

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

RE: PETITION OF VITRUVIAN EXPLORATION, LLC  
FOR AUTHORITY TO AMEND THE SPECIAL  
FIELD RULES OF PICKENS FIELD, YAZOO AND  
MADISON COUNTIES, MISSISSIPPI.

AUG 17 2011

STATE OIL AND GAS BOARD  
LISA IVSHIN, SUPERVISOR

DOCKET NO. 111-2011-D

ORDER NO. 254-2011

ORDER

THIS MATTER came on for hearing before the State Oil and Gas Board on the Amended Petition of Vitruvian Exploration, LLC to amend the Special Field Rules for Pickens 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 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, a public hearing was held by the Board in the hearing room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on Wednesday, July 20, 2011, and the Board heard testimony and evidence, in a consolidated hearing with Docket 110-2011, regarding the request by Vitruvian Exploration, LLC; and

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

1. The Special Field Rules of Pickens Field, first adopted in 1952, were subsequently amended by the Board in 1978, 1998, and 2008. Order No. 94-2008, Docket No. 49-2008-2, represents the current Special Field Rules of Pickens Field

2. In Docket 110-2011, contemporaneous with this Order, the Board has approved the Wilburn Sand Fieldwide Unit in Pickens Field. In order to implement this approved Fieldwide Unit, the Special Field Rules of Pickens Field need to be amended to separate the reservoir definition of the Wilburn Sand Oil Pool from the currently defined "Eutaw/Selma Chalk Oil Pool" and to establish rules authorizing secondary and tertiary recovery operations and/or pressure maintenance programs, spacing restrictions, and allocation of production among units to the extent necessary to provide for orderly operation of the proposed fieldwide unit. The evidence is clear that the Wilburn Sand Oil Pool, to be unitized, is geologically and pressure separated from productive intervals of the

Selma Chalk formation in and around the Unit Area. The Selma Chalk should continue to be developed through establishment of drilling units and primary development under existing spacing rules.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules of Pickens Field, Madison and Yazoo Counties, Mississippi shall be and are hereby amended to read as follows:

**SPECIAL FIELD RULES FOR PICKENS FIELD  
MADISON AND YAZOO COUNTIES, MISSISSIPPI**

A. The Pickens Field as used herein is that area consisting of the following lands:

**Township 12 North, Range 2 East**

Sections 14, 15, 16, 22, 23, 24, 25, and 36

**Township 12 North, Range 3 East**

Sections 19, 28, 29, 30, 31, 32, and 33

**Township 11 North, Range 3 East**

Sections 3, 4, 5, 9, 10, and 11

as underlain by the Wilburn Sand Oil Pool and Selma Chalk Oil Pool in the Pickens Field hereinafter defined and all productive extensions thereof.

B. The **Wilburn Sand Oil Pool** in Pickens Field shall be construed to mean those strata in the Eutaw Formation currently, formerly or in the future productive of oil or gas from the depths of 4802 feet to 4885 feet, as shown on the log for the Jones-Massey #2 Well, located 240 feet from the South line and 600 feet from the West line of SW  $\frac{1}{4}$  SE  $\frac{1}{4}$  of Section 3, Township 11 North, Range 3 East, Madison County, Mississippi, and including those strata productive of Unitized Substances which can be correlated or are in communication therewith.

C. The **Selma Chalk Oil Pool** in Pickens Field shall be construed to mean those strata in the Selma Chalk Formation currently, formerly or in the future productive of oil or gas from the depths of 3,950 feet to 4,770 feet, as shown on the log for the Jones-Massey #2 Well, located 240 feet from the South line and 600 feet from the West line of SW  $\frac{1}{4}$  SE  $\frac{1}{4}$  of Section 3, Township 11 North, Range 3 East, Madison County, Mississippi, and all intervals in communication therewith correlative of said strata.

D. The characteristics of the above described Wilburn Sand Oil Pool and Selma Chalk Oil Pool in said Field are such that wells located outside the fieldwide unit in conformance with Rule 1 will efficiently drain and produce the recoverable oil from each said pool without avoidable waste.

E. The Wilburn Sand Fieldwide Unit of Pickens Field ("Fieldwide Unit") is the Wilburn Sand Oil Pool located within the following Unit Area approved in Order No. 253-2011:

**Township 12 North, Range 3 East**

- Section 29: SW/4 SW/4
- Section 30: SW/4 NW/4;  
SW/4;  
S/2 SE/4; and  
S/2 NW/4 SE/4
- Section 31: NE/4;  
N/2 NE/4 NW/4; and  
N/2 NE/4 SE/4
- Section 32: S/2 SE/4 NE/4;  
SW/4 NE/4;  
S/2 NE/4 NW/4;  
NW/4 NW/4;  
S/2 NW/4;  
N/2 SW/4;  
SE/4 SW/4; and  
SE/4
- Section 33: W/2 SW/4; and  
S/2 SE/4 SW/4

**Township 11 North, Range 3 East**

- Section 2: S/2 SW/4 SW/4
- Section 3: SW/4 NW/4;  
SW/4;  
S/2 NW/4 SE/4; and  
S/2 SE/4
- Section 4: All of Section
- Section 5: N/2 NE/4 NW/4;  
N/2 NE/4; and  
SE/4 NE/4
- Section 9: N/2 NE/4;  
NE/4 NW/4;  
N/2 NW/4 NW/4; and  
N/2 S/2 NE/4

Section 10: N/2;  
E 10 acres of NW/4 SW/4;  
NE/4 SW/4;  
N/2 SE/4;  
N3/4 SE/4 SE/4; and  
N/2 N/2 SW/4 SE/4

Section 11: W/2;  
SW/4 NE/4; and  
SE/4

**RULE 1 – SPACING OF OIL WELLS IN DRILLING UNITS:**

A. Every well drilled as an oil well for production from drilling units out of the Wilburn Sand Oil Pool or Selma Chalk Oil Pool:

(1) Shall be drilled according to regular spacing patterns on a drilling unit consisting of forty (40) surface contiguous acres or one (1) governmental quarter-quarter section in the form of a square containing not less than 36 acres or more than 44 acres upon which no other drilling or producible well is located;

(2) Shall be located at least 330 feet from every exterior boundary of the drilling unit;

(3) Shall be located at least 660 feet from every other drilling or producible well to be produced from the same pool;

(4) This Rule shall not apply to wells completed in the Wilburn Sand Fieldwide Unit approved in Order 253-2011, Docket No. 110-2011-D.

**RULE 2 – CLASS II INJECTION OR EOR WELLS:**

A. Pursuant to Order No. 269-98, Docket No. 190-98, prior to the issuance of any permit to drill or convert a Class II Injection or EOR well, the operator seeking such permit shall publish a notice of its intent to do so in the same manner as is currently provided for giving notice of hearings before the Board. Such notice shall be published at least twenty (20) days prior to the issuance of such a permit, so as to allow for a comment period on the permit application of not less than twenty (20) days.

B. If no objection is filed within the twenty (20) day notice period, and the State Oil and Gas Supervisor has determined that the applied-for well meets all necessary requirements under Statewide Rule 63, then the permit may be issued administratively by the Supervisor.

RULE 3 – SECONDARY AND TERTIARY RECOVERY PROGRAM FOR  
FIELDWIDE UNIT

A. Vitruvian Exploration, LLC, as operator of the Fieldwide Unit, is hereby authorized to conduct secondary or tertiary recovery and/or pressure maintenance operations in the Fieldwide Unit by the injection of gas, carbon-dioxide, water, or other substances into the Wilburn Sand Oil Pool. Operator may use, for injection purposes, existing wells located within said Fieldwide Unit which may be converted to injection wells or wells may be drilled on said Fieldwide Unit for such purpose; provided, however, that before any additional well or wells may be used for injection purposes, said operator must first file with the Mississippi State Oil and Gas Board all evidence and information required under Statewide Rule 63 and obtain the Board's approval thereof.

B. The conversion of producing wells to injection wells will not affect the Fieldwide Unit allowable as determined by Rule 3.C.

C. The allowable for the Wilburn Sand Oil Pool shall be the sum of the number of wells in the Fieldwide Unit, including injection wells times the depth allowable allowed under Statewide Rule 35. Said allowable may be altered to an MER, if different, after notice and hearing.

D. Allocation and apportionment of allowable production from the Wilburn Sand Oil Pool in Pickens Field, among and between any individual drilling units and the Fieldwide Unit shall be made on the basis of and in proportion to the surface acre content of each of the units.

E. The operator of the Fieldwide Unit may maintain such separators, stock tanks, metering devices, connections and storage facilities as it deems necessary to accurately measure the total production from the Fieldwide Unit. Separate measurement or storage for the wells and leases within the Fieldwide Unit shall not be necessary. Automatic custody transfer systems which automatically test, sample, measure and transfer the production from the operator to the purchaser are hereby authorized for Pickens Field. Such systems will be equipped with a sampling device which will take a representative sample of the total production passing through the system in order that the specific gravity and basic sediment and water content can be determined. Each

custody transfer system will be equipped with a volume displacement type metering device which registers the volume of oil passed through it in barrels or multiples thereof.

F. Spacing of Wells

(1) Notwithstanding any other provisions contained in these Special Field Rules, the location of injection and production wells in the Fieldwide Unit shall be selected by the operator and shall be governed by the standards of geology and petroleum engineering designed to promote the greatest ultimate recovery of hydrocarbons contained in the pool. However, no well may be drilled, injected into or produced from said pool nearer than 100 feet from any exterior boundary of the fieldwide unit, except upon permit issued by the Mississippi State Oil and Gas Board, after notice and hearing.

(2) The operator may drill wells utilizing directional or horizontal drilling techniques designed to increase the ultimate recovery of hydrocarbons contained in the pool without notice and hearing; provided, however, that (a) no portion of the wellbore of any such well so drilled shall be nearer than 100 feet from any exterior boundary of the Fieldwide Unit, except upon permit issued by the Mississippi State Oil and Gas Board, after notice and hearing, and (b) the operator shall file a directional survey and other information required by rule or written policy of the Board after completion.

RULE 4 – APPLICABILITY OF STATEWIDE RULES:

A. All rules and regulations contained in the current Statewide Rules, and any amendments thereto, not specifically covered in the foregoing Special Field Rules, are hereby adopted and shall apply to said Unit.

B. Any previous Special Field Rules for the Pickens Field shall be superseded after the effective date hereof.

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

ORDERED AND ADJUDGED this 17<sup>th</sup> <sup>Aug</sup> of July, 2011.

MISSISSIPPI STATE OIL AND GAS BOARD

By: \_\_\_\_\_

CHAIRMAN

SUBMITTED BY:

Jefferson D. Stewart, Esq.

Adams and Reese, LLP

1018 Highland Colony Parkway, Suite 800

Ridgeland, MS 39157

Phone: (601) 353-3234

Fax: (601) 355-9708