

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF MOON-HINES-TIGRETT
OPERATING COMPANY, INC. TO
ADOPT SPECIAL FIELD RULES FOR
THE TREAS LAKE FIELD, MONROE
COUNTY, MISSISSIPPI

FILED FOR RECORD

JAN 8 1991

STATE OIL AND GAS BOARD
A. J. HARRIS, SUPERVISOR

DOCKET NO. 371-90-738

ORDER NO. 611-90

ORDER

This day this cause came on for hearing on the Petition of Moon-Hines-Tigrett Operating Company, Inc. of Jackson, Mississippi to adopt Special Field Rules for the Treas Lake Field in Monroe County, Mississippi, and the Board having considered the Petition and the evidence in support thereof, and being fully advised in the premises, is of the opinion and finds that the Petition should be and is hereby granted. The Board further finds as follows:

This Board has jurisdiction over the parties and the subject matter of the Petition. Due and legal notice of the hearing on the Petition has been given, in the time and manner required by law and the rules and regulations of this Board.

Petitioner is the Operator of the Treas Estate 21-12 Well No. 1, which is located 2,000 feet from the South line and 1,060 feet from the West line of Section 21, Township 14 South, Range 7 East, Monroe County, Mississippi, consisting of the following described lands:

Township 14 South, Range 7 East:

Section 21: The South Half (S/2), containing
320 acres, more or less.

The well is the discovery well for what is proposed to be defined as the Treas Lake Field and the Sanders Sand Gas Pool in the field.

The Board finds that the Sanders Sand Gas Pool, as encountered by the Treas Estate 21-12 Well, is a separate and distinct underground reservoir or pool containing a common

accumulation of hydrocarbons, and that the reservoir or pool is separate and distinct from and is not in communication with any other accumulation of hydrocarbons. The proposed definition of the Sanders Sand Gas Pool is set forth in the proposed Special Field Rules which are attached hereto as Exhibit "A".

The Board finds that the presently known characteristics of the Sanders Sand Gas Pool indicate that such is a gas pool and that one well located on a drilling unit consisting of 320 contiguous surface acres or a governmental half-section, or eight (8) contiguous governmental quarter-quarter sections will efficiently and adequately drain and produce the hydrocarbons from the Sanders Sand Gas Pool, so as to produce the reasonable maximum recoverable oil or gas in such area without waste.

The Board finds that the present geographical limits of the Treas Lake Field should be defined to include those lands set forth in the proposed Special Field Rules attached hereto as Exhibit "A".

The Board finds that the proposed Special Field Rules for the Treas Lake Field will allow for and promote the proper and orderly development of the pool and the field, will prevent waste, and will allow for the protection of the co-equal and correlative rights of all owners in the pool.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that Special Field Rules for the Treas Lake Field are hereby adopted in the form as set forth in Exhibit "A" hereto.

ORDERED AND ADJUDGED this 19th day of December, 1990.

STATE OIL AND GAS BOARD OF MISSISSIPPI

BY: *Z. B. Manges Mc Ghee*
CHAIRMAN

EXHIBIT "A"

SPECIAL FIELD RULES FOR
THE TREAS LAKE FIELD,
MONROE COUNTY, MISSISSIPPI

A. FIELD AREA:

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

Township 14 South, Range 7 East:

Section 20: The East Half (E/2),
Section 21: Entire Section,
Section 28: The North Half (N/2);

underlain by the following described pools, and including all productive extensions thereof.

B. POOL DEFINITIONS:

1.1 The Sanders Sand Gas Pool, as used herein, shall be construed to mean those strata of the Mississippian System productive of gas from the depth of 3,222 feet to 3,382 feet in the Moon-Hines-Tigrett Operating Company, Inc.-Treas Estate 21-12 Well No. 1, as shown by the dual induction log thereof, located 2,000 feet from the South line and 1,060 feet from the West line of Section 21, Township 14 South, Range 7 East, Monroe County, Mississippi, and including those strata productive of gas which can be correlated therewith.

The characteristics of the above mentioned gas pool are such that one well drilled on a regularly formed drilling unit conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable gas from such drilling unit in said pool without avoidable waste.

C. RULES:

RULE 1 - SPACING FOR GAS WELLS:

Every well drilled as a gas well to the Sanders Sand Gas Pool;

(a) Shall be located on a drilling unit consisting of (1) 320 contiguous surface acres; or (2) a governmental half-section containing not less than 300 acres or more than 340 acres; or (3) eight (8) contiguous governmental quarter-quarter sections whose total acreage is not less than 300 acres or more than 340 acres. In any case, no other drilling or producing well from the same pool shall be located on any such unit;

(b) Any gas drilling unit formed under Section 1(a) above 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) Each well shall be located at least 1,320 feet from every other drilling gas well or gas well completed in or producing from the same pool located in conformity with this rule; and

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

RULE 2 - APPLICABILITY OF STATEWIDE RULES:

2.1 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.

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