

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

**FILED FOR RECORD**

**RE: PETITION OF RANGE PRODUCTION COMPANY  
TO AMEND THE SPECIAL FIELD RULES FOR  
EAST MORGANTOWN FIELD**

**AUG 20 2008**

**STATE OIL AND GAS BOARD  
LISA IVSHIN, SUPERVISOR**

**DOCKET NO. 306-2008-467**

**ORDER NO. 426-2008**

**FINAL ORDER**

THIS MATTER came on to be heard at the regular July 2008 meeting of the State Oil and Gas Board for a final order on the petition of **RANGE PRODUCTION COMPANY**, Petitioner, to amend the Special Field Rules for East Morgantown Field and grant related relief. Having considered the Petition, the evidence in support thereof, and being fully advised in the premises, the Board finds that the Petition is well-taken and should be granted.

The Board also finds the following:

**1.**

The Board has jurisdiction over the parties and the subject matter of the Petition. Due and legal notice of the hearing on the Petition has been given in the time and manner required by law and the rules and regulations of this Board.

**2.**

Petitioner is the operator of wells located in East Morgantown Field in Marion County, Mississippi, including the Range Production Company-Powell 21-3 Well No. 1 (the "Well") which is located 1132 feet South of the North line and 2084 feet East of the West line of Section 21, Township 4 North, Range 13 East, Marion County, Mississippi.

**3.**

The Well has been drilled and completed as a gas well in zones of the Hosston Formation that should be defined as the "Booth Sand Gas Pool-North Segment" (the "Pool"). The Pool should be defined as follows:

The Booth Sand Gas Pool-North Segment as used herein shall be construed to mean those strata of the Hosston Formation productive of gas, condensate and other hydrocarbons in the

interval between the measured depths of 16,245 feet and 16,384 feet in the Range Production Company-Powell 21-3 Well No. 1 (the "Well"), as indicated on the Dual Induction Focused Log for the Well, and including those strata productive of gas, condensate and other hydrocarbons which can be correlated therewith and are in communication therewith, said Well being located 1132 feet South of the North line and 2084 feet East of the West line of Section 21, Township 4 North, Range 13 East, Marion County, Mississippi.

**4.**

The Pool is a "pool" as defined in the Conservation Act and the rules and regulations of the Board. The Pool is separate and distinct from any other pool that is defined in the Special Field Rules for the field. In particular, the Pool is fault-separated from what is presently defined in the Special Field Rules as the "Booth Sand Gas Pool of the Hosston Formation."

**5.**

Spacing for production from the Pool should be as is provided for in Rule 1 of the Special Field Rules.

**6.**

The proposed amendment to the Special Field Rules will result in drilling units for the Pool; will allow for the orderly development of the Pool and the field; will allow the Pool to be effectively and efficiently drained and produced; will foster, encourage and promote the drilling of additional wells and the development and production of the said Pool; will prevent waste; and will safeguard, protect and enforce the coequal and correlative rights of the owners in the Pool and in the field.

**IT IS, THEREFORE, ORDERED AND ADJUDGED**, that the Petition filed herein is granted; and the Special Field Rules for East Morgantown Field are amended as requested; and a copy of the Special Field Rules as amended is attached hereto as Exhibit 1.

Permittee shall acquire all other permits, if any, required by any other permitting authority.

**SO ORDERED AND ADJUDGED**, this the 20th day of <sup>August</sup>~~July~~, 2008.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By:   
Vice CHAIRMAN

**PREPARED BY:**

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**ATTORNEYS FOR PETITIONER**

**EXHIBIT 1**

**SPECIAL FIELD RULES FOR  
EAST MORGANTOWN FIELD IN  
MARION COUNTY, MISSISSIPPI**

**FIELD LIMITS**

The East Morgantown Field, as used herein, is that area consisting of the following described lands as underlain by the First Hosston Gas Pool, the Second Hosston Gas Pool, the Harper Sand Gas Pool, the Booth Sand Gas Pool, the Booth Sand Gas Pool-North Segment, the Fifth Hosston Gas Pool, the Sixth Hosston Gas Pool and the Ivy Sand Gas Pool and, all productive extensions thereof:

**Township 5 North, Range 19 West**  
Section 33 and W ½ Section 34;

**Township 4 North, Range 13 East**  
Sections 8, 9, 15, 16, 17, 21, 22, 24,  
27, 34, 35, W ½ Section 26, and N ½  
Section 28;

**Township 4 North, Range 19 West**  
Sections 3, 4, 9, 10, 11, 14, 23, 25  
26, W ½ W ½ Section 13, and  
W ½ Section 24;

All of the above described lands are located in Marion County, Mississippi.

**POOL DEFINITIONS**

**A.** The First Hosston Gas Pool shall be considered to mean those strata productive of gas and condensate in the interval between the depth of 15,949 and 16,000 feet as indicated on the Dual Induction-Laterlog of the Florida Exploration Company - Fannie B. Carlisle 406 No. 1 Well, located 1700 feet from the West line and 1500 feet from the North line of Section 4, Township 4 North, Range 19 West, Marion County, Mississippi, and all correlative intervals in communication therewith. (Order No. 134-80)

**B.** The Second Hosston Gas Pool shall be considered to mean those strata productive of gas and condensate in the interval between the depth of 15,954 and 15,996 feet as indicated on the Dual Induction Focused Log of the Texstar Petroleum, LLC. - Board of Education 16-14 No. 1 Well, located 500 feet from the South line and 1500 feet from the West line of

Section 16, Township 4 North, Range 13 East, Marion County, Mississippi, and all correlative intervals in communication therewith.

C. The Harper Sand Gas Pool shall be considered to mean those strata productive of gas and condensate in the interval between the depth of 16,046 and 16,079 feet as indicated on the Dual Induction-Laterlog of the Tomlinson Interests, Inc. - Board of Education No. 1 Well, located 1500 feet from the East line and 500 feet from the South line of Section 16, Township 4 North, Range 13 East, Marion County, Mississippi, and all correlative intervals in communication therewith. (Order No. 248-79)

D. The Booth Sand Gas Pool of the Hosston Formation shall be considered those strata productive of gas and condensate in the interval between the depth of 16,502 feet and 16,530 feet as indicated on the Dual Induction-Laterlog of the Tomlinson Interests, Inc. - Jerry Thornhill No. 1 Well, located 991 feet from the West line and 2507 feet from the South line of Section 22, Township 4 North, Range 13 East, Marion County, Mississippi, and all correlative intervals in communication therewith. (Order No. 344-79)

E. The Booth Sand Gas Pool-North Segment shall be considered to mean those strata of the Hosston Formation productive of gas, condensate and other hydrocarbons in the interval between the measured depths of 16,245 feet and 16,384 feet in the Range Production Company-Powell 21-3 Well No. 1 (the "Well"), as indicated on the Dual Induction Focused Log for the Well, and including those strata productive of gas, condensate and other hydrocarbons which can be correlated therewith and are in communication therewith, said Well being located 1132 feet South of the North line and 2084 feet East of the West line of Section 21, Township 4 North, Range 13 East, Marion County, Mississippi. (Order No. 426-2008)

F. The Fifth Hosston Gas Pool shall be considered those strata productive of gas and condensate in the interval between the depth of 16,497 feet and 16,540 feet as indicated on the Dual Induction-Laterlog of the Tomlinson Interests, Inc. - Board of Education No. 1 Well, located 1500 feet from the East line and 500 feet from the South line of Section 16,

Township 4 North, Range 13 East, Marion County, Mississippi, and all correlative intervals in communication therewith. (Order No. 248-79)

G. The Sixth Hosston Gas Pool shall be considered to mean those strata productive of gas and condensate in the interval between the depth of 16,658 feet and 16,690 feet as indicated on the Dual Induction-Laterlog of the Getty Oil Company - Buckley 33-6 Well No. 1, located 1980 feet from the North line and 1980 feet from the West line of Section 33, Township 5 North, Range 19 West, Marion County, Mississippi, and all correlative intervals in communication therewith. (Order No. 248-80)

H. The Ivy Sand Gas Pool shall be considered to mean those strata productive of gas and condensate in the interval between the depth of 16,200 feet and 16,234 feet as indicated on the Dual Induction-Laterlog of the Getty Oil Company-Dawson 33-14 No. 1 Well, located 1,750 feet from the West line and 850 feet from the South line of Section 33, Township 5 North, Range 19 West, Marion County, Mississippi.

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

A. With respect to the First Hosston Gas Pool, the Second Hosston Gas Pool, the Harper Sand Gas Pool, the Booth Sand Gas Pool, the Booth Sand Gas Pool-North Segment, the Fifth Hosston Gas Pool, the Sixth Hosston Gas Pool and the Ivy Sand Gas Pool, every gas well:

(1) shall be located on a drilling unit consisting of (i) 640 contiguous surface acres or (ii) a governmental section containing not less than 600 acres or more than 680 acres or (iii) 16 contiguous governmental quarter-quarter sections containing not less than 600 acres or more than 680 acres;

(2) any gas drilling unit not in a governmental section must be completely encompassed by a perimeter of a rectangle 5,580 feet by 6,245 feet provided, however, no unit shall be permitted which will create island acreage;

(3) each well shall be located at least 3,000 feet from every other drilling well or well completed in or producing from the same pools located in conformity with these rules;

and;

(4) each well shall be located not less than 1,500 feet from every exterior boundary of the drilling unit.

B. No portion of the drilling unit upon which a well is located shall be attributed, in whole or in part, to any other well being drilled in or producing from the same pool.

**RULE 2 - PRODUCTION ALLOWED**

Gas and condensate may be produced from the First Hosston Gas Pool, the Second Hosston Gas Pool, the Harper Sand Gas Pool, the Booth Sand Gas Pool, the Booth Sand Gas Pool-North Segment, the Fifth Hosston Gas Pool, the Sixth Hosston Gas Pool and the Ivy Sand Gas Pool.

**RULE 3 - APPLICABILITY OF STATEWIDE RULES**

A. All rules and regulations contained in Statewide Order No. 201-51, and all effective 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.

**- End of Special Field Rules -**