BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

Re: Petition of Will-Drill Production Company, Inc. Requesting Adoption of Special Field Rules for Improve Field, Marion County, Mississippi **FILED FOR RECORD**

APR 0 3 2001

STATE OIL AND GAS BOARD WATER RONG. STATE BOOKS

DOCKET NO. 45-2001-452

ORDER

This day this cause came on to be heard on the Petition of Will-Drill Production Company, Inc. requesting the State Oil and Gas Board of Mississippi to enter an order adopting Special Field Rules for Improve Field to define the Booth Gas Pool and the Harper Gas Pool and to establish spacing rules for said reservoirs, and granting related relief. This Board, having considered the Petition and the evidence submitted in support thereof, and being fully advised in the premises, is of the opinion and finds that the relief requested by Will-Drill Production Company, Inc. should be and the same is hereby granted. This Board further finds and determines as follows, to-wit:

1.

Due, proper and legal notice of the meeting of this Board for the purpose of considering and hearing the Petition filed herein has been given in the manner and time provided by law and the rules and regulations of this Board. Due, legal and sufficient proofs of publication of such notice and proof of notice by personal service are on file

with this Board. Will-Drill Production Company, Inc. has made a reasonably diligent effort to give the personal notice required by the statutes of the State of Mississippi and the rules and regulations of this Board. This Board has full jurisdiction of the parties and the subject matter hereof.

2.

A public hearing was held by this Board in Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on March 21, 2001, at 9:30 o'clock a.m., at which time and place all persons who desired to be heard on said matter were heard and all testimony and the evidence were duly considered by this Board. Will-Drill Production Company, Inc. was represented at the hearing by its attorney, James M. Nix. River Production Co., Inc. was represented at the hearing by its attorney, Watts C. Ueltschey. No other parties made an appearance at the hearing of this matter.

3.

Petitioner, Will-Drill Production Company, Inc., is a Louisiana corporation, whose principal place of business is 416 Travis Street, Suite 1200, Shreveport, Louisiana 71101. Its telephone number is (318) 222-7464. Petitioner is duly qualified to do business in the State of Mississippi. Petitioner is the duly authorized operator of the Crawley Unit No. 1 Well in Improve Field, Marion County, Mississippi.

4.

A Notice of Contest and Motion to Continue was filed in this docket on behalf of River Production Co., Inc. by its attorney, Watts C. Ueltschey. Will-Drill Production Company, Inc. and River Production Co., Inc. reached an agreement and River Production Co., Inc. withdrew and dismissed its Notice of Contest and Motion to Continue.

Will-Drill Production Company, Inc. recently re-entered, re-drilled and completed the Crawley Unit No. 1 Well in Improve Field and obtained commercial production from the Booth Sand of the Hosston Formation between the depths of 16,592 feet and 16,590 feet.

6.

No Special Field Rules have heretofore been adopted for Improve Field. However, this Board has previously recognized that the Hosston Formation in Improve Field is composed of two (2) separate and distinct productive sands – commonly known as the Booth Sand and the Harper Sand.

7.

In order to fully and completely develop Improve Field, it is necessary that this Board adopt Special Field Rules for Improve Field to define these sands as separate and distinct productive reservoirs and establish spacing rules for said reservoirs.

8.

The Booth Sand and the Harper Sand of the Hosston Formation should be defined in the Special Field Rules for Improve Field as follows:

The **Harper Gas Pool**, as used herein, shall be construed to mean those strata of the Hosston Formation productive of gas which can be correlated with the strata indicated on the dual induction log of the E. S. Rayburn 17-11 Unit No. 1 Well (located approximately 1500 feet from the West line and 1500 feet from the South line of Section 17 of Township 4 North, Range 17 West, Marion County, Mississippi) between the depths of 16,430 feet and 16,460 feet (measured depths), and all sands correlative to and in communication with said strata.

The **Booth Gas Pool**, as used herein, shall be construed to mean those strata of the Hosston Formation productive of gas which can be correlated with the strata indicated on the dual induction log of the E. S. Rayburn 17-11 Unit No. 1 Well (located approximately 1500 feet from the West line and

1500 feet from the South line of Section 17 of Township 4 North, Range 17 West, Marion County, Mississippi) between the depths of 16,635 feet and 16,675 feet (measured depths), and all sands correlative to and in communication with said strata.

9.

In view of the geological characteristics and physical properties of the Booth Gas Pool and the Harper Gas Pool, the spacing for these reservoirs should be the same as the existing Statewide Rule No. 8(1), which relates to spacing for gas wells, the tops of which are encountered in the discovery well below a measured depth of 12,000 feet below the surface of the earth.

10.

The establishment of Special Field Rules for Improve Field as set forth in Exhibit "A" to the Petition filed in this docket will promote conservation, prevent waste, avoid the drilling of unnecessary wells, and safeguard, protect and enforce the coequal and correlative rights of all owners in Improve Field. Furthermore, the granting of the relief requested in said Petition will encourage and promote the development, production and utilization of the natural resources of oil and gas in the State of Mississippi.

IT IS THEREFORE ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the relief requested by Will-Drill Production Company, Inc. in its Petition filed in this docket should be, and the same is hereby, granted and it is ordered and adjudged that the following Special Field Rules be, and the same hereby are, adopted for Improve Field located in Marion County, Mississippi, to-wit:

SPECIAL FIELD RULES IMPROVE FIELD MARION COUNTY, MISSISSIPPI

A. <u>FIELD AREA</u>:

Improve Field, as used herein, is defined as that portion of Sections 17, 18, 19 and 20 of Township 4 North, Range 17 West, all in Marion County, Mississippi, productive of oil and/or gas together with all productive extensions of such area.

B. <u>POOL DEFINITIONS</u>:

- (1) The **Harper Gas Pool**, as used herein, shall be construed to mean those strata of the Hosston Formation productive of gas which can be correlated with the strata indicated on the dual induction log of the E. S. Rayburn 17-11 Unit No. 1 Well (located approximately 1500 feet from the West line and 1500 feet from the South line of Section 17 of Township 4 North, Range 17 West, Marion County, Mississippi) between the depths of 16,430 feet and 16,460 feet (measured depths), and all sands correlative to and in communication with said strata.
- (2) The **Booth Gas Pool**, as used herein, shall be construed to mean those strata of the Hosston Formation productive of gas which can be correlated with the strata indicated on the dual induction log of the E. S. Rayburn 17-11 Unit No. 1 Well (located approximately 1500 feet from the West line and 1500 feet from the South line of Section 17 of Township 4 North, Range 17 West, Marion County, Mississippi) between the depths of 16,635 feet and 16,675 feet (measured depths), and all sands correlative to and in communication with said strata.

C. RULES:

RULE 1 -- Spacing of Gas Wells

- (1) With respect to the Harper Gas Pool and the Booth Gas Pool, every gas well:
 - (a) Shall be located on a drilling unit consisting of (1) 640 contiguous surface acres; or (2) a governmental section containing not less than 600 acres nor more than 680 acres; or (3) sixteen (16) contiguous governmental quarter-quarter sections whose total acreage is not less than 600 acres nor more than 680 acres. In any case, no other well producing from the same pool shall be located on any such unit. The word "contiguous" as used herein shall mean bordering each other at more than one point.

- (b) Any gas drilling unit formed under section 1(a) of this rule 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.
- (c) The well shall be located at least 3,000 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 1,500 feet from every exterior boundary of the drilling unit.

RULE 2 -- Amendment of Special Field Rules

The Board expressly reserves the right, after notice and hearing, to alter, amend or repeal any and all of the above rules and regulations, or to grant exceptions to all or any part thereof.

RULE 3 -- Applicability of Statewide Rules

All rules and regulations contained in Statewide Order No. 201-51, and all amendments thereto, are hereby adopted and shall apply to Improve Field to the extent not inconsistent with the above rules.

IT IS FURTHER ORDERED AND ADJUDGED by this Board that said Special Field Rules shall take effect on and after the date of this order.

SO ORDERED AND ADJUDGED on this the 30th day of march, 2001.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By: Chairman Juliano

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