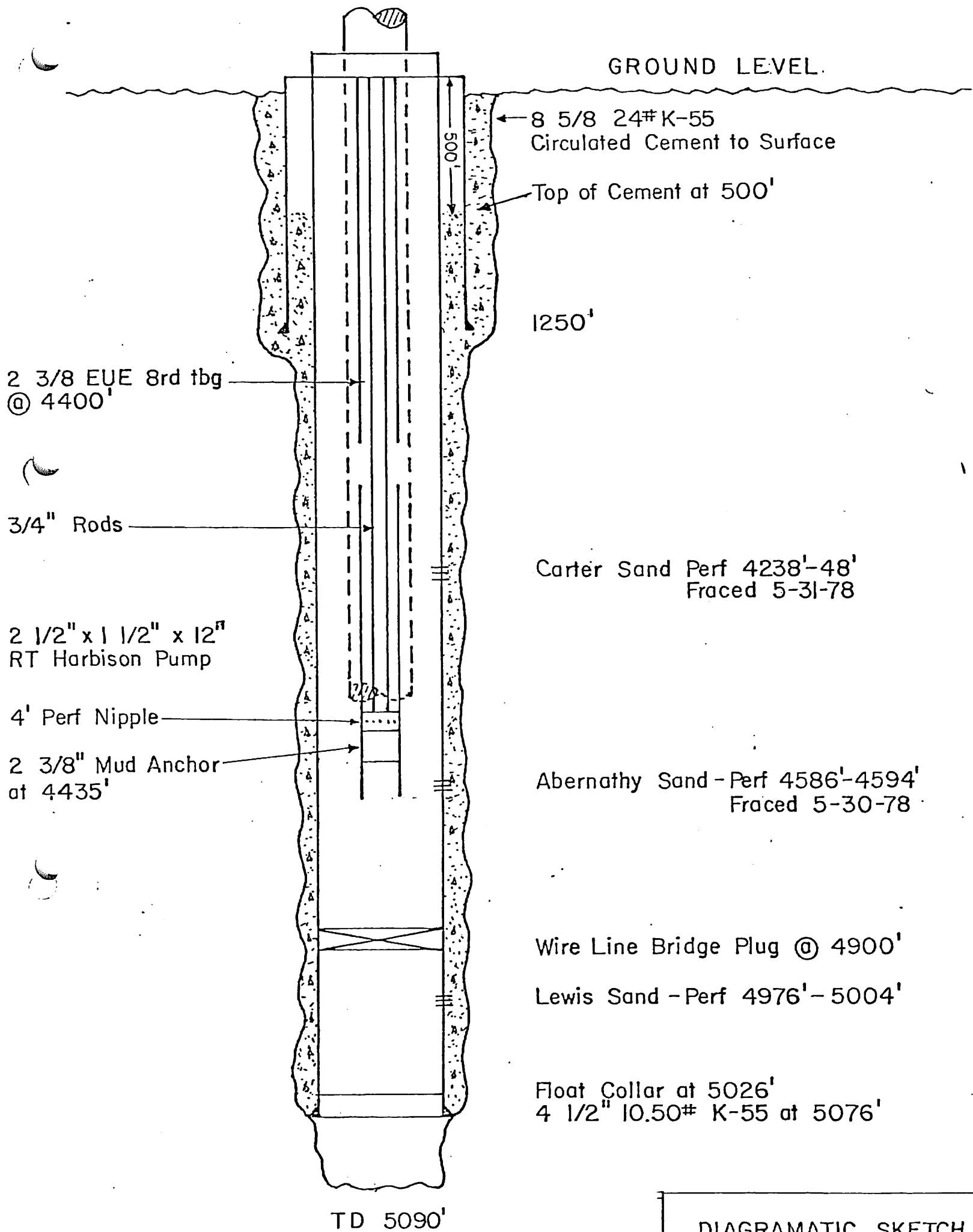
C. The production therefrom shall be accounted for, marketed and reported statistically to this Board, the same as if it was being produced from a single pool. Petitioner shall file with this Board all applicable permits, reports and forms, and pay all applicable fees.

ORDERED, ADJUDGED AND DECREED this the 16th day of August, 1978.

STATE OIL AND GAS BOARD OF THE
STATE OF MISSISSIPPI

By:


CHAIRMAN



DIAGRAMATIC SKETCH

Frances V. Henley #1

Sec 35-T14S-R5E

Chickasaw County, Miss.