

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

RE: PETITION OF VENTURE OIL & GAS, INC. TO AMEND THE SPECIAL FIELD RULES FOR GLADE CROSSING FIELD, LOCATED IN JONES COUNTY, MISSISSIPPI, AND OBTAIN RELATED RELIEF

APR 04 2017

STATE OIL AND GAS BOARD
LISA IVSHIN, SUPERVISOR

DOCKET NO. 88-2017-D

ORDER NO. 135-2017

ORDER

THIS matter came on to be heard at the regular March 2017 meeting of the State Oil and Gas Board on the Petition of **VENTURE OIL & GAS, INC.**, Petitioner, requesting amendments of the Special Field Rules for Glade Crossing Field to establish and define the Cotton Valley Oil Pool, and grant related relief. Having considered the Petition, the evidence in support thereof, and being fully advised in the premises, the Board finds that the Petition is well-taken and should be granted. The Board also finds as follows:

1.

The Board has jurisdiction over the parties and the subject matter of the Petition. Due and legal notice of the hearing on the Petition has been given in the time and manner required by law and the rules and regulations of this Board.

2.

Petitioner is the operator of the Ann Guy 21-8 Well No. 1 (the "Well"). The Well has discovered a new oil pool in Glade Crossing Field in Jones County, Mississippi. As result of that discovery the Board should amend the Special Field Rules for the field to define the new pool, and provide for spacing and other rules.

3.

Based on the evidence presented, the new pool which has been discovered by the Well should be defined as follows:

The Ann Guy Sand Oil Pool is defined to mean those strata of the Cotton Valley Formation productive of hydrocarbons between the depths of 16,752 feet and 16,790 feet on the Platform Express Log of the Venture Oil & Gas, Inc.-Ann Guy 21-8 Well No. 1, dated November 22, 2015, which well is located 2116 feet South of the North line and 387 feet West of the East line of Section 21, Township 8 North, Range 11 West, Jones County, Mississippi, in Glade Crossing Field.

The evidence establishes that, the said new pool is a "pool" and is separate and distinct from any other pool defined in the Special Field Rules.

4.

Because of the geology and other reservoir factors and characteristics of the said Ann Guy Sand Oil Pool, the pool should be developed on "640-acre spacing" with authority to drill more than one well per unit in order to effectively and efficiently drain a unit that is underlain by the said pool. The spacing rules for each unit and for the wells that produce from the said pool should be as follows:

- (1) Each well shall be located on a drilling unit consisting of 640 contiguous surface acres, or a governmental section containing not less than 600 acres or more than 680 acres, or sixteen (16) contiguous governmental quarter-quarter sections (or lots) whose total acreage is not less than 600 acres or more than 680 acres.
- (2) Each such unit 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.
- (3) Each such drilling unit may contain up to four (4) wells that produce from the said pool.
- (4) The surface location of each well may be located anywhere on the unit without regard to the distance from unit lines. The bottom hole location of each well that produces from the said pool shall be located at least 500 feet from the bottom hole location of every other well that is completed into or producing from the said pool on the same unit; and the bottom hole location of each such well shall be located at least 500 feet from every exterior boundary line of the drilling unit.
- (5) Notwithstanding the provisions of any other rule, each well that produces from the pool may produce with an unpenalized full allowable.
- (6) The foregoing spacing rules are subject to such exceptions as may be granted by the Board after notice and hearing.

The said spacing is the same as has been adopted for the other defined pools, and will facilitate the orderly development of the field.

5.

Attached hereto as Exhibit "A" is a copy of the Amended Special Field Rules.

6.

Based on the evidence presented, the Amended Special Field Rules will allow for the orderly development of the field and the said pool, will result in the establishment of drilling units for the said pool; will allow the said pool to be effectively and efficiently drained and produced; will foster, encourage and promote the drilling of additional wells and the development and production of the said pool; and will prevent waste; and will safeguard, protect and enforce the coequal and correlative rights of the owners in the pool and in the field.

IT IS, THEREFORE, ORDERED AND ADJUDGED, that the Petition filed herein is granted, and the Special Field Rules for Glade Crossing Field are amended as more particularly set forth in Exhibit "1" to this Order, which is incorporated by reference.

Permittee shall acquire all other permits, if any, required by any other permitting authority.

IT IS, FURTHER ORDERED AND ADJUDGED, that this Order shall be in force and effect from and after March 15, 2017.

SO ORDERED AND ADJUDGED, this the 14th day of April, 2017.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By: 

PREPARED BY:

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ATTORNEYS FOR PETITIONER

EXHIBIT "2"

**AMENDED SPECIAL FIELD RULES
FOR GLADE CROSSING FIELD
JONES COUNTY, MISSISSIPPI**

FIELD LIMITS

The geographical area of Glade Crossing Field is comprised of the following lands:

In Township 8 North, Range 11 West, Jones County, Mississippi, Second Judicial District:

Section 14: the W 1/2

Section 15: All

Section 16: All

Section 21: All

Section 22: All

Section 23: the W 1/2

In Township 8 North, Range 11 West, Jones County, Mississippi, First Judicial District:

Section 26: the NW 1/4

Section 27: the N 1/2

Section 28: the N 1/2

POOL DEFINITIONS

1. The Hosston Oil Pool is defined to mean those strata of the Hosston Formation productive of oil, gas and other hydrocarbons between the depths of 15,120 feet and 16,355 feet on the Quad Combo log of the Venture Oil & Gas, Inc.-Holifield 21-16 Well No. 1 the surface location of which well is located 189 feet North of the South line and 366 feet West of the East line of Section 21, Township 8 North, Range 11 West, Jones County, Mississippi, and all strata productive of oil, gas and other hydrocarbons which can be correlated therewith and are in communication therewith.

2. The Cotton Valley Oil Pool is defined to mean those strata of the Cotton Valley Formation productive of hydrocarbons between the depths of 16,460 feet and 17,470 feet on

the Platform Express Log of the Venture Oil & Gas, Inc.-Ann Guy 21-8 Well No. 1, dated November 22, 2015, which well is located 2116 feet South of the North line and 387 feet West of the East line of Section 21, Township 8 North, Range 11 West, Jones County, Mississippi, in Glade Crossing Field.

3. The Ann Guy Sand Oil Pool is defined to mean those strata of the Cotton Valley Formation productive of hydrocarbons between the depths of 16,752 feet and 16,790 feet on the Platform Express Log of the Venture Oil & Gas, Inc.-Ann Guy 21-8 Well No. 1, dated November 22, 2015, which well is located 2116 feet South of the North line and 387 feet West of the East line of Section 21, Township 8 North, Range 11 West, Jones County, Mississippi, in Glade Crossing Field.

RULE 1: SPACING

A. Spacing for each unit and for the wells that produce from the Hosston Oil Pool, or the Cotton Valley Oil Pool, or the Ann Guy Sand Oil Pool shall be as follows:

- (1) Each well shall be located on a drilling unit consisting of 640 contiguous surface acres, or a governmental section containing not less than 600 acres or more than 680 acres, or sixteen (16) contiguous governmental quarter-quarter sections (or lots) whose total acreage is not less than 600 acres or more than 680 acres.
- (2) Each such unit 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.
- (3) Each such drilling unit may contain up to four (4) wells that produce from the said pool.
- (4) The surface location of each well may be located anywhere on a unit without regard to the distance from the unit lines. The bottom hole location of each well that produces from the said pool shall be located at least 500 feet from the bottom hole location of every other well that is completed into or producing from the said pool on the same unit; and the bottom hole location of each such well shall be located at least 500 feet from every exterior boundary line of the drilling unit.
- (5) Notwithstanding the provisions of any other rule, each well that produces from the pool may produce with an unpenalized full allowable.
- (6) The foregoing spacing rules are subject to such exceptions as may be granted by the Board after notice and hearing.

RULE 2: APPLICABILITY OF STATEWIDE RULES

All rules and regulations contained in Statewide Order No. 201-51, and any amendments thereto, not specifically covered in the foregoing rules are hereby adopted and applied to said field.

-END OF SPECIAL FIELD RULES-