

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF CENTURION RESOURCES, LLC  
REQUESTING THE AMENDMENT OF THE  
SPECIAL FIELD RULES FOR BEANS FERRY  
GAS FIELD, ITAWAMBA COUNTY,  
MISSISSIPPI

FILED FOR RECORD

MAR 30 2005

STATE OIL AND GAS BOARD  
WALTER BOONE, SUPERVISOR

DOCKET NO. 59-2005-126

ORDER NO. 100-2005

**ORDER**

The Petition in this matter requesting an amendment to the Special Field Rules for Beans Ferry Gas Field, Itawamba County, Mississippi came on for hearing before the regular March 16, 2005 meeting of this Board and based upon the evidence presented the Board finds as follows:

I.

Petitioner is the Operator of the Centurion Resources, LLC No. 1 Carolyn Benson 9-8 Well, located in Section 9, Township 10 South, Range 9 East, Itawamba County, Mississippi.

II.

Special Field Rules for the Evans Sand Gas Pool and the Lewis Sand Gas Pool in the Beans Ferry Gas Field were adopted on March 18, 1959 by this Board in Docket No. 42-59-126 by Order No. 56-59. The Petitioner has requested that these rules be amended to redefine the Evans Sand Gas Pool and the Lewis Sand Gas Pool and add definitions for the Carter Sand Gas Pool, the Sanders Sand Gas Pool, the Bangor Sand Gas Pool and the Tuscumbia Sand Gas Pool. The Petitioner has also requested the amended rules provide for increased well density as to each sand within a producing unit and further provide for different well location distances from unit lines and distances between unit wells than are currently provided for in the existing field rules as are more particularly set in an Exhibit to the Petition. The proposed amended rules also provide for the addition of Sections 10 and 15 to the area covered by the amended rules.

### III.

The productive areas of Beans Ferry Field will encompass all of Sections 7, 8, 9, 10, 15, 16, 17 and 18, Township 10 South, Range 9 East, Itawamba County, Mississippi.

### IV.

The data obtained from the Carolyn Benson 9-8 Well referred to in a preceding portion of this Order indicates that the Carter, Sanders, Bangor, Evans, Lewis and Tuscumbia Sand Gas Pools are very low pressure gas sands that follow meandering channels. These sands are very shallow, lying less than 2,000 feet deep and they are productive only in very limited volumes because of the low pressure in these formations.

### V.

In order to ensure orderly development of the Field based upon the nature and characteristics of the above-mentioned gas sands, it is necessary and advisable for the Board to adopt amended Special Field Rules for Beans Ferry Gas Field to define the Carter, Sanders, Bangor, and Tuscumbia Gas Pools and redefine the Evans and Lewis Sands Gas Pools and to establish special spacing rules for those sands so as to maximize the recovery of gas, gas condensate and gaseous hydrocarbons from the Field. Under the amended Special Field Rules proposed by Petitioner the Carter Sand Gas Pool, the Sanders Sand Gas Pool, the Bangor Sand Gas Pool and the Tuscumbia Sand Gas Pool and the redefinition of the Evans Sand Gas Pool and the Lewis Sand Gas Pool are established by reference to the intervals set out in the Petition and the proposed amended Special Field Rules are based upon the electric log depths as found in the Centurion Resources Oil, LLC No. 1 Carolyn Benson 9-8 Well. As a result, definitions of the respective sands are established by reference to a single well log rather than multiple well logs which will facilitate the ease with which correlations can be made. The definitions of the respective gas reservoirs as proposed by Petitioner in the amended Special Field Rules are accepted by the State Oil and Gas Board of Mississippi. These reservoirs clearly appear on the electric log of the Carolyn Benson 9-8 Well as is indicated by reference to the dual induction log for the Well.

## VI.

The Board finds the characteristics of the respective reservoirs are well recognized based upon past production from these formations in the area. The various pools underlie the whole area, but individual reservoirs are compartmentalized. These particular reservoirs are either a thin sand which is lenticular or a series of meandering channel sands that generally trend Northwest to Southeast. Because of their shallow depth these reservoirs have very little pressure and the commercially productive permeable zones within these reservoirs can be extremely small and localized in nature. These "channels" of permeability will restrict the drainage area of any wells completed within these zones.

## VII.

Because of the nature of the respective sands and the significant faulting within the Field, the gas reservoirs within these gas pools are very compartmentalized. As a consequence, due to the very low reservoir pressures involved, the drainage area of any well in the Field will be very limited. As a result of the low volume of production, it would be uneconomical to continue development of the Field on a one well per 320-acre basis. Development of the Field on the basis of two wells on each 320-acre unit is necessary to make the development of the Field economically justified.

## VIII.

The adoption of the proposed amended Special Field Rules for Beans Ferry Gas Field would safeguard, protect and enforce the coequal and correlative rights of the owners of the interest in Beans Ferry Gas Field to the extent that each owner may obtain a just and equitable share of production. Furthermore the adoption of the proposed amended Special Field Rules will foster, encourage and promote the full development of the Field, and will promote the conservation of hydrocarbons from the Field by preventing waste.

## IX.

Personal notice of the filing of the Petition is required by Rule 4(b) and 4(c) has been given to all active operators in the Beans Ferry Gas Field.

X.

IT IS, THEREFORE, ORDERED that this Petition is granted and Board hereby adopts the Amended Special Field Rules for Beans Ferry Gas Field as proposed by Petitioner and set out in the Exhibit "A" to this Order.

ORDERED this 26<sup>th</sup> day of March, 2005.

STATE OIL AND GAS BOARD OF MISSISSIPPI

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**EXHIBIT "A"**

**AMENDED  
SPECIAL FIELD RULES  
BEANS FERRY GAS FIELD  
ITAWAMBA COUNTY, MISSISSIPPI**

A. **FIELD LIMITS**

Beans Ferry Gas Field, as used herein, is that area consisting of all of Sections 7, 8, 9, 10, 15, 16, 17 and 18, Township 10 South, Range 9 East, Itawamba County, Mississippi, which is underlain by the Carter, Sanders, Bangor, Evans, Lewis and Tuscumbia Sands Gas Pools as herein defined and all productive extensions thereof.

B. **DEFINITION OF SANDS**

1. The **Carter Sand Gas Pool** of Beans Ferry Gas Field, as used herein, shall be construed to mean and be defined as that strata productive of gas, gas condensate and gaseous hydrocarbons located in the interval between the electrical log depths (Dual Induction – Gamma Ray) of 582 feet and 620 feet as found in the Centurion Resources, LLC No. 1 Carolyn Benson 9-8 Well located in Section 9, Township 10 South, Range 9 East, Itawamba County Mississippi and all sands correlative therewith.
2. The **Sanders Sand Gas Pool** of Beans Ferry Gas Field, as used herein, shall be construed to mean and be defined as that strata productive of gas, gas condensate and gaseous hydrocarbons located in the interval between the electrical log depths (Dual Induction – Gamma Ray) of 632 feet and 722 feet as found in the Centurion Resources, LLC No. 1 Carolyn Benson 9-8 Well located in Section 9, Township 10 South, Range 9 East, Itawamba County Mississippi and all sands correlative therewith.
3. The **Bangor Sand Gas Pool** of Beans Ferry Gas Field, as used herein, shall be construed to mean and be defined as that strata productive of gas, gas condensate and gaseous hydrocarbons located in the interval between the electrical log depths (Dual Induction – Gamma Ray) of 734 feet and 962 feet as found in the Centurion Resources, LLC No. 1 Carolyn Benson 9-8 Well located in Section 9, Township 10 South, Range 9 East, Itawamba County Mississippi and all sands correlative therewith.

4. The **Evans Sand Gas Pool** of Beans Ferry Gas Field, as used herein, shall be construed to mean and be defined as that strata productive of gas, gas condensate and gaseous hydrocarbons located in the interval between the electrical log depths (Dual Induction – Gamma Ray) of 1288 feet and 1350 feet as found in the Centurion Resources, LLC No. 1 Carolyn Benson 9-8 Well located in Section 9, Township 10 South, Range 9 East, Itawamba County Mississippi and all sands correlative therewith.
5. The **Lewis Sand Gas Pool** of Beans Ferry Gas Field, as used herein, shall be construed to mean and be defined as that strata productive of gas, gas condensate and gaseous hydrocarbons located in the interval between the electrical log depths (Dual Induction – Gamma Ray) of 1438 feet and 1496 feet as found in the Centurion Resources, LLC No. 1 Carolyn Benson 9-8 Well located in Section 9, Township 10 South, Range 9 East, Itawamba County Mississippi and all sands correlative therewith.
6. The **Tuscumbia Sand Gas Pool** of Beans Ferry Gas Field, as used herein, shall be construed to mean and be defined as that strata productive of gas, gas condensate and gaseous hydrocarbons located in the interval between the electrical log depths (Dual Induction – Gamma Ray) of 1501 feet and 1700 feet as found in the Centurion Resources, LLC No. 1 Carolyn Benson 9-8 Well located in Section 9, Township 10 South, Range 9 East, Itawamba County Mississippi and all sands correlative therewith.

C. RULES

RULE 1 – Spacing of Gas Wells

With respect to each of the gas sands defined above, every gas well shall comply with the following spacing rules:

- 1.a. Each gas well shall be located on a drilling unit consisting of (i) 320 contiguous surface acres; or (ii) a governmental half-section containing not less than 300 acres nor more than 340 acres; or (iii) eight (8) contiguous governmental quarter-quarter sections whose total acreage is not less than 300 nor more than 340 acres.

- 1.b. Each 320 acre gas unit may contain up to two (2) producing wells from each of the above-defined gas pools.
- 1.c. Any gas drilling unit formed under 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.
- 1.d. Each gas well shall be located not less than 300 feet from every exterior boundary of the drilling unit.
- 1.e. Each gas well shall be located not less than 1,000 feet from every other well located which is drilling to or producing from the same gas pool and which is located in conformity with this Rule.

RULE 2 – Applicability of Statewide Rules

- 2.a. All statewide rules and regulations, particularly those contained in Statewide Orders No. 201-51 and No. 244-69, and all amendments thereto, that are not specifically covered by the foregoing Amended Special Field Rules are hereby adopted and shall apply to said the Beans Ferry Gas Field.
- 2.b. The Board expressly reserves the right after notice and hearing to alter, amend or repeal any and all of the foregoing rules and regulations, or to grant exceptions to all or any part thereof.