

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

**FILED FOR RECORD**

**RE: PETITION OF TAURUS EXPLORATION U.S.A., INC.  
TO ESTABLISH SPECIAL FIELD RULES FOR  
REDBUG FIELD, WILKINSON COUNTY,  
MISSISSIPPI, AND OBTAIN RELATED RELIEF**

**AUG 18 1998**

**STATE OIL AND GAS BOARD  
Walter Boone, Supervisor  
ORDER NO. 333-98**

**DOCKET NO. 207-98-826**

**ORDER**

THIS MATTER came on to be heard on the Petition of TAURUS EXPLORATION U.S.A., INC., Petitioner, requesting the Board to to establish Special Field Rules for Redbug Field, and grant related relief. Having considered the Petition, the evidence in support thereof, and being advised in the premises, 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 Taurus Exploration U.S.A., Inc. - CMR Well No. 1-7, which is located at a surface location that is 1785 feet West of the East line and 2411 feet South of the North line of Section 1, Township 3 North, Range 1 West, Wilkinson County, Mississippi. The well has been drilled and completed as a gas well, and is the discovery well for a new gas field that is proposed to be defined as Redbug Field. Another well, the Taurus Exploration U.S.A., Inc. - Georgia Pacific Well No. 1-4, which is located at a surface location that is 956 feet South of the North line and 578 feet East of the West line of Section 1, Township 3 North, Range 1 West, Wilkinson County, Mississippi, has also been drilled in said Section 1, sidetracked and completed in a new gas pool in the proposed field. Special Field Rules should be adopted for the Feld.

3.

Redbug Field should be defined to include the following geographical area:

The North Three-Fourths (N 3/4) of Section 1, and the East One-Fourth (E 1/4) of Section 2, all in Township 3 North, Range 1 West; and the South One-Quarter (S 1/4) of Section 41, Township 4 North, Range 1 West, all in Wilkinson County, Mississippi.

4.

The new gas pools which have been discovered should be defined as follows:

(a) The Lower Tuscaloosa 11,577 Foot Gas Pool in Redbug Field shall be construed to mean those strata of the Lower Tuscaloosa Formation productive of gas and other hydrocarbons in the interval between the measured depths of 11,577 feet to 11,607 feet in the Taurus Exploration U.S.A., Inc. - CMR Well No. 1-7, as indicated on the Dual Induction Log of that Well, and including those strata productive of gas and other hydrocarbons which can be correlated therewith and are in communication therewith, said Well being located at a surface location that is 1785 feet West of the East line and 2411 feet South of the North line of Section 1, Township 3 North, Range 1 West, Wilkinson County, Mississippi

(b) The Lower Tuscaloosa 11,554 Foot Gas Pool in Redbug Field shall be construed to mean those strata of the Lower Tuscaloosa Formation productive of gas and other hydrocarbons in the interval between the true vertical depths of 11,554 feet to 11,582 feet in the Taurus Exploration U.S.A., Inc. - Georgia Pacific Well No. 1-4 (Sidetrack Hole), as indicated on the Dual Induction (True Vertical Depth) Log of that Well, and including those strata productive of gas and other hydrocarbons which can be correlated therewith and are in communication therewith, said Well being located at a surface location that is 956 feet South of the North line and 578 feet East of the West line of Section 1, Township 3 North, Range 1 West, Wilkinson County, Mississippi

5.

Each of the wells that has been completed in the said pools has been drilled on a 160-acre drilling unit. Because the pools are gas pools, spacing for production from each said new pool should be "320-acre spacing" as provided for in Statewide Rule 8.3:

Every gas well:

- (a) Shall be located on a drilling unit consisting of (1) 320 contiguous surface acres; or (2) a governmental half-section containing not less than 300 acres or more than 340 acres; or (3) eight (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 producing from the same pool shall be located on any such unit. The word "contiguous" as used herein shall mean bordering each other at more than one point.

- (b) Any gas drilling unit formed must be completely encompassed by the perimeter of a rectangle 3735 feet by 5380 feet. Provided, however, no unit shall be permitted which will create island acreage.
- (c) Each well shall be located at least 1,980 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule.
- (d) Each well shall be located not less than 990 feet from every exterior boundary of the drilling unit.

6.

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

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Petition filed herein is granted, and the proposed Special Field Rules for Redbug Field are established, as set forth in Exhibit 1 hereto.

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

SO ORDERED AND ADJUDGED, this the 15<sup>th</sup> day of July, 1998.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By: Joseph D. Zuccaro  
CHAIRMAN

Prepared by:

Glenn Gates Taylor (MBN 7453)  
C. Glen Bush (MBN 7589)  
COPELAND, COOK, TAYLOR & BUSH, P.A.  
1700 Capital Towers  
125 South Congress Street  
Post Office Box 2132  
Jackson, Mississippi 39225-2132  
(601) 354-0123

ATTORNEYS FOR PETITIONER

EXHIBIT "1"

SPECIAL FIELD RULES  
FOR REDBUG FIELD  
WILKINSON COUNTY, MISSISSIPPI

A. FIELD AREA

Redbug Field, as used herein, is that area consisting of the following described lands

The North Three-Fourths (N 3/4) of Section 1, and the East One-Fourth (E 1/4) of Section 2, all in Township 3 North, Range 1 West; and the South One-Quarter (S 1/4) of Section 41, Township 4 North, Range 1 West, all in Wilkinson County, Mississippi.

B. POOL DEFINITIONS

(a) The Lower Tuscaloosa 11,577 Foot Gas Pool in Redbug Field shall be construed to mean those strata of the Lower Tuscaloosa Formation productive of gas and other hydrocarbons in the interval between the measured depths of 11,577 feet to 11,607 feet in the Taurus Exploration U.S.A., Inc. - CMR Well No. 1-7, as indicated on the Dual Induction Log of that Well, and including those strata productive of gas and other hydrocarbons which can be correlated therewith and are in communication therewith, said Well being located at a surface location that is 1785 feet West of the East line and 2411 feet South of the North line of Section 1, Township 3 North, Range 1 West, Wilkinson County, Mississippi

(b) The Lower Tuscaloosa 11,554 Foot Gas Pool in Redbug Field shall be construed to mean those strata of the Lower Tuscaloosa Formation productive of gas and other hydrocarbons in the interval between the true vertical depths of 11,554 feet to 11,582 feet in the Taurus Exploration U.S.A., Inc. - Georgia Pacific Well No. 1-4 (Sidetrack Hole), as indicated on the Dual Induction (True Vertical Depth) Log of that Well, and including those strata productive of gas and other hydrocarbons which can be correlated therewith and are in communication therewith, said Well being located at a surface location that is 956 feet South of the North line and 578 feet East of the West line of Section 1, Township 3 North, Range 1 West, Wilkinson County, Mississippi

C. SPACING OF WELLS

Spacing for wells drilled to the Lower Tuscaloosa 11,577 Foot Gas Pool and the Lower Tuscaloosa 11,554 Foot Gas Pool shall be as follows:

Every gas well:

- (a) Shall be located on a drilling unit consisting of (1) 320 contiguous surface acres; or (2) a governmental half-section containing not less than 300 acres or more than 340 acres; or (3) eight (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 producing from the same pool shall be located on any such unit. The word "contiguous" as used herein shall mean bordering each other at more than one point.

- (b) Any gas drilling unit formed must be completely encompassed by the perimeter of a rectangle 3735 feet by 5380 feet. Provided, however, no unit shall be permitted which will create island acreage.
- (c) Each well shall be located at least 1,980 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule.
- (d) Each well shall be located not less than 990 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--