

AUG 29 1985

STATE OIL AND GAS BOARD
A. Richard Henderson, Supervisor

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF KA-LYN OIL AND GAS,
INC. TO AMEND THE SPECIAL FIELD
RULES OF OAK GROVE FIELD,
SIMPSON COUNTY, MISSISSIPPI

DOCKET NO. 282-85-372

ORDER NO. 357-85O R D E R

THIS DAY this matter came on for hearing before the State Oil and Gas Board on the Petition of Ka-Lyn Oil and Gas, Inc. to amend the Special Field Rules of Oak Grove Field, such hearing being called for such purpose; 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 and way provided by law and the rules and regulations of the Board; that due, legal, and sufficient proofs of publication 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 given, public hearing was held by said Board in the 14th Floor Auditorium of the Walter Sillers State Office Building, 550 High Street, Jackson, Mississippi, commencing on August 21, 1985, at which hearing all persons present who desired to be heard on said matter were heard and all testimony and evidence were duly considered by those present at said meeting; and

WHEREAS, the Board having fully considered said matter and the evidence and recommendations made in said hearing, finds as follows:

1. A separate and distinct reservoir from the presently defined Walker Sand Gas Pool has been encountered

and substantially developed by the Callon Petroleum Company No. 1 Ware in Section 33, the Callon Petroleum Company-George Magee No. 1 in Section 27, the Lester C. Duckworth Co.-Walker Estate No. 1 in Section 34, and the American Energy Co.-Roscoe Berry Heirs No. 1 in Section 28.

2. The present definition of the Walker Sand Gas Pool should be amended and the Ware Sand Gas Pool separately defined in order to avoid island acreage, to allow for full and complete development of said separate pools, and to allow each owner underlain thereby to recover their fair and equitable share of said pools.

3. It is therefore ordered and adjudged that the Special Field Rules for Oak Grove Field shall be and are hereby amended to read as follows:

SPECIAL FIELD RULES
FOR OAK GROVE FIELD
SIMPSON COUNTY, MISSISSIPPI

1. The Oak Grove Field of Simpson County, Mississippi, as used herein, consists of those parts of the following described lands underlain by the Rodessa Sand Gas Pool, the Walker Sand Gas Pool, the Ware Sand Gas Pool and the Sligo Gas Pool as hereinafter defined, the sections being:

Township 10 North, Range 19 West

Sections 8, 9, 10, 13, 14, 15,
16, 17, 20, 21, 22, 23, 24, 25,
26, 27, 28, 29, 32, 33, 34, 35,
and 36;

Township 9 North, Range 19 West

Section 2, 3, 4, and 5;

And all productive extensions
thereof.

2. The gas pools underlying the Oak Grove Field are henceforth defined as follows:

- (a) The Rodessa Sand Gas Pool, defined as those strata lying between 13,700 feet and 13,850 feet on the electric log for the Callon Petroleum Company-BOARD OF SUPERVISORS NO. 1, located in Section 16 of Township 10 North, Range 19 West and all strata correlative thereto.

- (b) The Walker Sand Gas Pool shall be defined as those strata lying between 13,940 and 13,980 feet as shown on the electric log of the Transcontinental Oil-Walker 26-13 No. 1 Well, located in Section 26, Township 10 North, Range 19 West, Simpson County, Mississippi, and all productive strata correlative to and in communication therewith.
- (c) The Sligo Gas Pool shall be defined as that stratum found between 14,175 and 14,324 on the Dual Induction Sonic Log for the Callon Petroleum Company-VIRGIL BERRY ET AL. GAS UNIT WELL NO. 1, located in Section 3, Township 9 North, Range 19 West, Simpson County, Mississippi.
- (d) The Ware Sand Gas Pool shall be defined as that stratum found between 14,010 feet and 14,050 feet on the electric log of the Callon Petroleum Company-Ware No. 1 Well, located in Section 33, Township 10 North, Range 19 West, Simpson County, Mississippi, and all productive strata correlative to and in communication therewith.

RULE 1 - SPACING

1. Every gas well shall be located on a drilling unit consisting of:

A. A governmental section containing not less than 600 acres nor more than 680 acres, upon which no other drilling or producible well is located; or,

B. Sixteen (16) governmental quarter-quarter sections, in a square, whether they fall within the same section or not, which shall total not less than 600 acres nor more than 680 acres.

C. 640 contiguous surface acres so shaped that it may be completely encompassed by the perimeter of a rectangle 5,580 feet by 6,245 feet, upon which no other drilling or producible well is located.

D. Provided, however, no unit shall be permitted which will create island acreage.

2. Every well shall be at least 2,400 feet from every other drilling or producible well.

3. Every well shall be at least 1,200 feet from the boundaries of the drilling unit on which it is located.

RULE 2 - RATABLE TAKE

1. Each person now or hereafter engaged in the business of purchasing oil or gas from owners, operators or producers

in this field shall purchase the same without discrimination in favor of one owner, operator or producer, as against another in the same common source of supply in proportion to the allowable specified by this Board; and,

2. No owner, operator or producer of oil or gas shall abuse correlative rights of any other owner, operator or producer in this common source of supply herein defined by causing unratable withdrawal therefrom or by causing undue drainage between tracts or units, resulting in one or more owners, operators or producers producing or withdrawing more than his or its just and equitable share from the common source, with allowances to be made for deficient wells.

RULE 3 - APPLICABILITY OF STATEWIDE RULES

1. All Rules and Regulations contained in the Statewide Rules as now existing, or as they may from time to time be amended, and which are not specifically in conflict with these Special Field Rules for the Oak Grove Field, are hereby adopted and shall apply to said Oak Grove Field.

2. The Board expressly reserves the right after notice and hearing to alter these Rules.

ORDERED AND ADJUDGED this the 22nd day of August, 1985.

MISSISSIPPI STATE OIL AND GAS BOARD

By: 

CHAIRMAN