

**BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI**

**FILED FOR RECORD**

**RE: PETITION OF BEAN RESOURCES, INC. TO  
AMEND THE SPECIAL FIELD RULES FOR  
PINE GROVE FIELD, JONES COUNTY,  
MISSISSIPPI, AND OBTAIN RELATED  
RELIEF**

**NOV 16 2005**

**STATE OIL AND GAS BOARD  
WALTER BOONE, SUPERVISOR**

**DOCKET NO. 293-2005-872**

**ORDER NO. 497-2005**

**ORDER**

THIS MATTER came on to be heard at the regular October 2005 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 Pine Grove 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 operates the Price Well No. 1 (the "Well") which is located at a surface location that is in the Southwest One-Quarter of Section 10, Township 7 North, Range 13 West, Jones County, Mississippi. The Well presently produces from what is defined as the Hosston Formation Oil Pool.

**3.**

The existing definition of the Hosston Formation Oil Pool should be amended so as to replace that pool definition with the definition of two defined pools to be named the "Upper Hosston Formation Oil Pool" and the "Lower Hosston Formation Oil Pool." The said pool definitions should be as follows:

- (1) The Upper Hosston Formation Oil Pool in Pine Grove Field is defined as those strata of the Hosston Formation productive of oil and other hydrocarbons in the interval between the measured depths of 13,245 feet and 14,150 feet in the Bean Resources, Inc.-Price Well No. 1, as indicated on the Induction/Gamma Ray Log of that well, and including those strata productive of oil and other hydrocarbons which can be correlated therewith and are in communication therewith, said well being located in the Southwest One-Quarter of the Southwest One-Quarter of Section 10, Township 7 North, Range 13 West, Jones County, Mississippi.
- (2) The Lower Hosston Formation Oil Pool in Pine Grove Field is defined as those strata of the Hosston Formation productive of oil and other hydrocarbons in the interval between the measured depths of 14,166 feet and 15,485 feet in the Bean Resources, Inc.-Price Well No. 1, as indicated on the Induction/Gamma Ray Log of that well, and including those strata productive of oil and other hydrocarbons which can be correlated therewith and are in communication therewith, said well being located in the Southwest One-Quarter of the Southwest One-Quarter of Section 10, Township 7 North, Range 13 West, Jones County, Mississippi.

4.

The Special Field Rules should further be amended to define a new pool to be named the "Sligo Formation Oil Pool." The said new pool should be defined as follows:

The Sligo Formation Oil Pool in Pine Grove Field is defined as those strata of the Sligo Formation productive of oil and other

hydrocarbons in the interval between the measured depths of 12,970 feet and 13,245 feet in the Bean Resources, Inc.-Price Well No. 1, as indicated on the Induction/Gamma Ray Log of that well, and including those strata productive of oil and other hydrocarbons which can be correlated therewith and are in communication therewith, said well being located in the Southwest One-Quarter of the Southwest One-Quarter of Section 10, Township 7 North, Range 13 West, Jones County, Mississippi.

5.

Spacing for production from each of the said pools should be on the existing modified "160-acre spacing" as set forth in what will be Rule C. 2. of the Special Field Rules as herein amended.

6.

The geographical limits of Pine Grove Field should also be amended to enlarge the said limits to add thereto the Northwest One-Quarter of the Southwest One-Quarter of Section 15, Township 7 North, Range 13 West, Jones County, Mississippi. The said acreage to be added is a productive extension of the field and one or more pools which lie thereunder.

7.

Amendments should also be made to some of the language of the present definition for the Paluxy Formation Oil Pool to make that language consistent with the language used in the other pool definitions.

8.

Amending the said Special Field Rules as proposed will allow for the orderly development of the said pool and field, will prevent waste, will protect the coequal and correlative rights of the owners in the pool and in the field, and will allow the owners in the pool the opportunity to recover their fair and equitable share of production from the pool.

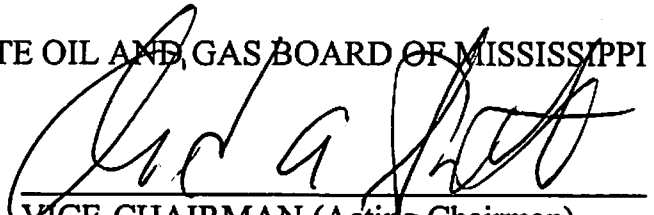
**IT IS, THEREFORE, ORDERED AND ADJUDGED** that the Petition filed herein is granted; and the Special Field Rules are amended as set forth herein; and Exhibit "1" hereto is a copy of the Special Field Rules as amended.

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

**SO ORDERED AND ADJUDGED**, this the 11<sup>th</sup> day of <sup>November</sup>~~October~~, 2005.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By:

  
VICE-CHAIRMAN (Acting Chairman)

**PREPARED BY:**

Glenn Gates Taylor (MBN 7453)  
C. Glen Bush (MBN 7589)  
**COPELAND, COOK, TAYLOR & BUSH, P. A.**  
200 Concourse, Suite 200  
1062 Highland Colony Parkway  
P. O. Box 6020  
Ridgeland, Mississippi 39158  
601-856-7200

**ATTORNEYS FOR PETITIONER**

EXHIBIT "A"

SPECIAL FIELD RULES FOR PINE GROVE FIELD  
JONES COUNTY, MISSISSIPPI

A. FIELD AREA

The Pine Grove Field, as used herein, consists of the following lands:

TOWNSHIP 7 NORTH, RANGE 13 WEST, JONES COUNTY, MISSISSIPPI

- Section 3: The South One-Half (S/2)
- Section 4: The Southeast One-Quarter (SE/4)
- Section 9: The East One-Half (E/2)
- Section 10: All
- Section 15: The Northwest One-Quarter (NW/4) and the Northwest One-Quarter of the Southwest One-Quarter
- Section 16: All

B. POOL DEFINITIONS

1. **Paluxy Formation Oil Pool.** The Paluxy Formation Oil Pool in Pine Grove Field shall be construed to mean those strata of the Paluxy Formation productive of oil in the interval between the measured depths of 10,800 and 10,900 feet in the Bean Resources, Inc. (formerly Miller Exploration Company)-Price No. 1 Well, as indicated on the electric log of that well, and including those strata productive of oil and other hydrocarbons which can be correlated therewith and are in communication therewith, said well being located in the Southwest One-Quarter of the Southwest One-Quarter of Section 10, Township 7 North, Range 13 West, Jones County, Mississippi.
2. **Sligo Formation Oil Pool.** The Sligo Formation Oil Pool in Pine Grove Field is defined as those strata of the Sligo Formation productive of oil and other hydrocarbons in the interval between the measured depths of 12,970 feet and 13,245 feet in the Bean Resources, Inc. (formerly Miller Exploration Company)-Price No. 1 Well, as indicated on the Induction/Gamma Ray Log of that well, and including those strata productive of oil and other hydrocarbons which can be correlated therewith and are in communication therewith, said well being located in the Southwest One-Quarter of the Southwest One-Quarter of Section 10, Township 7 North, Range 13 West, Jones County, Mississippi.
3. **The Upper Hosston Formation Oil Pool.** The Upper Hosston Formation Oil Pool in Pine Grove Field is defined as those strata of the Hosston Formation productive of oil and other hydrocarbons in the interval between the measured depths of 13,245 feet and 14,150 feet in the Bean Resources, Inc. (formerly Miller Exploration Company)-Price No. 1 Well 1, as indicated on the Induction/Gamma Ray Log of that well, and including those strata productive of oil and other hydrocarbons which can be correlated therewith and are in communication therewith, said well being located in the Southwest One-Quarter of the Southwest One-Quarter of Section 10, Township 7 North, Range 13 West, Jones County, Mississippi.
4. **The Lower Hosston Formation Oil Pool.** The Lower Hosston Formation Oil Pool in Pine Grove Field is defined as those strata of the Hosston Formation productive of oil and other hydrocarbons in the interval between the measured depths of 14,166 feet and 15,485 feet in the Bean Resources, Inc. (formerly Miller Exploration Company)-Price No. 1 Well, as indicated on the Induction/Gamma Ray Log of that well, and including those strata productive of oil and other hydrocarbons which can be correlated therewith and are in communication therewith, said well being located in the Southwest One-Quarter of the

Southwest One-Quarter of Section 10, Township 7 North, Range 13 West, Jones County, Mississippi.

**C. SPACING**

1. Every well drilled to or completed in the Paluxy Formation Oil Pool as an oil well:

(a) Shall be located on a drilling unit of two contiguous quarter-quarter sections containing not less than 72 nor more than 88 acres, or on a drilling unit consisting of 80 contiguous surface acres, upon which no other well drilling to or producing from the same pool is located.

(b) Any drilling unit not composed of two contiguous quarter-quarter sections must be completely encompassed by the perimeter of a rectangle 1600 feet by 2725 feet; provided that no unit shall be permitted which will create island acreage.

(c) The well shall be located at least 880 feet from every other well drilling to or completed in the same pool located in conformity with this rule.

(d) The well shall be located at least 330 feet from every exterior boundary of the drilling unit.

2. Every well drilled to or completed in the Sligo Formation Oil Pool, Upper Hosston Formation Oil Pool or the Lower Hosston Formation Oil Pool as an oil well:

(a) Shall be located on a drilling unit of 4 contiguous quarter-quarter sections containing not less than 144 nor more than 176 acres, or a unit containing 160 contiguous surface acres, upon which no other well drilling to or producing from the same pool is located.

(b) Any drilling unit not composed of four contiguous quarter-quarter sections must be completely encompassed by the perimeter of a rectangle 2640 feet x 3500 feet; provided, however, no unit shall be permitted which will create island acreage.

(c) Each well shall be located at least 1000 feet from every well drilling to or completed in the same pool located in conformity with this rule.

(d) Each well shall be located not less than 500 feet from every exterior boundary of the drilling unit.

**D. APPLICABILITY OF STATEWIDE RULES**

1. All rules and regulations contained in Statewide Order No. 201-51, and any amendment thereto, not specifically covered by the foregoing Special Field Rules are hereby adopted and shall apply to said Field.

2. 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 SPECIAL FIELD RULES-**