

MAR 03 1999

BEFORE THE STATE OIL AND GAS BOARD
OF THE STATE OF MISSISSIPPISTATE OIL AND GAS BOARD
WALTER BOONE, SUPERVISOR

DOCKET NO. 30-99-594

ORDER NO. 55-99ORDER AMENDING SPECIAL FIELD RULES
AND DEFINING ADITIONAL GAS POOL
SOUTH HAMILTON FIELD
MONROE COUNTY, MISSISSIPPI

THIS CAUSE this day came on to be heard on the Petition of Gibraltar Energy Company, the process, the evidence, and 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, and that due and proper proofs of said notice are on file with the Board. The Board thus has jurisdiction of the subject matter and the parties involved, with full right to hear and determine said cause.

2. The Board finds that Special Field Rules were adopted for the said South Hamilton Field early in the history of the Field and one time before amended on August 16, 1984, by Order No. 350-84; reference to all of which is here made. Petitioner has for years operated a well in said Field pursuant to those rules known as the GILLILAND 34 -16 well, as an oil well. Said rules define a Lewis Sand Gas Pool, a Carter Sand Gas Pool, and a Lewis Sand Oil Pool, all of which are deeper than the sand into which the said well is now completed.

3. The said well recently depleted in the sand from whence it has been produced; Petitioner reworked it and after diligent efforts and more than one try completed it as a producer in a stratigraphic interval that has not heretofore produced anything in the South Hamilton Field. The newly located stratum appears to be productive of gas and is known elsewhere in the Black Warrior Basin as the Millerella Sand Gas Pool. It also appears to extend outward from the well and underlie lands that have not been in production before.

4. Petitioner has proposed and submitted to the Board for its approval Amended Special Field Rules which appear to define the newly discovered pool as a producing stratum,

indicate its areal extent in so far as is presently known, and would if adopted enhance the continued lawful production from the Field, all without avoidable waste, and consistently with the State-Wide Rules. The Board finds that the amendments should be adopted.

IT IS THEREFORE ORDERED AND ADJUDGED that :

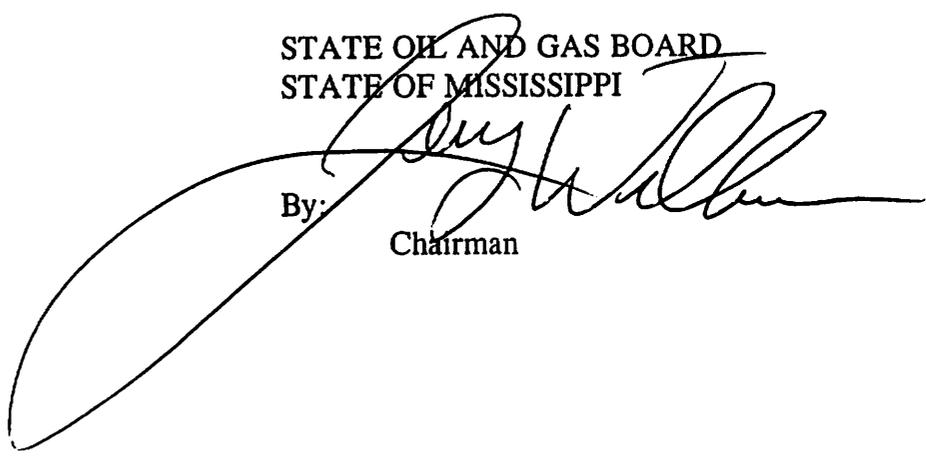
A. South Hamilton Field in Monroe County shall be known as those lands described in Article I of the attached Amended Special Field Rules.

B. The pools in the said Field shall be known as the Lewis Sand Oil Pool, the Lewis Sand Gas Pool, the Carter Sand Gas Pool, and the Millerella Sand Gas Pool.

C From this date forward the Special Field Rules for the South Hamilton Field are here established in the exact words, figures, and phrases as contained in Exhibit "A" attached hereto and made a part hereof by reference.

ORDERED and ADJUDGED this the 17th day of February, 1999.

STATE OIL AND GAS BOARD
STATE OF MISSISSIPPI

By: 

Chairman

EXHIBIT "A"

AMENDED
SPECIAL FIELD RULES
FOR THE SOUTH HAMILTON FIELD
MONROE COUNTY, MISSISSIPPI

A. FIELD AREA

The South Hamilton Field, as used herein, is that geographical area consisting of the following described lands in Monroe County, to-wit:

MONROE COUNTY, MISSISSIPPI

TOWNSHIP 15 SOUTH, RANGE 18 WEST

SECTION 33: North Half

SECTION 34: Entire

SECTION 35: Southwest Quarter of the Southwest Quarter

TOWNSHIP 16 SOUTH, RANGE 18 WEST

SECTION 2: Northwest Quarter

SECTION 3: Entire

B. POOL DEFINITIONS

1.05 The Millerella Sand Gas Pool shall be construed to mean those strata of the Mississippian formation productive of gaseous hydrocarbons in the interval between the measured depths of 4,765 feet and 4,786 feet on the Dual Induction Log of the Gibraltar Energy-GILLILAND 34-16 Well located in the Southwest Quarter of Section 34, T15 S - R 18 W, including those strata productive of hydrocarbons which can be correlated therewith.

1.1 The Carter Sand Gas Pool in the South Hamilton Field shall be construed to mean those strata of the Mississippian Formation productive of gaseous hydrocarbons in the interval between the measured depths of 4,856 feet and 4,888 feet on the Dual Induction Log of the Pruet Production Co., et. Al. - THOMAS W. COLEMAN 34-6 Well No. 1 located 2,055 feet from the North line and 2,140 feet from the West line of Section 34, Township 15 South, Range 18 West, Monroe

County, Mississippi, including those strata productive of hydrocarbons which can be correlated therewith. (Order No. 362-83).

1.2 The Lewis Sand Gas Pool in the South Hamilton Field shall be construed to mean those strata of the Mississippian Formation productive of hydrocarbons in the interval between the measured depths of 5,452 feet and 5,488 feet on the Dual Induction Log of the Pruet Production Co., et. Al.—THOMAS W. COLEMAN 34-6 Well No. 1 located 2,055 feet from the North line and 2,140 feet from the West line of Section 34, Township 15 South, Range 18 West, Monroe County, Mississippi, including those strata productive of hydrocarbons which can be correlated therewith (Order No. 362-83).

1.3 The Lewis Sand Oil Pool in the South Hamilton Field shall be construed to mean those strata of the Mississippian formation productive of hydrocarbons occurring between the measured depths of 5,550 feet to 5,580 feet on the Dual Induction Log of the Pruet Production Co. - Owens Units 3-11 Well No. 1 and all sands correlative of those strata productive of hydrocarbons, said well being located 1,600 feet from the South line and 1,823 feet from the West line of section 3, Township 16 South, Range 18 West, Monroe County, Mississippi. (Order No. 256-83).

C. RULES

RULE 1 — SPACING OF GAS WELLS:

1.1 As to each well drilled to and productive from the Millerella Sand Gas Pool, the Carter Sand Gas Pool, and the Lewis Sand Gas Pool:

- (a) The well shall be located on a drilling unit consisting of
(1) 320 contiguous surface acres; or (2) a governmental half section containing not less than 300 acres or more than 340 acres; or (3) eight (8) contiguous governmental quarter-quarter sections whose total acreage is not less than 300 acres or more than 340 acres, upon which no other drilling or producible well is located;

- (b) Any drilling unit not composed of 320 contiguous surface acres must be completely encompassed by the perimeter of a rectangle 3,735 feet by 5,380 feet, provided, however, no unit shall be permitted which will create island acreage;
- (c) The well shall be located at least 1,980 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule; and
- (d) The well shall be located not less than 990 feet from every exterior boundary of the drilling unit; EXCEPT in the Millerella Sand Gas Pool the well shall be located not less than 820 feet from every exterior boundary of the drilling unit.

RULE 2—SPACING OF OIL WELLS:

2.1 As to each well drilled to and productive from the Lewis Sand Oil

Pool:

- (a) The well shall be located on a drilling unit consisting of eight (80) surface contiguous acres, or two governmental quarter-quarter sections containing not less than seventy-two (72) acres or more than eighty-eight (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 1,600 feet by 2,725 feet. Provided, however, no unit shall be permitted which will create island acreage;

- (c) The well shall be located at least 1,000 feet from every other drilling or producible well located in conformity with this rule; and
- (d) The well shall be located at least 500 feet from every exterior boundary of the drilling unit.

RULE 3—APPLICABILITY OF STATEWIDE RULES

3.1 All rules and regulations contained in Statewide Order No. 201-51, and any amendment thereto, not specifically covered by the foregoing Special Field Rules are hereby adopted and shall apply to the field.

3.2 The Board expressly reserves the right, after notice and hearing, to alter, amend or repeal any or all of the foregoing Special Field Rules, or to grant exceptions to all or any part thereof.

—END—