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STATE OIL AND GAS BOARD
Clyde R. Davis, State Oil & Gas SupervisorBEFORE THE STATE OIL AND GAS BOARD OF THE
STATE OF MISSISSIPPIRE: AMENDMENT TO SPECIAL FIELD RULES
SOUTH CENTER RIDGE FIELD
SMITH COUNTY, MISSISSIPPI

DOCKET NO. 238-79-184

ORDER NO. 314-79ORDER

This matter came on for hearing upon the Application of AMAX Petroleum Corporation asking that the Special Field Rules previously adopted by this Board in the above field be amended and the Board, after hearing oral and documentary evidence, is of the opinion that the relief should be granted and does find as follows:

1.

Proper, due and legal notice for the hearing of this Board to consider this Application has been given as required by law and the rules of this Board, and due, legal and sufficient proof of publication of notice is on file with this Board. The Board does further adjudicate that it has full and complete jurisdiction of the subject matter to hear and determine this Application at this time and place as hereinafter set forth.

2.

In 1963, by Order No. 231-63, the State Oil and Gas Board adopted Special Field Rules for South Center Ridge Field, Smith County, Mississippi. Said field rules were subsequently amended in 1964 by Order No. 51-64.

3.

Since the adoption of the above field rules as amended, AMAX Petroleum Corporation has completed the AMAX Petroleum Corporation South Center Ridge Unit 32-2 No. 3 Well. Information from this well indicates that the Rodessa Oil Pool as presently

defined actually contains three separate pools. Applicant proposes to amend the Special Field Rules for South Center Ridge to define the pools as the Upper Rodessa Oil Pool, the Middle Rodessa Oil Pool and the Lower Rodessa Oil Pool in place of the Rodessa Oil Pool as follows:

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

The South Center Ridge 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 Sligo Oil Pool, the Upper Rodessa Oil Pool, the Middle Rodessa Oil Pool, the Lower Rodessa Oil Pool, the Hosston Oil Pool and the Pine Island Oil Pool as hereinafter defined and all productive extensions thereof.

I. The Sligo Oil Pool in the South Center Ridge 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.

II. The Upper Rodessa Oil Pool in the South Center Ridge Field as used herein shall be construed to mean those strata of the Rodessa Formation correlative to the interval between 11,780 feet and 12,060 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.

III. The Middle Rodessa Oil Pool in the South Center Ridge Field as used herein shall be construed to mean those strata of the Rodessa Formation correlative to the interval between 12,060 feet and 12,110 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.

IV. The Lower Rodessa Oil Pool in the South Center Ridge Field as used herein shall be construed to mean those strata of the Rodessa Formation correlative to the interval between 12,110 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.

V. The Hosston Oil Pool in the South Center Ridge 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.

VI. The Pine Island Oil Pool in the South Center Ridge 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.

VII. The characteristics of said Sligo Oil Pool, said Upper Rodessa Oil Pool, Middle Rodessa Oil Pool, and the Lower Rodessa Oil Pool, said Hosston Oil Pool and the said Pine Island 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 with avoidable waste.

RULE I - 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 South Center Ridge 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 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 sub-surface 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 sub-surface 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 by-passed 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 per cent, it must be adjusted to conform to the said tolerance limitation of two per cent 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 bottom of the Form 9 reporting the monthly production from the wells being measured by such meter.

III. 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.

4.

The Upper Rodessa Oil Pool is separate and distinct from any other pool in the field. The Lower Rodessa Oil Pool is separate and distinct from any other pool in the field.

The Middle Rodessa Oil Pool is a producing formation that is separate and distinct from, and not in communication with any other producing formation and was so separate and distinct on date of first production of said pool in the AMAX Petroleum Corporation South Center Ridge 32-2 Unit Well No. 3.

IT IS, THEREFORE, ORDERED that the Special Field Rules for South Center Ridge Field, Smith County, Mississippi, be, and they hereby are, amended to name the Upper Rodessa Oil

Pool, the Middle Rodessa Oil Pool and the Lower Rodessa Oil Pool as more particularly set forth.

SO ORDERED, this the 17th day of October, 1979.

MISSISSIPPI STATE OIL AND GAS BOARD

BY: Joe R. Funches, Jr.
Chairman