

FEB 4 1985

STATE OIL AND GAS BOARD
A. Richard Henderson, Supervisor

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 2-85-616

ORDER NO. 18-85ORDER

This day this cause came on for hearing on the petition of Moon-Hines-Tigrett Operating Co., Inc., of Jackson, Mississippi, requesting the Board to make permanent the Special Field Rules for the Sunny Hill Field in Walthall County, Mississippi, and the Board finds that due and legal notice of the meeting of this Board has been given in the manner and time required by law and the rules and regulations of this Board and that due and proper proofs of publication are on file with this Board; that the Board has full jurisdiction of the parties and the subject matter, and having heard the evidence presented and arguments of counsel, this Board is of the opinion that said petition should be granted.

The Board finds that by Order No. 167-84 entered by this Board in Docket No. 110-84-616, temporary Special Field Rules for the Sunny Hill Field were adopted, which provided for drilling units consisting of 80 contiguous surface acres or two governmental quarter-quarter sections containing not less than 72 or more than 88 acres for the Lower Tuscaloosa Oil Pool and defining said Lower Tuscaloosa Oil Pool as encountered in the Moon-Hines-Tigrett Operating Co., Inc. - Fernwood Lumber Company 35-9 Well No. 1.

The Board further finds that additional drilling operations have been conducted in the field and further geological studies of said field have revealed that the characteristics of the Lower Tuscaloosa Oil Pool in said field are such that a well located in accordance with the Special Field Rules adopted by Order No. 167-84 will effectively and efficiently drain and produce the recoverable oil from units in said pool without avoidable waste, and that it is now necessary to make permanent the

Special Field Rules heretofore adopted in the interest of conservation of the hydrocarbons underlying the field in said pool.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules for the Sunny Hill Field in Walthall County, Mississippi, heretofore adopted by Order No. 167-84, should be and same are hereby made permanent, a copy of said Special Field Rules being attached hereto as Exhibit "A".

ORDERED AND ADJUDGED this 17th day of January, 1985.

STATE OIL AND GAS BOARD OF MISSISSIPPI

BY Joe R. Lusche, Jr.
CHAIRMAN

SPECIAL FIELD RULES
FOR
THE SUNNY HILL FIELD
WALTHALL COUNTY, MISSISSIPPI

The Sunny Hill Field, as used herein, is that area consisting of the following described land, to-wit:

The E $\frac{1}{2}$ of Section 35, and the W $\frac{1}{2}$ of the E $\frac{1}{2}$,
and the W $\frac{1}{2}$ of Section 36, Township 4 North,
Range 10 East, and the W $\frac{1}{2}$ of the NE $\frac{1}{4}$ and the
NW $\frac{1}{4}$ of Section 1, Township 3 North, Range 10
East, Walthall County, Mississippi,

underlain by the Lower Tuscaloosa Oil Pool of the Lower Tuscaloosa Formation, as hereinafter defined, and all productive extensions thereof.

I. The Lower Tuscaloosa Oil Pool in the Sunny Hill Field shall be construed to mean those strata of the Lower Tuscaloosa Formation productive of oil in the interval between the depths of 10,400 feet to 10,525 feet, encountered in the Moon-Hines-Tigrett Operating Co., Inc - Fernwood Lumber Company 35-9 Well No. 1, as indicated on the Dual Induction Log of said well, and all sands correlative of these strata productive of oil, said well being located 1980 feet North and 710 feet West of the Southeast Corner of Section 35, Township 4 North, Range 10 East, Walthall County, Mississippi.

II. The characteristics of said Lower Tuscaloosa Oil Pool of the Lower Tuscaloosa Formation in said field are such that a well located as hereinafter prescribed and drilled upon a drilling unit containing approximately eighty (80) contiguous surface acres conforming to the requirements of the rules herein contained will adequately and efficiently drain and produce the recoverable oil from such unit in said pool without avoidable waste.

RULE 1 - SPACING OF OIL WELLS:

With respect to the Lower Tuscaloosa Oil Pool, every well drilled as an oil well:

- (a) Shall be located on a drilling unit consisting of eighty (80) contiguous surface acres, or two governmental quarter-quarter sections containing not less than seventy-two (72) or more than eighty-eight (88) acres, upon which no other drilling or producible well is located;
- (b) Any drilling unit not composed of two governmental quarter-quarter sections must be completely encompassed by the perimeter of a rectangle 1600 feet by 2725 feet. Provided, however, no unit shall be permitted which will create island acreage.
- (c) The well shall be located at least 660 feet from every other drilling or producible well located in conformity with this rule; and
- (d) The well shall be located at least 330 feet from every exterior boundary of the drilling 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 by 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.