

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF R. W. TYSON PRODUCING  
CO., INC. TO AMEND THE SPECIAL  
FIELD RULES FOR OVETT FIELD, JONES  
COUNTY, MISSISSIPPI

MAR 6 - 1995

DOCKET NO. 32-95-23

ORDER NO. 49-95

ORDER

THIS DAY, this cause came to be heard on the Petition of R. W. Tyson Producing Co., Inc. ("Petitioner") requesting the Board to Amend the Special Field Rules for the Ovett Field, Jones County, Mississippi ; and

WHEREAS, the Boards 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 Miss. Code Ann. §53-3-7(2) (Supp. 1994) and 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 February 15, 1995, at 9:30 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 is the current operator of certain wells located in the Ovett Field. Special Field Rules for this Field were adopted, as last amended, by this Board by the entry of Order No. 15-93, Docket No. 3-93-23 on January 20, 1993. The purpose of this Petition is to define the Washita-Fredericksburg and Paluxy Oil Pools, provide spacing rules for such Pools, clarify previous spacing rules for the

Mooringsport Oil Pool, to extend the test period for the Tyson-O.H. Shows No. 4 Well, and other matters as set forth herein.

2.

Petitioner has demonstrated that two separate undefined formations exist in the Field being the Washita-Fredericksburg Oil Pool and the Paluxy Oil Pool. Petitioner proposed to separately define each for production. Petitioner showed that the log interpretations, production characteristics, and pressure data conclusively establish that these two separate and distinct pools exist within the various fault blocks which are within the existing geographical definition of the Ovet Field. In fact, the geographical definitions of the Ovet Field must be enlarged in order to bring in new areas that may be productive.

3.

Petitioner proposed to establish Special Field Rules for these new pools to provide for consistent spacing and development of these pools in the Ovet Field without regard for the geographical location of any particular well. For example, Petitioner showed that production has been obtained in the proposed Paluxy Oil Pool above and below 12,000 feet E.L.M. based solely upon the surface location of such well. Petitioner proposed to develop the Paluxy Oil Pool and all other defined pools on the basis of 40 acre units without regard to surface location to protect the co-equal and correlative rights of all parties. Petitioner showed that the most equitable spacing for the Paluxy Oil Pool is 40, not 80, acre units regardless of the depth the formation is penetrated or produced.

4.

Petitioner showed that it is necessary to amend the Special Field Rules to add the Washita-Fredericksburg and Paluxy Oil Pools to separately define these separate and distinct pools.

5.

Petitioner proved that the amendment of the existing Special Field Rules will promote conservation, protect the co-equal and correlative rights of all owners in interest, avoid the drilling of unnecessary wells and permit oil to be produced from said oil pools which would not otherwise be recoverable.

6.

Petitioner also showed that the Mooringsport Oil Pool may be located at different depths throughout the Field, some of which may be above and some below 12,000 feet. Again, this depends on the surface location and the existence of faulting in the Field. Petitioner sought to clarify the definition of the Mooringsport Oil Pool to ensure that all development is consistent on the basis of 40 acre units regardless of the depth the formation is tested.

7.

Recently, Petitioner recompleted the O.H. Shows No. 4 Well into the Paluxy Formation at a E.L.M. of 12,109 feet to 12,138 feet. Although that same zone is located at depths above 12,000 feet in other wells, this particular location would normally require 80 acre spacing and Petitioner sought permission to produce the zone on the existing 40 acre unit and to amend the Special Field Rules accordingly.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED, by the State Oil and Gas Board of Mississippi that the Special Field rules for Ovett Field be and are hereby amended, as requested by Petitioner, to read as follows:

SPECIAL FIELD RULES

FOR THE OVETT FIELD

JONES COUNTY, MISSISSIPPI

A. Ovett Field shall mean the following geographical area in Jones County, Mississippi:

E $\frac{1}{2}$  of Section 19;

W $\frac{1}{2}$ , SW $\frac{1}{4}$  of the NE $\frac{1}{4}$ , and the SE $\frac{1}{4}$  of Section 20;

W $\frac{1}{2}$  of the W $\frac{1}{2}$  and SE $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 28;

Entire Section 29;

The E $\frac{1}{2}$  of Section 30;

The NE $\frac{1}{4}$  of Section 31;

The entire Section 32; and

The W $\frac{1}{2}$  of Section 33, Township 6 North, Range 11 West, Jones County, Mississippi, and all productive extensions thereof which are underlain by the below defined Oil Pools.

B. The Eutaw Oil Pool shall be construed to mean those strata of the Eutaw Formation productive of oil and casinghead gas from the depths of 7,090 feet to 7,375 feet as found in the electric log of the L. L. Major No. 15 Well located in the SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of Section 29, Township 6 North, Range 11 West, Jones County, Mississippi and all strata correlative thereto.

C. The Upper Tuscaloosa Oil Pool shall be construed to mean those strata of the Tuscaloosa Formation productive of oil and casinghead gas from the depths of 7,375 feet to 8,220 feet as found in the electric log of the L. L. Major No. 15 Well located in the SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of Section 29, Township 6 North, Range 11 West, Jones County, Mississippi and all strata correlative thereto.

D. The Lower Tuscaloosa Oil Pool shall be construed to mean those strata of oil and casinghead gas in the Tuscaloosa Formation productive of oil and casinghead gas from the depths of 8,415 feet to 8,860 feet as found in the electric log of the L. L. Major No. 15 Well located in the SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of Section 29, Township 6 North, Range 11 West, Jones County, Mississippi and all strata correlative thereto.

E. The Washita-Fredericksburg Oil pool shall be construed to mean those strata of oil and casinghead gas in the Washita-Fredericksburg Formation productive of oil and casinghead gas from the depths of 9170 feet to 10,470 feet as found in the electric log of the A. F. Walters No. 1 Well located in the SE $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 29, Township 6 North, Range 11 West, Jones County, Mississippi and all strata correlative thereto.

F. The Paluxy Oil Pool shall be construed to mean those strata of oil and casinghead gas in the Paluxy Formation productive of oil and casinghead gas from the depths of 10,470 feet to 11,870 feet as found on the electric log of the A. F. Walters No. 1 Well located in the SE $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 29, Township 6 North, Range 11 West, Jones County, Mississippi and all strata correlative thereto.

G. The Mooringsport Oil Pool shall be construed to mean those strata in the Mooringsport Formation productive of oil and casinghead gas from the depths of 11,484 feet to 11,878 feet as found in the electric log of the G. L. Reasor Estate No. 1 Well located in the SW $\frac{1}{4}$

of the SE $\frac{1}{4}$  of Section 29, Township 6 North, Range 11 West, Ovett Field, Jones County, Mississippi, and all strata correlative thereto.

**RULE 1: SPACING OF OIL WELLS**

A. With respect to each of the Oil Pools defined above except the Mooringsport and Paluxy Oil Pools, every oil well:

- (1) Shall be located on a drilling unit consisting of 40 contiguous surface acres or a governmental quarter-quarter section containing not less than 36 acres, or more than 44 acres, upon which no more than one other well drilling to or producing from the same Pool is located.
- (2) Any drilling unit not a governmental quarter-quarter section must be completely encompassed by the perimeter of a rectangle 1810 feet x 1445 feet. Provided, however, no unit shall be permitted which will create island acreage.
- (3) Each well shall be located at least 100 feet from the drilling unit boundaries and at least 200 feet from every other well drilling to or producing from the same Pool. When a well is drilled at any location less than 300 feet from any exterior boundary of a drilling unit, notice in writing shall be given to any operator of offsetting units or leases within 300 feet of such well prior to the drilling thereof, and a directional survey shall be run and submitted to the Board prior to the issuance of an allowable.
- (4) The Board may, upon notice and hearing, grant exceptions to this Rule.

B. With respect to wells drilled to or produced from the Paluxy Oil Pool, every oil well:

- (1) Shall be located on a drilling unit consisting of forty contiguous surface acres or a governmental quarter-quarter section containing not less than 36 acres and no more than 44 acres;
- (2) Any drilling unit not a governmental quarter-quarter section must be located on a drilling unit whose size and shape conforms to Statewide Rule 7.2;
- (3) Each well shall be located at least 100 feet from the drilling unit boundaries and at least 200 feet from every other well drilling to or producing from the same Pool. When a well is drilled at any location less than 300 feet from any exterior boundary of a drilling unit, notice in writing shall be given to any operator of offsetting units or leases within 300 feet of such well prior to the drilling thereof, and a directional survey shall be run and submitted to the Board prior to the issuance of an allowable;
- (4) The Board may, upon notice and hearing, grant exceptions to this Rule.

C. With respect to wells drilled to or produced from the Mooringsport Oil Pool, every oil well shall be located on a drilling unit in conformance with Statewide Rule 7.2.

**RULE 2: ALLOWABLES**

A. All heaters, treaters and other fired vessels which are installed or replaced after January 1, 1988, and necessary to maintain the temperature of the crude oil produced from Overt Field sufficiently above pour point for production into and sales from storage facilities or tanks, shall be located no closer than 10 feet from said storage facilities and tanks; provided that the surface treating facilities in existence as of January 1, 1988, which do not meet this 10 foot requirement do not have to be moved or replaced solely to comply with this rule. Each such heater, treater or other fired vessel shall be situated so that the burner of the heater, treater or other fired vessel is at least 4 feet above the containment walls and configured so that the vessel to which it is attached is between the storage facilities and burner.

B. With respect to any two or three wells, the units of which contain a common mineral ownership such that there would be no difference in revenue disbursement, production from each well may be commingled in common treater and storage facilities and is to be measured and allocated as follows:

1. (a) For a 2-well common treater, once a month one well will be shut-in and the other tested to determine its rate of production for a period sufficiently long to establish an accurate rate of production. Upon establishment of a production rate, the well presently shut-in will be put on line in the same fashion.
- (b) For a 3-well common treater, the above method will be utilized but it will be necessary to shut-in two wells at a time.
2. Weekly wellhead tests will be conducted to monitor oil and water percentages for changes. Should this test indicate a wellhead change, a well test will be conducted as soon as possible to establish a well's current rate.
3. The production from the well being tested through the common treater with the other well(s) shut-in will be handled as follows:
  - (a) The oil, would be sent to the common tank, which tank will be gauged prior to the test and gauged immediately after the test.
  - (b) The salt water will be sent to a salt water tank, which tank will be gauged prior to the test and immediately after the test, or in the alternative, the salt water will be sent through a flow meter

to a common salt water disposal system.

4. The oil from the production of all wells will then be sold and the salt water injected into disposal wells.
5. The monthly oil production from each well would be allocated based on the monthly test for each well.
6. Such measurement and allocation of production will also take into account the reworking, shutting in, or lack of production from any well.

[Order No. 187-87, Docket No. 115-87-173].


**RULE 4: APPLICABILITY OF STATEWIDE RULES**

A. All rules and regulations contained in the Statewide Rules, not specifically covered in the foregoing rules are hereby adopted and shall apply to said field, to the extent not inconsistent with the above rules.

B. The Board expressly reserves the right, after notice and hearing, to alter, amend, or repeal any and all of the above Rules and Regulations.

**ORDERED AND ADJUDGED** this 15th day of February, 1995.

**STATE OIL AND GAS BOARD OF MISSISSIPPI**

  
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CHAIRMAN