

FILED FOR RECORD

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF ROUNDTREE &
ASSOCIATES, INC., TO AMEND SPECIAL
FIELD RULES FOR CRACKERNECK FIELD,
JONES COUNTY, MISSISSIPPI

JUN 02 2000

STATE OIL AND GAS BOARD
WALTER BOONE, SUPERVISOR

DOCKET NO. 153-2000-753
ORDER NO. 233-2000

ORDER

On May 17, 2000, this matter came on for hearing before the State Oil and Gas Board on the Petition of Roundtree & Associates, Inc., asking that the Special Field Rules previously adopted by this Board in Crackerneck Field, Jones County, Mississippi, be amended to redefine the areal extent of said field, such hearing being called for such purposes;

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 are on file with the Board, and that the Board has full jurisdiction of the parties and subject matter to hear and determine same; and

WHEREAS, pursuant to said notice given, public hearing was held by said Board in the hearing room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on May 17, 2000, at which 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. That by Order No. 82-94, the State Oil & Gas Board adopted Special Field Rules for Crackerneck Field, Jones County, Mississippi, establishing and defining the Hosston Oil Pools (13,200'; 13,300'; 13,500'; and 13,650'), Rodessa Oil Pool and the Slingo Oil Pool as separate and distinct underground reservoirs or pools within the field, and prescribing rules governing the spacing of wells and the formation and establishment of drilling and production units within said pools.

2. That the Special Field Rules for Crackerneck Field define the field limits as including, among other areas, all of Sections 29 and 32, Township 7 North, Range 13 West, Jones County, Mississippi.

3. That under Permit No. 97-OPD-040 dated August 21, 1996, Petitioner has drilled its Gladys Knight 32-14 No. 1 Well on a 160 acre oil unit in Parker Creek Field, Jones County, Mississippi, and has discovered additional oil pools in the Hosston Formation which are separated by a vertical salt structure from and not in communication with the previously defined pools in Crackerneck Field.

4. That Petitioner has proposed to redefine the areal extent of Crackerneck Field to EXCLUDE the South 1/2 of Section 29 and entire Section 32, Township 7 North, Range 13 West, as set out in the new definition of FIELD LIMITS in the proposed Amended Special Field Rules attached hereto as Exhibit A.

5. That in its petition in Docket No. 150-2000-824, filed as a companion docket to the Petition to Amend Special Field Rules, Petitioner has requested authority to conduct a limited 150 day production test on its Allar Company 32-6 No. 1 Well to determine the maximum efficient rate of production from said well for the Hosston Formation Producing Interval in Parker Creek Field, Jones County, Mississippi.

6. That in its petition in Docket No. 154-2000-824, filed as an additional companion docket to the Petition to Amend Special Field Rules, Petitioner has requested authority to establish the Special Field Rules for Parker Creek Field to include the entire Section 5 and Northwest 1/4 of Section 8, Township 6 North, Range 13 West and the South 1/2 of Section 29 and the entire Section 32, Township 7 North, Range 13 West as the field limits of Parker Creek Field, Jones County, Mississippi.

7. That Petitioner has proposed that the adoption of the Amended Special Field Rules for the Crackerneck Field, as set forth in Exhibit "A", attached hereto, will promote the orderly development of the Hosston Formation, will promote conservation and prevent waste, will protect and enforce the co-equal and correlative rights of all parties, will avoid the drilling of unnecessary wells, and permit hydrocarbons to be produced from the field which would not otherwise be recoverable.

IT IS, THEREFORE, ORDERED AND ADJUDGED, that the relief requested in the Petition herein is well taken and should be granted and that the Special Field Rules for Crackerneck Field, Jones County, Mississippi, shall be as set out in Exhibit "A", attached hereto.

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

ORDERED AND ADJUDGED this the 17th day of May, 2000.

MISSISSIPPI STATE OIL & GAS BOARD

By: 

CHAIRMAN

OF COUNSEL:

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ATTORNEY FOR PETITIONER,
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EXHIBIT "A"

**AMENDED
SPECIAL FIELD RULES
CRACKERNECK FIELD
JONES COUNTY, MISSISSIPPI**

FIELD LIMITS

The Crackerneck Field is defined as that area consisting of the following described lands, to wit:

All of Sections 6 and 7, Township 6 North, Range 13 West; all of Section 1, Township 6 North, Range 14 West; all of Sections 19, 20, 30, 31, and North 1/2 of Section 29, Township 7 North, Range 13 West; and all of Sections 24, 25, and 36, Township 7 North, Range 14 West, Jones County, Mississippi,

as underlain by the oil pools herein defined and all correlative or productive extensions thereof.

I.

13,200' HOSSTON OIL POOL

The 13,200' Hosston Oil Pool is defined as those strata of the 13,200' Hosston formation productive of oil and casinghead gas in the interval between 13,192 feet and 13,234 feet measured depth in the Oryx Energy Company - Anderson Wallace Estate No. 1 Well as indicated on the electric log of said well, and all sands correlative of this strata productive of oil and casinghead gas, said well being located in Section 30, Township 7 North, Range 13 West, Jones County, Mississippi.

II.

13,300' HOSSTON OIL POOL

The 13,300' Hosston Oil Pool is defined as those strata of the 13,300' Hosston formation productive of oil and casinghead gas in the interval between 13,282 feet and 13,315 feet measured depth in the Oryx Energy Company - Anderson Wallace Estate No. 1 Well as indicated on the electric log of said well, and all sands correlative of this strata productive of oil and casinghead gas, said well being located in Section 30, Township 7 North, Range 13 West, Jones County, Mississippi.

III.

13,500' HOSSTON OIL POOL

The 13,500' Hosston Oil Pool is defined as those strata of the 13,500' Hosston formation productive of oil and casinghead gas in the interval between 13,458 feet and 13,596 feet measured depth in the Oryx Energy Company - Anderson Wallace Estate No. 1 Well as indicated on the electric log of said well, and all sands correlative of this strata productive of oil and casinghead gas, said well being located in Section 30, Township 7 North, Range 13 West, Jones County, Mississippi.

IV.

13,650' HOSSTON OIL POOL

The 13,650' Hosston Oil Pool is defined as those strata of the 13,650' Hosston formation productive of oil and casinghead gas in the interval between 13,634 feet and 13,674 feet measured depth in the Oryx Energy Company - Anderson Wallace Estate No. 1 Well as indicated on the electric log of said well, and all sands correlative of this strata productive of oil and casinghead gas, said well being located in Section 30, Township 7 North, Range 13 West, Jones County, Mississippi.

V.

RODESSA OIL POOL

The Rodessa Oil Pool is defined as those strata of the Rodessa formation productive of oil and casinghead gas in the interval between 12,484 feet and 12,930 feet measured depth in the Oryx Energy Company - Anderson Wallace Estate No. 1 Well as indicated on the electric log of said well, and all sands correlative of this strata productive of oil and casinghead gas, said well being located in Section 30, Township 7 North, Range 13 West, Jones County, Mississippi.

VI.

SLIGO OIL POOL

The Sligo Oil Pool is defined as those strata of the Sligo formation productive of oil and casinghead gas in the interval between 12,930 feet and 13,180 feet measured depth in the Oryx Energy Company - Anderson Wallace Estate No. 1 Well as indicated on the electric log of said well, and all sands correlative of this strata productive of oil and casinghead gas, said well being located in Section 30, Township 7 North, Range 13 West, Jones County, Mississippi.

RULE 1 - SPACING OF OIL WELLS

1. With respect to oil wells completed in the 13,200' Hosston Oil Pool, the top of which is encountered at 13,192 feet measured depth and the base of said formation being at 13,234 feet, the 13,300' Hosston Oil Pool, the top of which is encountered at 13,282 feet measured depth and the base of said formation being at 13,315 feet, the 13,500' Hosston Oil Pool, the top of which is encountered at 13,458 feet measured depth and the base of said formation being at 13,596 feet, and the 13,650' Hosston Oil Pool, the top of which is encountered at 13,634 feet measured depth and the base of said formation being at 13,674 feet, and the Rodessa Oil Pool, the top of which is encountered at 12,484 feet measured depth and the base of said formation being at 12,930 feet and the Sligo Oil Pool, the top of which is encountered at 12,930 feet measured depth and the base of said formation being at 13,180 feet, all as occurring in the discovery well:

a. Shall be located on a drilling unit consisting of one hundred sixty (160) contiguous surface acres, or four (4) governmental quarter-quarter sections containing not less than one hundred forty-four (144) acres or more than one hundred seventy six (176) acres, upon which no other drilling or producible well is located;

b. Any drilling unit not composed of four (4) governmental quarter-quarter sections must be completely encompassed by the perimeter of a rectangle 2,890 feet by 3,620 feet. Provided, however, no unit shall be permitted which will create island acreage;

c. The well shall be located at least 1,000 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule; and

d. The well shall be located at least 500 feet from every exterior boundary of the drilling unit.

2. No portion of the drilling unit upon which a well is located shall be attributed, in whole or in part, to any other drilling or producible well in the same named pool.

3. If any well drilled in conformity with the provisions of these Special Field Rules, or as an exception thereto, is completed as a gas well, it shall not be produced except for a test period not to exceed fifteen (15) days, or until authorization has been granted by the Board after notice and hearing to amend the Special Field Rules to define additional pools and provide for gas wells.

RULE 2 - APPLICABILITY OF STATEWIDE RULES

All rules and regulations contained in Statewide Order No. 201 -51 , and any amendments thereto, not specifically covered in the foregoing rules are hereby adopted and applied to said field.

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

End of Special Field Rules