

JAN 16 1981

STATE OIL AND GAS BOARD  
Clyde R. Davis, State Oil & Gas Supervisor

## IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF MAGNA MATRIX ENERGY,  
INC. TO AMEND THE SPECIAL FIELD  
RULES IN THE THORNTON FIELD,  
HOLMES COUNTY, MISSISSIPPI.

DOCKET NO. 373-80-375

ORDER NO. 513-80O R D E R

THIS DAY this matter came on for hearing before the State Oil and Gas Board on the Petition of Magna Matrix Energy, Inc. to amend the special field rules for Thornton Field, such hearing being called for such purpose; and

The Board finding that due, proper and legal notice of the meeting of the Board for the purpose of considering and taking action with respect to such matter was given in the manner and way provided by law and the rules and regulations of the Board and that due, legal and sufficient proofs of publication are on file with the Board, and that the Board has full jurisdiction of the subject matter to hear and determine same, pursuant to Section 53-1-1 thru 47 and 53-3-1 thru 23, Mississippi Code Annotated (1972); and

WHEREAS, pursuant to said notice given, public hearing was held by said board in the Second Floor Auditorium of the Woolfolk State Office Building, North West Street, Jackson, Mississippi, commencing on December 17, 1980, at which hearing all persons present who desired to be heard on said matter were heard and all testimony and evidence were duly considered by those present at said meeting; and

WHEREAS, the Board has fully considered said matter and the evidence and recommendations made in said hearing and finds as follows:

1. This Board has previously adopted Special Field Rules in Thornton Field of Holmes County, Mississippi by Order No. 74-74, Docket No. 46-74-375. Said rules provide for gas wells produced from the Smackover Gas Pool to be located on 640 acre drilling units or governmental sections containing not less than 600 acres or more than 680 acres.

2. Petitioner has recently acquired a majority of the working interest in this field and the surrounding vicinity and desires to further develop said field and to begin production therefrom.

3. Thornton Field was discovered in 1973 by the drilling of the Thomas D. Smith 9-2 No. 1 Well, located in the Northeast Quarter (NE 1/4) of Section 9, Township 4 North, Range 1 West, Holmes County, Mississippi. Said well has been shut in since its completion approximately 7 years ago and has not produced any gas or condensate from the Smackover Gas Pool. No other wells have been drilled in this field since the discovery well and it appears that no further development will be conducted under the Special Field Rules now in force.

4. Because of the significant CO<sub>2</sub> and hydrogen sulfide content in the gas stream from this pool, it is necessary to build substantial gathering and treating facilities in order to market this gas. This significant investment is not feasible or prudent for a one well field. Under the present field rules, it does not appear at this time that any additional wells would be productive. The Board further finds that the discovery well as located relative to the Smackover Gas Pool, may not be able to effectively and efficiently drain the gas and condensate in said pool. The drilling of an additional well or wells is necessary to effectively and efficiently drain said reservoir without avoidable waste.

5. The amendments to the Special Field Rules, as proposed by Petitioner, will promote the development of the Smackover Gas Pool and will permit all owners within the field to participate in this common source of gas, thereby protecting the coequal

and correlative rights of all owners in the field.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules of Thornton Field, be and are hereby amended, effective this day, to the following:

SPECIAL FIELD RULES  
THORNTON FIELD, HOLMES  
COUNTY, MISSISSIPPI

FIELD LIMITS:

The Thornton Field as used herein is that area consisting of Sections 9, 10, 15 and 16, Township 14 North, Range 1 West, Holmes County, Mississippi, underlain by the Smackover Gas Pool as herein defined and all productive extensions thereof.

SMACKOVER GAS POOL DEFINED:

The Smackover Gas Pool in the Thornton Field shall be construed to mean those strata of the Smackover Formation productive of gas in the interval between 10,688 feet and 10,702 feet in the Patrick Petroleum Corporation - Thomas D. Smith 9-2 No. 1 Well located 650 feet from the north line and 1,305 feet from the west line of the NE 1/4 of Section 9, Township 14 North, Range 1 West, Holmes County, Mississippi, as indicated on the electric log of said well and all intervals correlative of said strata and productive extensions thereof.

The characteristics of said Smackover Gas Pool in said field are such that a well located as hereinafter described and drilled upon a unit containing approximately 320 contiguous surface acres 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.

RULE 1 - SPACING OF GAS WELLS:

Every well drilled as a gas well:

(a) shall be located on a drilling unit consisting of approximately 320 contiguous surface acres, 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 3735 feet by 5380 feet. Provided, however, no unit shall be permitted which will create island acreage;

(c) the well shall be located at least 1320 feet from every other drilling or producible well located in conformity with this rule; and

(d) the well shall be located not less than 660 feet from every exterior boundary of the unit.

RULE 2 - APPLICABILITY OF STATEWIDE RULES:

(a) All rules and regulations contained in Statewide Orders No. 201-51 and No. 244-69 and all other 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.

ORDERED AND ADJUDGED this 17th day of December, 1980.

MISSISSIPPI STATE OIL AND GAS BOARD

By: Joe R. Lanchester, Jr.  
CHAIRMAN