

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

IN RE: DOCKET NO. 171-92-764

West Pineville Field
Smith County,
Mississippi

PETITION OF BRUXOIL, INC. TO ESTABLISH
TEMPORARY SPECIAL FIELD RULES FOR THE
WEST PINEVILLE FIELD, SMITH COUNTY,
MISSISSIPPI

FILED FOR RECORD

SEP 9 1992

ORDER NO. 255-92

STATE OIL AND GAS BOARD
AT THE OFFICE OF THE CLERK

THIS CAUSE came on for hearing at the regular August, 1992 meeting of the State Oil and Gas Board of Mississippi upon the petition and application of Bruxoil, Inc. to establish Temporary Special Field Rules for the West Pineville Field, Smith County, Mississippi, and for other relief as set forth in said petition.

The State Oil and Gas Board finds that due and legal notice of the meeting of the Board for the purpose of considering the above petition has been given in the manner and form provided by law and the rules and regulations of this Board, and that due and proper proofs of all legal and required notices are on file with this Board in this cause, and that said Board has full jurisdiction of this cause and of the parties to determine this matter at this meeting, and the Board having considered the documentary evidence of petitioner's witness in support of the petition, and the statement of counsel and being fully advised in the premises, further finds that petitioner has filed a properly verified petition to obtain the relief hereinafter set forth.

The Board further finds and adjudicates as follows:

Bruxoil, Inc. and its associates recently drilled and completed the Bruxoil, Inc. - Hegwood 26-12, Well No. 1 as an oil well situated at a regular location on a regular 80 acre unit pursuant to Statewide Rules of this Board. This led to the discovery of oil in the West Pineville Field of Smith County.

Based upon the presently available information, wells in this field should be drilled on units of 160 acres rather than on

80 acres as provided for in Statewide Rules. In view of the information obtained from the above well, wells drilled on units of 160 acres will be able to properly drain the units, and units of a smaller size would result in the drilling of unnecessary and expensive wells and would cause waste. Therefore, temporary special field rules should be adopted to provide for larger units in order to encourage and assist operators in drilling additional wells for the development of this field.

IT IS, THEREFORE, ORDERED AND ADJUDGED that Temporary Special Field Rules for the West Pineville Field of Smith County are hereby adopted in the manner and form set forth in Exhibit "A" attached hereto and made a part hereof.

IT IS FURTHER ORDERED AND ADJUDGED that these rules shall remain in force and effect for a period of 24 months unless otherwise ordered by the Board after notice and hearing. Unless otherwise ordered by the Board, at the end of the above 24 month period these rules shall be reviewed by the Board after notice and hearing.

ORDERED AND ADJUDGED THIS 19th day of August, A. D. 1992.

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

By Joseph J. Jucaro
Chairman

EXHIBIT "A"

WEST PINEVILLE FIELD TEMPORARY SPECIAL FIELD RULES

- A. The West Pineville Field as used herein is that area consisting of the following described land in Smith County, Mississippi, to-wit:

Township 4 North, Range 8 East

All of Section 26 and all of Section 27.

- B. The Upper Smackover Oil Pool shall be construed to mean those strata productive of oil and other hydrocarbons in the Upper Smackover Formation at the dual induction log interval of 14,960 feet to 15,022 feet as found in the Bruxoil, Inc. - Hegwood 26-12, Well No. 1, located 2100' from the South line and 800' from the West line of Section 26, Township 4 North, Range 8 East, Smith County, Mississippi, and those strata productive of oil and other hydrocarbons correlative to and in communication therewith.

RULE 1 - SPACING OF WELLS:

(a) Every well completed in the Upper Smackover Oil Pool shall be located on a drilling unit consisting of 160 contiguous surface acres, or four governmental quarter-quarter sections containing not less than one hundred forty four (144) acres or more than one hundred seventy six (176) acres, upon which no other drilling or producible well in this pool is located.

(b) All drilling units must be completely encompassed by the perimeter of a rectangle 2,640 feet by 3,500 feet; provided however, no unit shall be permitted which will create island acreage.

(c) Each well shall be located at least 1,000 feet from every drilling or producible well from the same pool, and not

less than 300 feet from every exterior boundary of the drilling unit.

RULE 2 - APPLICABILITY OF STATEWIDE RULES:

(a) All rules and regulations contained in Statewide Order No. 201-51 and amendments thereto not specifically covered in the foregoing rules are hereby adopted and shall apply to the West Pineville Field.

(b) The Board expressly reserves its right, after notice and hearing, to alter, amend or repeal any and all of the rules and regulations contained herein.

RULE 3 - TERM OF THESE RULES:

These rules shall become effective upon approval by the Board and shall remain in effect for a period of 24 months thereafter, unless otherwise ordered by the Board after notice and hearing.