

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF PITTS OIL MISSISSIPPI LLC
TO AMEND THE SPECIAL FIELD RULES
FOR THE CORINNE FIELD TO COMBINE
POOL DEFINITIONS TO FORM A
CONSOLIDATED GAS POOL AND ADOPT
SPACING RULES FOR THE COMBINED
GAS POOL IN THE CORINNE FIELD,
MONROE, CLAY AND LOWNDES
COUNTIES, MISSISSIPPI

FILED FOR RECORD

DEC 19 2018

STATE OIL AND GAS BOARD
JESSE NEW, SUPERVISOR

DOCKET NO. 414-2018-D

ORDER NO. 649-2018

ORDER

THIS CAUSE came to be heard on the Petition of Pitts Oil Mississippi LLC ("Petitioner") requesting the Board to amend the Special Field Rules for the Corinne Field (the "Field") previously adopted by this Board, to combine pool definitions to form a consolidated gas pool known as the Consolidated Gas Pool ("the Pool") and adopt spacing rules for the Pool in Monroe, Clay and Lowndes Counties, Mississippi; and

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 required by 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, a public hearing was held by said Board in the Hearing Room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on November 21, 2018, at 10:00 o'clock a.m. at which hearing all persons present who desired to be heard on said matter were heard and all testimony and the 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.

The Mississippi State Oil and Gas Board has previously approved the establishment of the Special Field Rules for the Field, Monroe County, Mississippi. Those Special Field Rules established the geographic limits of the Field and define various oil pools within the Field and prescribe certain spacing requirements applicable to wells drilled and completed in said pools. Those Special Field Rules have been amended by the Board several times through the years. Those Special Field Rules were last amended by the Mississippi State Oil and Gas Board in 2011, Docket No. 365-2011-D, Order No. 666-2011.

2.

The Field was discovered in 1972 and has produced from 28 separately defined gas pools that are lenticular in nature and come and go through the Field. At peak production, the Field produced approximately 100 MMCFD. Currently, it only averages 1.4 MMCFPD. Most of the gas pools in the Field are partially depleted. Petitioner recently purchased this Field and plans to commingle numerous partially depleted zoned as part of a salvage operation. The purpose of this Petition is to amend the Special Field Rules to consolidate pool definitions into one pool for streamlined commingle purposes and modernize the rules.

3.

Petitioner is the duly authorized operator of numerous wells in the Field and proposes to add the following defined Pool:

The Consolidated Gas Pool in the Corinne Field shall be constructed to mean all those strata productive gas in the interval between the depths of 1,700 feet and 6,000 feet in the Columbia Air Force Base Parcel 4-2 Well as indicated on the electric log of said well, and all sands correlative of those strata productive of gas, said well being located 1,711 feet from the South line and 1,513 feet from the East line of

Section 30, Township 16 South, Range 18 West, Lowndes
County, Mississippi.

4.

The amendment to the Special Field Rules for Field, promotes conservation, prevents waste, avoids the drilling of the unnecessary wells, and fully protects the co-equal and correlative rights of all parties in interest. In addition, the adoption of the proposed amendment to the Special Field Rules will facilitate the more efficient and economic operation of the Field, will extend the economic life of the Field, and result in the ultimate recovery of oil and gas reserves which would not otherwise be recovered.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the Special Field Rules for the Corinne Field in Monroe, Clay, and Lowndes Counties, Mississippi shall be and hereby are amended as follows:

**CORINNE FIELD
SPECIAL FIELD RULES
MONROE, CLAY, AND LOWNDES COUNTIES, MISSISSIPPI**

**A.
Field Area**

The Corinne Field, as used herein, is that area consisting of the following described land, to-wit:

MONROE COUNTY

TOWNSHIP 15 SOUTH, RANGE 8 EAST

Fractional Section 31: South Half

TOWNSHIP 15 SOUTH, RANGE 7 EAST

Section 35: Entire

Section 36: Entire

TOWNSHIP 16 SOUTH, RANGE 8 EAST

Fractional Section 5: Entire

Fractional Section 6: Entire

Section 7: Entire

Fractional Section 8: Entire

Fractional Section 9: Entire

Fractional Section 17: Entire

Fractional Section 18: Entire

TOWNSHIP 16 SOUTH, RANGE 7 EAST

Section 1: Entire

Section 2: Entire

Section 11: Entire

Section 12: Entire

Section 13: Entire

Section 14: Entire

TOWNSHIP 16 SOUTH, RANGE 19 WEST

Fractional Section 11: Entire

Fractional Section 12: Entire

Section 13: Entire

Fractional Section 14: Entire

Fractional Section 22: Entire

Fractional Section 23: Entire

Section 24: Entire

TOWNSHIP 16 SOUTH, RANGE 18 WEST

Section 19: Entire

CLAY COUNTY

TOWNSHIP 16 SOUTH, RANGE 8 EAST

Fractional Section 19: Entire

Fractional Section 20: Entire

Fractional Section 30: Entire

TOWNSHIP 16 SOUTH, RANGE 7 EAST

Section 23: Entire

Section 24: Entire

Fractional Section 25: Entire

LOWNDES COUNTY

TOWNSHIP 16 SOUTH, RANGE 19 WEST

Section 13: Entire

Fractional Section 22: Entire

Fractional Section 23: Entire

Fractional Section 24: Entire

Section 25: Northwest Quarter and East Half

Fractional Section 26: Northeast Quarter

TOWNSHIP 16 SOUTH, RANGE 18 WEST

Section 19: Entire

Section 20: West Half

Section 29: West Half

Section 30: Entire

and all productive extensions thereof.

B.
Pool Definitions

(1) The Nason Gas Pool in the Corinne Field shall be construed to mean those strata of the Pennsylvania Formation productive of gas in the interval between the depths of 2,730 feet and 2 970 feet in the Lather & Hildebrand 8s Gibraltar Oil Company - T. A. Richardson No. 1 Well, as indicated on the Electric Log of said well, and all sands correlative of these strata productive of gas, said well being located 2,237 feet North and

1,838 feet East of the Southwest corner of Section 1, Township 16 South, Range 7 East, Monroe County, Mississippi.

(2) The East Eason Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 2,611 feet and 2,894 feet in the Grace Petroleum Corporation - Pickens No. I Well, as indicated on the Dual Induction Log of said well, and all sands correlative of those strata productive of gas, said well being located 825 feet from the North line and 1,865 feet from the East line of Section 7, Township 16 South, Range 8 East, Monroe County, Mississippi.

(3) The Upper Carter Gas Pool in the Corinne Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the depths of 5,053 feet and 5,076 feet in the R. L. Burns Corp. - Martin No. 19-1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of those strata productive of gas, said well being located 710 feet from the North line and 748 feet from the East line of the Northwest Quarter of Section 19, Township 16 South, Range 8 East, Clay County, Mississippi.

(4) The Lower Carter East Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 4,998 feet and 5,058 feet in the Grace Petroleum Corporation - Self 12-1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of those strata productive of gas, said well being located 660 feet from the South line and 660 feet from the West line of Section 12, Township 16 South, Range 19 West, Monroe County, Mississippi.

(5) The Lower Carter West Gas Pool in the Corinne Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the depths of 5,108 feet and 5,160 feet in the R. L. Burns Corp. - Martin No. 19-1 Well, as indicated on the Dual Induction Log of said well and all sands correlative of those strata productive of gas, said well being located 710 feet from the North line and 748 feet from the East line of the Northwest Quarter of Section 19, Township 16 South,

Range 8 East, Clay County, Mississippi.

(6) The Lower Carter South Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 5,030 feet and 5,088 feet in the R. L. Burns Corporation - Camp 24-1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of those strata productive of gas, said well being located 1,585 feet from the North line and 850 feet from the East line of Section 24, Township 16 South, Range 19 West, Lowndes County, Mississippi.

(7) The South Lewis Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 5,589 feet and 5,662 feet in the R. L. Burns Corporation - Camp 24-1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of those strata productive of gas, said well being located 1,585 feet from the North line and 850 feet from the East line of Section 24, Township 16 South, Range 19 West, Lowndes County, Mississippi.

(8) The North Lewis Gas Pool in the Corinne Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the depths of 5,700 feet and 5,778 feet in the Triad Oil and Gas Co. - Dabbs No. 1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of those strata productive of gas, said well being located in the Southwest Quarter of Fractional Section 18, Township 16 South, Range 8 East, Monroe County, Mississippi.

(9) The Sanders Composite Gas Pool in the Corinne Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the Electric Log depths of 5,178 feet and 5,310 feet in the R. L. Burns - Martin No. 19-1 Well, as indicated on the Electric Log of said well, and all sands correlative of those strata productive of gas, said well being located 710 feet from the North line and 748 feet from the East line of the Northwest Quarter of Section 19, Township 16 South, Range 8 East, Clay County, Mississippi.

(10) The Upper Sanders Gas Pool in the Corinne Field shall be construed to

mean those strata productive of gas in the interval between the depths of 5,029 feet and 5,072 feet in the Grace Petroleum Corporation - Richardson No. 6 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of those strata productive of gas, said well being located 823 feet from the North line and 1,048 feet from the East line of Section 18, Township 16 South, Range 8 East, Monroe County, Mississippi.

(11) The Lower Sanders Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 5,082 feet and 5,110 feet in the Grace Petroleum Corporation - Richardson No. 6 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of those strata productive of gas, said well being located 823 feet from the North line and 1,048 feet from the East line of Section 18, Township 16 South, Range 8 East, Monroe County, Mississippi.

(12) The Stray Sanders Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 5,171 feet and 5,290 feet in the R. L. Burns Corporation - Camp 24-1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of those strata productive of gas, said well being located 850 feet from the North line and 1,980 feet from the East line of Section 24, Township 16 South, Range 19 West, Lowndes County, Mississippi.

(13) The 1,900 Foot Gas Pool in the Corinne Field shall be construed to mean those strata of the Pennsylvania Formation productive of gas in the interval between the measured depths of 1,888 feet and 2,027 feet in the Cleary Petroleum Corporation - Triad Oil and Gas Company - Self No. 11-2 Well, as indicated on the Dual Induction Electric Log of said well, and all sands correlative of those strata productive of gas, said well being located 789 feet North of the South line and 1,445 feet West of the East line of Section 11, Township 16 South, Range 19 West, Monroe County, Mississippi.

(14) The Buskirk Gas Pool in the Corinne Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the depths of 4,650 feet and 4,750 feet in the Ladner, Hildebrand 85 Gibraltar Oil Corporation -

Buskirk-Gilreath No. 1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of those strata productive of gas, said well being located 1,700 feet from the East line and 1,900 feet from the North line of Section 35, Township 15 South, Range 7 East, Monroe County, Mississippi.

(15) The Millerella Gas Sand Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 5,010 feet and 5,050 feet in the Grace Petroleum Corporation - Scott - Turner No. 1 Well, as indicated on the Dual Induction Focused Log of said well, and all sands correlative of these strata productive of gas, said well being located 885 feet North and 1,500 feet West of the Southeast corner of the Northeast Quarter of Section 1, Township 16 South, Range 7 East, Monroe County, Mississippi.

(16) The North East Upper Carter Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 4,979 feet and 4,998 feet in the Grace Petroleum Corporation - Self 12-2 No. 1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of these strata productive of gas, said well being located 1,750 feet from the West line and 2,000 feet from the South line of Section 12, Township 16 South, Range 19 West, Monroe County, Mississippi.

(17) The North East Lower Carter Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 5,063 feet and 5,070 feet in the Grace Petroleum Corporation - Self 12-2 No. 1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of these strata productive of gas, said well being located 1,750 feet from the West line and 2,000 feet from the South line of Section 12, Township 16 South, Range 19 West, Monroe County, Mississippi.

(18) The Sanders CAFB Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 5,365 feet and

5,430 feet in the Thomson-Monteith-Columbus AFB Parcel 4 No. 1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of these strata productive of gas, said well being located 1,573 feet from the South line and 1,528 feet from the East line of Section 30, Township 16 South, Range 18 West, Lowndes County, Mississippi.

(19) The Lower Carter Southwest Gas Pool in the Corinne Field shall be construed to mean those strata of the Mississippian System productive of gas between the depths of 5,300 feet and 5,320 feet in the Pruet Production Co. - Baria & Mason - Weyerhaeuser 23-16 No. 1 Well, as indicated on the Dual Induction Electrical Log of said well, and all sands correlative of these strata productive of gas, said well being located 735 feet from the South line and 660 feet from the East line of Section 23, Township 16 South, Range 7 East, Clay County, Mississippi.

(20) The West Lewis Sand Gas Pool in the Corinne Field shall be construed to mean those strata of the Mississippian System productive of gas between the depths of 5,870 feet and 5,916 feet in the Pruet Production Co. - Baria & Mason - James E. Cook 24-5 No. I Well, as indicated on the Dual Induction Electrical Log of said well, and all sands correlative of these strata productive of gas, said well being located 330 feet from the West line and 1,980 feet from the North line of Section 24, Township 16 South, Range 7 East, Clay County, Mississippi.

(21) The Nason South CAFE Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 2,643 feet and 3,768 feet, true vertical depth, in the Thomson-Monteith-Columbus AFB Parcel 1 No. 1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of these strata productive of gas, said well being located 1,777 feet from the South line and 1,537 feet from the East line of Section 24, Township 16 South, Range 19 West, Lowndes County, Mississippi.

(22) The Lower Carter Southwest CAFE Gas Pool in the Corinne Field shall be

construed to mean those strata productive of gas in the interval between the depths of 5,052 feet and 5,098 feet, true vertical depth, in the Thomson-Monteith-Columbus AFB Parcel 1 No. 1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of these strata productive of gas, said well being located 1,777 feet from the South line and 1,537 feet from the East line of Section 24, Township 16 South, Range 19 West, Lowndes County, Mississippi.

(23) The Upper Carter South CAFE Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 5,110 feet and 5,157 feet, true vertical depth, in the Thomson-Monteith-Columbus AFB Parcel 3 No. 1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of these strata productive of gas, said well being located 1,406 feet from the South line and 1,505 feet from the West line of Section 30, Township 16 South, Range 18 West, Lowndes County, Mississippi.

(24) The Lower Carter Southeast CAFB Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 5,094 feet and 5,148 feet, true vertical depth, in the Thomson-Monteith-Columbus AFB Parcel 4 No. 1 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of these strata productive of gas, said well being located 1,573 feet from the South line and 1,528 feet from the East line of Section 30, Township 16 South, Range 18 West, Lowndes County, Mississippi.

(25) The North Lower Carter Gas Pool in the Corinne Field shall be construed to mean those strata productive of gas in the interval between the depths of 5,024 feet and 5,110 feet in the Grace Petroleum Corporation - Richardson No. 5-2 Well, as indicated on the Dual Induction Log of said well, and all sands correlative of these strata productive of gas, said well being located 660 feet from the South line and 1,320 feet from the West line of Section 7, Township 16 South, Range 8 East, Monroe County, Mississippi.

(26) The Nason West Gas Pool in the Corinne Field shall be construed to mean those strata of the Pennsylvania Formation productive of gas in the interval of the depths of 2,706 feet and 2,974 feet (measured Electric Log depth) in the R. L. Burns - Martin 19 No. 4 Well, as indicated on the log of said well, and all sands correlative of these strata productive of gas, said well being located 660 feet South and 2,332 feet East of the Northwest corner of Section 19, Township 16 South, Range 8 East, Clay County, Mississippi.

(27) The Lower Carter Northeast Uplifted Fault Segment Gas Pool in the Corinne Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the depths of 5,280 feet and 5,302 feet in the Moon-Hines-Tigrett Operating Co Inc - Hall Inzer 36-15 No. 1 Well, as indicated on the Array Induction Log of said well, and all sands correlative of these strata productive of gas, said well being located 454 feet North of the South line and 2,088 feet West of the East line of Section 36, Township 15 South, Range 7 East, Monroe County, Mississippi.

(28) The Upper Carter West Gas Pool in the Corinne Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the depths of 5,200 feet and 5,212 feet in the Gibraltar Energy Company – Dora Holladay No. 1 Well, as indicated on the Electric Log of said well, and all sands correlative of these strata productive of gas, said well being located 1,980 feet from the North line and 1,975 feet from the West line of Section 14, Township 16 South, Range 7 East, Monroe County, Mississippi.

(29) The Consolidated Gas Pool in the Corinne Field shall be construed to mean all those strata productive gas in the interval between the depths of 1,700 feet and 6,000 feet in the Columbia Air Force Base Parcel 4-2 Well as indicated on the electric log of said well, and all sands correlative of those strata productive of gas, said well being located 1,711 feet from the South line and 1,513 feet from the East line of

Section 30, Township 16 South, Range 18 West, Lowndes County, Mississippi.

C.
Rules

The characteristics of the Gas Pools herein defined in said field, with the exception of the Upper Carter West Gas Pool, are such that gas wells located as hereinafter prescribed and drilled upon drilling units containing approximately 320 contiguous surface acres each conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable gas from said units in said pools without avoidable waste.

RULE 1 - SPACING OF GAS WELLS:

(A) With respect to all defined pools except any existing individual units formed for the Upper Carter West Gas Pool:

(1) Shall be located on a drilling unit consisting of 320 contiguous acres, or a governmental half section containing not less than 300 acres nor more than 340 acres upon which no more than one other well producing from the same pool is located.

(2) Any gas drilling unit not a governmental half section must be completely encompassed by the perimeter of a rectangle 3,730 feet by 5,380 feet, provided, however, no unit shall be permitted which will create island acreage.

(3) Every well shall be located not less than 660 feet from every exterior boundary of the unit.

(4) There shall be no limitation on the number of wells producing in the Consolidated Gas Pool on each Unit.

(5) There shall be no minimum interior distance between any well drilled or completed in the Consolidated Gas Pool.

(B) With respect to any existing units that are completed in the Upper Carter West Gas Pool (Paragraph 28) as defined herein, every gas well:

(1) Shall be located on a drilling unit consisting of 160 contiguous acres, or a governmental quarter section containing not less than 144 acres nor more than 176 acres upon which no other well producing from the same pool is located.

(2) Any gas drilling unit not a governmental quarter section must be completely encompassed by the perimeter of a rectangle 2,640 feet by 3,500 feet, provided, however, no unit shall be permitted which will create island acreage.

(3) Every well shall be located not less than 660 feet from every exterior boundary of the unit.

(C) With respect to every other pool, every well drilled as a gas well:

(1) Shall be located on a drilling unit consisting of 320 contiguous acres, or a governmental half section containing not less than 300 acres nor more than 340 acres upon which no other drilling or producible well is located. However, any wells presently completed in previously defined "Sanders Gas Pool" and "Lower Sanders Gas Pool" (Paragraph 11) may continue to produce therefrom notwithstanding the fact that more than one well is producing from the redefined Sanders Gas Pool on one drilling unit.

(2) Shall be located on a drilling unit consisting of 320 contiguous acres, or a governmental half section containing not less than 300 acres nor more than 340 acres upon which no other drilling or producible well is located. However, any wells presently completed in previously defined "Upper Carter West Gas Pool (Paragraph 28) on a 160 acre gas unit may continue to produce therefrom.

(3) Any gas drilling unit not a governmental half section must be completely encompassed by the perimeter of a rectangle 3,735 feet by 5,380 feet, provided, however, no unit shall be permitted which will create island acreage.

(4) The well shall be located at least 1,320 feet from every other drilling or producible well located on another unit located in conformity with this rule.

(5) The well shall be located not less than 660 feet from every exterior

boundary of the unit.

(6) There shall be no minimum interior unit distance between any well drilled or completed in the Consolidated Gas Pool.

RULE 2 - APPLICABILITY OF STATEWIDE RULES:

(A) All rules and regulations contained in Statewide Order No. 201-51, and any amendments hereto, not specifically covered in 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 repeal any or all of the foregoing rules and regulations or grant exceptions thereto.

- - - - End of Special Field Rules - - - -

IT IS FURTHER ORDERED AND ADJUDGED that this Order shall be in force and effect from and after November 21, 2018.

IT IS FURTHER ORDERED AND ADJUDGED that Petitioner shall acquire any other permits, if any, required by any other permitting authority.

ORDERED AND ADJUDGED this 19th day of Dec., 2018.

**STATE OIL AND GAS BOARD OF
MISSISSIPPI**


CHAIRMAN

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