

FILED FOR RECORD

JAN 18 1983

STATE OIL AND GAS BOARD
A. Richard Henderson, Supervisor

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 373-82-479

ORDER NO. 561-82

IN RE: APPLICATION OF
EL TORO PRODUCTION CO., INC.,
TO AMEND THE SPECIAL FIELD
RULES FOR THE TOWN CREEK
FIELD IN ADAMS COUNTY,
MISSISSIPPI.

ORDER

This matter came on to be heard on the sworn Petition of El Toro Production Co., Inc., requesting the Board to amend the Special Field Rules for the Town Creek Field, Adams County, Mississippi, by adding the description of the Walker "B" Sand Oil Pool in said Field, and the Board, after considering the Application, the evidence given and introduced at this hearing, and the argument of Counsel, and, therefore, being fully advised in the premises, does find as follows:

(1)

That due, proper and legal notice of the hearing of this matter has been given in the manner and form, and for the time required by law and by the rules and regulations of this Board, that due and proper Proofs of Publication of said Notice of Hearing are on file with the Board, and that the Board has full and complete jurisdiction of the matter and the parties involved.

(2)

That El Toro Production Co., Inc., is the Operator of certain wells producing in the Town Creek Field, Adams County, Mississippi. That the Town Creek Field, as referred to herein, is the subject of Special Field Rules adopted by this Board in Order No. 357-79, dated November 21, 1979.

That in the said Special Field Rules, the Town Creek Field was defined as that area in Section 27, Township 5 North, Range 2 West, Adams County, Mississippi, including all productive extensions thereof underlain by the Walker Sand Oil Pool and the Minter Sand Oil Pool of the Wilcox Formation, as said pools were defined in the above referred to Order. That since the adoption of the above described Order, the El Toro Production Co., Inc.-Armstrong CP No. 5 Well has been drilled and has encountered productive sands in the Wilcox Formation in an additional oil pool in the Town Creek Field, which is a separate and distinct reservoir not in communication with any other producing formation, pool or horizon. That the El Toro Production Co., Inc.-Armstrong CP No. 5 Unit is presently in production from the Walker "B" Sand Oil Pool of the Wilcox Formation as hereinafter described.

(3)

That the above referred to Special Field Rules should be amended so as to designate and define the Walker "B" Sand Oil Pool presently in production, said pool being defined as follows, to-wit:

The Walker "B" Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 6,691 feet to 6,700 feet in the El Toro Production Co., Inc.-Armstrong CP No. 5 Unit located in Section 27, Township 5 North, Range 2 West, Adams County, Mississippi, and including those strata productive of oil which can be correlated therewith.

The well location for the El Toro Production Co., Inc.-Armstrong CP No. 5 Unit is as follows:

From the northwest corner of Section 27, T5N-R2W, Adams County, Mississippi, go Easterly along the north boundary of Section 27 for 1437 feet; thence Southerly at right angles for 1775 feet to location in Section 27.

That the above described oil pool is a separate and distinct reservoir and not in communication with any other reservoir or producing formation, pool or horizon.

(4)

That in all other respects, except as herein expressly amended, the Special Field Rules for the Town Creek Field should be continued in full force and effect.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules for the Town Creek Field, Adams County, Mississippi, be, and the same hereby are, amended for the purpose of defining and designating the Walker "B" Sand Oil Pool in said Field, which amendment of the Special Field Rules shall be effective on and after the date of initial production from the El Toro Production Co., Inc.-Armstrong CP No. 5 Unit, the said Special Field Rules, as amended, being as follows, to-wit:

SPECIAL FIELD RULES FOR
THE TOWN CREEK FIELD IN
ADAMS COUNTY, MISSISSIPPI

(A)

The Town Creek Field, as used herein, is that area in Section 27, Township 5 North, Range 2 West, Adams County, Mississippi, including all productive extensions thereof underlain by the Walker Sand Oil Pool, the Minter Sand Oil Pool, and the Walker "B" Sand Oil Pool, Wilcox Formation:

1. The Walker Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 6,683 feet to 6,694 feet in the El Toro Oil Company-Armstrong CP No. 1 Unit located in Section 27, Township 5 North, Range 2 West, Adams County, Mississippi, and including those strata productive of oil which can be correlated therewith.

2. The Minter Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 6,734 feet to 6,774 feet in the El Toro Oil Company-Armstrong CP No. 1 Unit located in Section 27, Township 5 North, Range 2 West, Adams County, Mississippi, and including those strata productive of oil which can be correlated therewith.

3. The Walker "B" Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 6,691 feet to 6,700 feet in the El Toro Production Co., Inc.-Armstrong CP No. 5 Unit located in Section 27, Township 5 North, Range 2 West, Adams County, Mississippi, and including those strata productive of oil which can be correlated therewith.

The foregoing definitions of the reservoirs in the Town Creek Field supersede all prior definitions, if any, of the reservoirs in said field.

(B)

The above described pools are separate and distinct reservoirs, none of which is in communication with any other producing formation.

The characteristics of the above mentioned oil pools are such that one well for each such pool drilled in a regularly formed forty-acre drilling unit will efficiently drain and produce recoverable oil from such unit in said pool without avoidable waste.

(C)

RULE 1 - SPACING OF OIL WELLS:

With respect to each pool, every oil well:

- (a) Shall be located on a drilling unit consisting of forty (40) surface contiguous acres, or a governmental quarter-quarter section containing not less than thirty-six (36) acres or more than forty-four (44) acres, upon which no other drilling or producible well is located.
- (b) Any drilling unit not a governmental quarter-quarter section must be completely encompassed

by the perimeter of a rectangle 1810 feet by 1445 feet. Provided, however, no unit shall be permitted which will create island acreage.

- (c) No portion of the drilling unit upon which the well is located shall be attributed in whole or in part to any other drilling or producible well in the same pool.
- (d) Each well shall be located at least 660 feet from every other drilling or producible well located in conformity with this rule.
- (e) Each 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 201-51, and amendments thereto, not specifically covered in the foregoing 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 of the foregoing rules and regulations.

IT IS FURTHER ORDERED AND ADJUDGED that the Special Field Rules for the Town Creek Field, as amended, continue in full force and effect except as herein expressly amended.

ORDERED AND ADJUDGED, this the 18th day of November, 1982.

MISSISSIPPI STATE OIL AND GAS BOARD

BY: Joe R. Lancher, Jr.
Chairman