

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

RE: AMENDED PETITION OF MILLER EXPLORATION
COMPANY TO AMEND THE SPECIAL FIELD
RULES OF DRY CREEK DOME FIELD,
COVINGTON COUNTY, MISSISSIPPI

AUG - 9 2002

STATE OIL AND GAS BOARD
WALTER BOONE, SUPERVISOR

DOCKET NO. 73-2002-787

ORDER NO. 242-2002

ORDER

THIS MATTER came on for hearing before the State Oil and Gas Board on the Petition of Miller Exploration Company to amend the Special Field Rules for Dry Creek Dome Field, such hearing being called for such purpose; 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 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, 500 Greymont Avenue, Suite 13, Jackson, Mississippi, commencing on July 17, 2002, at which hearing 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 Order No. 631-2001, Docket No. 420-2001-787, effective December 19, 2001 Petitioner received authority to drill its Miller-Minerals Management No. 6 Well on a 640 acre gas unit consisting of the S 1/2 of Section 22 and the N 1/2 of Section 27, Township 8 North, Range 17 West, Covington County, MS. This well was drilled and a new gas pool has been discovered that is separate from and not in communication with any previously defined gas pools in Dry Creek Dome Field.

2. Petitioner has shown that the new production encountered by its Miller-Minerals Management No. 6 Well should be defined as follows in the Special Field Rules of Dry Creek Dome Field:

The Hosston Oil Pool of the Southeast Segment is defined as the interval in the Hosston Formation encountered in the Miller- Minerals Management No. 6 Well, located in the S/2 of Section 22, Township 8 North, Range 17 West, Covington County, Mississippi, indicated on the electric log of said well to be a depth of 14,270'-14,892', and all strata correlative to and in communication therewith.

3. By Order No. 128-2002, Docket No. 78-2002-787, effective April 17, 2002, Petitioner received authority to perforate additional intervals in the Rodessa formation and to commingle production from the Hosston and Rodessa formations from its Miller-Minerals Management No. 6 Well on a temporary basis. Petitioner has successfully completed this operation and has shown that the new production encountered should be defined as follows in the Special Field Rules of Dry Creek Dome Field:

The Rodessa Oil Pool of the Southeast Segment is defined as the interval in the Rodessa Formation encountered in the Miller- Minerals Management No. 6 Well, located in the S/2 of Section 22, Township 8 North, Range 17 West, Covington County, Mississippi, indicated on the electric log of said well to be a depth of 13,688'-14,210', and all strata correlative to and in communication therewith.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules of Dry Creek Dome Field, Covington County, Mississippi shall be and are hereby amended to read as follows:

**SPECIAL FIELD RULES
FOR DRY CREEK DOME FIELD
COVINGTON COUNTY, MISSISSIPPI**

A. The Dry Creek Dome Field, as used herein, is comprised of the following lands in Covington County, Mississippi and any productive extensions thereof:

All of Sections 15, 16, 17, 20, 21, 22, 27, 28 and 29, Township 8
North Range 17 West, Covington County, Mississippi.

B. **The Upper Hosston 14,000 Foot Gas Pool of the Southeast Segment** is defined as the interval in the Hosston Formation encountered in the Amerada Hess - Minerals Management 28-1 No. 1 Well, located in the NE 1/4 of Section 28, Township 8 North, Range 17 West, Covington County, Mississippi, indicated on the electric log of said well to be a depth of 14,000 - 14,220 feet, and all strata correlative to and in communication therewith.

C. **The Upper Hosston 14,500 Foot Gas Pool of the Southeast Segment** is defined as the interval in the Hosston Formation encountered in the Amerada Hess - Minerals Management No. 2 Well, located in the NW 1/4 of Section 27, Township 8 North, Range 17 West, Covington County, Mississippi, indicated on the electric log of said well to be a

depth of 14,500 - 14,710 feet, and all strata correlative to and in communication therewith.

- D. **The Sligo Gas Pool of the Southwest Segment (formerly defined as the Sligo Gas Pool in the Gum Branch Field)** is defined as the interval in the Sligo Formation encountered in the Callon Petroleum Company - Booth A-1 Well, located in the SE 1/4 of Section 28, Township 8 North, Range 17 West, Covington County, Mississippi, indicated on the electric log of said well to be at a depth of 14,538 - 14,636 feet, and all strata correlative to and in communication therewith.
- E. **The Upper Hosston 14,800 Foot Gas Pool of the Southwest Segment** is defined as the interval in the Hosston Formation encountered in the Amerada Hess - Willie Von McRaney No. 1 Well, located in the NW 1/4 of Section 28, Township 8 North, Range 17 West, Covington County, Mississippi, as indicated on the electric log of said well to be at a depth of 14,800 - 15,120 feet and all strata correlative to and in communication therewith.
- F. **The Paluxy Gas Pool of the Northwest Segment** is defined as the interval in the Paluxy Formation encountered in the Amerada Hess - Board of Education No. 1 Well, located in the SW 1/4 of Section 16, Township 8 North, Range 17 West, Covington County, Mississippi, as indicated on the electric log of said well to be at a depth of 12,050 - 12,170 feet and all strata correlative to and in communication therewith.
- G. **The Hosston Oil Pool of the Southeast Segment** is defined as the interval in the Hosston Formation encountered in the Miller- Minerals Management No. 6 Well, located in the S/2 of Section 22, Township 8 North, Range 17 West, Covington County, Mississippi, indicated on the electric log of said well to be a depth of 14,270'-14,892', and all strata correlative to and in communication therewith.
- H. **The Rodessa Oil Pool of the Southeast Segment** is defined as the interval in the Rodessa Formation encountered in the Miller- Minerals Management No. 6 Well, located in the S/2 of Section 22, Township 8 North, Range 17 West, Covington County, Mississippi, indicated on the electric log of said well to be a depth of 13,688'-14,210', 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 pools in Dry Creek Dome Field and/or productive therein, shall be drilled and/or produced on 640 acre drilling units consistent with Statewide Rule 8.1.

RULE NO. 2: SPACING FOR OIL POOLS

Every well drilled to develop the above defined oil pool in Dry Creek Dome Field and/or productive therein, shall be drilled and/or produced on 160 acre drilling units consistent with Statewide Rule 7.1.

RULE NO. 3: 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 repeal any and all of the foregoing rules and regulations.

ORDERED AND ADJUDGED this 8th of ^{August} ~~July~~ 2002, effective July 17, 2002.

MISSISSIPPI STATE OIL AND GAS BOARD

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CHAIRMAN

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