

JUL 22 1981

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

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF AMOCO PRODUCTION
COMPANY FOR ESTABLISHMENT
OF SPECIAL FIELD RULES FOR THE
LAKE UTOPIA FIELD, JASPER COUNTY
MISSISSIPPI.

DOCKET NO. 253-81-335

ORDER NO. 340-81

O R D E R

THIS DAY this cause came on for hearing before the State Oil and Gas Board on the Petition of Amoco Production Company as Unit Operator of the Lake Utopia Lower Smackover Unit for establishment of Special Field Rules for the Lake Utopia Field, Jasper County, Mississippi, such hearing being called for such purpose; and

The Board finding 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, and that due, legal and sufficient proofs of publication are on file with the Board, and that the Board has full jurisdiction of the subject matter to hear and determine the same; and

WHEREAS, pursuant to said notice given, public hearing was held by said Board in the Second Floor Auditorium of the Woolfolk State Office Building, North West Street, Jackson, Mississippi, commencing on July 15, 1981, 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 at said hearing and finds as follows:

1. In Docket No. 252-81-335, this Board has approved the plan of unitization composed of a Unit Agreement and Unit Operating Agreement, creating the Lake Utopia Lower Smackover Unit. The establishment of the Field Rules to describe the field, designate the pool and authorize injection is necessary for the operation of the said unit.

2. The production history of the wells in this field shows that the producing pool in this field defined as the Lower Smackover Oil Pool is an oil pool productive of oil. The oil is in liquid phase in the reservoir and enhanced oil recovery by injection water and/or CO₂ and other gases will substantially increase recovery.

3. The proposed enhanced recovery project involves the application (in accordance with sound engineering principles) of one or more secondary and/or tertiary recovery methods which can reasonably be expected to result in more than an insignificant increase in the amount of crude oil which will ultimately be recovered from the Lower Smackover Oil Pool. The project beginning date is after August 1, 1981. The portion of the property to be affected by the project is adequately delineated.

Amoco Production Company should be permitted to drill additional wells for injection or production and to convert certain of the producing wells to injection wells. The Field Rules should authorize such injection program. The injection of water, nitrogen, CO₂, and other gas, contemplated by the operator and the proposed appropriate allocation of production will prevent waste and will protect the coequal and correlative rights of all interested parties.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules for the Lake Utopia Field in Jasper County, Mississippi, be hereby established to read as follows:

SPECIAL FIELD RULES FOR THE
LAKE UTOPIA FIELD,
JASPER COUNTY, MISSISSIPPI

- A. The Lake Utopia Field, as used herein, is that area consisting of the following described land, to-wit:

The N 1/2, the SE 1/4 and the E 1/2 of the SW 1/4 of Section 1, the E 1/2 of the E 1/2 of the NE 1/4 of the NE 1/4 of Section 2, and the N 1/2 of the N 1/2 of the NE 1/4 of the NE 1/4 of Section 12, Township 1 North, Range 13 East; and the S 1/2 of the S 1/2 of the S 1/2 of the SW 1/4 of Section 36, Township 2 North, Range 13 East, Jasper County, Mississippi; underlain by the Upper Smackover Oil Pool and the Lower Smackover Oil Pool in the Lake Utopia Field and all productive extensions thereof.

- B. The Lake Utopia Lower Smackover Unit as used herein is the following described area:

The N 1/2, the SE 1/4 and the E 1/2 of the SW 1/4 of Section 1, the E 1/2 of the E 1/2 of the NE 1/4 of the NE 1/4 of Section 2, and the N 1/2 of the N 1/2 of the NE 1/4 of the NE 1/4 of Section 12, Township 1 North, Range 13 East; and the S 1/2 of the S 1/2 of the S 1/2 of the SW 1/4 of Section 36, Township 2 North, Range 13 East, Jasper County, Mississippi; underlain by the Lower Smackover Oil Pool in the Lake Utopia Field and all productive extensions thereof.

- C. The Upper Smackover Oil Pool in the Lake Utopia Field shall be construed to mean those strata productive of oil in the interval between the depths of 14,170 feet and 14,410 feet as indicated on the electric log of the Amoco Production Company - J. E. Haynes No. 1 Well located 1,490 feet from the North line and 2,148 feet from the West line of Section 1, Township 1 North, Range 13 East, Jasper County, Mississippi, and all correlative intervals in communication therewith.

- D. The Lower Smackover Oil Pool in the Lake Utopia Field shall be construed to mean those strata productive of oil in the interval between the depths of 14,873 feet and 14,996 feet as indicated on the electric log of the Amoco Production Company - J. E. Haynes No. 1 Well located 1,490 feet from the North line and 2,148 feet from the West line of Section 1, Township 1 North, Range 13 East, Jasper County, Mississippi, and all correlative intervals in communication therewith.
- E. The characteristics of the Lower Smackover Oil Pool in said field are such that wells located in conformance with the hereinafter prescribed spacing rules will efficiently drain and produce the recoverable oil from said pool without avoidable waste.

RULE 1 - SPACING OF OIL WELLS:

A. Every well drilled for production from the Lower Smackover Oil Pool above defined and located outside of the Lake Utopia Lower Smackover Unit:

(1) Shall be located on a drilling unit consisting of (a) 80 contiguous surface acres; or (b) two governmental quarter-quarter sections containing not less than 72 acres or more than 88 acres. In any case no other well producing from the same pool shall be located on any such unit.

(2) Any oil drilling unit formed under Section A(1) of this rule must be completely encompassed by the perimeter of a rectangle 1600 feet by 2725 feet. Provided, however, no unit shall be permitted which will create island acreage.

(3) The well shall be located at least 1,000 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule; and

(4) The well shall be located not less than 500 feet from every exterior boundary of the drilling unit.

B. (1) A drilling and production unit is hereby established for each and all wells drilled within the Lake Utopia Lower Smackover Unit and completed in the Lower Smackover Oil Pool as consisting of the entire Lake Utopia Lower Smackover Unit Area hereinabove described.

(2) Each drilling unit located within the Lake Utopia Lower Smackover Unit Area heretofore or hereafter established under the provisions of the Statewide Rules for a well producing from the Lower Smackover Oil Pool shall be considered as producing from the Unit Area in accordance with Order No. 339-81 of this Board entered in Docket No. 252-81-335.

(3) The location and utilization of wells upon the Lake Utopia Lower Smackover Unit for production or injection from or into the Lower Smackover Oil Pool shall be governed by standards of geology and petroleum engineering designed to promote the greatest ultimate recovery of oil contained in the Lower Smackover Oil Pool within the Lake Utopia Lower Smackover Unit. However, no new well may be hereafter drilled or produced from the said pool nearer than 500 feet from any exterior boundary of the said Unit Area except upon permit issued by the Oil and Gas Board after notice and hearing.

RULE 2 - INJECTION AND RECYCLING OF GAS AUTHORIZED:

A. The Unit Operator of the Lake Utopia Lower Smackover Unit is hereby authorized to conduct pressure maintenance and recycling operations in the Lower Smackover Oil Pool by the injection of water or gas and recycling of gas, including CO₂ and nitrogen. Said Unit operator may use existing wells located in said Unit Area for injection purposes.

B. A permit to drill each new well either as a producer or injection well shall be issued upon the filing of Form 2 in accordance with Statewide Rule 4. The completion or recompletion of wells for production or injection shall be reported on Form 3.

RULE 3 - 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 Unit.

B. These rules and regulations shall become effective as of the effective date of unitization as provided by the Oil and Gas Board in Order No. 339-81, Docket No. 252-81-335.

C. 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 the 16th day of July,

1981.

MISSISSIPPI STATE OIL AND GAS BOARD

By: Not R. Funches, Jr.
CHAIRMAN

HCF/dla/5/18pf
6/15/81