

OCT 14 1982

STATE OIL AND GAS BOARD
A. Richard Henderson, Supervisor

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF ANR PRODUCTION COMPANY)
 TO AMEND THE SPECIAL FIELD RULES FOR)
 THE KNOXO GAS FIELD, IN MARION AND)
 WALTHALL COUNTIES, MISSISSIPPI,)
 TO REDEFINE THE HOSSTON GAS POOL) DOCKET NO. 308-82-147
 AND TO INCLUDE SECTIONS 24 AND 25,)
 TOWNSHIP 2 NORTH, RANGE 12 EAST,) ORDER NO. 454-82
 WALTHALL COUNTY, MISSISSIPPI, AND)
 SECTION 19, TOWNSHIP 2 NORTH, RANGE)
 13 EAST, MARION COUNTY, MISSISSIPPI,)
 WITHIN THE DEFINITION OF THE KNOXO)
 GAS FIELD)

ORDER

This day this cause came on to be heard by the State Oil and Gas Board of Mississippi on the Petition of ANR Production Company, as amended, requesting an Amendment to the Special Field Rules for the Knoxo Gas Field, in Marion and Walthall Counties, Mississippi, and finds as follows, to-wit:

1.

That due, proper and legal notice for the meeting of the Board for the purpose of considering and taking action with respect to said matter has been given in the manner and form provided by law and the Rules and Regulations of this Board and that due, legal and sufficient proofs of publication are on file with the Board, and that the Board has jurisdiction of the subject matter to hear and determine same.

2.

Petitioner is the Operator of the ANR Production Company - McCain et al, No. 1 Well, comprising the East One-Half of Section 23, and the West One-Half of Section 24, Township 2 North, Range 12 East, Walthall County, Mississippi, containing 640 acres, more or less. Said Well was drilled pursuant to Permit No. 218 dated September 17, 1980, with the said well being located 1500 feet

North of the South Line and 1500 West of the North-South Centerline of said Section 24. That said well has been tested and is capable of producing gas for the Hosston Gas Pool as said Gas Pool is hereinafter defined.

3.

That the Hosston Gas Pool is a separate and distinct gas pool from all other pools encountered in said field, and it is necessary to amend the Special Field Rules for the Knoxo Gas Field in order to identify and redefine said gas pool as encountered in the said ANR Production Company - McCain et al, No. 1 Well.

4.

That the said pool should be redefined as follows:

"The Hosston Gas Pool, as used herein, shall be construed to mean those strata productive of gas occurring in the Hosston formation at a depth of 15,630 feet to 16,982 feet, or at a point 15,248 feet subsea to 16,600 feet subsea, as indicated by the electrical log in the ANR Production Company - McCain et al, No. 1 Well, located 1500 feet North of the South line and 1500 feet West of the North-South centerline of said Section 24, Township 2 North, Range 12 East, Walthall County, Mississippi, or other strata productive of gas correlative to this interval found in other wells."

5.

That the spacing definition of the field should be expanded to include Sections 24 and 25 of Township 2 North, Range 12 East, Walthall County, Mississippi, and Section 19, Township 2 North, Range 13 East, Marion County, Mississippi, and that the Hosston Gas Pool should be redefined as above set forth.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that to promote conservation of oil and gas, safeguard, protect and enforce the co-equal and correlative

rights of owners in the field, to prevent avoidable waste and to prevent the drilling of unnecessary wells, the Special Field Rules for Knoxo Gas Field, Marion and Walthall Counties, Mississippi should be and are hereby amended so as to redefine the Hosston Gas Pool and to include Sections 24 and 25, Township 2 North, Range 12 East, Walthall County, Mississippi, and Section 19, Township 2 North, Range 13 East, Marion County, Mississippi, in said field as set forth above, and the said Special Field Rules, in their entirety, as amended, are attached hereto as Exhibit "A".

ORDERED AND ADJUDGED, this the 16th day of September, 1982.

STATE OIL AND GAS BOARD OF
MISSISSIPPI

BY: Joe R. Sanchez, Jr.
CHAIRMAN

203/ANR.1

SPECIAL FIELD RULES
KNOXO GAS FIELD
MARION AND WALTHALL COUNTIES,
MISSISSIPPI

A. The Knoxo Gas Field, as used herein, is that area in Sections 4, 5, 6, 7, 8, 9, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 28 and 29 of Township 2 North, Range 12 East, Marion and Walthall Counties, Mississippi, and Section 19, Township 2 North, Range 13 East, Marion County, Mississippi and including all productive extensions thereof, which area is underlain in whole or in part by any or all of the following pools; namely, the Washita-Fredericksburg Gas Pool, The Upper Paluxy Gas Pool, the Lower Paluxy Gas Pool, the Sligo Gas Pool, and the Hosston Gas Pool.

B. The Washita-Fredericksburg Gas Pool, as used herein shall be construed to mean those strata productive of gas occurring in the Washita-Fredericksburg formation at a depth of 12,288 feet to 12,485 feet, or at a point 11,903 feet subsea to 12,100 feet subsea, as indicated by the electrical log in the Texaco-Seaboard Board of Supervisors No. 1 Well, located 560 feet South and 760 feet East of the Northwest Corner of Section 16, Township 2 North, Range 12 East, Marion County, Mississippi, or other strata productive of gas correlative to this interval found in other wells. (Order No. 79-78)

C. The Upper Paluxy Gas Pool, as used herein, shall be construed to mean those strata productive of gas occurring in the Upper Paluxy gas formation from the base of the Washita-Fredericksburg, or at a point 12,100 feet subsea to the top of the Lower Paluxy formation, at 12,957 feet, or at a point 12,572 feet subsea, as indicated by the electrical log on the Texaco-Seaboard Board of Supervisors No. 1 Well described above, or other strata productive of gas correlative to this interval found in other wells. (Order No. 79-78)

D. The Lower Paluxy Gas Pool, as used herein, shall be construed to mean those strata productive of gas occurring in the Lower Paluxy formation from the base of the Upper Paluxy, at 12,957 feet, or at a point 12,572 feet subsea to the top of the the Morringsport formation at 13,785 feet or at a point 13,400 feet subsea, as indicated by the electrical log on the Texaco-Seaboard Board of Supervisors No. 1 Well, hereinabove described, or other strata productive of gas correlative to this interval found in other wells. (Order No. 79-78)

E. The Sligo Gas Pool, as used herein, shall be construed to mean those strata productive of gas occurring in the Sligo formation of a depth of 15,675 feet to 15,706 feet, or at a point 15,282 feet subsea to 15,313 feet subsea, as indicated by the electrical log on the Sohio Petroleum Company - Bullock No. 1 Well, located 1500 feet South and 1135 feet East of the Northwest Corner of Section 21, Township 2 North, Range 12 East, Walthall County, Mississippi, or other strata productive of gas correlative to this interval found in other wells. (Order No. 84-81)

F. The Hosston Gas Pool, as used herein, shall be construed to mean those strata productive of gas occurring in the Hosston formation at a depth of 15,630 feet to 16,982 feet, or at a point 15,248 feet subsea to 16,600 feet subsea, as indicated by the electrical log in the ANR Production Company - McCain et al, No. 1 Well, located 1500 feet North of the South line and 1500 feet West of the North-South centerline of Section 24, Township 2 North, Range 12 East, Walthall County, Mississippi, or other strata productive of gas correlative to this interval found in other wells. (Order No. 411-78; Amended by Order No. 454.82)

RULE 1

The area covered by the present producing pools and extensions thereof consists of regular governmental sections, and

with respect to the Washita-Fredericksburg Gas Pool, the Upper Paluxy Gas Pool, the Lower Paluxy Gas Pool, and extensions thereof, respectively, the characteristics of said pools are such that a gas well located in conformity with Rule Eight in Statewide Order No. 201-51 on a tract of land consisting of approximately 320 contiguous surface acres will adequately drain, efficiently produce, and economically recover the production therefrom without avoidable waste. With respect to the Sligo Gas Pool and the Hosston Gas Pool, and extensions thereof, the characteristics of said pool are such that a gas well located in conformity with Rule Eight in statewide Order No. 157-77 on a tract of land consisting of approximately 640 contiguous surface acres will adequately drain, efficiently produce and economically recover the production therefrom without avoidable waste.

RULE 2

Notwithstanding the inclusion of Section 6, Township 2 North, Range 2 East, Walthall County, Mississippi, in the Knoxo Gas Field, any extensions of the Lower Paluxy Gas Pool of the Kokomo-Darbun Field which extend into said Section 6 shall be developed in accordance with the spacing pattern for the Kokomo-Darbun Field.

All rules and regulation contained in Statewide Order No. 201-51 and amendments thereto not specifically covered in the foregoing rules are hereby adopted and shall apply to said field.

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

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193/SFR.1