

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

RE: PETITION OF ORYX ENERGY COMPANY
TO AMEND THE SPECIAL FIELD
RULES FOR THE LEAF RIVER FIELD,
COVINGTON COUNTY, MISSISSIPPI

JUL 1 1991

STATE OIL AND GAS BOARD
Oil and Gas Board, Supervisor

DOCKET NO. 166-91-694

ORDER NO. 242-91

ORDER

This day this matter came on for hearing before the State Oil and Gas Board of Mississippi on the Petition of Oryx Energy Company to amend the Special Field Rules for the Leaf River Field, Covington County, Mississippi, to define the Washita-Fredericksburg Oil Pool; to prescribe rules governing the spacing of wells and the formation and establishment of drilling and production units within said pool; and for related purposes, said 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 this Board; 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 same; and

WHEREAS, pursuant to said notice, a public hearing was held by the said Board in the Hearing Room of the Mississippi State Oil and Gas Board located at 500 Greymont Avenue, Suite E, Jackson, Mississippi, commencing at 9:00 o'clock, A.M. on June 19, 1991, at which hearing all persons present who desired to be heard on said matter were heard and all testimony and documentary evidence duly considered by those present at said hearing; and

WHEREAS, a Motion for Continuance Or, In the Alternative, Notice of Contest having been filed in this docket by Lehman T. Speed, a lessor/royalty owner, and a Motion to Dismiss the Notice of Contest having been filed in response thereto by Oryx Energy Company, and the Board, having heard the argument of counsel on said motions, denied the Motion for Continuance and granted Oryx Energy Company's Motion to Dismiss the Notice of Contest in said docket; and

WHEREAS, the Board, having considered the Petition and the evidence, and being fully advised in the premises, is of the opinion and finds that the relief requested by the Petitioner should be and the same is hereby granted. This Board further finds and determines as follows:

1.

The State Oil and Gas Board of Mississippi on November 19, 1987, adopted and established Special Field Rules for the Leaf River Field, Covington County, Mississippi (Docket No. 168-87-694, Order No. 465-87). Those Special Field Rules defined the geographic limits of the Leaf River Field and further defined the Sligo Oil Pool and the Rodessa Gas Pool within the field. Those Special Field Rules further prescribed rules governing the spacing of wells and the formation and establishment of drilling and production units applicable to such pools.

2.

The Board finds that those Special Field Rules defined the Sligo Oil Pool and the Rodessa Gas Pool within the Leaf River Field based upon the drilling and completion of the Sun Exploration and Production Company - W. W. Speed No. 1 Well, which was the discovery well in the field. The W. W. Speed No. 1 Well was drilled at a regular location on an 80-acre oil unit consisting of the N 1/2 of the NE 1/4 of Section 18, Township 8 North, Range 14 West, Covington County, Mississippi.

3.

The Board finds that the Petitioner has subsequently drilled and completed the Oryx Energy Company - S. R. Speed "A" No. 1 Well within the Leaf River Field. Said well was initially drilled on an 80-acre oil unit located in Sections 7 and 8, Township 8 North, Range 14 West, Covington County, Mississippi, to test the Paluxy-Mooringsport Formation. Due to downhole mechanical problems, the Petitioner determined not to drill the well to the total permitted depth to test the Paluxy-Mooringsport Formation. The well was subsequently completed on April 26, 1991, in the Washita-Fredericksburg Oil Pool at a depth of approximately 10,500 feet where oil and/or other hydrocarbons in commercial quantities were encountered.

The surface location of the S. R. Speed "A" No. 1 Well is 1432.0 feet from the South line and 300.0 feet from the West line of Section 8 and the bottomhole location is 1654.0 feet from the South line and 211.0 feet from the West line of Section 8, all in Township 8 North, Range 14 West, Covington County, Mississippi.

4.

The Board finds that the Washita-Fredericksburg Oil Pool is not presently defined in the Special Field Rules for the Leaf River Field. The Board finds that it would be in the best interests of all parties if the Special Field Rules were amended to define the Washita-Fredericksburg Oil Pool and to further prescribe rules governing the spacing of wells and the formation and establishment of drilling and production units in said pool within the field.

5.

The Board finds that the Washita-Fredericksburg Oil Pool as encountered in the Oryx Energy Company - S. R. Speed "A" No. 1 Well is a separate and distinct underground reservoir or pool containing a common accumulation of oil and other hydrocarbons. Said reservoir or pool is not in communication with any other

accumulations of oil, gas and/or other hydrocarbons within the Leaf River Field.

6.

The Board finds that the Special Field Rules should be amended to define the Washita-Fredericksburg Oil Pool within the Leaf River Field as follows:

The Washita-Fredericksburg Oil Pool is defined as those strata of the Washita-Fredericksburg formation productive of oil in the interval between 9,820 feet and 10,300 feet measured depth in the Oryx Energy Company - S. R. Seed "A" No. 1 Well as indicated on the electric log of said well, and all sands correlative of those strata productive of oil, said well being located in Section 8, Township 8 North, Range 14 West, Covington County, Mississippi.

7.

The Board finds that the presently known characteristics of the Washita-Fredericksburg Oil Pool indicate that the Statewide Rules and Regulations should be adopted as the Special Field Rules insofar as the spacing of wells and the formation and establishment of drilling and production units in said pool within the Leaf River Field are concerned. The Board further finds that the adoption of the spacing requirements of the Statewide Rules and Regulations for wells drilled in the Washita-Fredericksburg Oil Pool of the Leaf River Field will facilitate the efficient and adequate draining and production of oil and other hydrocarbons from said pool and will insure that the maximum reasonable recoverable oil in such area is produced without waste.

8.

The Board finds that the amendment of the Special Field Rules for the Leaf River Field to define the Washita-Fredericksburg Oil Pool and to prescribe rules governing the spacing of wells in said pool, all as hereinafter set forth on the attached Exhibit "A," will promote conservation, will avoid waste, will prevent the drilling of unnecessary wells and will

fully protect the co-equal and correlative rights of all parties in interest and will further result in the recovery of more oil, gas and other hydrocarbons from the field.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the amended Special Field Rules for the Leaf River Field, Covington County, Mississippi, are hereby adopted and approved in the form more fully set forth on the attached Exhibit "A" which is incorporated herein by reference and made a part hereof for all purposes.

IT IS FURTHER ORDERED AND ADJUDGED that Oryx Energy Company shall acquire all other permits, if any, which may be required by any other permitting authority.

ORDERED AND ADJUDGED this the 19th day of June, 1991.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By: Joseph J. Zuccaro
VICE CHAIRMAN

EXHIBIT "A"

SPECIAL FIELD RULES
LEAF RIVER FIELD
COVINGTON COUNTY, MISSISSIPPI

FIELD LIMITS:

The Leaf River Field is defined as that area consisting of:

All of Sections 5, 6, 7, 8, 17, and 18, T8N,
R14W, Covington County, Mississippi,

as underlain by the oil or gas pools here defined and all correlative or productive extensions thereof.

I.

The Washita-Fredericksburg Oil Pool Defined:

The Washita-Fredericksburg Oil Pool is defined as those strata of the Washita-Fredericksburg formation productive of oil in the interval between 9,820 feet and 10,300 feet measured depth in the Oryx Energy Company - S. R. Speed "A" No. 1 Well as indicated on the electric log of said well, and all sands correlative of these strata productive of oil, said well being located in Section 8, Township 8 North, Range 14 West, Covington County, Mississippi.

II.

The Sligo Oil Pool Defined:

The Sligo Oil Pool is defined as those strata of the Sligo formation productive of oil in the interval between 13,970 feet and 14,080 feet measured depth in the Sun Exploration and Production Company No. 1 W. W. Speed as indicated on the electric log of said well, and all sands correlative of these strata productive of oil, said well being located in Section 18, Township 8 North, Range 14 West, Covington County, Mississippi.

III.

The Rodessa Gas Pool Defined:

The Rodessa Gas Pool is defined as those strata of the Rodessa formation productive of gas and gas condensate in the interval between 13,330 feet and 13,580 feet measured depth in the Sun Exploration and Production Company No. 1 W. W. Speed Well as indicated on the electric log of said well, and all sands correlative of these strata productive

of gas and gas condensate, said well being located in Section 18, Township 8 North, Range 14 West, Covington County, Mississippi.

RULE 1 - SPACING OF OIL WELLS:

Spacing of oil wells shall be the same as provided in the Statewide Rules.

RULE 2 - SPACING OF GAS WELLS:

Spacing of gas wells shall be the same as provided in the Statewide Rules.

RULE 3 - APPLICABILITY OF STATEWIDE RULES

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 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.