

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF VENTURE OIL & GAS, INC. FOR
AUTHORITY TO CONDUCT A WATERFLOOD
PILOT PROGRAM FOR THE 9250' POOL OF THE
WASHITA-FREDERICKSBURG FORMATION IN
REEDY CREEK FIELD, JONES COUNTY,
MISSISSIPPI, AND OBTAIN RELATED RELIEF

FILED FOR RECORD

JUN 25 2008

STATE OIL AND GAS BOARD
LISA IVSHIN, SUPERVISOR

DOCKET NO. 178-2008-137

ORDER NO. 299-2008

ORDER

THIS MATTER came to be heard at the regular May 2008 meeting of the State Oil and Gas Board on the Petition of VENTURE OIL & GAS, INC., Petitioner, for authority to extend and continue the existing waterflood pilot program in an oil pool in Reedy Creek Field, authorize the continue use of the injection well, 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. 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 is the operator of the Board of Supervisors 2 Well No. 9 (the "Well") which is located 500 feet South of the North line and 2140 feet West of the East line of Section 16, Township 9 North, Range 11 West, Jones County, Mississippi. Heretofore, the Well has been authorized as an injection well for purposes of pressure maintenance and secondary recovery operations on the 11,400' Rodessa Field Unit in Reedy Creek Field.

3.

By prior Order, the Board previously authorized Petitioner to initiate and conduct a pilot waterflood program in the defined 9250' Pool of the Washita-Fredericksburg Formation (the "Pool") in Reedy Creek Field, and use the Well as the initial injection well to as part of

the program. The pilot waterflood program is being conducted to test whether a secondary recovery effort by means of a waterflood of the Pool would be feasible, efficient and economical, and would result in the recovery of oil that would otherwise not be recovered. If the pilot waterflood program proves to be feasible, etc., Petitioner intends to propose an appropriate fieldwide unit and secondary recovery waterflood for the Pool. Petitioners' original estimate was that the pilot waterflood program should last a minimum of six months. Petitioner desires to extend the said program for at least another six months.

4.

Initial indications and data that have been obtained from the existing waterflood pilot program appear to indicate that a formal fieldwide unit and secondary recovery waterflood for the Pool will be feasible, efficient and economical, and would result in the recovery of oil that would otherwise not be recovered. Petitioner expects to make a formal filing for such a unit after the conclusion and assessment of the pilot program. In the meantime, Petitioner seeks authority to extend and continue the existing waterflood pilot program so that data and result can continue to be obtained that will be useful for the anticipated fieldwide unit and secondary recovery operations.

5.

Petitioner has filed the data and information that is required by Rule 63, to the extent that rule applies to the proposed injection and waterflood.

6.

Extending and continuing the existing pilot waterflood program and injection into the Pool will allow the owners in the Pool an opportunity to economically recover their fair share of the recoverable oil in the Pool, will prevent waste, will avoid the drilling of one or more unnecessary wells, and will protect the coequal and correlative rights of the owners in the Pool.

7.

The requested relief should be granted as an exception to the Special Field Rules for the Reedy Creek Field, and any other applicable rules and regulations or statutes.

IT IS, THEREFORE, ORDERED AND ADJUDGED, that the Petition filed herein is granted; Petitioner is authorized to extend and continue the waterflood pilot program until the October 2008 meeting of the Board; and Petitioner is allowed to use the Well as injection well for purposes of conducting the said program.

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

SO ORDERED AND ADJUDGED, this the 2nd day of ^{June}~~May~~, 2008.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By: _____

CHAIRMAN

PREPARED BY:

Glenn Gates Taylor (MBN 7453)
C. Glen Bush (MBN 7589)
COPELAND, COOK, TAYLOR & BUSH, P.A.
600 Concourse, Suite 100
1076 Highland Colony Parkway
P. O. Box 6020
Ridgeland, Mississippi 39158
601-856-7200

ATTORNEYS FOR PETITIONER