

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

**RE: PETITION OF ROUNDTREE & ASSOCIATES, INC.  
FOR AUTHORITY TO USE THE DEPLETED GAS  
RESERVOIR OF CALEDONIA FIELD, MONROE AND  
LOWNDES COUNTIES, MISSISSIPPI, FOR THE INJECTION,  
STORAGE AND WITHDRAWAL OF NATURAL GAS,  
FOR AMENDMENT OF SPECIAL FIELD RULES  
FOR CALEDONIA FIELD TO PROVIDE FOR THE  
OPERATION OF THE CALEDONIA GAS STORAGE  
FIELD, MONROE AND LOWNDES COUNTIES,  
MISSISSIPPI, TO APPOINT ROUNDTREE &  
ASSOCIATES, INC., AS OPERATOR OF SAID GAS  
STORAGE FIELD, AND FOR RELATED RELIEF.**

FILED FOR RECORD

NOV 18 1998

STATE OIL AND GAS BOARD  
WALTER BOONE, SUPERVISOR

DOCKET NO. 241-98-~~343~~ 483

ORDER NO. 438-98

**ORDER**

THIS DAY THIS MATTER came on to be heard on Petition of Roundtree & Associates, Inc., 111 Capital Street, Suite 270, Jackson, Mississippi, 39201, for authority to use the depleted gas reservoir in the Caledonia Field located in Lowndes and Monroe Counties, Mississippi, for the injection, storage and withdrawal of natural gas, and for the adoption of Special Field Rules for said Field to provide for the operation of such gas storage facility and to be designated the Operator of said Caledonia Gas Storage Field located in Lowndes and Monroe Counties, Mississippi, as hereinafter described, and to grant related relief, and the Board having considered the matter and examined the affidavits and supporting exhibits filed in support hereof, and considered the testimony of witnesses and the arguments of counsel, finds as follows:

1.

Due, proper and legal notice of the meeting of the Board for the purpose of considering and taking action with respect to this matter was given in the manner and way provided by law and the rules and regulations of the Board, and due, legal and sufficient proofs of publication are on file with the Board and the Board has full jurisdiction of the subject matter to hear and determine the same.

2.

Petitioner is chartered under the laws of the State of Mississippi and is qualified to do business in the State of Mississippi as an entity incorporated for, among other purposes, the building or construction of pipelines and appliances for the conveying and distribution of oil and gas and other gaseous substances as provided for and pursuant to §§ 53-3-151 *et seq.* and 11-27-47 *et seq.* of the *Mississippi Code of 1972*, as amended.

In order that it may have a readily accessible and adequate supply of natural gas, Petitioner has found it practical, feasible and necessary to create a supply of natural gas for said purpose by storing such gas underground by injection, pumping or otherwise into formations beneath the surface of the ground. The storage of natural gas which promotes the conservation thereof, which permits the building of large quantities of natural gas in reserve or orderly withdrawal in periods of peak demand, making natural gas more readily available to the consumer, or which provides more uniform withdrawal from various gas or oil fields, is in the public interest and welfare of the State of Mississippi and is for a public purpose.

3.

This matter was heard before the Board at its regular August, 1998, meeting at which time Ralph Thomas, Bobby G. Smith, Marion P. Smith, Grace M. Smith, James D. Smith, Emmitt D. Smith, Doriss McCrary, Robert S. "Sid" Dobbs and Bruce Neal, Contestants, appeared through counsel in opposition to Petitioner's request to establish a gas storage field. After a full hearing on the merits of Petitioner's case and considering the arguments of counsel for both the Petitioner and the Contestants, this Board delayed a ruling pending the outcome of negotiations between the Petitioner and the Contestants. Those negotiations have now concluded and the Contestants have now joined the Petitioner in supporting the relief requested.

4.

The underground formation to be utilized by Petitioner is the Carter Sand Gas Pool, as defined hereinafter, lying within and underlying the following described lands, to wit:

Monroe County, Mississippi:  
Township 15 South, Range 17 West:

Section 33:Entire Fractional Section;

Lowndes County, Mississippi:  
Township 15 South, Range 17 West:

Section 33:  
Section 34:

Entire Fractional Section;  
The South Half (S ½), the West Half of the Northwest Quarter (W ½ of NW 1/4), the Southeast Quarter of the Northwest Quarter (SE 1/4 of NW 1/4), the Southeast Quarter of the Northeast Quarter (SE 1/4 of NE 1/4), and the South Half of the Southwest Quarter of the Northeast Quarter (S ½ of SW 1/4 of NE 1/4);

Township 16 South, Range 17 West:

Section 3:	Entire Section;
Section 4:	The East Half (E ½), the East Half of the West Half (E ½ of W ½);
Section 9:	The Northeast Quarter (NE 1/4) and the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4);
Section 10:	Entire Section;

all referred to herein as the "Caledonia Gas Storage Field."

5.

A majority interest of all rights of the surface interest and a majority interest of all interests in the underground stratum or formation to be used as the "Storage Interval" as hereinafter defined in the Caledonia Gas Storage Field as hereinabove described have consented in writing to the use of said Field as a reservoir for the storage of natural gas as an appliance or appurtenance in connection with the conveying, transmission or distribution of natural gas, including rights to inject, store and withdraw natural gas from said underground stratum or formation.

6.

The Carter Sand Gas Pool is defined as those formations lying between the well log depths of 4593 feet and 4670 feet subsurface, or the stratigraphic equivalent thereof, as reflected in the electric log of the Ralph E. Williams #1-33 Well, located 611 feet South and 115.3 feet West of the Northeast Corner of the Southeast Quarter of the Northwest Quarter of Section 33, Township 15 South, Range 17 West, Lowndes County, Mississippi, herein referred to as the "Storage Interval", is authorized for use by Petitioner as the reservoir for the injection, storage and withdrawal of natural gas. The Storage Interval lying within the Caledonia Gas Storage Field is in all respects suitable for the injection, storage and withdrawal of natural gas and feasible for use as a gas storage facility, and such use is in the public interest.

7.

The Storage Interval is virtually depleted of commercial quantities of native gas and is not an oil reservoir capable of commercial production. The Storage interval is of greater value and utility as a natural gas storage reservoir for the purpose of insuring an adequate supply of natural gas than for the continued production of oil or native gas which may remain therein. The use of the Storage Interval for the injection, storage and withdrawal of natural gas will in no way contaminate other

formations in the area containing fresh water, oil, gas or other commercial mineral deposits, nor will such use pose any danger to the environment. The use of the Storage Interval for injection, storage and withdrawal of natural gas will in no way endanger human life or property, either real or personal.

8.

Exhibit "A" attached hereto are Special Field Rules which are hereby adopted and approved for the Caledonia Gas Storage Field, Lowndes and Monroe Counties, Mississippi, as defined herein. The adoption of such Special Field Rules prevents waste, protects the co-equal and correlative rights of all owners in the area and affords Petitioner the opportunity to utilize the Caledonia Gas Storage Field for the benefit of the gas consuming public, thereby serving the public interest. The procedures authorized by the said Special Field Rules adequately protect all fresh water bearing zones and any and all other oil and/or gas bearing sands in the area, and will not endanger life and/or property.

IT IS, THEREFORE, ORDERED that:

1. Petitioner is authorized to use of the above described Storage Interval in the Caledonia Gas Storage Field, as described above, for the injection, storage and withdrawal of natural gas in accordance with the Underground Storage of Natural Gas Act found in §§ 53-3-151 *et seq.*, *Mississippi Code of 1972*, as amended;

2. The Special Field Rules for the Caledonia Gas Storage Field as attached hereto are hereby adopted and authorized for the Storage Interval to provide for the operation of the Caledonia Gas Storage Field, Lowndes and Monroe Counties, Mississippi; and

3. Petitioner, Roundtree & Associates, Inc., is hereby appointed Operator of the Caledonia Gas Storage Field.

ORDERED AND ADJUDGED this the 18<sup>th</sup> day of November, 1998.

MISSISSIPPI OIL AND GAS BOARD

By: 

JERRY WILBURN  
Chairman

Prepared by:  
Russell P. Grant, Jr.  
Attorney at Law  
MSB # 4949  
1818 Aztec Dr.  
Jackson, MS 39211-6503  
(601) 362-4222  
Fax: (601) 366-6381

AGREED:



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RUSSELL P. GRANT, JR.  
Attorney for Petitioner



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GLENN GATES TAYLOR  
Attorney for Contestants

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**EXHIBIT "A"**

**SPECIAL FIELD RULES  
4,593 FEET TO 4,670 FEET GAS STORAGE INTERVALS  
CALEDONIA GAS STORAGE FIELD  
MONROE AND LOWNDES COUNTIES, MISSISSIPPI**

A. The Caledonia Gas Storage Field, as used herein, is that area described as:

Monroe County, Mississippi:  
Township 15 South, Range 17 West:

Section 33: Entire Fractional Section;

Lowndes County, Mississippi:  
Township 15 South, Range 17 West:

Section 33: Entire Fractional Section;  
Section 34: The South Half (S ½), the West Half of the Northwest Quarter (W ½ of NW ¼), the Southeast Quarter of the Northwest Quarter (SE ¼ of NW ¼), the Southeast Quarter of the Northeast Quarter (SE ¼ of NE ¼), and the South Half of the Southwest Quarter of the Northeast Quarter (S ½ of SW ¼ of NE ¼);

Township 16 South, Range 17 West:

Section 3: Entire Section;  
Section 4: The East Half (E ½), the East Half of the West Half (E ½ of W ½);  
Section 9: The Northeast Quarter (NE ¼) and the Northeast Quarter of the Southeast Quarter (NE ¼ of SE ¼);  
Section 10: Entire Section;

being underlain by the hereinafter described Storage Intervals.

B. The Storage Interval as used herein, shall be construed to mean those zones capable of storage of natural gas occurring at the stratigraphic equivalent of that interval encountered between well log depths of 4593 feet and 4670 feet, as defined in the Ralph E. Williams #1-33 Well, located 611 feet South, 115.3 feet West of the Northeast Corner of the Southeast Quarter of the Northwest Quarter of Section 33, T15S, R17W, Lowndes County.

C. "Gas" as used herein shall mean natural gas of sufficient purity to meet interstate pipeline quality specifications.

D. Roundtree & Associates, Inc. is designated the operator of the Caledonia Gas Storage Field.

RULE NO. 1:

Wells may be drilled, or reworked, and utilized in the operation of Caledonia Gas Storage

Field upon permit being issued for each such well pursuant to Rule 4 (b) of the Statewide Rules and Regulations.

RULE No. 2:

The completion procedure for each well drilled or reworked for utilization in the operation in the Caledonia Gas Storage Field shall be in conformance with the requirements of Rule 67 of the Statewide Rules and Regulations.

RULE No. 3:

The injection of gas into, storage within and withdrawal from the Storage Interval of 4,593 feet to 4,670 foot in the Caledonia Gas Storage Field is hereby authorized.

RULE No. 4:

No well shall be drilled through the Storage Intervals in the Caledonia Gas Storage Field, or its stratigraphic equivalent, except upon notice and hearing before the Mississippi State Oil and Gas Board, as provided for in Statewide Rule 67.

RULE No. 5:

Operator is authorized to use for injection or withdrawal purposes existing wells located in Caledonia Gas Storage Field, which wells may be converted for operations in the Caledonia Gas Storage Field, and/or additional wells may be drilled within the Caledonia Gas Storage Field for such purposes, provided that before any well or wells are converted for such operations or drilled for storage purposes, said operator must obtain administrative approval of the State Oil and Gas Board Supervisor, provided the operator, with respect to each such well, submits all data and information required by Statewide Rule 67 and any other rule, regulation or requirement, which may then be applicable, and such other data and information as the Supervisor may reasonably require.

RULE NO. 6:

The development, operation and maintenance of the Caledonia Gas Storage Field shall be subject to the provisions of the following Statewide Rules and Regulations: Rule 4 (b) and (c), Rule 5, Rule 6, Rule 10, Rule 11, Rule 12, Rule 13, Rule 17, Rule 23 (a), Rule 24, Rule 25, Rule 27, Rule 28, Rule 43, Rule 45, Rule 47, Rule 54, Rule 55, Rule 56, Rule 67, and the first paragraph of Rule 18. All other Statewide Rules and Regulations, or parts thereof, except those specifically referred to hereinabove, should not be applicable to the operations of gas storage in the Caledonia Gas Storage Field, Monroe and Lowndes Counties, Mississippi.

**RULE NO. 7:**

All Orders entered relating to, *inter alia*, the definition of zones, interval or strata, the designation of production units, the designation of unit wells, and the designation of operators for various wells within Caledonia Gas Storage Field, as set out in State Oil and Gas Board Orders No. 26-80, 242-80, 253-80, 86-81, 66-81, 119-81, 197-81, 528-82, 333-85, 399-85, 574-85, 131-91, 214-92 and 215-92, among others, are hereby deleted, insofar as they are in conflict with these Special Field Rules.