

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

DEC 28 2010
STATE OIL AND GAS BOARD
LISA IVSHIN, SUPERVISOR

DOCKET NO. 487-2010-D

ORDER NO. 798-2010

EMERGENCY ORDER

THIS MATTER came on to be heard at the regular December 2010 meeting of the State Oil and Gas Board as a request for emergency consideration 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 on an emergency basis. The Board also finds as follows:

1.

The Board has jurisdiction over the parties and the subject matter of the Petition.

2.

Petitioner operates several oil and gas wells that are located in the Pine Grove Field of Jones County, Mississippi. Heretofore, upon the petition of Petitioner, the Board has adopted and amended Special Field Rules for Pine Grove Field.

3.

The Special Field Rules for the field should further be amended to define a certain new pool to be named the "First Cotton Valley Sand Oil Pool." The said new pool should be defined as follows:

The First Cotton Valley Sand Oil Pool in Pine Grove Field is defined as those strata of the Cotton Valley Formation productive of oil and other hydrocarbons in the interval between the measured depths of 15,506 feet and 15,586 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.

Spacing for production from the said pool should be the same as is presently provided for in the Special Field Rules for the Lower Hosston Formation Oil Pool, which is "160-acre spacing," with up to two producing wells allowed on each such unit, all as more particularly

set forth in Rule C.2. of the existing Special Field Rules. Good cause exists to adopt that spacing for the said First Cotton Valley Sand Oil Pool, including for the same geological and reservoir factors.

5.

Amending the said Special Field Rules as proposed will allow for the orderly development of the said new 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.

6.

For good causes shown, the Board heard this matter as an emergency at the December 2010 meeting of the Board.

IT IS, THEREFORE, ORDERED AND ADJUDGED, that the Petition filed herein is granted on an emergency basis; and the Board will set this matter down for hearing at the regular January 19, 2011 meeting of the Board.

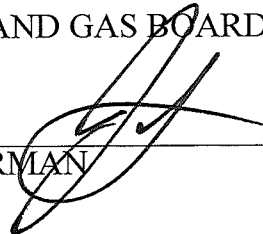
Permittee shall acquire all other permits, if any, required by any other permitting authority.

SO ORDERED AND ADJUDGED, this the 28th day of December, 2010.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By:

CHAIRMAN



PREPARED BY:

Glenn Gates Taylor (MBN 7453)
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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.

5. **The First Cotton Valley Sand Oil Pool.** The First Cotton Valley Sand Oil Pool in Pine Grove Field is defined as those strata of the First Cotton Valley Sand Formation productive of oil and other hydrocarbons in the interval between the measured depths of 15,506 feet and 15,586 feet in the 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 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.

(e) As to the Lower Hosston Formation Oil Pool, each 160 acre oil unit may contain up to two (2) producing wells.

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—~~