

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

IN RE: **PETITION OF SPOONER PETROLEUM COMPANY  
TO AMEND THE SPECIAL FIELD RULES FOR  
THE SOUTH MAGEE FIELD, SMITH AND  
SIMPSON COUNTIES, MISSISSIPPI**

FILED

DEC 9 1996

STATE OF MISSISSIPPI  
W. H. RAY, JR., CLERK

**DOCKET NO. 270-96-174  
ORDER NO. 102-96**

**ORDER**

**THIS DAY**, this cause came to be heard on the Petition of Spooner Petroleum Company ("Petitioner") requesting the Board to amend the Special Field Rules for the South Magee Field, Smith and Simpson Counties, 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 given in the manner required by Miss. Code Ann. §53-3-7(2) (Supp. 1994) and the rules and regulations of the Board; that due, legal, and sufficient proofs of publication and service 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 said Board in the Hearing Room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on November 20, 1996, at 9:30 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 has acquired a considerable leasehold interest in this area and discovered that the existing Special Field Rules need to be amended to promote the orderly development of the Field, as to oil production.

2.

Special Field Rules for the South Magee Field ("the Field"), Smith and Simpson Counties, Mississippi, were adopted, as last amended, by Order of this Board in Docket No. 149-84-174 dated May 16, 1984, in Order No. 209-84.

3.

The purpose of this Petition is to amend the Special Field Rules for the Field to redefine the spacing of oil units, as more particularly identified on Exhibit "A" attached hereto as to oil pools encountered below the depth of 12,000 ELM. Although Petitioner also sought to redefine spacing as to gas units, it dismissed that request without prejudice.

4.

Considerable oil production may be obtained below 12,000 feet and can be effectively drained with 160 acre units. 80 acre units will cause waste and the drilling of unnecessary wells. Finally, an overlap exists between the areas covered by the Magee, South Magee, and East Magee Special Field Rules and Petitioner seeks to remove as much of the overlap as is possible without terminating Special Field Rules in areas operated by others. This Amendment to the Special Field Rules will result in additional production in that each such zone can be separately produced with a full allowable on each unit in the Field and thereby maximize the recovery of oil and gas that may not otherwise be recovered. Therefore, Petitioner proved that the amendment to the existing Special Field Rules for the Field as set forth herein would promote conservation, protect the co-equal and correlative rights of all owners-in-interest, avoid the drilling of unnecessary wells and permit oil and gas to be produced from the affected oil and gas pools which would not otherwise be produced.

**IT IS, THEREFORE, ORDERED AND ADJUDGED** by the State Oil and Gas Board of Mississippi that the Special Field Rules for the South Magee Field be amended as follows:

**SPECIAL FIELD RULES  
FOR THE SOUTH MAGEE FIELD  
SMITH AND SIMPSON COUNTIES, MISSISSIPPI**

**A. FIELD AREA:**

The South Magee Field, as used herein, is that geographical area consisting of the following described lands, to-wit:

**TOWNSHIP 10 NORTH, RANGE 16 WEST  
SMITH COUNTY, MISSISSIPPI**

Section 4: S½  
Section 5: S½  
Section 6: S½  
Section 7: N½  
Section 8: N½  
Section 9: NW¼

## **B. POOL DEFINITIONS**

1. The Mooringsport Gas Pool, as used herein, shall be construed to mean those strata of the Mooringsport Formation capable of producing gas from the depth of 12,118 feet to 12,558 feet in Dual Induction - SFL Log of the Pruet Production Co. - Hough 5-13 No. 1 Well, as shown by the electrical log thereof, and all sands correlative of and in communication with those strata and which are productive of gas, said well being located 620 feet from the West line and 1500 feet from the South line of Section 5, Township 10 North, Range 16 West, Smith County, Mississippi.

2. The 12,850' Rodessa Sand Gas Pool in the South Magee Field shall be construed to mean those strata of the Rodessa Formation productive of gas occurring between the measured depths of 12,858 feet and 12,868 feet on the Dual Induction - SFL Log of the Pruet Production Co. - Hough 5-13 Well No. 1 and all sands correlative of and in communication with those strata and which are productive of gas and other hydrocarbons, said well being located 620 feet from the West line and 1500 feet from the South line of Section 5, Township 10 North, Range 16 West, Smith County, Mississippi.

3. The 13,040' Rodessa Sand Gas Pool in the South Magee Field shall be construed to mean those strata of the Rodessa Formation productive of gas and other hydrocarbons occurring between the measured depths of 13,036 feet and 13,048 feet on the Dual Induction - SFL Log of the Pruet Production Co. - Hough 5-13 Well No. 1 and all sands correlative of and in communication with those strata and which are productive of gas and other hydrocarbons, said well being located 620 feet from the West line and 1500 feet from the South line of Section 5, Township 10 North, Range 16 West, Smith County, Mississippi.

4. The Sligo Oil Pool in the South Magee Field shall be construed to mean those strata of the Sligo Formation underlying said field productive of oil from the depth of 13,650 feet to 13,900 feet in the Cities Service Petroleum Company - Hough Well No. 1 Well located in the SW $\frac{1}{4}$  of the SE $\frac{1}{4}$  of Section 6, Township 10 North, Range 16 West, Smith County, Mississippi, and including those strata productive of oil which can be correlated therewith.

## **C. RULES**

### **RULE 1 - SPACING OF GAS WELLS:**

1.1 As to each well drilled to and productive from the 12,850' Rodessa Sand Gas pool and the 13,040' Rodessa Sand Gas Pool:

- (a) The Well shall be located on a drilling unit consisting of (1) 640 contiguous surface acres; or (2) a governmental section containing not less than 600 acres or more than 680 acres; or (3) sixteen (16) contiguous governmental quarter-quarter sections whose total acreage is not less than 600 acres or more than 680 acres. In any case, no more than one well producing from the same pool shall be located on the same unit.
- (b) The well shall be located at least 3000 feet from every other drilling or producible well located in conformity with this rule; and
- (c) The well shall be located not less than 1500 feet from every exterior boundary of the drilling unit.
- (d) Any drilling unit formed under this rule must be completely encompassed by the perimeter of a rectangle 5580 feet by 6245 feet; provided, however, no unit shall be permitted which will create island acreage.

## **RULE 2 - SPACING OF OIL WELLS**

2.1 As to each well drilled to and productive from an oil pool, the top of which is encountered at or deeper than 12,000 ELM:

- (a) (i) Each such well shall be located on a drilling unit consisting of four contiguous quarter-quarter sections containing not less than 144 nor more than 176 acres upon which no other well drilling to or producing from the same pool is located; or (ii) Any drilling unit not composed of four (4) contiguous quarter-quarter sections shall contain 160 surface acres which must be encompassed by the perimeter of a rectangle 2640 feet by 3500 feet provided, however, no unit shall be permitted that will create island acreage.
- (b) Each such well shall be located at least 1,000 feet from every other drilling or producible well located in conformity with this rule; and
- (c) Each well shall be located at least 500 feet from every exterior boundary of the drilling unit.

## **RULE 3 - APPLICABILITY OF STATEWIDE RULES**

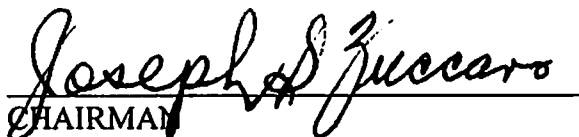
3.1 All rules and regulations contained in Statewide Order No. 201-51, and any amendment thereto, not specifically covered by the foregoing Special Field Rules are hereby adopted and shall apply to the field.

3.2 The Board expressly reserves the right, after notice and hearing, to alter, amend or repeal any or all of the foregoing Special Field Rules, or to grant exceptions to all or any part thereof.

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

**ORDERED AND ADJUDGED** this 20th day of November, 1996.

**STATE OIL AND GAS BOARD OF  
MISSISSIPPI**

  
CHAIRMAN

Prepared By:

William F. Blair  
McDaniel & Blair, P.A.  
3900 Lakeland Drive, Suite 400 (Zip -- 39208)  
Post Office Drawer 5399  
Jackson, Mississippi 39296  
Telephone: (601) 936-9080  
Telecopier: (601) 936-6159