

APR 09 2018

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI
STATE OIL AND GAS BOARD
LISA IVSHIN, SUPERV

RE: PETITION OF BURNSED OIL CO., INC. TO AMEND THE SPECIAL FIELD RULES FOR POPLAR GROVE OIL FIELD IN ADAMS COUNTY, MISSISSIPPI

DOCKET NO. 71-2018-D
ORDER NO. 124-2018

ORDER

THIS DAY this matter came on for hearing before the State Oil and Gas Board at its regular March 21, 2018, hearing on the Petition of Burnsed Oil Co., Inc. requesting the Board to amend the Special Field Rules for Poplar Grove Oil Field in Adams County, Mississippi.

WHEREAS, a public hearing was held by said Board in the hearing room, 500 Greymont Avenue, Suite E, Jackson, Mississippi, commencing on March 21, 2018, at which time all persons present who desired to be heard on said matter were heard and all testimony and evidence were duly considered at said meeting; and

WHEREAS, Board finds that due, proper and legal notice of the meeting of this Board for the purpose of considering and taking action with respect to such matter was given in the manner provided by law and the rules and regulations of this Board; that due, legal and sufficient proofs of publication are on file with the Board; and that the Board has full jurisdiction of the parties and subject matter to hear and determine this docket; and

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

1. That by Order No. 118-56 in Docket No 38-56-78 dated May 16, 1956, this Board established Special Field Rules for Poplar Grove Oil Field, defined the Baker Sand Oil Pool and the Benbrook-Ratcliff Sand Oil Pool and provided for 40 acre spacing.
2. That by Order No. 124-78 in Docket No 85-78-78 dated March 15, 1978, this Board amended the Special Field Rules for Poplar Grove Oil Field to define the Minter Sand Oil Pool.
3. That the Special Field Rules for Poplar Grove Oil Field should be amended to define the McKittrick Sand Oil Pool as follows:

The McKittrick Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 6250' to 6269', in the Burnsed-Emerly No. 4 located from the most southerly corner of Section 29, Township 6 North, Range 2 West, Adams County, Mississippi, thence S 00° 05' 47" E for 1533 feet to the well location in Section 45, Township 6 North, Range 2 West, as said interval is indicated on the Array Induction Log of said well as recorded by

Schlumberger on May 5, 2015, and all sands correlative of this strata productive of oil.

4. That Poplar Grove Oil Field has been producing from various sands in the Wilcox Formation for almost seven decades and these sands have been substantially depleted of recoverable reserves. Therefore the operators should be allowed to produce from more than one defined pool from a single well bore without further hearing before this Board and to report the same as commingled production.

5. That there are no other changes to the Special Field Rules of the Poplar Grove Oil Field.

6. That the Amended Special Field Rules of Poplar Grove Field, which are set forth in Exhibit "A", attached hereto, will prevent waste, will avoid the drilling of unnecessary wells, will not cause drainage that is not offset by counter drainage, will protect the co-equal and correlative rights of the owners in the Field, will allow all of the owners in the Field the right and opportunity to recover their fair and equitable share of the recoverable hydrocarbons therein, will foster and encourage the full development of the Field, will promote the conservation of hydrocarbons from the Field by preventing waste, and will enable hydrocarbons to be produced which could not otherwise be produced, thereby increasing the ultimate recovery of hydrocarbons.

7. That personal notice as required by Procedural Rule 4 was given to the only other operator in the Poplar Grove Oil Field.

IT IS THEREFORE ORDERED AND ADJUDGED that the Special Field Rules for Poplar Grove Oil Field are amended as set forth in the attached Exhibit "A".

IT IS FURTHER ORDERED AND ADJUDGED that Petitioner shall acquire all other permits, if any, from any other permitting authority.

IT IS FURTHER ORDERED AND ADJUDGED that this order shall be in force and effect from and after March 21, 2018.

SO ORDERED AND ADJUDGED this the 7th day of April, 2018.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By: 
DAVID A. SCOTT, Chairman

OF COUNSEL:

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***ATTORNEYS FOR PETITIONER,
BURNSED OIL CO., INC.***

Exhibit A

AMENDED SPECIAL FIELD RULES FOR POPLAR GROVE OIL FIELD
ADAMS COUNTY, MISSISSIPPI

FIELD LIMITS:

The Poplar Grove Oil Field is defined as that area consisting of the following described lands, to wit:

Sections 29 and 45, Township 6 North, Range 2 West, Adams County, Mississippi

as underlain by the Pools, as hereinafter defined, and all correlative or productive extensions thereof.

I. The Baker Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox group productive of oil from a depth of 6292 feet to 6298 feet in the Sunnyland Contracting Company's R. L. Emery No. 4, located from most southerly corner of Section 29 along section line 1875 feet in northeasterly direction and then at right angles 330 feet in Section 45, Township 6 North, Range 2 West, and including those strata productive of oil which can be correlated with this horizon.

II. The Benbrook-Ratcliff Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox group productive of oil from a depth of 6268 feet to 6280 feet in the Sunnyland Contracting Company's R. L. Emery #4, located from the most southerly corner of Section 29 along section line 1875 feet in northeasterly direction and then at right angles 330 feet in Section 45, Township 6 North, Range 2 West, and including those strata productive of oil which can be correlated with this horizon.

III. The Minter Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 6582' to 6588', in the Meason Operating Company-Emery E-1 Unit, located from the Southeast corner of Section 45, T6N-R2W, Adams County, Mississippi, go North along the East boundary of Section 45 for 1538 feet; thence West at right angles for 453 feet to location in Section 45, T6N-R2W, Adams County, Mississippi, and including those strata productive of oil which can be correlated therewith.

IV. The McKittrick Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 6250' to 6269', in the Burnsded-Emery No. 4 located from the most southerly corner of Section 29, Township 6 North,

Range 2 West, Adams County, Mississippi, thence S 00° 05' 47" E for 1533 feet to the well location in Section 45, Township 6 North, Range 2 West, as said interval is indicated on the Array Induction Log of said well as recorded by Schlumberger on May 5, 2015, and all sands correlative of this strata productive of oil.

RULE 1 - SPACING OF OIL WELLS:

With respect all sands defined in the Wilcox Formation, every well drilled as an oil well:

- (a) Shall be located on a drilling unit consisting of forty (40) contiguous surface acres completely encompassed by the perimeter of a rectangle 1810 feet by 1445 feet, upon which no other drilling or producible well is located. The word “contiguous” as used herein shall mean bordering each other at more than one point.
- (b) No unit shall be permitted which will create island acreage.
- (c) The well shall be located at least 660 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule; and
- (d) The well shall be located at least 330 feet from every exterior boundary of the unit.
- (e) Any oil unit developed prior to the amendment of these special field rules shall retain their existing unit. Specifically, the exception unit and increased density wells authorized by Order No. 228-2015 in Docket No. 137-2015-D for the Burnsed-Emery No. 4 shall remain effective, but all other rules, as amended, shall apply to said well and unit.

RULE 2 - Multiple Completion of Oil Wells:

With respect to any wells completed in any of the Baker Sand Oil Pool, Benbrook-Ratcliff Sand Oil Pool, Minter Sand Oil Pool and McKittrick Sand Oil Pool may be produced simultaneously from a single well bore without further notice and hearing from the Oil and Gas Board, provided that the ownership of said commingled pools is the same. Any multiple completions pursuant to this rule shall be identified, by completion interval, on a completion report submitted to the Oil and Gas Board. Production from any multiple completed well shall be identified to the Board as the “(First Pool)/(Second Pool)/(Third Pool) – Commingled.”

RULE 3 - APPLICABILITY OF STATEWIDE RULES:

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

B. 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*****