

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF DALLAS PRODUCTION,
INC. TO AMEND SPECIAL FIELD
RULES FOR THE STAFFORD
SPRINGS FIELD IN JASPER COUNTY,
MISSISSIPPI

JAN 10 1994

DOCKET NO. 279-93-323

ORDER NO. 391-93

ORDER

THIS DAY this matter came on for hearing on the Petition of Dallas Production, Inc., of Dallas, Texas, requesting authority to amend the Special Field Rules for the Stafford Springs Field in Jasper County, Mississippi, and the Board finds that due and legal notice of the meeting of this Board and the hearing of the Petition has been given in the manner and time required by law and the rules and regulations of this Board; that notice to the other Operator in the field which is required under Rule 4 of the Rules of Order and Procedure for Hearings before the Board adopted September 19, 1990 in Docket No. 229-90 has been given in the time and manner required and that due and proper proofs of publication and proof of personal notice are on file with this Board; that the Board has full jurisdiction of the parties and the subject matter, and having considered the evidence presented, this Board is of the opinion that said Petition should be granted upon the terms herein set forth.

The Board further finds as follows:

1.

On March 17, 1971, this Board entered Order No. 67-71 in Docket No. 54-71-323, adopting Special Field Rules for the Stafford Springs Field in Jasper County, Mississippi, covering the area described as Sections 1 and 12 of Township 10 North, Range 10 West and Sections 6 and 7 of Township 10 North, Range 9 West, Jasper County, Mississippi, underlain by one of the two pools therein defined, in which Order the Smackover Oil Pool and the Buckner Oil Pool were defined. For each of these pools, the

Special Field Rules authorized development of oil wells on 80 contiguous surface acres upon which no other drilling or producible oil well is located.

2.

Initial field development occurred in the 1970's, resulting in the drilling of 4 wells. The Shell Oil Company - Travis No. 3 Well, located in Section 6 of Township 10 North, Range 9 West, Jasper County, Mississippi, was successfully completed as a commercial producer from the defined Smackover Oil Pool on an 80-acre unit. This is the only well producing from the Smackover Oil Pool and the only well that has drained this pool for about the last twenty-two years.

3.

Dallas Production, Inc. has recently drilled its Kersh 1-16 No. 1 Well in Section 1 of Township 10 North, Range 10 West, Jasper County, Mississippi, to a depth of 17,459 feet on an 80-acre oil unit, pursuant to Order of this Board dated April 21, 1993, entered in Docket No. 99-93-323. The Kersh 1-16 No. 1 Well has encountered commercial hydrocarbon production from the Smackover Oil Pool. The only other well drilled in this field in recent years was the Dallas Production, Inc. - Henley 1-9 No. 1 Well, which was completed as a dry hole in 1992.

4.

The successful drilling of the Kersh 1-16 No. 1 Well has provided additional information as to reservoir pressures and reservoir data which indicates that the Smackover Oil Pool could be developed and efficiently drained on 160-acre units rather than 80-acre units and that the Special Field Rules should be amended to provide for such development.

5.

Based upon this new evidence, the Special Field Rules for the Stafford Springs Field should be amended to provide for development of the Smackover Oil Pool on 160-acre oil units or units complying with the Special Field Rules without, however,

changing the unit for the Black Gold - Travis No. 3 Well so that it may continue to produce on an 80-acre unit with a full allowable as an exception to the Special Field Rules.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules for the Stafford Springs Field in Jasper County, Mississippi be and the same are hereby amended in accordance with the rules attached hereto as Exhibit "A".

ORDERED AND ADJUDGED this the 15th day of December, 1993.

STATE OIL AND GAS BOARD OF
MISSISSIPPI

By: Joseph J. Zaccaro
CHAIRMAN

42610896.Ord

AMENDED SPECIAL FIELD RULES
FOR THE STAFFORD SPRINGS
FIELD, JASPER COUNTY, MISSISSIPPI

A. The Stafford Springs Field, as used herein, is that area consisting of Sections 1 and 12, Township 10 North, Range 10 West and Sections 6 and 7, Township 10 North, Range 9 West, Jasper County, Mississippi, underlain by one or more of the oil pools hereinafter defined and all productive extensions thereof.

B. (1) The Smackover Oil Pool, as used herein, shall be construed to mean those strata of the Smackover Formation underlying said field productive of oil in the interval between 16,478 feet and 16,692 feet in the Shell, et al - Travis No. 3 Well, located 1,660 feet East of the West line of Section 6, Township 10 North, Range 9 West, Jasper County, Mississippi, and 2,304 feet North of the South line of said section as indicated on the electric log of said well and all sands correlative of said strata productive of hydrocarbons.

(2) The Buckner Oil Pool, as used herein, shall be construed to mean those strata of the Buckner Formation underlying said field productive of oil in the interval between 16,280 feet and 16,314 feet in the Shell, et al - Travis No. 2 Well, located 3,428 feet North of the South line and 1,918 feet East of the West line of Section 6, Township 10 North, Range 9 West, Jasper County, Mississippi, as indicated on the electric log of said well and all sands correlative of said strata productive of hydrocarbons.

C. The characteristics of the Smackover Oil Pool and the Buckner Oil Pool in said field are such that a well located as hereinafter prescribed and conforming to the requirements herein contained will efficiently drain and produce the recoverable oil from such unit in said pool without avoidable waste.

**RULE I - SPACING OF OIL WELLS PRODUCING
FROM THE SMACKOVER OIL POOL:**

Every well drilled as an oil well and producing from the Smackover Oil Pool:

EXHIBIT

"A"

(a) Shall be located on a drilling unit of four contiguous quarter-quarter sections containing not less than 144 nor more than 176 acres upon which no other well drilling to or producing from the same pool is located.

(b) Any drilling unit not composed of four contiguous quarter-quarter sections shall contain 160 surface acres which must be completely encompassed by the perimeter of a rectangle 2,640 feet by 3,500 feet provided, however, no unit shall be permitted which will create island acreage.

(c) Each well shall be located at least 1000 feet from every drilling or producible well from the same pool and not less than 500 feet from every exterior boundary of the drilling unit.

RULE II - PREEXISTING PRODUCTION UNIT:

The production unit for the Black Gold - Travis No. 3 Well shall remain unchanged and said well will be permitted to produce its allowable pursuant to Rule 35 of this Board.

**RULE III - SPACING OF OIL WELLS FOR
THE BUCKNER OIL POOL:**

Every well drilled as an oil well:

(a) Shall be located on a drilling unit consisting of eighty (80) contiguous surface acres upon which no other drilling or producible well to the same oil pool is located.

(b) The longest boundary line of said unit shall run on an East-West basis.

(c) Shall be located at least 500 feet from every exterior boundary of the drilling unit.

(d) Shall be located at least 1,000 feet from every other drilling or producible well to the same oil pool located in the Stafford Springs Field.

(e) The distance between any two points farthest apart on the drilling unit (measured entirely within the unit) upon which the well is located shall not exceed 3,200 feet.

RULE IV - APPLICABILITY OF STATEWIDE RULES:

- A. All rules and regulations contained in Statewide Order No. 201-51, and amendments thereto, not in conflict with the foregoing Special Field Rules are hereby adopted and shall apply to said field until such time as these Special Field Rules may be altered or amended.
- 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.

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