

FEB 8 1980

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

## THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 298-79-420

ORDER NO. 6-80ORDER

This day this cause came on to be heard on the petition of System Fuels, Inc., qualified to do and doing business in the State of Mississippi, requesting the Board to extend an Amendment to the Special Field Rules for Holiday Creek Field for a period of two years, and the Board finds that due and legal notice of the meeting of this Board has been given in the manner and time required by law and the rules and regulations of this Board and that due and proper proofs of publication are on file with this Board, that the Board has jurisdiction of the parties and the subject matter, and having heard the evidence presented in support of the petition, this Board is of the opinion that said petition should be granted.

The Board finds that April 21, 1977, Special Field Rules for the Holiday Creek Field in Jefferson Davis and Marion Counties, Mississippi, were adopted by Order No. 104-77, providing for drilling units consisting of 80 contiguous surface acres or two governmental quarter-quarter sections containing not less than 72 acres or more than 88 acres for the Diffrient Sand Oil Pool in said field and defining the Diffrient Sand Oil Pool an encountered in the First Mississippi Corporation et al - No. 1 Jessie P. Diffrient Well located in Section 36, Township 6 North, Range 18 West, Jefferson Davis County, Mississippi.

The Board further finds that by Order No. 18-79 entered in Docket No. 322-78-420, this Board amended said Special Field Rules so as to establish well spacing rules providing for units consisting of one governmental quarter section containing not less than 144 acres or more than 176 acres for the Diffrient Sand Oil Pool, for a period of one year, subject to review at the February, 1980 meeting of this Board.

The Board further finds that further geological studies of the field have revealed that the characteristics of the Diffrient Sand Oil Pool in said field are such that a well located in accordance with the amendment to the Special Field Rules adopted by Order No. 18-79 will efficiently drain and produce the recoverable oil from units in said pool without avoidable waste; and that it is necessary to extend for a period of two years said amendment heretofore adopted by Order No. 18-79 in the interest of conservation of the hydrocarbons underlying the field in said oil pool.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that for the prevention of waste and in order to protect the co-equal and correlative rights of all parties in interest, the Special Field Rules for the Holiday Creek Field in Jefferson Davis and Marion Counties, Mississippi, should be and the same are hereby amended so as to extend Order No. 18-79 for a period of two years, subject to a review by this Board at the February 1982 meeting of the Board, and said Special Field Rules shall hereafter read as follows:

SPECIAL FIELD RULES  
FOR THE HOLIDAY CREEK FIELD  
JEFFERSON DAVIS AND MARION COUNTIES,  
MISSISSIPPI

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A. The Holiday Creek Field, as used herein, is that area consisting of the following described land, to-wit:

Sections 1 and 2, Township 5 North, Range 18 West; Section 6, Township 5 North, Range 17 West, Marion County, Mississippi; Sections 19, 30, and 31, Township 6 North, Range 17 West; and Sections 23, 24, 25, 26, 35 and 36, Township 6 North, Range 18 West, Jefferson Davis County, Mississippi, underlain by the Diffrient Sand Oil Pool, the Booth Sand Gas Pool and the Harper Sand Gas Pool of the Hosston Formation, as hereinafter described, and all producible extensions thereof.

B. The Diffrient Sand Oil Pool in the Holiday Creek Field shall be construed to mean those strata productive of oil in the interval between the depths of 15,936 feet and 15,988 feet as indicated on the electric log of the First Mississippi Corporation, et al - No. 1 Jessie P. Diffrient Well located in Section 36, Township 6 North, Range 18 West, Jefferson Davis County, Mississippi, and all correlative intervals in communication therewith.

C. The Booth Sand Gas Pool of the Hosston Formation in the Holiday Creek Field shall be construed to mean those strata productive of gas in the interval between the depths of 16,308 feet and 16,424 feet as indicated on the electric log of the First Mississippi Corporation, et al - No. 1 Jessie P. Diffrient Well located in Section 36, Township 6 North, Range 18 West, Jefferson Davis County, Mississippi, and all correlative intervals in communication therewith.

D. The Harper Sand Gas Pool of the Hosston Formation in the Holiday Creek Field shall be construed to mean those strata productive of gas in the interval between the depths of 16,070 feet and 16,148 feet as indicated on the electric log of the System Fuels, Inc. - Armstrong Well No. 25-11, located in Section 25, Township 6 North, Range 18 West, Jefferson Davis County, Mississippi, and all correlative intervals in communication therewith.

E. The characteristics of the gas pools herein defined in said field are such that gas wells located and drilled upon drilling units containing approximately 640 acres each conforming to the requirements of the spacing rules herein prescribed will efficiently drain and produce the recoverable gas in said pool without avoidable waste.

F. The characteristics of the oil pool herein defined in said field are such that oil wells located and drilled upon drilling units consisting of one governmental quarter section containing not less than 144 acres or more than 176 acres each conforming to the requirements of the spacing rules herein prescribed will efficiently drain and produce the recoverable oil in said pool without avoidable waste.

RULE 1 - SPACING OF OIL WELLS

A. With respect to the Diffrient Sand Oil Pool, every oil well:

- (1) Shall be located on a drilling unit consisting of one governmental quarter section containing not less than 144 acres or more than 176 acres, upon which no other drilling or producible well is located;
- (2) The well shall be located at least 1320 feet from every other drilling or producible well located in conformity with this rule; and
- (3) The well shall be located at least 660 feet from every exterior boundary of the unit and no more than 820 feet from at least one of the exterior boundaries of the drilling unit.

RULE 2 - SPACING OF GAS WELLS

A. With respect to the Booth Sand Gas Pool and the Harper Sand Gas Pool of the Hosston Formation, every gas well:

- (1) 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, upon which no other drilling or producible well is located;

- (2) Any gas drilling unit not a governmental section 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) The well shall be located at least 3,000 feet from every other drilling or producible well located in conformity with this rule; and
- (4) The well shall be located not less than 1,500 feet from every exterior boundary of the unit.

RULE 3 - 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.

ORDERED AND ADJUDGED this 16th day of January, 1980.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By Joe R. Sanchez, Jr.  
CHAIRMAN