

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

APR 08 2013

STATE OIL AND GAS BOARD
LISA IVSHIN, SUPERVISOR

RE: PETITION OF MOSBACHER ENERGY
COMPANY TO ADOPT SPECIAL FIELD
RULES FOR THE SOUTHWEST KOLA
FIELD, COVINGTON COUNTY,
MISSISSIPPI

DOCKET NO. 120-2013-D

ORDER NO. 192-2013

EMERGENCY ORDER

THIS CAUSE came to be heard on the Petition of Mosbacher Energy Company ("Petitioner") requesting the Board to adopt Special Field Rules for the Southwest Kola Field, in Covington County, Mississippi; 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 not given in the manner required by the rules and regulations of the Board; and that the Board has full jurisdiction of the subject matter to hear and determine same solely as an emergency matter; and

WHEREAS, pursuant to said Notice, a public hearing was held by said Board in the Hearing Room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on March 20, 2013, at 10:00 o'clock a.m. at which hearing all persons present who desired to be heard on said matter were heard and all testimony and the 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.

Petitioner plans to begin operations in the Field. Special Field Rules for the Field have never been adopted, although two wells have been drilled in the Field.

2.

Petitioner seeks to define the Rodessa, Sligo, Hosston, Lower Hosston, and Cotton Valley Oil Pools ("the Pools"). The Field should be defined as follows:

Covington County, Mississippi

Township 8 North, Range 15 West

Section 31: The S $\frac{1}{2}$

Section 32: The S $\frac{1}{2}$

Township 7 North, Range 15 West

Section 6: The N $\frac{1}{2}$

Section 5: The N $\frac{1}{2}$

3.

Other companies have drilled wells in this Field, which have penetrated the Pools. These wells and nearby similar fields have proven that wells in the Pools could drain large areas and 640 acre spacing was adopted for the Roundtree and Associates – Pickering No. 1 Well which was drilled in this Field in 2000. The zones are below 13,500 feet and the permeability and porosity in other Fields in this area has proven oil pools should be produced on 640 acre units with increased density of up to four wells per unit and 660 feet spacing distances. Therefore, for geological and engineering reasons, the Special Field Rules should be adopted to define the Pool, provide spacing, and field definition to prevent waste and protect the co-equal and correlative rights of all owners.

4.

The Special Field Rules promote conservation, protect the co-equal and correlative rights of all owners of all owners in interest, avoid the drilling of unnecessary wells and permit oil and gas to be produced which would not otherwise be recoverable.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the Special Field Rules for the Southwest Kola Field in Covington County, Mississippi shall be and hereby are amended on an emergency basis as follows:

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

A. FIELD LIMITS:

The Southwest Kola Field as used herein is that area consisting of the following described lands in Covington County, Mississippi, to-wit:

**Covington County, Mississippi
Township 8 North, Range 15 West**

Section 31: The S $\frac{1}{2}$

Section 32: The S $\frac{1}{2}$

Township 7 North, Range 15 West

Section 6: The N $\frac{1}{2}$

Section 5: The N $\frac{1}{2}$

and all correlative extensions thereof.

B. POOL DEFINITIONS

1. The **Rodessa Oil Pool** in the Southwest Kola Field shall be construed to mean those strata of the Rodessa Formation in the interval between 13,600 feet to 14,145 feet in the Remington Oil and Gas – Pickering No. 1 Well in Section 32, Township 8 North, Range 15 West, Covington County, Mississippi, as indicated on the electric log of said well, and all sands correlative of these strata productive of oil.

2. The **Sligo Oil Pool** in the Southwest Kola Field shall be construed to mean those strata of the Sligo Formation in the interval between 14,200 feet to 14,530 feet in the Remington Oil and Gas – Pickering No. 1 Well in Section 32, Township 8 North, Range 15 West, Covington County, Mississippi, as indicated on the electric log of said well, and all sands correlative of these strata productive of oil.

3. The **Hosston Oil Pool** in the Southwest Kola Field shall be construed to mean those strata of the Hosston Oil Pool Formation in the interval between 14,530 feet to 15,520 feet in the Remington Oil and Gas – Pickering No. 1 Well in Section 32, Township 8 North, Range 15 West, Covington County, Mississippi, as indicated on the electric log of said well, and all sands correlative of these strata productive of oil.

4. The **Lower Hosston Oil Pool** in the Southwest Kola Field shall be

construed to mean those strata of the Lower Hosston Oil Pool Formation in the interval between 16,250 feet to 17,250 feet in the Remington Oil and Gas – Pickering No. 1 Well in Section 32, Township 8 North, Range 15 West, Covington County, Mississippi, as indicated on the electric log of said well, and all sands correlative of these strata productive of oil.

5. The **Cotton Valley Oil Pool** in the Southwest Kola Field shall be construed to mean those strata of the Cotton Valley Formation in the interval between 17,300 feet to 18,790 feet in the Remington Oil and Gas – Pickering No. 1 Well in Section 32, Township 8 North, Range 15 West, Covington County, Mississippi, as indicated on the electric log of said well, and all sands correlative of these strata productive of oil.

C. SPACING OF WELLS

1. The **Rodessa Oil Pool**, the **Sligo Oil Pool**, the **Hosston Oil Pool**, the **Lower Hosston Oil Pool**, and the **Cotton Valley Oil Pool**. Every well drilled as an oil well to each of the referenced pools:

- (a) shall be located on the drilling unit consisting of:
 - (i) 640 contiguous surface acres; or
 - (ii) a governmental section containing not less than 600 acres or more than 680 acres; or
 - (iii) 16 contiguous governmental quarter-quarter sections whose total acreage is not less than 600 or more than 680 acres.
- (b) any oil unit formed under Section 1(a) of this rule must be completely encompassed by the perimeter of a rectangle 5,580 feet by 6,245 feet. Provided, however, no unit shall be permitted which will create island acreage.
- (c) each well shall be located at least 660 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule.
- (d) each well shall be located not less than 660 feet from every exterior boundary of the drilling unit.
- (e) each 640 acre oil unit may contain up to four producing wells from each of the Pools with a full individual allowable for each increased density well.

D. APPLICABILITY OF STATEWIDE RULES

1. All rules and regulations contained in Statewide Order No. 201-51, and any amendments thereto, not specifically covered in the foregoing rules are hereby adopted and applied to Southwest Kola Field.

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

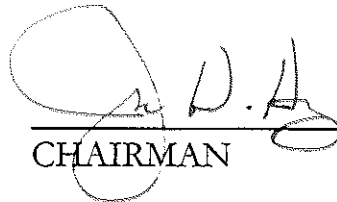
***** End of Special Field Rules *****

IT IS FURTHER ORDERED AND ADJUDGED that this Order shall be in force and effect from and after March 20, 2013.

IT IS FURTHER ORDERED AND ADJUDGED that Petitioner shall acquire any other permits, if any, required by any other permitting authority.

ORDERED AND ADJUDGED this 5th day of April, 2013.

**STATE OIL AND GAS BOARD OF
MISSISSIPPI**



CHAIRMAN

Prepared By:

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