

# State Oil and Gas Board



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## State Of Mississippi

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LISA IVSHIN  
Executive Director

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Board Attorney

December 21, 2016

## **POLICY RELATING TO THE FILING OF MULTIPLE ALTERNATE RISK CHARGES PERMIT APPLICATIONS IN A SINGLE DOCKET**

This is to advise you that at its regular December 21, 2016, meeting the Mississippi State Oil & Gas Board (the "Board") approved the following additional policy governing the filing of alternate risk charges dockets under Miss. Code Anno. Section 53-3-7(2) (1972).

By way of background, there have been significant developments in the oil and gas industry in Mississippi in recent years, primarily involving the Tuscaloosa Marine Shale (TMS) play and the widespread use of horizontal drilling techniques, hydraulic fracturing and the permitting of increased density wells. In addition, the Board on numerous occasions in the past (in non-TMS situations) has approved the permitting of multiple alternate risk charges wells on a single drilling unit. The Board believes that it is timely that a new policy be developed governing the manner in which these alternate risk charges dockets are filed and approved.

The Board believes that the inclusion of multiple alternate risk charges wells in a single docket unnecessarily complicates the lease evaluation process on the part of interest owners. Limiting each alternate risk charges docket to a single, individual well will simplify the lease evaluation process and is fully consistent with the language of the alternate risk charges statute. In addition, the Board believes that limiting each alternate risk charges docket to a single, individual well will better protect the co-equal and correlative rights of all interest owners while at the same time promoting the development of the state's oil and gas resources.

Therefore, effective immediately, the Mississippi State Oil & Gas Board will require that alternate risk charges dockets be filed on an individual well-by-well basis. Stated differently, each alternate risk charges docket must be limited to a single, individual well. Multiple wells involving a request for the application of alternate risk charges cannot be combined into a single docket.

If you have any questions regarding this matter, you should contact either Lisa A. Ivshin, the Executive Director, at 1-601-576-4920, or Howard O. Leach, the Board Attorney, at 1-601-576-4921.

**MISSISSIPPI STATE OIL AND GAS BOARD**

By: 

**Lisa A. Ivshin**  
**Executive Director**