

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECOF

**Re: Petition Concerning Adoption of Special Field Rules
for Little Springs Field in Franklin County, Missis-
sippi**

MAY 04 2018

STATE OIL AND GAS BOAI
LISA IVSHIN, SUPERVISC

Docket No. 87-2018-D

Order No. 166-2018

ORDER

This cause came on for a hearing on the Petition of Will-Drill Production Company, Inc. requesting the State Oil and Gas Board of Mississippi to enter an order adopting Special Field Rules for Little Springs Field establishing the geographical area of Little Springs Field, defining the Lower Tuscaloosa Oil Pool and establishing 320-acre spacing rules for said pool, with up to two (2) increased density wells on each 320-acre unit, providing for tubingless completions in the Lower Tuscaloosa Oil Pool, providing for commingled storage of production from the Lower Tuscaloosa Oil Pool on each 320-acre unit, 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 in said Petition should be 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. Will-Drill Production Company, Inc. has made a 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 on said Petition was held by this Board in Suite E, 500 Greymont Avenue, Jackson, Mississippi 39202, commencing on April 18, 2018, at 10:00 o'clock a.m., at which time and place all persons who desired to be heard on said matter were heard and all testimony and the evidence were duly considered by this Board. Will-Drill Production Company, Inc. was represented at the hearing by its attorney, James M. Nix. No other parties made an appearance at the hearing of this matter.

3.

Will-Drill Production Company, Inc. is a Louisiana corporation, whose principal place of business is 416 Travis Street, Suite 1200, Shreveport, Louisiana 71101. Will-Drill Production Company, Inc. is duly qualified to do business in the State of Mississippi.

4.

By Order No. 48-2018, entered in Docket No. 3-2018-D, this Board approved the West Half (W^{1/2}) of Section 8 of Township 5 North, Range 5 East, Franklin County, Mississippi, as an exception-sized drilling and production unit for the drilling of the Little Springs 8-5 No. 1 Well to test and produce the Lower Tuscaloosa Formation. Will-Drill Production Company, Inc. is the operator of the Little Springs 8-5 No. 1 Well. Will-Drill Production Company, Inc. currently is drilling the Little Springs 8-5 No. 1 Well.

5.

Will-Drill Production Company, Inc. has filed a petition in Docket No. 88-2018-D requesting this Board to issue an order approving the East Half (E^{1/2}) of said Section 8 as an exception sized 320-acre oil drilling unit for the drilling of the Little Springs 8-10 No. 1 Well in Little Springs Field to test and produce the Lower Tuscaloosa Oil Pool.

6.

Section 8 is believed to be a part of Little Springs Field. Three (3) wells previously have been drilled in Little Springs Field. The Texaco Inc. - J. M. Pickett No. 1 Well (API #23-037-00887) was drilled as a dry hole in Section 9 of Township 5 North, Range 5 East, Franklin County, Mississippi. The F. H. Shortridge and Justiss-Mears Oil Company No. 1 Board of Supervisors Well (API #23-037-00794) was drilled and completed as a producer in Section 16 of Township 5 North, Range 5 East, Franklin County, Mississippi, but was eventually plugged and abandoned. The Pan American Petroleum Corp. - Board of Supervisors No. 1 Well (API #23-037-00637) was drilled as a dry hole in Section 16 of Township 5 North, Range 5 East, Franklin County, Mississippi.

7.

No Special Field Rules have been adopted by this Board for Little Springs Field. In order to fully and completely develop Little Springs Field, it is necessary that this Board adopt Special Field Rules for Little Springs Field to define the Lower Tuscaloosa Oil Pool as a distinct productive reservoir and establish spacing rules for said pool.

8.

Based upon a geological study of the area, this Board finds that the geographical limits of Little Springs Field should encompass all of Sections 7, 8, 9 and 16 of Township 5 North, Range 5 East, Franklin County, Mississippi, which are underlain by any one or more of the pool(s) defined in the Special Field Rules and all productive extensions to such area.

9.

This Board finds that the Lower Tuscaloosa Oil Pool should be defined in the Special Field Rules for Little Springs Field as follows:

The Lower Tuscaloosa Oil Pool, as used herein, shall be construed to mean those strata of the Lower Tuscaloosa Formation productive of oil and/or related hydrocarbons which can be correlated with the strata indicated on the induction electric log of the F. H. Shorridge and Justiss-Mears Oil Company No. 1 Board of Supervisors Well [API No. 23-037-00794], located approximately 330 feet from the North line and 820 feet from the East line of Section 16 of Township 5 North, Range 5 East, Franklin County, Mississippi, between the depths of 10,820 feet and 11,150 feet (measured depths), and all sands correlative to and in communication with said strata.

10.

In view of the geological characteristics and physical properties of the Lower Tuscaloosa Oil Pool, this Board finds that the spacing for the Lower Tuscaloosa Oil Pool for Little Springs Field should provide for 320-acre units with authority to drill and complete up to two (2) Lower Tuscaloosa Oil Pool wells on each 320-acre unit.

11.

Due to the relatively shallow depths involved and the low pressures encountered, this Board finds that wells in the Lower Tuscaloosa Oil Pool completed with the required production casing may be completed without production tubing without adversely affecting any underground reservoir, any underground source of drinking water, the environment, or cause any undue hazard at the surface, underground or otherwise. In order to more economically drill wells in the Lower Tuscaloosa Oil Pool, this Board finds that wells completed in the Lower Tuscaloosa Oil Pool should not be required to have both production casing and production tubing. The Special Field Rules of Little Springs Field should allow the tubingless completion of wells in the Lower Tuscaloosa Oil Pool.

12.

In order to minimize the economic costs and environmental disturbances, this Board finds that the Special Field Rules of Little Springs Field should allow surface commingling of production from wells producing from the Lower Tuscaloosa Oil Pool within each separate 320-acre unit in a common storage system.

The establishment of Special Field Rules for Little Springs 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 Little Springs Field. Furthermore, the adoption of said Special Field Rules for Little Springs Field will encourage and promote the development, production and utilization of the natural resources of oil and gas in the State of Mississippi.

IT IS THEREFORE ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the relief requested by Will-Drill Production Company, Inc. in the Petition filed in this docket should be, and the same is hereby, granted and it is ordered that the Special Field Rules for Little Springs Field should be, and the same are hereby, adopted as follows, to-wit:

**SPECIAL FIELD RULES
LITTLE SPRINGS FIELD
FRANKLIN COUNTY, MISSISSIPPI**

A. FIELD AREA

Little Springs Field in Franklin County, Mississippi, is that geographical area consisting of all of Sections 7, 8, 9 and 16 of Township 5 North, Range 5 East, Franklin County, Mississippi, which are underlain by any one or more of the hereinafter defined pool(s) and all productive extensions to such area.

B. POOL DEFINITIONS

The **Lower Tuscaloosa Oil Pool**, as used herein, shall be construed to mean those strata of the Lower Tuscaloosa Formation productive of oil and/or related hydrocarbons which can be correlated with the strata indicated on the induction electric log of the F. H. Shortridge and Justiss-Mears Oil Company No. 1 Board of Supervisors Well [API No. 23-037-00794], located approximately 330 feet from the North line and 820 feet from the East line of Section 16 of Township 5 North, Range 5 East, Franklin County, Mississippi, between the depths of 10,820 feet and 11,150 feet (measured depths), and all sands correlative to and in communication with said strata.

C. SPACING OF WELLS

Spacing for wells completed in the Lower Tuscaloosa Oil Pool shall be according to the following spacing rules:

- (a) Wells completed in the Lower Tuscaloosa Oil Pool shall be located on a drilling unit consisting of (i) 320 contiguous surface acres, or (ii) a governmental half-section containing not less than 300 acres nor more than 340 acres, or (iii) eight (8) contiguous governmental quarter-quarter sections whose total acreage is not less than 300 nor more than 340 acres. The drilling unit must be completely encompassed by the perimeter of a rectangle 3735 feet by 5380 feet. No drilling unit shall be permitted which will create island acreage.
- (b) Each drilling unit may contain up to two (2) wells completed in and producing from the Lower Tuscaloosa Oil Pool and each increased density well in said pool shall be entitled to a full allowable.

(c) Each well shall be located not less than 330 feet from every exterior boundary of the drilling unit and each well shall be located not less than 330 feet from every other drilling well or well completed in or producing from the same pool on the same unit.

(d) Each well shall be located not less than 660 feet from every other drilling well or well completed in or producing from the same pool on a different unit located in conformity with this rule.

D. DRILLING AND COMPLETION

Each well completed in the Lower Tuscaloosa Oil Pool, may be completed and produced without production tubing as an exception to Statewide Rule 18 and any other applicable rules, provided that the operator thereof takes proper measures to protect against any undue hazard both underground and at the surface.

E. COMMON STORAGE TANKS

The operator of wells producing from the Lower Tuscaloosa Oil Pool may commingle production from wells producing from said pool within each separate 320-acre unit in a common storage system. The operator of such wells shall maintain proper metering devices as are necessary to continuously measure the total production from each such well. If, upon a sale therefrom, a variance exists between the measurement from the common storage system and the total measurement of the production of all the wells commingled in such common storage system, such variance shall be allocated back to each of the wells producing into common storage system proportionately to the production measured from each well.

F. 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.

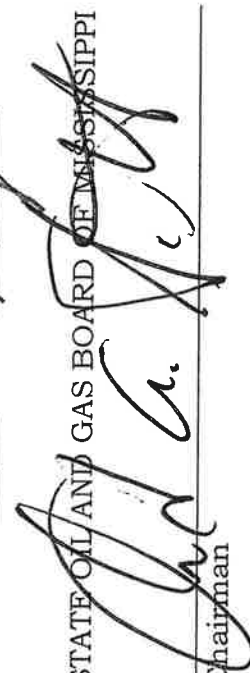
G. APPLICABILITY OF STATEWIDE RULES

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

- - - End of Special Field Rules - - -

IT IS FURTHER ORDERED AND ADJUDGED that this Order shall be effective from and after April 18, 2018.

SO ORDERED AND ADJUDGED on this the 4th day of May, 2018.

By: 
STATE OIL AND GAS BOARD OF MISSISSIPPI
Chairman

Prepared and submitted by:
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