

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

RE: PETITION OF KEY PRODUCTION COMPANY,
INC. (DELAWARE) TO AMEND SPECIAL
FIELD RULES FOR EMINENCE DOME FIELD,
COVINGTON COUNTY, MISSISSIPPI

DEC 12 2002

STATE OIL AND GAS BOARD
WALTER BOONE, SUPERVISOR

DOCKET NO. 365-2002-750

ORDER NO. 531-2002

ORDER

THIS MATTER came on for hearing before the State Oil and Gas Board on the Petition of Key Production Company, Inc. to amend the Special Field Rules for Eminence 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 E, Jackson, Mississippi, commencing on November 20, 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. 87-2002, Docket No. 54-2002-750, dated effective March 20, 2002, Petitioner received authority to drill its Jackie Everett No. 1 Well on a 640-acre gas unit consisting of all of Section 5, Township 7 North, Range 14 West, Eminence Dome Field, Covington County, Mississippi. This well was drilled and encountered additional lobes of the Hosston Oil Pool not encountered in the discovery well.

2. Petitioner has shown that the production lobes encountered by its Jackie Everett No. 1 Well should be included within the definition of the Hosston Oil Pool in the Special Field Rules of Eminence Dome Field by amending the definition of the Hosston Oil Pool.

3. This well has also provided evidence that the defined limits of the Field should be expanded to include all of Section 5, Township 7 North, Range 14 West.

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

SPECIAL FIELD RULES
EMINENCE DOME FIELD
COVINGTON COUNTY, MISSISSIPPI

FIELD LIMITS:

Field Limits for the Eminence Dome Field as used herein shall be defined as that area consisting of the following described areas in Covington County.

All of Section 5 and the W 1/2 of Section 4, Township 7
North, Range 14 West, Covington County, Mississippi and
all productive extensions thereof.

HOSSTON OIL POOL DEFINED:

The Hosston Oil Pool is defined as those strata productive of oil within the gross interval of 16,750' – 17,550' measured depth as indicated on the induction log for the Key Production Company, Inc. – Crosby Estate 5-2 No. 1 Well, located in the E 1/2 of Section 5, Township 7 North, Range 14 West, Covington County, Mississippi, and all intervals correlative to and/or connected with said strata.

RULE NO. 1: SPACING OF OIL WELLS.

(a) Every well drilled to develop the above defined oil pools in Eminence Dome Field and/or productive therein, shall be drilled and/or produced on 320 acre drilling units consistent with the above definition.

(b) Every well drilled to develop the above defined oil pools in Eminence Dome Field and/or productive extensions thereof, shall comply with the spacing requirements as provided by Statewide Rule 8(3)(a-d) for 320 acre gas units.

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 repeal any and all of the foregoing rules and regulations.

ORDERED AND ADJUDGED this 12th December of ~~November~~ 2002, effective November 20, 2002.

MISSISSIPPI STATE OIL AND GAS BOARD

By: 

CHAIRMAN

OF COUNSEL:

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