

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

RE: PETITION OF KEY PRODUCTION COMPANY,  
INC. (DELAWARE) TO ESTABLISH SPECIAL  
FIELD RULES FOR KOLA DOME FIELD,  
COVINGTON COUNTY, MISSISSIPPI

AUG 24 2001

STATE OIL AND GAS BOARD  
WALTER BOONE, SUPERVISOR

DOCKET NO. 237-2001-847

ORDER NO. 369-2001

ORDER

THIS MATTER came on for hearing before the State Oil and Gas Board on the Petition of Key Production Company, Inc. to establish Special Field Rules for Kola Dome Field, such hearing being called for such purpose; and

WHEREAS, the Board finds that due, proper and legal notice of the meeting of the Board for the purpose of considering and taking action with respect to such matter was given in the manner and way provided by law and the rules and regulations of the Board; that due, legal and sufficient proofs of publication and service are on file with the Board; and that the Board has full jurisdiction of the subject matter to hear and determine same; and

WHEREAS, pursuant to said notice and service of process, public hearing was held by said Board, in the hearing room, 500 Greymont Avenue, Suite E, Jackson, Mississippi, commencing on August 15, 2000, at which hearing all persons present who desired to be heard on said matter were heard and all testimony and evidence were duly considered by those present at said meeting; and

WHEREAS, the Board has fully considered said matter and the evidence and recommendations made in said hearing and finds as follows:

1. Pursuant to Order No. 432-2000, Docket No. 262-2000-847, dated effective August 16, 2000, Petitioner drilled its Thoth No. 1 Well on a 640-acre gas unit consisting of the following described lands:

West Half of Section 27 and the East Half of Section 28, Township 8 North, Range 15 West, Kola Dome Field, Covington County, Mississippi, containing 640 acres more or less.

Said well was drilled to a total depth of 17,667' encountering productive intervals of the Sligo Formation. Petitioner has now completed said well in the Sligo Formation within the gross overall interval of 14,646' - 14,832'.

2. Pursuant to Order No. 312-99, Docket No. 174-99, dated effective September 15, 1999, Petitioner drilled its Langston No. 1 Well on a 640-acre gas unit consisting of the following described lands:

All of Section 28, Township 8 North, Range 15 West, Kola Dome Field, Covington County, Mississippi, containing 640 acres more or less.

Said well was drilled to a total depth of 16,286' encountering productive intervals of the Sligo Formation. Petitioner has now completed said well in the Sligo Formation within the gross overall interval of 14,390' - 14,510'.

3. The Sligo Formation encountered in the Thoth No. 1 Well is completely fault separated from the Sligo Formation encountered in the Langston No. 1 Well, and there is no communication between these two reservoirs within this Formation.

4. Petitioner has requested that this Board establish Special Field Rules for the Kola Dome Field and to define the two separate Sligo Gas Pools.

5. On August 7, 2001, a motion was filed in this docket requesting a 60-day continuance, however, Movant did not appear at the hearing on August 15, 2001 to show cause for said continuance.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the motion to continue filed in this docket is denied for failure of Movant to appear and show good cause for continuance.

IT IS ALSO, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules of Kola Dome Field, Covington County, Mississippi shall be and are hereby established to read as follows:

**SPECIAL FIELD RULES  
KOLA DOME FIELD  
COVINGTON COUNTY, MISSISSIPPI**

**FIELD LIMITS:**

Field Limits for the Kola Dome Field as used herein shall be defined as that area consisting of the following described areas in Covington County.

The W 1/2 of Section 27 and all of Section 28, Township 8 North, Range 15 West, Covington County, Mississippi and all productive extensions thereof.

**SLIGO EAST FAULT SEGMENT GAS POOL DEFINED:**

The Sligo East Fault Segment Gas Pool is defined as those strata productive of gas within the interval of 14,646 feet to 14,832 feet as indicated on the induction log for the Key Production Company, Inc. (Delaware) - Thoth No. 1 Well, located in the NE 1/4 of Section 28, Township 8 North, Range 15 West, Covington County, Mississippi, and all intervals correlative to and/or connected with said strata.

**SLIGO WEST FAULT SEGMENT GAS POOL DEFINED:**

The Sligo West Fault Segment Gas Pool is defined as those strata productive of gas within the interval of 14,390 feet to 14,510 feet as indicated on the induction log for the Key Production Company, Inc. (Delaware) - Langston No. 1 Well, located in the SE 1/4 of Section 28, Township 8 North, Range 15 West, Covington County, Mississippi, and all intervals correlative to and/or connected with said strata.

**RULE NO. 1: SPACING OF GAS WELLS.**

Every well drilled to develop the above defined gas pools in Kola Dome Field and/or productive therein, shall be drilled and/or produced on 640 acre drilling units consistent with Statewide Rule 8.1.

**RULE NO. 2: APPLICABILITY OF STATEWIDE RULES.**

(a) All rules and regulations contained in Statewide Order No. 201-51, and all 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.

ORDERED AND ADJUDGED this 22nd of August 2001, effective August 15, 2001.

MISSISSIPPI STATE OIL AND GAS BOARD

By: Joseph O. Zucaro  
CHAIRMAN

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