

FILED FOR RECORD

JAN 9 1989

STATE OIL AND GAS BOARD
A. Richard Henderson, Supervisor

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 363-88-638

ORDER NO. 542-88

ORDER

This day this cause came on for hearing on the petition of Michigan Oil Company of Northport, Alabama, requesting the Board to amend the Special Field Rules for the Balls Branch Field in Lee County and Chickasaw County, Mississippi, and the Board finds that due and legal notice of the meeting of this Board has been given in the manner and time required by law and the Rules and Regulations of this Board and that due and proper proofs of publication are on file with this Board; that the Board has full jurisdiction of the parties and the subject matter, and having heard the evidence presented and arguments of counsel, this Board is of the opinion that said petition should be granted.

The Board finds that Michigan Oil Company has recently drilled and completed their Anderson 7-2 No. 1 Well on a drilling unit comprised of the NW 1/4 of NE 1/4 of Section 7, Township 12 South, Range 5 East, Chickasaw County, Mississippi. The Anderson 7-2 No. 1 Well was drilled to a total depth of 2600 feet pursuant to Permit No. 102 issued by this Board on September 26, 1988, at a location 800 feet from the North line and 1650 feet from the East line of said Section 7. Said well encountered gas in commercial quantities from the Balls Branch Field Lewis Sand Gas Pool at the interval from 2460 feet and 2496 feet as indicated on the Dual Induction Log of said Well.

The Board further finds that the characteristics of the said Lewis gas pool encountered in said well is such that one well located on a drilling unit consisting of 320 contiguous surface acres or a governmental half section, or eight contiguous governmental quarter-quarter sections formed in the manner prescribed in Exhibit "A" attached hereon, will effi-

ciently and adequately drain and produce the hydrocarbons from the said gas pool, as previously set forth in Special Field Rules adopted March 30, 1985 in Docket No. 76-85-638 by Order No. 104-85.

The Board further finds that the productive area surrounding said wells has been officially designated as the Balls Branch Field and it is essential that Special Field Rules for said field be amended properly defining said producing pools and the area of said field being the S 1/2 of Sections 31 and 32, Township 11 South, Range 5 East, Lee County, Mississippi, and all of Sections 5, 6 and 7, Township 12 South, Range 5 East, Chickasaw County, Mississippi, and all productive extensions thereof.

The Board further finds that the spacing for gas wells under Rule C-1.1(d) of the Special Field Rules for said field should be amended so as to establish that every well shall be located not less than 660 feet from every exterior boundary of the drilling unit.

IT IS, THEREFORE, ORDERED AND ADJUDGED that for the prevention of physical and economic waste and the protection of the co-equal and correlative rights of all owners and parties in interest, the Special Field Rules attached hereto as Exhibit "A" are hereby amended for the Balls Branch Field in Lee County and Chickasaw County, Mississippi.

ORDERED AND ADJUDGED this 21st day of November, 1988.

STATE OIL AND GAS BOARD OF
MISSISSIPPI

BY: *A. B. Mayo*
Chairman

EXHIBIT "A"

SPECIAL FIELD RULES
FOR THE BALLS BRANCH FIELD
LEE COUNTY AND CHICKASAW COUNTY, MISSISSIPPI

A. FIELD AREA:

The Balls Branch Field, as used herein, is that geographical area consisting of the following described lands, to-wit:

Township 11 South, Range 5 East, Lee County, Mississippi:

Section 31: South Half
Section 32: South Half

Township 12 South, Range 5 East, Chickasaw County, Mississippi:

Sections 5, 6 and 7;

underlain by the Evans Sand Gas Pool and the Lewis Sand Gas Pool of the Mississippi Formation, as hereinafter defined, and all productive extensions thereof.

B. POOL DEFINITIONS:

1.1 The Evans Sand Gas Pool of the Mississippian Formation in the Balls Branch Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the electric log depths of 2,170 feet to 2,201 feet in The Louisiana Land and Exploration Company--Tally 31-16 Well No. 1, as indicated on the electric log of said well and all sands correlative of and in communication with those strata and which are productive of gas and other hydrocarbons, said well being located 1,000 feet from the East line and 1,000 feet from the South line of Section 31, Township 11 South, Range 5 East, Lee County, Mississippi.

1.2 The Lewis Sand Gas Pool of the Mississippian Formation in the Balls Branch Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the electric log depths of 2,395 feet to 2,420 feet in The Louisiana Land and Exploration Company--

Tally 31-16 Well No. 1, as indicated on the electric log of said well, and all sands correlative of and in communication with those strata and which are productive of gas and other hydrocarbons, said well being located 1,000 feet from the East line and 1,000 feet from the South line of Section 31, Township 11 South, Range 5 East, Lee County, Mississippi.

C. RULES

RULE 1--SPACING FOR GAS WELLS:

1.1 Every well drilled as a gas well to the Evans Sand Gas Pool, or the Lewis 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 or more than 340 acres. In any case, no other well producing from the same pool shall be located on any such drilling unit.

(b) Any gas drilling unit formed under (a) of this Rule must be completely encompassed by the perimeter of a rectangle 3,735 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 drilling 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 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 the Field.

2.2 The Board expressly reserves the right, after notice and hearing, to alter, amend, or repeal any or all of the foregoing Special Field Rules, or to grant exceptions to all or any part thereof.

END OF SPECIAL FIELD RULES

SOURCE: Order No. 104-85 dated March 20, 1985 in Docket No.
76-85-638