

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF KCS RESOURCES, INC. TO  
ESTABLISH SPECIAL FIELD RULES AND AN  
ORDER FOR SOUTH WINCHESTER FIELD,  
WAYNE COUNTY, MISSISSIPPI.

**FILED FOR RECORD**

**AUG 27 2007**

STATE OIL AND GAS BOARD  
LISA IVSHIN, SUPERVISOR

DOCKET NO. 325-2007-929

EMERGENCY

ORDER NO. 592-2007

EMERGENCY ORDER

THIS MATTER came on for emergency hearing before the State Oil and Gas Board on the Petition of KCS Resources, Inc. for authority to extend the test period for the Board of Education 16-11, Board of Education 16-14, and Kelly 21-4 No. 1 wells; such hearing being called for such purpose; and

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

1. In the Fall of 2006, Petitioner completed its Board of Education 16-11 No. 1 Well as the discovery well of an oil pool in the Smackover Formation of what is now known as South Winchester Field. Petitioner has since completed and is now producing from the North and South offsets in the Smackover Formation.

2. Pursuant to Order No. 438-2007, the Board granted Petitioner the right to continue to test the Board of Education 16-11 and 16-14 No. 1 wells at production rates in excess of Statewide Rule 35 oil allowable. Petitioner has also recently completed its Kelly 21-4 No. 1 Well and is currently testing that well. However, the forty-five day test period for the Kelly 21-4 No. 1 Well will expire prior to the September 19, 2007 meeting of the Board. Petitioner has requested emergency authority to continue testing these three (3) wells at rates in excess of the Statewide Rule 35 oil allowable, pending the Board's decision for the further relief in this Docket at the September 19, 2007 meeting of the Board.

3. On the basis of the evidence presented, an emergency exists which requires the entry of this Emergency Order, pending notice and final hearing at the September 19, 2007 meeting of the Board.

IT IS, THEREFORE, ORDERED AND ADJUDGED that KCS Resources, Inc. is hereby granted an extended test period for its Board of Education 16-11, Board of Education 16-14, and Kelly 21-4 No. 1 wells at rates in excess of the Statewide Rule 35 oil allowable until the September meeting of this Board as herein requested. This Order shall be in effect, for a period not to exceed 45 days, and subject to a final hearing on this Petition, after proper notice, at the regular September 19, 2007 meeting of this Board.

IT IS FURTHER ORDERED that Petitioner shall acquire all other permits, if any required by any other permitting authority.

SO ORDERED AND ADJUDGED, this the 27th day of August, effective August 15, 2007.

MISSISSIPPI STATE OIL AND GAS BOARD

BY:

A handwritten signature in black ink, appearing to read "J. Stewart", written over a horizontal line.

CHAIRMAN

SUBMITTED BY:

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