APR 3 0 1985

STATE OIL AND GAS BOARD
A. Richard Menderson, Supervisor

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

RE: PETITION OF GRACE PETROLEUM
CORPORATION TO AMEND THE
SPECIAL FIELD RULES
SPLUNGE FIELD
MONROE COUNTY, MISSISSIPPI

DOCKET NO. 69-85-366 ORDER NO. 119-85

ORDER

THIS DAY this matter came on for hearing upon the Petition of Grace Petroleum Corporation asking that the Special Field Rules for the Splunge Field be amended, and the Board being fully advised, does find as follows, to-wit:

1.

Proper, due and legal notice for the meeting of this Board to consider this Petition has been given as required by law and the rules of this Board, and due, legal and sufficient proofs of publication of notice are on file with this Board. The Board does further adjudicate that it has full and complete jurisdiction of the subject matter to hear and determine this Petition at this time and place.

2.

Grace Petroleum Corporation is an operator of wells in the Splunge Field. On August 15, 1973, this Board established Special Field Rules for the Splunge Field. These rules have been amended on January 16, 1974, by Order No. 6-74, and on February 18, 1976, by Order No. 33-76.

3.

Since the adoption of the Special Field Rules for the Splunge Field, and the amendments thereto, it has been determined that the Carter "B" Sand should be split into three pools, which makes it necessary to amend said Field Rules to describe the new pools which are referred to as the Carter "A" Sand Gas Pool, the Carter "B" Sand Gas Pool and the Carter "C" Sand

Gas Pool. Said pools are separate and distinct pools from the other pools in the Splunge Field. Accordingly, the Special Field Rules are amended to define these three new pools as follows:

Carter "A" Sand Gas Pool shall be construed as those strata productive of gas from the depth of 1,790 feet to 1,822 feet in the Grace Petroleum Corporation - Dalrymple 24-1 Well, as shown by the dual induction focus log, located 330 feet from the East line and 330 feet from the North line of Section 24; Township 12 South, Range 17 West, Monroe County, Mississippi, and all productive extensions thereof.

Carter "B" Sand Gas Pool shall be construed as those strata productive of gas from the depth of 1,790 feet to 1,810 feet in the Texas Oil and Gas Corporation - Gilmore-Puckett 18-8 Well, as shown on the dual induction focus log, located 1,650 feet from the North line and 1,000 feet from the West line of Section 18, Township 12 South, Range 16 West, Monroe County, Mississippi, and all productive extensions thereof.

Carter "C" Sand Gas Pool shall be construed to mean those strata productive of gas from the depth of 1,841 feet to 1,860 feet in the Texas Oil and Gas Corporation - Gilmore-Puckett 18-8 Well, as shown on the dual induction focus log, located 1,650 feet from the North line and 1,000 feet from the West line of Section 18, Township 12 South, Range 16 West, Monroe County, Mississippi, and all productive extensions thereof.

4.

As amended, the Special Field Rules for the Splunge Field are set forth in Exhibit "A" attached hereto and made a part hereof.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules for the Splunge Field, Monroe County, Mississippi, are amended as above set forth.

SO ORDERED this the 17th day of April, 1985.

MISSISSIPPI STATE OIL & GAS BOARD

SPECIAL FIELD RULES FOR SPLUNGE FIELD, MONROE COUNTY, MISSISSIPPI

The Special Field Rules for the Splunge Field are as follows:

A. Splunge Field as used herein is the following area:

TOWNSHIP 12 SOUTH, RANGE 16 WEST:

Sections 7, 8, 9, all that part of Section 10 in Mississippi, all that part of Section 15 in Mississippi, 16, 17, 18, 19, 20, 21, all that part of Section 22 in Mississippi, all that part of Section 28 in Mississippi, 29 and 30.

TOWNSHIP 12 SOUTH, RANGE 17 WEST:

Sections 11, 12, 13, 14, 23, 24, 25 and 26, and including all productive extensions thereof, underlain by the following described pools, to-wit:

- (1) The Carter "A" Sand Gas Pool shall be construed as those strata productive of gas from the depth of 1,790 feet to 1,822 feet in the Grace Petroleum Corporation Dalrymple 24-1 Well, as shown by the dual induction focus log, located 330 feet from the East line and 330 feet from the North line of Section 24, Township 12 South, Range 17 West, Monroe County, Mississippi, and all productive extentions thereof.
- (2) The Carter "B" Sand Gas Pool shall be construed as those strata productive of gas from the depth of 1,790 feet to 1,810 feet in the Texas Oil and Gas Corporation Gilmore-Puckett 18-8 Well, as shown on the dual induction focus log, located 1,650 feet from the North line and 1,000 feet from the West line of Section 18, Township 12 South, Range 16 West, Monroe County, Mississippi, and all productive extensions thereof.
- (3) The Carter "C" Sand Gas Pool shall be construed to mean those strata productive of gas from the depth of 1,841 feet to 1,860 feet in the Texas Oil and Gas Corporation Gilmore-Puckett 18-8 Well, as shown on the dual induction focus log, located 1,650 feet from the North line and 1,000 feet from the West line of Section 18, Township 12 South, Range 16 West,

Monroe County, Mississippi, and all productive extensions thereof.

- (4) The Lewis Sand Gas Pool, as used herein shall be construed to mean those strata of the Mississippian System productive of gas from the depth of 2,333 feet to 2,391 feet in the Pruet & Hughes Company Miller Unit #29-2 Well No.

 1, as shown by the electrical log thereof, located 990 feet from the North line and 1,650 feet from the East line of Section 29, Township 12 South, Range 16 West, Monroe County, Mississippi, and including those strata productive of gas which can be correlated therewith.
- B. The characteristics of the above mentioned gas pool are such that one well drilled on a regularly formed drilling unit conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable gas from such unit in said pool without avoidable waste.

C. RULES:

RULE 1 - SPACING OF GAS WELLS:

Every well drilled as a gas well:

- (a) Shall be located on a drilling unit consisting of 320 contiguous surface areas, or a governmental half-section containing not less than 300 acres or more than 340 acres, upon which no other drilling or producible well is located;
- (b) Any gas drilling unit not a governmental half-section 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 shall create island acreage;
- (c) The well shall be located at least 1,980 feet from every other drilling or producible well located in conformity with this rule; and
- (d) The well shall be located not less than 990 feet from every exterior boundary of the unit.

RULE 2 - APPLICABILITY OF STATEWIDE RULES:

(a) 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.

(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.

ORDER No. 119-85 APRIL 17, 1985