

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF AMERADA HESS
CORPORATION TO ESTABLISH SPECIAL
FIELD RULES FOR THE NORTH CLARA
FIELD, IN WAYNE COUNTY, MISSISSIPPI

FILED FOR RECORD

APR 3 - 1995

STATE OIL AND GAS BOARD
A. Richard Bondurant, Supervisor

DOCKET NO. 61-95-783

ORDER NO. 87-95

ORDER

THIS DAY this matter came on for hearing before the State Oil and Gas Board on the Petition of Amerada Hess Corporation to establish Special Field Rules for North Clara Field, such hearing being called for such purpose;

WHEREAS, the Board finds that due, proper and legal notice of the meeting of the 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 the Board; that due, legal and sufficient proofs of publication and service are on file with the Board; and that the Board has full jurisdiction of the subject matter to hear and determine same; and

WHEREAS, pursuant to said notice and service of process, public hearing was held by said Board in the hearing room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on March 15, 1995, at which hearing this matter was heard and all persons present who desired to be heard on said matter were heard and all testimony and evidence were duly considered by those present at said meeting; and

WHEREAS, the Board has fully considered said matter and the evidence and recommendations made in said hearing and finds as follows:

1. By Permit No. 250, dated June 2, 1993, the drilling unit for Petitioner's Pat H. Sanderson 1-13 No. 1 Well was established on a regular 160 acre oil unit in North Clara Field, Wayne County, Mississippi. By Order No. 61-94, Docket No. 48-94-783, dated February 16, 1994, said unit was reformed to a 640 acre gas unit more particularly described as follows:

The Southwest Quarter of Section 1, the Southeast Quarter of Section 2, the Northeast Quarter of Section 11 and the Northwest Quarter of Section 12, all in Township 8 North,

Range 8 West, North Clara Field, Wayne County, Mississippi containing 640.0 acres, more or less.

Said well has been completed as a commercial producer of gas from the Smackover Formation.

2. The Pat H. Sanderson 1-13 No. 1 Well is the discovery well of a new field. Pursuant to Miss. Code Ann. § 53-1-17(3)(1) (Supp. 1994), Petitioner has certified to the Oil and Gas Board an itemized list of the expenses it incurred in the actual drilling operations on such well. Pursuant to such statute, this well will not be subject to the restrictions of the Conservation Act, or regulations promulgated thereunder, until \$3,407,000, which is the certified cost of drilling operations of said well, has been recovered by the working interest owners from oil or gas from said well.

3. Pursuant to Statewide Rule 15, Petitioner has proposed to establish Special Field Rules for the current development and production from North Clara Field and to define the field and the pool as set forth in the proposed Special Field Rules.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules for North Clara Field, Wayne County, Mississippi shall be as follows:

**SPECIAL FIELD RULES FOR
NORTH CLARA FIELD IN WAYNE COUNTY, MISSISSIPPI**

A. The North Clara Field, as used herein, is comprised of the following lands in Wayne County, Mississippi, and any productive extensions thereof:

Township 8 North, Range 8 West
Sections 1, 2, 11, 12, 13 and 14.

Township 9 North, Range 8 West
Sections 35 and 36.

B. The Upper Jurassic Gas Pool is defined as the interval encountered in the Pat H. Sanderson 1-13 No. 1 Well located in the SW 1/4 of Section 1, Township 8 North, Range 8 West, Wayne County, Mississippi, as indicated on the electrical log of said well to be a depth of 15,970 feet to 17,500 feet, and all strata correlative to and in communication therewith.

RULE NO. 1: SPACING OF GAS WELLS

Every well drilled to develop the above defined gas pool in North Clara Field and/or productive therein shall be drilled and/or produced on a 640 acre drilling unit consistent with Statewide Rule 8.1.

RULE NO. 2: APPLICABILITY OF STATEWIDE RULES

A. All rules and regulations contained in Statewide Order No. 201-51, and all amendments thereto, not specifically covered by the foregoing Special Field Rules are hereby adopted and shall apply to said field.

B. The Board expressly reserves the right, after notice and hearing, to alter, amend or appeal any and all of the foregoing rules and regulations.

ORDERED AND ADJUDGED, this the 15th day of March, 1995.

MISSISSIPPI STATE OIL AND GAS BOARD

BY:

Joseph J. Zuccaro
CHAIRMAN