

## IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION TO APACHE CORPORATION TO  
AMEND THE SPECIAL FIELD RULES OF TIGER  
FIELD, JONES AND PERRY COUNTIES,  
MISSISSIPPI

MAR 4 - 1997

Water Boone, Supervisor  
BOARD

DOCKET NO. 42-97-333ORDER NO. 67-97ORDER

THIS MATTER came on for hearing before the State Oil and Gas Board on the Petition of Apache Corporation to amend the Special Field Rules for Tiger, such hearing being called for such purpose;

WHEREAS, 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 such matter was given in the manner and way provided by law and the rules and regulations of the Board; that due, legal and sufficient proofs of publication and service are on file with the Board; and that the Board has full jurisdiction of the subject matter to hear and determine same; and

WHEREAS, Mobile Mineral Corporation and W. B. Dickerson, Jr. (MMC, et al.) filed a Motion for Continuance, a Motion to Issue Subpoena Duces Tecum, and a Notice of Contest in this and other companion dockets relating to current development in Tiger Field; and

WHEREAS, the Board determined that no good cause was stated to continue this matter or to require Petitioner to supply additional information not already voluntarily supplied to MMC, et al.; and

WHEREAS, pursuant to said notice and service of process, public hearing was held by said Board in the hearing room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on February 19, 1997, at which hearing Petitioner and MMC, et al. presented testimony and evidence, 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. Pursuant to Permit No. 97-OPD-60, dated September 30, 1996, Petitioner drilled its Reeder 4-12 No. 1 Well in the SW 1/4 of Section 4, T5N-R10W, Perry County, Mississippi, down to 15,825 feet to test the Cotton Valley Formation in Tiger Field. As a result of this operation, Petitioner has discovered a new pool in the Cotton Valley Formation not in communication or in correlation with any other pool previously defined or discovered in Tiger Field. This well should be and is declared to be a discovery well, pursuant to Miss. Code Ann. § 53-1-17(l) and the applicable severance tax statutes and regulations.

2. Pursuant to Permit No. 97-OPD-081, dated October 31, 1996, Petitioner drilled its Dennis 33-12 No. 1 Well in the SW 1/4 of Section 33, T6N-R10W, Jones County, Mississippi, down to 15,940 feet to test and develop the Cotton Valley Formation. As a result, this well has been completed in the same Cotton Valley Pool discovered by the Reeder 4-12 No. 1 Well. This well should be and is declared to be a "development well" pursuant to applicable severance tax statutes and regulations.

3. Petitioner has proposed to define this new pool as follows:

**The Upper Cotton Valley Gas Pool** in Tiger Field shall be construed to mean those strata of the Cotton Valley Formation productive of gas and condensate between the electric log depths of 15,062 feet to 15,825 feet as found in the Apache Corporation - Reeder 4-12 No. 1 Well, located in the SW 1/4 of Section 4, T5N-R10W, Perry County, Mississippi, and all sands producing gas and condensate correlative therewith.

The production tests and log characteristics of this new pool indicate that it is similar in nature and quality to the Hosston Gas Pool previously defined in these field rules and should be developed in conjunction with, and on the same spacing as, the Hosston Gas Pool, as outlined below.

4. The Hosston Gas Pool has been in production in this field since 1971. Four wells have been commercially completed and all have either ceased to produce or are substantially depleted. The production history, the reservoir characteristics, and the data taken from the two new wells drilled by Apache all indicate that both the Hosston Gas Pool and the Upper Cotton Valley Gas Pool are retrograde condensate reservoirs, in formations of relatively low permeability, that are not capable of being drained by just one well on a 320-acre unit. The evidence has shown that, at present, 80 acre spacing for either the Hosston or Cotton Valley Gas Pools is not the maximum area in these pools which should be assigned as a unit to a single well in order to promote development or produce the reasonably recoverable hydrocarbons. The evidence has shown that, because of the tradition and existence of 320-acre units in this field, the Special Field Rules should be amended to allow operators to produce up to two wells in the Hosston and Upper Cotton Valley Gas Pools for each 320-acre unit created or established for those pools in Tiger Field. This spacing will allow for additional, orderly development of the existing and newly discovered pools, promote the production of reasonably recoverable hydrocarbons, protect the co-equal and correlative rights of all owners in existing units, and promote the continued development of oil and gas resources in Tiger Field.

5. The Tiger Field areal limits should be amended to include some adjacent lands under the same general structure. Any exploration or development of these additional lands should be regulated under the same Special Field Rules as the rest of Tiger Field.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Reeder 4-12 be classified as a discovery well and the Dennis 33-12 No. 1 Well be classified as a development well as herein

requested and that the Special Field Rules for Tiger Field, Jones and Perry Counties, Mississippi shall be and are hereby amended to read as follows:

**SPECIAL FIELD RULES FOR  
TIGER FIELD IN JONES AND PERRY COUNTIES, MISSISSIPPI**

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

In Perry County, Mississippi

Sections 4, 5, 8 and 9; and  
W 1/2 of Section 3,  
Township 5 North, Range 10 West.

In Jones County, Mississippi

Sections 28, 32, and 33;  
W 1/2 of Section 34; and  
E 1/2 of Section 29,  
Township 6 North, Range 10 West.

together with all producing extensions thereof, underlain by the Hosston Gas Pool and the Upper Cotton Valley Gas Pool.

A. The **Hosston Gas Pool** in the Tiger Field shall be construed to mean those strata of the Hosston Formation productive of gas in the interval between the electric log depth of 13,720 feet and 15,255 feet as found in the Union Oil Company of California - L. N. Moore - E. J. Dennis, et al, No. 1 as indicated on the electric log of said well, and all sands correlative of these strata productive of gas, said well being located 2,140 feet from the West line and 990 feet from the North line of Section 33, Township 6 North, Range 10 West, Jones County, Mississippi.

B. The **Upper Cotton Valley Gas Pool** in Tiger Field shall be construed to mean those strata of the Cotton Valley Formation productive of gas and condensate between the electric log depths of 15,062 feet to 15,825 feet as found in the Apache Corporation - Reeder 4-12 No. 1 Well, located in the SW 1/4 of Section 4, T5N-R10W, Perry County, Mississippi, and all sands producing gas and condensate correlative therewith.

C. The characteristics of the Hosston Gas Pool and the Upper Cotton Valley Gas Pool in this field are such that up to two wells located as hereinafter described and drilled upon a drilling unit conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable hydrocarbons from such units in said pools without avoidable waste.

**RULE 1 - SPACING OF GAS WELLS:**

Every well drilled to or produced from either the Hosston or Upper Cotton Valley Gas Pools as a gas well,

(a) shall be located on a drilling unit consisting of 320 contiguous surface acres, or a governmental half-section containing not less than 300 acres or more than 340 acres;

(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, that no unit shall be permitted which will create island acreage;

(c) each well shall be located at least 1500 feet from every other drilling or producible well located in conformity with this rule; and

(d) the well shall be located not less than 750 feet from every exterior boundary of the unit, except those wells heretofore drilled at special exception locations which do not comply with this rule shall be unaffected thereby; and

(e) No more than two wells located on the same drilling unit may be simultaneously produced from the same pool.

**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.

ORDERED AND ADJUDGED this the 27<sup>th</sup> day of February, 1997, effective February 19, 1997.

MISSISSIPPI STATE OIL AND GAS BOARD

By: Joseph S. Zuccaro  
CHAIRMAN

SUBMITTED BY:

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