

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF VENTURE OIL & GAS, INC. TO
AMEND THE SPECIAL FIELD RULES FOR
NORTH WAUSAU FIELD, AND OBTAIN
RELATED RELIEF

FILED FOR RECORD

AUG 19 2009

STATE OIL AND GAS BOARD
LISAIVSHIN, SUPERVISOR

DOCKET NO. 237-2009-552

ORDER NO. 371-2009

FINAL ORDER

THIS MATTER came on to be heard at the regular July 2009 meeting of the State Oil and Gas Board for a final order on the Petition of VENTURE OIL & GAS, INC., Petitioner, requesting the Board to amend Special Field Rules for North Wausau Field, and grant related relief. Having considered the Petition, the evidence in support thereof, and being fully advised in the premises, the Board finds that the Petition is well-taken and should be granted. The Board also finds as follows:

1.

The 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 the Board.

2.

The Board has previously adopted Special Field Rules for North Wausau Field in Wayne County, Mississippi. The last amendment to those Special Field Rules is reflected in Order No. 197-99 filed June 24, 1999 in Docket No. 117-99-552. The said Special Field Rules should now be further amended as set forth herein.

3.

Petitioner is the operator of the Morrison 17-15 Well No. 1 (the "Well") which is located at a surface location that is 305 feet North of the South line and 1672 feet West of the East line of Section 17, Township 8 North, Range 9 West, Wayne County, Mississippi, in North Wausau Field. The Well was drilled and completed during 2008 as a gas well that produces from intervals in what is presently defined in the Special Field Rules for the field as "The 14,950' Cotton Valley Gas Pool" (the "Pool"). The Well is the only well in North Wausau that produces from the Pool.

4.

Based on Petitioner's analysis of the pertinent geology and well data, there is an additional interval or zone that should properly be defined to be a part of the Pool. The Petitioner herein that the Board amend the definition of the Pool to read as follows:

The 14,950' Cotton Valley Gas Pool of the North Wausau Field is defined to mean those strata of the Cotton Valley Formation productive of gas and condensate in the interval between the measured depths of 14,958 feet and 15,600 feet on the array induction BHC Sonic Log of the TexStar Petroleum-Board of Education 16-12 Well No. 1, which well is located at a surface location that is 305 feet North of the South line and 1672 feet West of the East line of Section 17, Township 8 North, Range 9 West, Wayne County, Mississippi, and all strata productive of gas and condensate which can be correlated therewith and are in communication therewith.

5.

The said request to amend the definition of the Pool is well-taken and should be granted. The amended definition of the Pool is intended to expand the definition of the Pool to include as part thereof all other intervals or zones that are part of the general structure that comprises the Pool. As amended, the definition of the Pool will encompass an underground reservoir that contains a common accumulation of gas and other hydrocarbons, and which is completely separated from any other zone in the structure.

6.

The proposed amendment will not result in any change to the spacing rules for producing from the Pool.

7.

The proposed amendment to the Special Field Rules will allow for the continued orderly development of the Pool and field, will prevent waste, will protect the coequal and correlative rights of the owners in the Field, will avoid the drilling of unnecessary well(s), and will allow the owners in the Pool the opportunity to recover their fair and equitable share of production from the Pool.

IT IS, THEREFORE, ORDERED AND ADJUDGED, that the Petition filed herein is granted; the Special Field Rules are amended as requested; and Exhibit "1" hereto sets forth the Special Field Rules as herein amended.

Permittee shall acquire all other permits, if any, required by any other permitting authority.

SO ORDERED AND ADJUDGED, this the 19th day of ^{August}~~July~~, 2009.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By:


CHAIRMAN

PREPARED BY:

Glenn Gates Taylor (MBN 7453)
C. Glen Bush (MBN 7589)
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ATTORNEYS FOR PETITIONER

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EXHIBIT "~~X~~"

**AMENDED SPECIAL FIELD RULES FOR
NORTH WAUSAU FIELD
WAYNE COUNTY, MISSISSIPPI**

A. North Wausau Field, as used herein, is that area consisting of the following described lands as underlain by the Rodessa Three Oil Pool, the Hosston-Morrison Gas Pool, the Sligo Gas Pool, the 14,950' Cotton Valley Gas Pool, and the Norphlet Gas Pool, and all productive extensions thereof;

Wayne County, Mississippi
Township 8 North, Range 9 West

Section 16: The Entire Section
Section 17: The Entire Section
Section 18: The East One-Half
Section 19: The East One-Half
Section 20: The Entire Section
Section 29: The Entire Section
Section 30: The Northeast One-Quarter

B. The Rodessa Three Oil Pool on the North Wausau Field shall be considered those strata productive of oil in the interval between the depth of 11,464 feet and 11,473 feet as indicated on the dual induction SFL Log for the Weaver Oil and Gas Corporation Unit 17-10 No. 1 Well location in the NW1/4 of SE1/4 of Section 17, Township 8 North, Range 9 West, Wayne County, Mississippi, and all correlative intervals in communication therewith.

C. The Hosston-Morrison Gas Pool of the North Wausau Field shall be considered those strata productive of gas and condensate in the interval between the depth of 12,526 feet and 12,562 feet as indicated on the dual induction SFL Log for the Weaver Oil and Gas Corporation - J. U. Morrison Unit 17-10 No. 1 Well located in Section 17, Township 8 North, Range 9 West, Wayne County, Mississippi, and all correlative intervals in communication therewith.

D. The Sligo Gas Pool of the North Wausau Field shall be considered those strata productive of gas and condensate in the interval between the depth of 11,823 feet and 11,990 feet as indicated on the dual induction SFL Log of the Weaver Oil and Gas Corporation - J. U. Morrison Unit 17-10 No. 1 Well located in Section 17, Township 8 North, Range 9 West,

Wayne County, Mississippi, and all correlative intervals in communication therewith.

E. The Norphlet Gas Pool of the North Wausau Field shall be considered those strata productive of gas and condensate in the interval between 14,890 feet and 14,918 feet as indicated on the array induction density neutron Log for the TransTexas Gas Corporation - A. Foote Estate No. 1 Well located in Section 20, Township 8 North, Range 9 West, Wayne County, Mississippi and all correlative intervals in communication therewith.

F. The 14,950' Cotton Valley Gas Pool of the North Wausau Field is defined to mean those strata of the Cotton Valley Formation productive of gas and condensate in the interval between the measured depths of 14,958 feet and 15,600 feet on the array induction BHC Sonic Log of the TexStar Petroleum-Board of Education 16-12 Well No. 1, which well is located at a surface location that is 305 feet North of the South line and 1672 feet West of the East line of Section 17, Township 8 North, Range 9 West, Wayne County, Mississippi, and all strata productive of gas and condensate which can be correlated therewith and are in communication therewith.

Rule 1. APPLICABILITY OF STATEWIDE RULES

All rules and regulations contained in Statewide Order No. 201-51, and all effective amendments thereof, not specifically covered in the foregoing Special Field Rules, are hereby adopted and shall apply to this field except for spacing within the Norphlet Gas Pool and the 14,950' Cotton Valley Gas Pool.

Rule 2(A). SPACING FOR THE NORPHLET GAS POOL

With respect to the Norphlet Gas Pool, every gas well (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 or more than 340 acres. In any case, no other well producing from the same pool shall be located on any such unit. The word "contiguous" as used herein shall mean bordering each other at more than one point. (b) Any gas drilling unit formed under section (a) of this rule must be

completely encompassed by the perimeter of a rectangle 3,375 feet by 5,380 feet. Provided, however no unit shall be permitted which will create island acreage. (c) The well shall be located at least 1,980 feet from every other well or well completed in or producing from the same pool located in conformity with this rule; and (d) The well shall be located not less than 900 feet from every exterior boundary of the drilling unit.

Rule 2(B). SPACING FOR THE 14,950' COTTON VALLEY GAS POOL

With respect to the 14,950' Cotton Valley Gas Pool, every gas well (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 or more than 340 acres. In any case, no other well producing from the same pool shall be located on any such unit. The word "contiguous" as used herein shall mean bordering each other at more than one point. (b) Any gas drilling unit formed under section (a) of this rule must be completely encompassed by the perimeter of a rectangle 3,375 feet by 5,380 feet. Provided, however, no unit shall be permitted which will create island acreage. (c) The well shall be located at least 1,980 feet from every other well or well completed in or producing from the same pool located in conformity with this rule; and (d) The well shall be located not less than 900 feet from every exterior boundary of the drilling unit.

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

END OF RULES