

FILED FOR RECORD

FEB 4 1991

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

STATE OIL AND GAS BOARD
A. D. HENDERSON, Secretary

DOCKET NO. 14-91-647

FINAL ORDER NO. 28-91

ORDER AMENDING SPECIAL FIELD RULES
AND DEFINING AN OIL POOL
PLEASANT GROVE FIELD
MONROE COUNTY, MISSISSIPPI

THIS CAUSE this day came on to be heard on the Petition of Gibraltar Energy Company, the process, oral and documentary evidence, and the argument of counsel; and upon said hearing the Board finds:

1. That due and legal notice of the meeting of this Board for the purpose of considering this docket and this Petition has been given for the time and in the manner provided by law, and that due and proper proofs of said notice are on file with the Board. The Board thus has jurisdiction of the subject matter and the parties involved with full right to hear and determine said cause.

2. This Board has created Special Field Rules for the Pleasant Grove Field by Order No. 411-89 in Docket No. 285-89-647 and amended the same by Final Order No. 131-90 in Docket No. 59-90-647, reference to all of which is here made.

3. Petitioner, Gibraltar Energy Company, has asked this Board, and supported its request by adequate proof, to further define the pools appearing within the said field. The proof shows that there is a fault running across the structure, northwest to southeast, which effectively divides this field into two separate reservoirs. As the field rules were initially promulgated and amended, the Carter Sand Gas Pool found in the field was considered to be a single reservoir underlying the entire field. Drilling and production has revealed that the only wells that are now producing

or that ever have produced Carter gas commercially, lie south and west of the fault. Insofar as those lands are concerned, the Field Rules are appropriate.

4. However, to the north and east of the said fault, six wells have been drilled through the formation that is defined by the field rules as the Carter Sand Gas Pool. Five of those six are dry holes and the sixth one operated by Petitioner appears as though this pool, as it is found north and east of the fault is a distinct pool from that found south of the fault and has more characteristics of an oil pool than a gas pool. The limited supply of gas found within that sole producing well does not warrant the building of a pipe line to produce gas, and all of the surrounding units have been drilled and found to be dry. Thus, it is apparent that these rules are inappropriate for developing and producing hydrocarbons from the Carter Sand North Fault Block and should be amended.

5. Petitioner proposes to amend the Special Field Rules so as to define a third pool within the field, being the Carter Sand in the North Fault Block, and to define the same as the Carter Sand Oil Pool as follows:

Those strata of the Mississippian Formation productive of hydrocarbons between the measured depths of 3,488 feet and 3,507 feet on the Dual Induction Focus Log of the Watkins Estate 16-13 Well;

Located 660 feet out of the Southwest corner of Section 16, Township 14 South, Range 6 East; and

All productive strata which can be correlated therewith and are in communication therewith.

6. The Board finds that the producing characteristics of the proposed Carter Sand Oil Pool appear to be such that the Statewide Rules for the production of oil at depths deeper than 3,500 feet should be adequate rules for the orderly development of

the pool. The said pool lies partially below 3,500 feet and partially above 3,500 feet, so that Statewide Rule 7 cannot be implemented, verbatim, but the same is adopted insofar as it pertains to strata lying below 3,500 feet.

7. The Board further finds that the same rules will then be applicable to this Carter Sand Oil Pool as are applicable the Abernathy Sand Oil Pool found in the same field and which uniform rules will be adequate to govern the development and production of the Carter Sand Oil Pool as here defined. Said rules will then be as shown on Exhibit "A" attached hereto.

It is, therefore, ORDERED AND ADJUDGED that:

A. Pleasant Grove Field in Monroe County, Mississippi, shall be those lands described in Exhibit "A" attached hereto as the Amended Special Field Rules for the said field.

B. The Carter Sand Oil Pool is defined as shown in Paragraph 5 above and in said Amended Special Field Rules attached hereto; and is in addition to all other known and defined pools within the field.

C. Amended Field Rules are here established for the Pleasant Grove Field in the exact words, figures, and phrases, as contained in Exhibit "A" attached hereto and made a part hereof by reference.

ORDERED AND ADJUDGED this the 16th day of January, 1991.

STATE OIL AND GAS BOARD
STATE OF MISSISSIPPI

BY: *H. B. Hayes Mc Lane*
Chairman

EXHIBIT "A"
AMENDED
SPECIAL FIELD RULES
FOR THE PLEASANT GROVE FIELD
MONROE COUNTY, MISSISSIPPI

A. FIELD AREA:

The Pleasant Grove Field, as used herein, is that geographical area consisting of the following described lands, to-wit:

TOWNSHIP 14 SOUTH, RANGE 6 EAST

Section 16:	All
Section 17:	All
Section 18:	All
Section 19:	All
Section 20:	All
Section 21:	All
Section 22:	The West Half of the West Half

B. POOL DEFINITIONS:

The Carter Sand Gas Pool in the Pleasant Grove Field shall be construed to mean:

Those strata of the Mississippian Formation productive of gaseous hydrocarbons occurring between the measured depths of 3,456 feet to 3,514 feet on the Dual Induction Focus Log of the Millender 17-13 Well No. 1;

Located 500 feet from the West line and 1,250 feet from the South line of Section 17, Township 14 South, Range 6 East; and

All strata productive of gaseous hydrocarbons which can be correlated therewith and are in communication therewith.

The Carter Sand Oil Pool -- North Fault Block in the Pleasant Grove Field shall be construed to mean:

Those strata of the Mississippian Formation productive of hydrocarbons between the measured depths of 3,488 feet and 3,507 feet on the Dual Induction Focus Log of the Watkins Estate 16-13 Well;

Located 660 feet out of the Southwest corner of Section 16, Township 14 South, Range 6 East; and

All productive strata which can be correlated therewith and are in communication therewith.

The Abernathy Sand Oil Pool in the Pleasant Grove Field

shall be construed to mean:

Those strata productive of oil found between 3,786 and 3,848 on the Electric Log of the Gibraltar Energy Company - HERNDON 20-2 well located 600 feet from the North line and 2,850 feet from the West line of Section 20, Township 14 South, Range 6 East.

C. RULES:

RULE 1 -- SPACING OF GAS WELLS:

1.1 As to each well drilled to and productive from the Carter Sand Gas Pool:

- (a) The well shall be located on a drilling unit consisting of 320 contiguous surface acres, or a governmental half section containing not less than 300 acres or more than 340 acres, or 8 contiguous governmental quarter-quarter sections whose total acreage is not less than 300 or more than 340 acres. In any case, no other well produced from the same pool shall be located on any such unit.
- (b) Any drilling unit not formed under Section 1(a) of this Rule must be completely encompassed by the perimeter of a rectangle 3,735 feet by 5,380 feet, provided, however, no unit shall be permitted which will create island coverage.
- (c) The well shall be located at least 1,320 feet from every other drilling well located in conformity with this Rule.
- (d) The well shall be located not less than 660 feet from every exterior boundary of the unit.

RULE 2 -- SPACING OF WELLS:

2.1 As to each well drilled to and productive from the Abernathy Oil Pool and the Carter Sand Oil Pool - North Fault Block:

- (a) The well shall be located on a drilling unit consisting of 80 contiguous surface acres, or one-half of a one-quarter of a governmental section containing not less than 72 acres, nor more than 88 acres. In any case, no other wells produced from the same pool shall be located on any such unit.
- (b) Any drilling unit not formed under Section 2.1(a) of this Rule must be completely encompassed by the perimeter of a rectangle 1,600 feet by 2,725 feet, provided, however, no unit shall be permitted which creates island acreage.
- (c) The well shall be located at least 1,000 feet from every other drilling well located in conformity with this Rule.
- (d) The well shall be located no less than 500 feet from every exterior boundary of the unit.

RULE 3 -- APPLICABILITY OF STATEWIDE RULES:

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

3.2 The Board expressly reserves the right, after notice and hearing, to alter, amend, or repeal any and all of the foregoing Special Field Rules, or to grant exceptions to all or any part thereof.

-- END OF SPECIAL FIELD RULES --