

JUL 7 1978

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

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 163-78

ORDER NO. 231-78ORDER

This day this cause coming on to be heard by the State Oil and Gas Board of Mississippi on the matter of adoption and promulgation by this Board of Special Field Rules for an unnamed field in Marion County, Mississippi, upon the petition of William G. New Associates, Inc., of Jackson, Mississippi; and

The Board finding and hereby adjudicating that due, proper and legal notice of 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.

The Board further finds that petitioner is the owner of leasehold and operating estates in and under the S $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 3, Township 2 North, Range 12 East, Marion County, Mississippi, and has heretofore drilled a well thereon under Permit No. 317 issued by this Board on December 19, 1977, on a drilling unit above described at a location 990 feet from the East line and 500 feet from the North line of said S $\frac{1}{2}$ of NE $\frac{1}{4}$, which well is productive of gas from the Lower Paluxy Gas Pool of the Paluxy Formation. The Board further finds that said well was drilled as a wildcat well in search of oil but encountered the Lower Paluxy Gas Pool, and it is essential that Special Field Rules be adopted for the lands underlain by said pool, and providing for proper rules and regulations which may be found necessary for the proper and orderly development of said lands, for the prevention of physical and economic waste and the protection of co-equal and correlative rights of all owners and parties in interest.

The Board further finds that no field name has been given to the lands involved herein, but petitioner has recommended that the lands be given the name of East Knoxo Field in Marion County, Mississippi.

The Board further finds that the presently known characteristics of the Lower Paluxy Gas Pool of the Paluxy Formation underlying said lands indicate to petitioner that one well properly located on a drilling unit containing 640 contiguous surface acres, or a governmental section containing not less than 600 acres or more than 680 acres, or sixteen contiguous governmental quarter-quarter sections whose total acreage is not less than 600 acres or more than 680 acres will adequately drain and produce the hydrocarbons in said pool underlying such unit efficiently and without avoidable drainage.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the Special Field Rules attached hereto as Exhibit "A" should be and the same are hereby adopted by the State Oil and Gas Board for the East Knoxo Field in Marion County, Mississippi.

ORDERED AND ADJUDGED this 21st day of June, 1978.

STATE OIL AND GAS BOARD OF MISSISSIPPI
BY Joe R. Lanchester, Jr.
CHAIRMAN

SPECIAL FIELD RULES
FOR THE EAST KNOXO FIELD
MARION COUNTY, MISSISSIPPI

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

Sections 33, 34 and 35, Township 3 North,
Range 12 East, and Sections 2 and 3, Town-
ship 2 North, Range 12 East, Marion County,
Mississippi,

underlain by the Lower Paluxy Gas Pool of the Paluxy Formation, as hereinafter defined, and all productive extensions thereof.

I. The Lower Paluxy Gas Pool of the Paluxy Formation in the East Knoxo Field shall be construed to mean those strata of the Paluxy Formation productive of gas in the interval between the electric log depths of 13,353 feet and 13,366 feet in the William G. New Associates, Inc. - Denkman Lumber Company 3-8 Well No. 1, as indicated on the electric log of said well, and all sands correlative of these strata productive of gas, said well being located 990 feet West of the East line and 1820 feet South of the North line of Section 3, Township 2 North, Range 12 East, Marion County, Mississippi.

II. The characteristics of said Lower Paluxy Gas Pool of the Paluxy Formation in said field are such that a well located as hereinafter prescribed and drilled upon a unit containing 640 contiguous surface acres, or a governmental section containing not less than 600 acres or more than 680 acres, or sixteen contiguous quarter-quarter sections whose total acreage is not less than 600 acres or more than 680 acres conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable gas from such units in said pool without avoidable waste.

RULE I - SPACING OF GAS WELLS:

With respect to the Lower Paluxy Gas Pool of the Paluxy Formation, every well drilled:

(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 or more than 680 acres; or (3) sixteen (16) contiguous governmental quarter-quarter sections whose total acreage is not less than 600 acres or more than 680 acres. In any case, no other well producing from the same pool shall be located on any such unit.

(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 - 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.