

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: AMENDED PETITION OF BETSY PRODUCTION COMPANY, INC., TO ESTABLISH SPECIAL FIELD RULES FOR WITCH DANCE HILL FIELD, CHICKASAW COUNTY, MISSISSIPPI, AND OBTAIN RELATED RELIEF

FILED FOR RECORD

AUG 15 2007

STATE OIL AND GAS BOARD  
LISA IVSHIN, SUPERVISOR

DOCKET NO. 219-2007-936

ORDER NO. 481-2007

ORDER

THIS MATTER came on to be heard at the regular July 2007 meeting of the State Oil & Gas Board on the Petition of **BETSY PRODUCTION COMPANY, INC.** (“Betsy”), Petitioner, requesting the Board to establish the Special Field Rules for Witch Dance Hill 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 this Board.

2.

Petitioner has drilled and completed the Pickens-Moorehead 14-9 Well No. 1 (the “Well”). The Well is located at a surface location that is 1400 feet North of the South line and 1060 feet West of the East line of Section 14, Township 13 South, Range 4 East, Chickasaw County, Mississippi.

3.

The Well is the discovery well for a new gas pool in a new field. The new field should be named Witch Dance Hill Field, and Special Field Rules should be adopted that define the field to be comprised of the follows lands:

The West One-Half of Section 13, all of Section 14, the North One-Half of Section 23, and the Northwest One-Quarter of Section 24, all in Township 13 South, Range 4 East, Chickasaw County, Mississippi.

4.

The Well has been completed into and is the discovery well for what should be defined as the Abernathy Gas Sand Pool, which pool should be defined as follows:

The Abernathy Gas Sand Pool is defined as those strata of the Abernathy Formation productive of gas and other hydrocarbons in the interval between the measured depths of 2,655 feet and 2,750 feet in the Betsy Production Company-Pickens/Moorehead 14-9 Well No. 1, as indicated on the Schlumberger Array Induction/Gamma Ray electric log of said well, and those strata productive of gas and other hydrocarbons which can be correlated with that interval and are in communication therewith, said well being located at a surface location that is 1400 feet North of the South line and 1060 feet West of the East line of Section 14, Township 13 South, Range 4 East, Chickasaw County, Mississippi.

5.

Because of the geology and other reservoir factors and characteristics of the said Abernathy Gas Sand Pool, the following spacing rules should be adopted for wells that produce from the said pool:

A. With respect to each well that is completed into and produces from the Abernathy Gas Sand Pool:

- (1) The well 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 eight (8) contiguous governmental quarter-quarter sections (or lots) whose total acreage is not less than 300 acres. Except as permitted by the Board, no other well producing from the same pool shall be located on any such unit.
- (2) Any gas drilling unit 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.

- (3) The well shall be located at least 1320 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule.
- (4) The well shall be located at least 660 feet from every exterior boundary of the drilling unit.
- B. No portion of the drilling unit upon which a well is located shall be attributed, in whole or in part, to any other well drilling in or producing from the same pool.
- C. Each well on each such drilling unit shall be granted a full gas well allowable for production from the said pool.

6.

The proposed Special Field Rules will properly define the said pool; will allow for the orderly development of each pool and the field; will allow the pool to be effectively and efficiently drained and produced; will foster, encourage and promote the drilling of additional wells and the development and production of the said pool; will prevent waste; and will safeguard, protect and enforce the coequal and correlative rights of the owners in the pool and in the field.

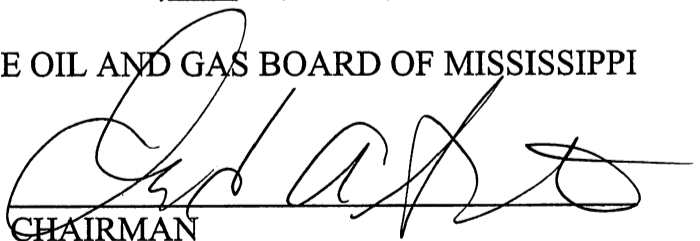
**IT IS, THEREFORE, ORDERED AND ADJUDGED** that the Petition filed herein is granted; and the Special Field Rules are established as set forth herein.

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

**SO ORDERED AND ADJUDGED**, this the 15<sup>th</sup> day of <sup>August</sup>~~July~~, 2007.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By:

  
CHAIRMAN

**PREPARED BY:**

Glenn Gates Taylor (MBN 7453)  
C. Glen Bush (MBN 7589)  
**COPELAND, COOK, TAYLOR & BUSH, P. A.**  
200 Concourse, Suite 200  
1062 Highland Colony Parkway  
P. O. Box 6020  
Ridgeland, Mississippi 39158  
601-856-7200

**ATTORNEYS FOR PETITIONER**

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