

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 92-91-503

ORDER NO. 149-91

IN RE: PETITION OF DAVID NEW
OPERATING COMPANY, INC., GRIGSBY
PETROLEUM, INC., NEAL CLEMENT AND
HOWARD STOVER TO AMEND THE SPECIAL
FIELD RULES FOR THE MELTON FIELD IN
JEFFERSON COUNTY, MISSISSIPPI.

FILED FOR RECORD

MAY 15 1991

STATE OIL AND GAS BOARD
A. J. HARRIS, Board Secretary

ORDER

This matter came on this day to be heard on the sworn Petition of DAVID NEW OPERATING COMPANY, INC., GRIGSBY PETROLEUM, INC., NEAL CLEMENT and HOWARD STOVER, requesting the approval from the Board for the adoption of Amended Special Field Rules for the Melton Field, Jefferson County, Mississippi; and the Board being fully advised in the premises, after considering the Petition, the evidence adduced at the hearing of this matter, and argument of counsel, does find as follows:

(1)

That due, proper and legal notice of hearing of this matter has been given in the manner and form and for the time required by law and by the rules and regulations of this Board; that due and proper Proofs of Publication of said Notice of Hearing are on file with the Board, and that the Board has full and complete jurisdiction of the matters and parties involved.

(2)

David New Operating Company, Inc., and Grigsby Petroleum, Inc., are the Operators of the only producing wells in the Melton Field. Neal Clement and Howard Stover are the owners of certain acreage adjoining the producing wells, have drilled dry holes in the Melton Field and have heretofore obtained a permit for the drilling of an

additional well in the field. The Petitioners constitute all parties entitled to personal notice pursuant to Rule 4(B)(6) of the Rules of Order and Procedure of this Board.

(3)

Order No. 553-89 of this Board dated December 21, 1989, adopted in Docket No. 203-89-503, promulgated Special Field Rules for the Melton Field, Jefferson County, Mississippi. The Petitioners now desire to amend the said Special Field Rules by substituting the Special Field Rules attached to the Petition as Exhibit "A" and made a part thereof for all purposes.

(4)

The Melton Field, as referred to herein, is composed of that area in Sections 19, 20, 21, 22 and 75 of Township 9 North, Range 1 East, Jefferson County, Mississippi, including any productive extensions thereof underlain by the Melton Sand of the Lower Tuscaloosa Formation described as follows:

The Melton Sand of the Lower Tuscaloosa Formation, as used herein, shall be construed to mean that strata of the Lower Tuscaloosa Formation productive of oil or gas from the depth of 9,967 feet to 10,020 feet in the Freedom Oil Company, Inc., and Victor P. Smith (now David New Operating Company, Inc.)-No. 1 Noble Well located in Section 19, Township 9 North, Range 1 East, Jefferson County, Mississippi, including those strata productive of oil or gas which can be correlated therewith.

(5)

The characteristics of the Melton Sand of the Lower Tuscaloosa Formation indicate that one (1) well located on a drilling unit comprised of fifty (50) surface contiguous acres formed in the manner specified below will adequately drain and produce efficiently and without avoidable waste the hydrocarbons in said pool beneath such unit.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the following amendment to the Special Field Rules be, and the

same hereby are, adopted by the State Oil and Gas Board of Mississippi for the Melton Field, Jefferson County, Mississippi, to take effect on and after the 17th day of April, 1991, to-wit:

AMENDED SPECIAL FIELD RULES
FOR THE MELTON FIELD,
JEFFERSON COUNTY, MISSISSIPPI

(A)

The Melton Field, as used herein, is that area in Sections 19, 20, 21, 22 and 75, Township 9 North, Range 1 East, Jefferson County, Mississippi, including any productive extensions thereof underlain by the Melton Sand of the Lower Tuscaloosa Formation.

1. The Melton Sand of the Lower Tuscaloosa Formation, as used herein, shall be construed to mean that strata of the Lower Tuscaloosa Formation productive of oil or gas from the depth of 9,967 feet to 10,020 feet in the Freedom Oil Company, Inc., and Victor P. Smith (now David New Operating Company, Inc.)-No. 1 Noble Well located in Section 19, Township 9 North, Range 1 East, Jefferson County, Mississippi, including those strata productive of oil or gas which can be correlated therewith.

(B)

The characteristics of the above mentioned oil pool are such that one well drilled on a fifty (50) acre drilling unit will effectively drain and produce the recoverable oil from such unit in said pool without avoidable waste.

RULE 1 - SPACING OF OIL WELLS:

Every well drilled as an oil well to the Lower Tuscaloosa Formation:

(a) Shall be located on a drilling unit consisting of fifty (50) contiguous acres upon which no other drilling or producible well is located, which unit shall be created by an appropriate order of the State Oil and Gas Board of Mississippi after notice and hearing.

(b) No portion of the drilling unit upon which the

well is located shall be attributed in whole or in part to any other drilling or producible well in the same pool.

(c) Each well shall be located at least six hundred sixty (660) feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule with the exception of the Walker No. 1 and the Noble No. 1 Wells which have already been drilled.

(d) Each well shall be located at least six hundred sixty (660) feet from every exterior boundary of the unit with the exception of the Walker No. 1 and the Noble No. 1 Wells which have already been drilled.

RULE 2 - 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 field.

(b) The Board expressly reserves the right, after notice and hearing, to alter, amend or repeal any and all of the foregoing rules and regulations.

SO ORDERED AND ADJUDGED, this the 17th day of April, 1991.

STATE OIL AND GAS BOARD
OF MISSISSIPPI

BY: J. B. Mayer

M. Lebo
Chairman