

APR 30 2002

STATE OIL AND GAS BOARD  
WALTER BOONE, SUPERVISOR

**BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI**

**Re: Petition of Gibraltar Energy Company to establish  
Special Field Rules for Lenoir Plantation Field in  
Monroe County, Mississippi**

**DOCKET NO. 85-2002-878**

**ORDER NO. 135-2002**

**ORDER**

This cause came on to be heard on the Petition of Gibraltar Energy Company requesting the State Oil and Gas Board of Mississippi to enter an order adopting Special Field Rules for Lenoir Plantation Field to define the Sanders Sand Gas Pool, to establish the geographical limits of said field and to establish spacing rules for the Sanders Sand Gas Pool, and granting related relief. This Board, having considered the Petition and the evidence submitted in support thereof, and being fully advised in the premises, is of the opinion and finds that the relief requested by Gibraltar Energy Company should be and the same is hereby granted. This Board further finds and determines as follows, to-wit:

1.

Due, proper and legal notice of the meeting of this Board for the purpose of considering and hearing the Petition filed herein has been given in the manner and time provided by law and the rules and regulations of this Board. Due, legal and sufficient proofs of publication of such notice and proof of notice by personal service are on file with this Board. Gibraltar Energy Company has made a reasonably diligent effort to give the personal notice required by the statutes of the State of Mississippi and the rules and regulations of this Board. This Board has full jurisdiction of the parties and the subject matter hereof.

2.

A public hearing was held by this Board in Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on April 17, 2002, at 9:30 o'clock a.m., at which time and place all persons who desired to be heard on said matter were heard and all testi-

mony and evidence presented were duly considered by this Board. Gibraltar Energy Company was represented at the hearing by its attorney, James M. Nix. No other parties made an appearance at the hearing of this matter.

3.

Gibraltar Energy Company is a Delaware corporation, whose business address is 200 North Washington Street, El Dorado, Arkansas 71730. Gibraltar Energy Company is the operator of the Monroe Kut, Inc. 6-2 No. 1 Well, the only well currently permitted and/or drilled in Lenoir Plantation Field.

4.

On March 8, 2002, Gibraltar Energy Company completed the Monroe Kut, Inc. 6-2 No. 1 Well as a commercial gas well in the Sanders Sand Gas Pool, with perforations between the depths of 5940 feet and 5952 feet as reflected by the electric log of said well. The Monroe Kut, Inc. 6-2 No. 1 Well is located 500 feet from the North line and 2045 feet from the East line of Section 6 in Township 16 South, Range 6 East, Monroe County, Mississippi. The Monroe Kut, Inc. 6-2 No. 1 Well is the discovery well for Lenoir Plantation Field, a new field situated Southwest of Chandler Grove Field in Monroe County. Lenoir Plantation Field is separated from Chandler Grove Field by an impermeable fault which runs in a Northwest to Southeast direction.

5.

It is necessary that Special Field Rules be promulgated by this Board for Lenoir Plantation Field to establish the limits of said field, to define the Sanders Sand Gas Pool and to establish spacing rules for the Sanders Sand Gas Pool in order that this field can be fully developed and the reserves efficiently drained therefrom without waste.

6.

The productive extensions of Lenoir Plantation Field are believed to encompass most, if not all, of the West Half of Section 5 and the entirety of Section 6, all in Township 16 South, Range 6 East, Monroe County, Mississippi, and the South Half of Section 31 of Township 15 South, Range 6 East, Monroe County, Mississippi.

7.

The Sanders Sand Gas Pool should be defined in the Special Field Rules for Lenoir Plantation Field as follows:

The **Sanders Sand Gas Pool** in Lenoir Plantation Field shall be construed to mean those strata between the depths of 5940 feet and 5952 feet on the Dual Induction Log of the Monroe Kut, Inc. 6-2 No. 1 Well located in the Northwest Quarter of the Northeast Quarter of Section 6 of Township 16 South, Range 6 East, Monroe County, Mississippi, and all sands correlative to and in communication with said strata.

8.

In view of the characteristics and properties of the Sanders Sand Gas Pool, the drilling, production and proration units for the Sanders Sand Gas Pool should consist of 320-acre units as required under Rule 8(3)(a) of the statewide spacing rules of this Board. The spacing of wells in the Sanders Sand Gas Pool should be at least 500 feet from every exterior boundary of the drilling unit. Furthermore, the spacing of wells in the Sanders Sand Gas Pool should be at least 1000 feet from every other drilling well or wells completed in or producing from the Sanders Sand Gas Pool located in conformity with the Special Field Rules of Lenoir Plantation Field.

9.

The establishment of Special Field Rules for Lenoir Plantation Field as set forth below in this Order will promote conservation, prevent waste, avoid the drilling of unnecessary wells, and safeguard, protect and enforce the coequal and correlative rights of all owners in Lenoir Plantation Field.

IT IS THEREFORE ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the relief requested by Gibraltar Energy Company in this docket should be, and the same is hereby, granted and it is ordered that Special Field Rules should be, and the same hereby are, adopted for Lenoir Plantation Field as follows, to-wit:

**SPECIAL FIELD RULES  
LENOIR PLANTATION FIELD  
MONROE COUNTY, MISSISSIPPI**

A. **FIELD AREA:**

Lenoir Plantation Field, as used herein, is that geographical area consisting of the West Half of Section 5 and the entirety of Section 6, all in Township 16 South, Range 6 East, Monroe County, Mississippi, and the South Half of Section 31 of Township 15 South, Range 6 East, Monroe County, Mississippi.

B. POOL DEFINITIONS:

The **Sanders Sand Gas Pool** in Lenoir Plantation Field shall be construed to mean those strata between the depths of 5940 feet and 5952 feet on the Dual Induction Log of the Monroe Kut, Inc. 6-2 No. 1 Well located in the Northwest Quarter of the Northeast Quarter of Section 6 of Township 16 South, Range 6 East, Monroe County, Mississippi, and all sands correlative to and in communication with said strata.

C. RULES:

RULE 1 -- Spacing of Gas Wells

(1) The following spacing rules shall apply to each well drilled into and productive from the Sanders Sand Gas Pool, as defined above:

- (a) Each such well shall be located on a unit consisting of (i) three hundred twenty (320) contiguous surface acres, or (ii) a governmental half-section containing not less than three hundred (300) acres nor more than three hundred forty (340) acres, or (iii) eight (8) contiguous governmental quarter-quarter sections whose total acreage is not less than three hundred (300) acres nor more than three hundred forty (340) acres. The word "contiguous" as used herein shall mean bordering each other at more than one point.
- (b) Any unit not a governmental half-quarter section must be completely encompassed by the perimeter of a rectangle 3735 feet by 5380 feet; provided, however, no unit shall be permitted which will create island acreage.
- (c) The well shall be located at least 1000 feet from every other well completed in and producing from the same pool located in conformity with this rule.
- (d) The location of the well shall be at least 500 feet from every exterior boundary of the unit.
- (e) No portion of the unit shall be attributed, in whole or in part, to the production unit for any other well producing from the same pool.

**RULE 2 -- Amendment of Special Field Rules**

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

**RULE 3 -- Applicability of Statewide Rules**

All rules and regulations contained in Statewide Order No. 201-51, and all amendments thereto, are hereby adopted and shall apply to Lenoir Plantation Field to the extent not inconsistent with the above rules.

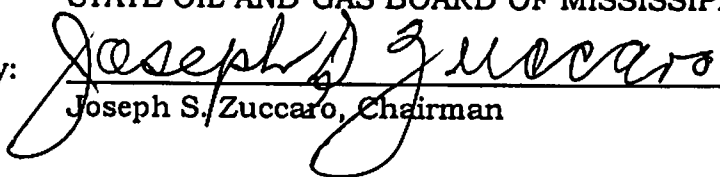
- - - - end of Special Field Rules - - - -

IT IS FURTHER ORDERED that this Order shall be effective from and after April 17, 2002.

SO ORDERED AND ADJUDGED on this the 25<sup>th</sup> day of April, 2002.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By:

  
Joseph S. Zuccaro, Chairman

Prepared and submitted by:  
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