

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

**RE: PETITION OF BEAN RESOURCES, INC. TO  
AMEND THE SPECIAL FIELD RULES FOR  
WEST MOUNT OLIVE FIELD, COVINGTON,  
SMITH AND SIMPSON COUNTIES, MISSISSIPPI,  
AND OBTAIN RELATED RELIEF**

FILED FOR RECORD

MAY 11 2007

STATE OIL AND GAS BOARD  
LISA IVSHIN, SUPERVISOR

**DOCKET NO. 180-2007-394**

**ORDER NO. 370-2007**

**ORDER**

THIS MATTER came on to be heard at the regular May 2007 meeting of the State Oil & Gas Board on the Petition of **BEAN RESOURCES, INC.**, Petitioner, requesting the Board to amend the Special Field Rules for West Mount Olive 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 as follows:

**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 has drilled and completed the Dempsey Sullivan 31-11 Well No. 1 (the "Well") in the West Mount Olive Field. The Well is located at a surface location that is 2410 feet East of the West line and 1503 feet North of the South line of Section 31, Township 10 North, Range 16 West, Smith County, Mississippi. The Well has been completed into what is or should be defined to be a part of the Hosston Gas Pool.

**3.**

The Special Field Rules for the said field should be amended so as to amend the existing definition of the Hosston Gas Pool and re-define that pool as follows:

The Hosston Gas Pool as used herein shall be construed to mean and to be those strata of the Hosston Formation productive of gas and other hydrocarbons in the interval between the measured

depths of 13,560 feet to 14,064 feet in the Bean Resources, Inc.-  
Dempsey-Sullivan 31-11 Well No. 1, as indicated on the dual  
induction focused log for that well, and including those strata  
productive of gas and other hydrocarbons which can be  
correlated therewith and are in communication therewith.

4.

The proposed amendment to the Special Field Rules will properly define the said pool;  
will allow for the orderly development of each 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 are amended as set forth herein; and Exhibit "1"  
hereto is a copy of the Special Field Rules as amended.

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

**SO ORDERED AND ADJUDGED**, this the 14<sup>th</sup> day of <sup>July</sup>~~May~~, 2007.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By:

  
CHAIRMAN

**PREPARED BY:**

Glenn Gates Taylor (MBN 7453)  
C. Glen Bush (MBN 7589)  
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**EXHIBIT "1"**

**SPECIAL FIELD RULES  
FOR THE WEST MOUNT OLIVE FIELD  
COVINGTON, SMITH AND SIMPSON COUNTIES, MISSISSIPPI**

**A.** The West Mount Olive Field, as used herein, is the area in Sections 24, 25 and 36, Township 10 North, Range 17 West, and that part of Section 1 North of County Line, Township 9 North, Range 17 West, Simpson County, Mississippi; Sections 19, 30 and 31, Township 10 North, Range 16 West, and that part of Section 6 North of County Line, Township 9 North, Range 16 West, Smith County, Mississippi, and Entire Section 12 and that part of Section 1 South of County Line, Township 9 North, Range 17 West, and that part of Section 6 South of County Line, Township 9 North, Range 16 West, Covington County, Mississippi, and including all productive extensions thereof, underlain by the following described pools, to-wit:

(1) The Rodessa-Sligo Gas Pool, as used herein, shall be construed to mean those strata productive of gas in the interval from 13,012 feet to 13,678 feet in the Pruet & Hughes Company - Aquitaine Oil Corporation - W. F. Stroud Heirs Unit #31-13, Well No. 1, as shown by the electrical log thereof, located 660 feet from the South line and 660 feet from the West line of Section 31, Township 10 North, Range 16 West, Smith County, Mississippi, and including those strata productive of gas which can be correlated therewith.

(2) The Hosston Gas Pool, as used herein shall be construed to mean and to be those strata of the Hosston Formation productive of gas and other hydrocarbons in the interval between the measured depths of 13,560 feet to 14,064 feet in the Bean Resources, Inc.-Dempsey Sullivan 31-11 Well No. 1, as indicated on the dual induction focused log for that well, and including those strata productive of gas and other hydrocarbons which can be correlated therewith and are in communication therewith.

**B.** The characteristics of the above mentioned gas pools are such that one well drilled on a regularly formed drilling unit conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable gas from such unit in said pools without

avoidable waste.

## **RULES**

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

Every well drilled as a gas well:

- (a) Shall be located on a drilling unit consisting of 640 contiguous surface acres, or a governmental section containing not less than 600 acres or more than 680 acres, upon which no other drilling or producible well is located;
- (b) Any gas drilling unit not a governmental section 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;
- (c) The well shall be located at least 3,000 feet from every other drilling or producible well located in conformity with this rule; and,
- (d) The well shall be located not less than 1,500 feet from every exterior boundary of the unit.

### **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.

**\*\*\*END OF RULES\*\*\***