

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

RE: PETITION OF HUGHES EASTERN
CORPORATION TO MAKE PERMANENT
THE SPECIAL FIELD RULES FOR
THE NORTH HUSTLER FIELD IN
AMITE COUNTY, MISSISSIPPI

JUN 18 1987

STATE OIL AND GAS BOARD
A. Richard Henderson, Supervisor

DOCKET NO. 121-87-661

ORDER NO. 193-87

ORDER

THIS DAY this cause came on for hearing on the Petition of Hughes Eastern Corporation, of Jackson, Mississippi, requesting the Board to make permanent the Special Field Rules for the North Hustler Field in Amite County, Mississippi adopted by Order No. 233-86, 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 full jurisdiction of the parties and the subject matter, and having heard the evidence presented and arguments of counsel, this Board is of the opinion that said Petition should be granted.

The Board further finds as follows:

That on May 21, 1986, the State Oil and Gas Board adopted Special Field Rules for the North Hustler Field in Amite County, Mississippi, by Order No. 233-86, for a period of one year, subject to review at the May, 1987 meeting of this Board, providing for units consisting of 160 contiguous surface acres, with a 5% more or less acreage tolerance, or a governmental quarter section containing not less than 144 acres or more than 176 acres or four contiguous governmental quarter-quarter sections whose total acreage is not less than 144 or more than 176 acres for the Lower Tuscaloosa Oil Pool in said field and defining the Lower Tuscaloosa Oil Pool as encountered in the Hughes Eastern Petroleum, Ltd. - Burris 23-7 No. 1 Well, located in Section 23, Township 4 North, Range 5 East, Amite County, Mississippi.

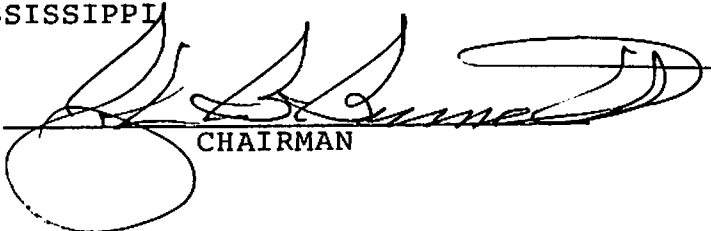
That further geological studies of the field have revealed that the characteristics of the Lower Tuscaloosa Oil Pool in said field are such that a well located in accordance with the Special Field Rules adopted by Order No. 233-86 will efficiently drain and produce the recoverable hydrocarbons from units in said pool without avoidable waste; and that it is necessary to now make permanent said Special Field Rules heretofore adopted in the interest of conservation of the hydrocarbons underlying the field in said pool.

IT IS, THEREFORE, HEREBY ORDERED AND ADJUDGED that the Special Field Rules for the North Hustler Field in Amite County, Mississippi, providing for units consisting of 160 contiguous surface acres, with a 5% more or less acreage tolerance, or a governmental quarter section containing not less than 144 acres or more than 176 acres or four contiguous governmental quarter-quarter sections whose total acreage is not less than 144 or more than 176 acres for the Lower Tuscaloosa Oil Pool in said field, are hereby made permanent for said field, and said Special Field Rules are attached hereto as Exhibit "A".

ORDERED AND ADJUDGED this the 21st day of May, 1987.

STATE OIL AND GAS BOARD OF
MISSISSIPPI

By: _____


CHAIRMAN

SPECIAL FIELD RULES
FOR THE
NORTH HUSTLER FIELD
AMITE COUNTY, MISSISSIPPI
(AS OF MAY 20, 1987)

The North Hustler Field, as used herein, is that area consisting of the following described land, to-wit:

S-1/2 of Section 14 and all of Sections
23 and 26, Township 4 North, Range 5 East,
Amite County, Mississippi,

underlain by the Lower Tuscaloosa Oil Pool, as hereinafter defined, and all productive extensions thereof.

I. The Lower Tuscaloosa Oil Pool in the North Hustler Field, Amite County, Mississippi, shall be construed to mean those strata of the Tuscaloosa Formation productive of oil at an interval of 11,029 feet to 11,172 feet as indicated on the electric log of the Hughes Eastern Petroleum, Ltd. - Burris 23-7 No. 1 Well, and all sands correlative of these strata productive of oil, said well being located 1,980 feet from the East line and 1,980 feet from the North line of Section 23, Township 4 North, Range 5 East, Amite County, Mississippi.

II. The characteristics of said Lower Tuscaloosa Oil Pool in said field are such that one well located on a drilling unit comprised of 160 contiguous surface acres, with a 5% more or less acreage tolerance, or a governmental quarter section containing not less than 144 acres or more than 176 acres or four contiguous governmental quarter-quarter sections whose total acreage is not less than 144 or more than 176 acres conforming to the requirements of the rules herein contained will adequately and efficiently drain and produce the recoverable hydrocarbons from such unit in said pool without avoidable waste.

RULE 1 - SPACING OF OIL WELLS:

Every well drilled as an oil well:

- (a) shall be located on a drilling unit consisting of 160 contiguous surface acres with a 5% more or less acreage tolerance, or a governmental quarter section containing not less than 144 acres or more than 176 acres

or four contiguous governmental quarter-quarter sections whose total acreage is not less than 144 or more than 176 acres, upon which no other drilling or producible well is located;

- (b) Any oil drilling unit formed under Rule 1(a) must be completely encompassed by the perimeter of a rectangle 2,890 feet by 3,620 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 in the Lower Tuscaloosa Oil Pool 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 2 - APPLICABILITY OF STATEWIDE RULES:

- A. All rules and regulations contained in Statewide Order No. 201-51, and any amendments thereto, not specifically covered by 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.