

DEC 07 2011

STATE OIL AND GAS BOARD
LISA IVSHIN, SUPERVISOR

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF MOON-HINES-TIGRETT OPERATING CO., INC. TO ADOPT SPECIAL FIELD RULES FOR THE MORTON FIELD TO DEFINE THE GEOGRAPHICAL LIMITS, PROVIDE 80 ACRE SPACING FOR THE EUTAW OIL POOL AND TO ALLOW TWO INCREASED DENSITY WELLS IN EACH INDIVIDUAL UNIT FOR THE EUTAW OIL POOL IN THE MORTON FIELD, SCOTT COUNTY, MISSISSIPPI

DOCKET NO. 374-2011-D

ORDER NO. 618-2011**ORDER**

THIS CAUSE came to be heard on the Petition of Moon-Hines-Tigrett ("Petitioner") requesting the Board to adopt Special Field Rules for the Morton Field, Scott County, 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 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 16, 2011, at 10:00 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 plans to drill wells in the Field. Special Field Rules have never been adopted for the Field.

2.

Petitioner seeks authority to define the geographical limits of the Field, to adopt 80 acre spacing for the Eutaw Oil Pool (“the Pool”), to define the Eutaw Oil Pool, and to allow up to two increased density wells in the Pool for each unit. The Field should be defined as follows:

TOWNSHIP 5 NORTH, RANGE 6 EAST
SCOTT COUNTY, MISSISSIPPI

Section 4: The S $\frac{1}{2}$

Section 9: Entire Section

Section 10: The W $\frac{1}{2}$

Previous wells have been drilled in this Field, and penetrated the Pool. These wells have proven that the Pool drains large areas and 80 acre spacing should be adopted. The oil gravity is high ranging from 32° to 39°. The permeability ranges from 11 md to 450 md and the porosity ranges from 18% to 25%. The permeability and porosity indicates that each well will drain a large area. The Pool should be defined as that strata in the Shell - No. 1 Rodgers Estate Well from 6,050 feet to 6,540 feet and all strata correlative thereof. The Pool should be granted increased density with the right to drill two increased density wells per 80 acre unit to recover additional oil which may not be recovered by one well. Therefore, for engineering reasons, the Special Field Rules should be adopted to space the Pool on 80 acres and to allow up to two wells in the Pool for each unit. The increased density wells are the best possible manner to produce additional oil to protect the co-equal and correlative rights of all owners in the common source or supply.

3.

The Special Field Rules as set forth below promotes conservation, protects the co-equal and correlative rights of all owners of all owners in interest, avoids the drilling of

unnecessary wells and permits oil and gas to be produced which would not otherwise be recoverable.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the Special Field Rules for the Morton Field shall be and hereby are adopted as follows:

**SPECIAL FIELD RULES
MORTON FIELD
SCOTT COUNTY, MISSISSIPPI**

A. FIELD LIMITS:

The Morton Field as used herein is that area consisting of the following described lands situation in Scott County, Mississippi, to-wit:

**TOWNSHIP 5 NORTH, RANGE 6 EAST
SCOTT COUNTY, MISSISSIPPI**

Section 4: The S $\frac{1}{2}$

Section 9: Entire Section

Section 10: The W $\frac{1}{2}$

and all correlative extensions thereof and in communication therewith.

B. POOL DEFINITIONS

1. The Eutaw Oil Pool shall be construed to mean those strata productive of oil in the interval from 6,050 feet to 6,540 feet in the Shell – No. 1 Rodgers Estate Well, located 670 feet from the North line and 456 feet from the East line of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 9, Township 5 North, Range 6 East, Scott County, Mississippi, and those sands productive of oil and gas correlative to and in communication therewith.

C. SPACING OF WELLS

1. **The Eutaw Oil Pool.** As to the Eutaw Oil Pool, every well drilled as a oil well:

(a) Shall be located on the drilling unit consisting of:

(i) 80 contiguous surface acres; or

(ii) two contiguous governmental quarter-quarter sections containing not less than 72 acres or more than 88 acres.

(b) Any oil unit formed under Section 1(a) of this rule must

be completely encompassed by the perimeter of a rectangle 1,600 feet by 2,725 feet. Provided, however, no unit shall be permitted which will create island acreage.

(c) Each well shall be located at least 660 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule.

(d) Each well shall be located not less than 330 feet from every exterior boundary of the drilling unit.

(e) Each 80 acre oil unit may contain up to two producing wells from each of the pools with a full individual allowable for each increased density well.

D. APPLICABILITY OF STATEWIDE RULES

1. All rules and regulations contained in Statewide Order No. 201-51, and any amendments thereto, not specifically covered in the foregoing rules are hereby adopted and applied to Seminary Field.

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

***** End of Special Field Rules *****

IT IS FURTHER ORDERED AND ADJUDGED that this Order shall be in force and effect from and after November 16, 2011.

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

ORDERED AND ADJUDGED this 9th day of December, 2011.

**STATE OIL AND GAS BOARD OF
MISSISSIPPI**



CHAIRMAN

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