

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 126-92-220

ORDER NO. 190-92

IN RE: PETITION OF CARDNEAUX, INC.
TO AMEND THE SPECIAL FIELD RULES
FOR THE STAMPS FIELD IN WILKINSON
COUNTY, MISSISSIPPI

JUL 15 1992

ORDER

This day this matter came on for hearing before the State Oil and Gas Board of Mississippi on the Petition of Cardneaux, Inc. for a Final Order, pursuant to the Rules and Regulations, for the adoption of Amended Special Field Rules for the Stamps Field in Wilkinson County, Mississippi, and therefor the Board finds, adjudicates and orders as follows:

The Board finds that due, proper and legal notice of the meeting of the Board for the purpose of considering and taking action with respect to said matter has been given in accordance with law and the rules and regulations of the Board, and that the Board has jurisdiction of the subject matter; and, after a public hearing held by the Board in the hearing room of the Board located at 500 Greymont Avenue, Suite E, Jackson, Mississippi, on June 17, 1992, at the regular June meeting of this Board, at which time and place all persons present who desired to be heard on said matter were heard, and the Petition, with supporting evidence and affidavits having been previously reviewed and approved by the staff, the same was submitted for decision on the basis of the Petition, supporting affidavit, and other evidence in the file, and there being no objection to submitting and deciding said matter on the basis of the Board having fully considered said Petition, affidavit, and supporting evidence and recommendations, further finds as follows:

1.

The Board finds that Cardneaux, Inc. is the Operator of producing wells located in the Stamps Field. Ken Williams, David New Operating Company, McGoldrick Oil Company and Ed Collins are the owners or operators of certain acreage adjoining the producing

wells, and are currently producing other wells in the field and who constitute all parties entitled to personal notice pursuant to Rule 4(B)(1) and 4(B)(6) of the Rules of Order and Procedure of this Board and the Board finds that such notice was timely made.

2.

The Board further finds that Order No. 62-70 of this Board dated February 19, 1970, adopted in Docket No. 43-70-220, promulgated Special Field Rules for the Stamps Field, Wilkinson County, Mississippi, and were further amended by Orders No. 94-70 and 287-71, and that the Special Field Rules should now be further amended so as to define the different, separate producing horizons of the Frio Sand of the Oligocene formation.

3.

The Board further finds that the Stamps Field as referred to herein is composed of that area in Sections 11, 12 and 16 of Township 2 North, Range 5 West, Wilkinson County, Mississippi, including any productive extensions thereof underlain by the following oil sands, to-wit:

The Miller Oil Sand, as used herein, shall be construed and defined to mean those strata of the Wilcox Formation productive of oil identified by electrical log measurement from the depth of 7,525 feet to 7,549 feet in the R. M. Stricker No. 1 Well located 2,886 feet from the South line and 800 feet from the East line of Section 11, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and including those strata productive of oil which may be correlated therewith.

The Armstrong Oil Sand, as used herein, shall be construed and defined to mean those strata of the Wilcox Formation productive of oil identified by electrical log measurement from the depth of 7,818 feet to 7,845 feet in the R. M. Stricker No. 2 Well located 3,546 feet from the South line and 460 feet from the East line of Section 11, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and including those strata productive of oil which may be correlated therewith.

The Parker Oil Sand, as used herein, shall be construed and defined to mean those strata of the Wilcox Formation productive of oil identified by electrical log measurement from the depth of 7,920 feet to 7,943 feet in the W. H. Pritchartt No. 1 Well, surface location 330 feet from the North line and 800 feet from the West line of the Northwest Quarter of the Southwest Quarter of Section 12, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and bottomhole location 381 feet from the North line and 455 feet from the West

line of the Northwest Quarter of the Southwest Quarter of Section 12, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and including those strata productive of oil which may be correlated therewith.

The Barksdale Oil Sand, as used herein shall be construed and defined to mean those strata of the Wilcox Formation productive of oil identified by electrical log measurement from the depth of 7,990 feet to 8,016 feet in the W. H. Pritchardt "A" #1 Well located 3,753 feet from the South line and 657 feet from the West line, Section 12, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and including those strata productive of oil which can be correlated therewith.

The Artman Oil Sand, as used herein, shall be construed and defined to mean those strata of the Wilcox Formation productive of oil identified by electrical log measurement in the interval between 7,534 feet and 7,580 feet in the Amoco - R.M. Stricker No. 2 Well located 3,546 feet from the South line and 460 feet from the East line of Section 11, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and including those strata productive of oil which can be correlated therewith.

Frio A Sand: The Frio A Sand of the Oligocene Formation, as used herein, shall be construed to mean that strata of the Oligocene Formation productive of oil or gas from the depth of 2638 feet to 2696 feet in the Cardneaux, Inc., Pritchardt A-1 Well located in Section 12, Township 2 North, Range 5 West, Wilkinson County, Mississippi, including those strata productive of oil or gas which can be correlated therewith.

Frio B Sand: The Frio B Sand of the Oligocene Formation, as used herein shall be construed to mean that strata of the Oligocene Formation productive of oil or gas from the depth of 2792 feet to 2802 feet in the Cardneaux, Inc., Pritchardt A-1 Well located in Section 12, Township 2 North, Range 5 West, Wilkinson County, Mississippi, including those strata productive of oil or gas which can be correlated therewith.

4.

That Board further finds that the characteristics of each producing sands in the Stamps Field are such that one (1) located on a drilling unit comprised of forty (40) surface acres formed in accordance with the Statewide rules will adequately drain and produce efficiently and without avoidable waste of the hydrocarbons in each such pool beneath such unit.

The Board further finds that each such reservoir is separate and distinct and there is no communication between any one of said producing sands.

RULES

RULE 1 - MEASUREMENT OF PRODUCTION

The operator of each producing lease shall maintain proper separation equipment and stock tanks and/or metering devices and such connections thereto as are necessary to measure the total production from such lease. Where metering devices are used, the production may be commingled in a common storage system with production from other leases and/or fields in the vicinity. And if, upon a sale therefrom a variance exists between the measurement from the common storage system and the total measurement of the production of all the leases commingled in such common storage system, then such variance shall be allocated back to each of the leases producing into such common storage system proportionately to the production measured from each lease.

RULE 2 - EQUIPMENT FOR TESTS

The operator of each producing lease on which there are two or more producing wells shall maintain proper separation equipment and stock tanks and/or metering devices and such connections thereto as will permit the adequate testing of each individual well under usual operating conditions without the necessity of closing in any other well. Such separation equipment, stock tanks and/or metering devices and connections thereto shall be subject to approval by the Supervisor.

RULE 3 - USE OF METERS

A. The use of meters for testing and for measurement of lease production shall be subject to and in accordance with the following provisions:

1. Metering devices shall be of the positive displacement or positive volume type which register the volume of oil passed through it in barrels or multiples thereof.

2. All meters shall be downstream of the necessary separating or treating vessels. All meters shall be designed and installed in conformance with recognized metering practices and acceptable to the Oil and Gas Board.

3. No meter used for oil production measurement shall be directly or indirectly by-passed in such manner as to permit oil

from separate leases to pass into common storage without first being measured by said meter including wells on test.

4. All meters and equipment affecting meter accuracy shall be kept in good working order. Each meter shall be calibrated periodically by means of a calibrated tank, a calibrated meter prover or a master meter. Any deviations found shall be corrected by use of a proper meter factor.

RULE 4 - APPLICABILITY OF STATEWIDE RULES

All rules and regulations contained in Statewide Order No. 201-51 and amendments thereto not specifically covered in the foregoing rules are hereby adopted and applied to said field.

The Board expressly reserves the right, after notice and hearing, to alter, amend or repeal any and all of the above rules and regulations.

SO ORDERED AND ADJUDGED this the 17th day of June, 1992.

MISSISSIPPI STATE OIL & GAS BOARD

BY: Joseph S. Juarez
CHAIRMAN