

APR 13 2020

STATE OIL AND GAS BOARD  
JESSE NEW, SUPERVISOR**BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI**

RE: PETITION OF ROVER OPERATING, LLC, TO  
AMEND THE SPECIAL FIELD RULES FOR THE  
CENTER RIDGE SOUTH FIELD, SMITH COUNTY, MS

DOCKET NO. 21-2020-DORDER NO. 71-2020**ORDER**

This matter came on for hearing before the State Oil and Gas Board of Mississippi (hereinafter the "Board") on the 19th day of February, 2020, on the Petition of Rover Operating, LLC, (hereinafter "Petitioner") seeking to Amend Special Field Rules for Center Ridge South Field, Smith County, Mississippi, and for related relief; and

**WHEREAS**, the Board finds that due, proper and legal notice of the meeting of the Mississippi State Oil and Gas Board for the purpose of considering and taking action with respect to such matter was given in the manner and way provided by law and the Rules and Regulations of this Board; that due, legal and sufficient Proofs of Publication are on file with the Board in said matter; and that the Board has full jurisdiction of the subject-matter to hear and determine same; and

**WHEREAS**, pursuant to said notice a public hearing was held by the said Board in the Hearing Room of the Mississippi State Oil and Gas Board located at 500 Greymont Avenue, Suite E, Jackson, Mississippi, commencing at 10:00 o'clock, A. M. on February 19, 2020, at which hearing all persons present who desired to be heard in said matter were heard and all testimony and documentary evidence duly considered by those present at said meeting; and

**WHEREAS**, the Board having considered the Petition and the evidence, and being fully advised in the premises, is of the opinion and finds that the relief requested by the

Petitioner should be and the same is hereby granted. The Board further finds and determines as follows:

1.

The Center Ridge South Field was discovered in 1963 and has produced a substantial amount of oil from the several formations. The Board finds that Petitioner should be allowed to redefine the Upper Rodessa Oil Pool, Middle Rodessa Oil Pool and Lower Rodessa Oil Pool under a single defined oil pool as follows:

**The Rodessa Oil Pool in the Center Ridge South Field as used herein shall be construed to mean those strata of the Rodessa Formation correlative to the interval between 11,780 feet and 12,274 feet in the AMAX Petroleum Corporation-South Center Ridge Unit 32-2 No. 3 Well located in NW 1/4 of NE 1/4 of Section 32, Township 1 North, Range 8 East, Smith County, Mississippi, as indicated on the Dual Induction-SFL Log of said Well and including those strata productive of hydrocarbons which can be correlated therewith.**

These three sands are all part of the Rodessa Formation, and it is reasonable to define the Rodessa Formation to include these three sands.

2.

The Board has authority to redefine the Rodessa Oil Pool as a single oil pool to include the Upper Rodessa Oil Pool, the Middle Rodessa Oil Pool and the Lower Rodessa Oil Pool. The redefinition will allow Petitioner to produce oil simultaneously from one or more sands in the Rodessa Oil Pool. This method of production is consistent with sound, conservative practice. This procedure will allow Petitioner to produce more of the recoverable hydrocarbons from the Rodessa Oil Pool without surface or subsurface waste and will permit Petitioner to protect itself and the royalty owners from premature abandonment of the Rodessa Oil Pool and prevent leaving unrecovered oil in the pool designated. The Rodessa Oil Pool has reached a lower rate of production and by redefining the Rodessa Oil Pool, hydrocarbon reserves from the Field can be produced at a lower cost for the benefit of Petitioner and the royalty owners. This redefinition will not increase the hazards, risks and damages incident to the production of hydrocarbons, will prevent waste and the drilling of unnecessary wells, and will allow the production of oil that will not otherwise be produced, and will protect the co-equal and correlative rights of all owners in the oil pools. This redefinition is the best, most economically feasible

method of allowing the owners in the Rodessa Oil Pool the opportunity to recover their fair and equitable share of hydrocarbons from the reservoir.

3.

The proposed Amended Special Field Rules for Center Ridge South Field, Smith County, Mississippi, are set forth as Exhibit "A" attached hereto.

**IT IS THEREFORE ORDERED AND ADJUDGED**, that the Special Field Rules for the Center Ridge South Field, Smith County, Mississippi, are hereby Amended for a consolidation of Upper, Middle and Lower Rodessa Formations into a single Rodessa Oil Pool as defined in this Order, and the Amended Special Field Rules for Center Ridge South Field, Smith County, Mississippi, are attached hereto as "**Exhibit A.**"

**IT IS FURTHER ORDERED AND ADJUDGED** that Rover Operating, LLC, shall acquire all other permits, if any, required by any other permitting authority.

**IT IS FURTHER ORDERED AND ADJUDGED** that this Order shall be in force and effect from and after the February 19, 2020.

**SO ORDERED** this the 13<sup>th</sup> day of April, 2020.

**MISSISSIPPI STATE  
OIL AND GAS BOARD**

By:   
CHAIRMAN

**ORDER SUBMITTED BY:**

John T. Armstrong, Jr.  
Dudley F. Lampton  
Armstrong, Thomas, Berry, Lampton  
& McCardle  
Post Office Box 190  
Hazlehurst, MS 39083  
Telephone: (601) 894-4061  
Facsimile: (601) 894-4792  
[jamstrong@armstrongmslawyers.com](mailto:jamstrong@armstrongmslawyers.com)  
[dlampton@armstrongmslawyers.com](mailto:dlampton@armstrongmslawyers.com)

**ATTORNEYS FOR PETITIONER**

## EXHIBIT "A"

### AMENDED SPECIAL FIELD RULES FOR THE CENTER RIDGE SOUTH FIELD SMITH COUNTY, MISSISSIPPI, AS AMENDED

The Center Ridge South Field, Smith County, Mississippi, as used herein is that area consisting of the S 1/2 of Section 24, all of Section 25, and the N 1/2 of Section 36, Township 1 North, Range 7 East, the S 1/2 of Section 19, the S 1/2 of Section 20, all of Sections 28, 29, 30, 31, 32 and 33, Township 1 North, Range 8 East, Smith County, Mississippi, underlain by the Rodessa Oil Pool, the Pine Island Oil Pool, the Sligo Oil Pool and the Hosston Oil Pool as hereinafter defined and all productive extensions thereof.

- I. The Rodessa Oil Pool in the Center Ridge South Field as used herein shall be construed to mean those strata of the Rodessa Formation correlative to the interval between 11,780 feet and 12,274 feet in the AMAX Petroleum Corporation - South Center Ridge Unit 32-2 No. 3 Well located in the NW 1/4 of NE 1/4 of Section 32, Township 1 North, Range 8 East, Smith County, Mississippi, as indicated on the Dual Induction-SFL Log of said Well and including those strata productive of hydrocarbons which can be correlated therewith.
- II. The Pine Island Oil Pool in the Center Ridge South Field as used herein shall be construed to mean those strata of the Pine Island Formation correlative to the interval between 12,397 feet and 12,584 feet in the Triad Oil and Gas Company - Shelton R. Stewart #1 Well located in the SW 1/4 of SW 1/4 of Section 29, Township 1 North, Range 8 East, Smith County, Mississippi, as indicated on the Electric Log of said Well and including those strata productive of hydrocarbons which can be correlated therewith.
- III. The Sligo Oil Pool in the Center Ridge South Field as used herein shall be construed to mean those strata of the Sligo Formation productive of hydrocarbons in the interval between 12,585 feet to 12,820 feet in the Triad Oil and Gas Company - Shelton R. Stewart #1 Well located in the SW 1/4 of SW 1/4 of Section 29, Township 1 North, Range 8 East, Smith County, Mississippi, as indicated on the Electric Log of said well and including those strata productive of hydrocarbons which can be correlated therewith.

- IV. The Hosston Oil Pool in the Center Ridge South Field as used herein shall be construed to mean those strata of the Hosston Formation correlative to the interval between 12,820 feet and 13,294 feet in the Triad Oil and Gas Company - Shelton R. Stewart #1 Well located in the SW 1/4 of SW 1/4 of Section 29, Township 1 North, Range 8 East, Smith County, Mississippi, as indicated on the Electric Log of said Well and including those strata productive of hydrocarbons which can be correlated therewith.
- V. The characteristics of the Rodessa Oil Pool, the Pine Island Oil Pool, the Sligo Oil Pool and the Hosston Oil Pool in said Field are such that a well located as hereinafter prescribed and drilled upon a unit containing approximately 80 contiguous surface acres conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable hydrocarbons from such unit in said pools without avoidable waste.

#### **RULE 1 - SPACING OF OIL WELLS**

Every well drilled as an oil well:

- (a) Shall be located on a drilling unit consisting of a governmental half-quarter section, containing not less than 72 acres or on a drilling unit consisting of not more than 80 surface contiguous acres, upon which no other drilling or producible well is located;
- (b) Shall be located at least 990 feet from every other drilling or producible well located in the Center Ridge South Field; and
- (c) Shall be located at least 330 feet from every exterior boundary of the drilling unit; and
- (d) The distance between any two points farthest apart on the drilling unit upon which the well is located shall not exceed 3,200 feet.

#### **RULE 2 - DRILLING AND COMPLETION**

- (a) All oil wells shall be equipped with bradenheads, casingheads, and Christmas tree fittings having a working pressure of not less than one thousand (1000) pounds per square inch, except wells completed as pumping wells for which this Rule 2 shall not apply.
- (b) The production string of casing shall be cemented with a calculated

amount of cement necessary to fill the annular space to a point 500 feet above the shallowest producing oil pool penetrated by the well.

(c) Any well located upon a drilling unit and underlain by two (2) or more oil pools may be dually completed so as to produce oil from two (2) oil pools simultaneously provided that the following practices are complied with:

- (1) Application shall be made to the Board for and a permit secured to dually complete a well. The Board may require such applicant to file data determining the procedure to be followed and subsequent data substantiating the results of the dual completion work.
- (2) Dual completion may be effected (1) through two strings of tubing, or (2) through one string of tubing and the annular space between tubing and casing or (3) through a single tubing string utilizing the Otis Dual Flow Bottom Hole Choke assembly.
- (3) Proper equipment of a design recognized in the industry shall be installed and measures taken to fully prevent oil from oil pool from commingling with oil from another pool while being produced, prior to surface or subsurface metering or control.
- (4) Proper equipment of a design recognized in the industry shall be installed so that in event of accident or equipment failure a well may be properly killed to prevent the commingling of oil from separate pools while making necessary repairs.
- (5) After a well has been dually completed, tests shall be made to determine the effective separation of the two pools to be produced and the results of such tests shall be reported to the Board before the well shall be allowed to produce.
- (6) Use of the Otis Dual Flow Choke shall be subject to monthly production tests by alteration of downhole chokes, utilizing wire line equipment and actual individual well tests. After a satisfactory monthly test period, operators will perform such tests on a periodic basis and allocate production during that period based on the last applicable test.

- (7) The operator of each producing well shall maintain proper separators and stock tanks or metering devices and such connections thereto as are necessary to measure the total production from said well. Where surface and subsurface metering devices are used as herein provided, the production may be commingled in a common storage system. All meters shall be designed, installed and calibrated in conformance with recognized metering practices and shall be subject to the approval of the Supervisor of the Oil and Gas Board.
- (8) The use of surface meters for testing and for measurement of well production of wells completed through two strings of tubing or through one string of tubing and the annular space between tubing and casing is set forth above in Rules II (c) (2) shall be subject to and in accordance with the following provisions:
- (a) Only a volume displacement type metering device or vessel which registers the volume of oil passed through it in barrels or multiples thereof may be used, and shall be downstream of the necessary separating or treating vessel.
  - (b) No meter used for oil production measurement shall be directly or indirectly bypassed in such manner as to permit oil to pass into common storage without first being measured by said meter including wells on test.
  - (c) All meters and equipment affecting meter accuracy shall be kept in good working order. Each meter shall be calibrated at least once a month by means of a calibrated tank, a calibrated meter power or a master meter. When a meter is found to deviate in its recording by more than two percent, it must be adjusted to conform to the said tolerance limitation of two percent or the meter calibration factor corrected.
  - (d) The corrected meter reading at 7:00 a.m. on the first day

of each month for each meter shall be reported on the form reporting the monthly production from the wells being measured by such meter.

**APPLICABILITY OF STATEWIDE RULES**

- (a) 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 said.
- (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.