

MAR 11 1981

STATE OIL AND GAS BOARD

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI
Glyde B. Davis, State Oil & Gas SupervisorDOCKET NO. 38-81-498ORDER NO. 57-81

IN RE: APPLICATION OF
SERIO OPERATING COMPANY
TO AMEND THE SPECIAL FIELD
RULES FOR THE FIELDS LAKE
FIELD IN ADAMS COUNTY,
MISSISSIPPI.

ORDER

This matter came on to be heard on the sworn Petition of Serio Operating Company requesting the Board to amend the Special Field Rules for the Fields Lake Field, Adams County, Mississippi, by adding the description of the Pearline Sand Oil Pool in said field, and the Board, after considering the Application, the evidence given and introduced at this hearing, and the argument of Counsel, and, therefore, being fully advised in the premises, does find as follows:

(1)

That due, proper and legal notice of the hearing of this matter has been given in the manner and form, and for the time required by law and by the rules and regulations of this Board, that due and proper Proofs of Publication of said Notice of Hearing are on file with the Board, and that the Board has full and complete jurisdiction of the matter and the parties involved.

(2)

That Serio Operating Company is the Operator of certain wells producing in the Fields Lake Field, Adams County, Mississippi. That the Fields Lake Field, as referred to herein, is the subject of Special Field Rules adopted by this Board in Order No. 153-80, dated April 16, 1980. That in the said Special Field Rules, the Fields Lake Field was defined as that area in Sections 15 and 16, Township 9 North, Range 9 North, Range 2 West, and the Mississippi River accretions thereto, Adams County, Mississippi, including

all productive extensions thereof underlain by the Artman Sand Pool of the Wilcox Formation, as said pool was defined in the above referred to Order. That since the adoption of the above described Order, the Barnett Serio Exploration Co.-Mercer A No. 3 Well has been drilled and has encountered productive sands in the Wilcox Formation in an additional oil pool in the Fields Lake Field, which is a separate and distinct reservoir not in communication with any other producing formation, pool or horizon. That the Barnett Serio Exploration Co.-Mercer A No. 3 Unit is presently in production from the Pearline Sand Oil Pool of the Wilcox Formation as hereinafter described.

(3)

That the above referred to Special Field Rules should be amended so as to designate and define the Pearline Sand Oil Pool presently in production, said pool being defined as follows, to-wit:

(B)

The Pearline Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 5225 feet to 5237 feet in the Barnett Serio Exploration Co.-Mercer A No. 3 Unit, located in accretions, Township 9 North, Range 2 West, Adams County, Mississippi, and including those strata productive of oil which can be correlated therewith.

The well location for the Barnett Serio Exploration Co.-Mercer A No. 3 Unit is as follows:

DESCRIPTION OF LOCATION: From the northeast corner of Section 17, Township 9 North, Range 2 West, Adams County, Mississippi, go North for 4,811.6 feet; thence West for 5,350.4 feet to a location in accretions, Township 9 North, Range 2 West, Adams County, Mississippi.

That the above described oil pool is a separate and distinct reservoir and not in communication with any other reservoir or producing formation, pool or horizon.

(4)

That in all other respects, except as herein expressly amended, the Special Field Rules for the Fields Lake Field should be continued in full force and effect.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules for the Fields Lake Field, Adams County, Mississippi, be, and the same hereby are, amended for the purpose of defining and designating the Pearline Sand Oil Pool in said field, which amendment of the Special Field Rules shall be effective on and after the date of initial production from the Barnett Serio Exploration Co.-Mercer A-3 Unit, the said Special Field Rules, as amended, being attached hereto as Exhibit "A" and made a part hereof for all purposes.

BE IT FURTHER ORDERED AND ADJUDGED that the Special Field Rules for the Fields Lake Field, as amended, continue in full force and effect except as herein expressly amended.

ORDERED AND ADJUDGED, this the 18th day of February, 1981.

MISSISSIPPI STATE OIL & GAS BOARD

BY: Joe R. Louch, Jr.
Chairman

SPECIAL FIELD RULES FOR
THE FIELDS LAKE FIELD,
ADAMS COUNTY, MISSISSIPPI

(I)

The Fields Lake Field, as used herein, is that area in Sections 15 and 16, Township 9 North, Range 2 West, Fairchilds Island, Township 9 North, Range 2 West, and the Mississippi River accretions thereto, Adams County, Mississippi, including all productive extensions thereof underlain by the Artman Sand Oil Pool and/or the Pearline Sand Oil Pool of the Wilcox Formation.

(A)

The Artman Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 5164 feet to 5178 feet in the Barnett Serio Exploration Co.-Mercer "A" No. 1 Unit located in accretions, Township 9 North, Range 2 West, Adams County, Mississippi, and including those strata productive of oil which can be correlated therewith.

The Well location of the Barnett Serio Exploration Co.-Mercer "A" No. 1 is as follows:

From the Northeast corner of Section 17, Township 9 North, Range 2 West, Adams County, Mississippi, go North for 4345 feet; thence West at right angles for 5817 feet to the location and accretions, Township 9 North, Range 2 West, Adams County, Mississippi.

(B)

The Pearline Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the depth of 5225 feet to 5237 feet in the Barnett Serio Exploration Co.-Mercer A No. 3 Unit, located in accretions, Township 9 North, Range 2 West, Adams County, Mississippi, and including those strata productive of oil which can be correlated therewith.

The well location for the Barnett Serio Exploration Co.-Mercer A No. 3 Unit is as follows:

From the northeast corner of Section 17, Township 9 North, Range 2 West, Adams County, Mississippi, go North for 4,811.6 feet; thence West for 5,350.4 feet

to a location in accretions, Township 9 North, Range 2 West, Adams County, Mississippi.

That the foregoing definitions of the reservoirs in the Fields Lake Field supersede all prior definitions, if any, of the reservoirs in said field.

(II)

That the above described oil pools are separate and distinct reservoirs, and not in communication with any other reservoir or producing formation, pool or horizon.

The characteristics of the above mentioned oil pools are such that one well for such pools drilled on a regularly formed forty (40) acre drilling unit will effectively drain and produce the recoverable oil from such unit in said pools without avoidable waste.

(III)

The productive sands of the Wilcox Formation as encountered in the Fields Lake Field are generally located under the waters of Fields Lake, a sizable body of water, and under the lowlands adjacent thereto. Most of the wells to be drilled hereafter in the Fields Lake Field must be drilled as intentionally deviated wells from the surface location on the banks of Fields Lake to a bottom hole location sufficient to encounter the Wilcox Formation under the waters of Fields Lake and the lowlands adjacent thereto. In the interest of conservation and for the protection of the co-equal and co-relative rights of all parties in interest, these Special Field Rules provide for the spacing of oil wells and authorize the directional drilling of wells to the Wilcox Formation.

RULE 1 - SPACING OF OIL WELLS:

Every well drilled as an oil well to the Wilcox Formation:

(a) Shall be located on a drilling unit consisting of forty (40) contiguous acres, or a governmental quarter-quarter section containing not less than thirty-six (36) acres or more than forty-four (44) acres, upon which no other drilling or producible well is located.

(b) Any drilling unit not a governmental quarter-quarter section must be completely encompassed by a perimeter of a rectangle 1810 feet by 1445 feet. Provided, however, no unit shall be permitted which will create island acreage.

(c) Each well shall be located at least 660 feet from every other drilling or producible well located in conformity with this rule.

(d) Each well shall be located at least 330 feet from every exterior boundary of the drilling unit.

RULE 2 - DIRECTIONAL DRILLING OF WELLS:

(a) Wells may be permitted by the Supervisor of the State Oil and Gas Board where the bottom hole location is under the waters of Fields Lake or the lowlands adjacent thereto from a surface location on the banks of Fields Lake.

(b) The Supervisor is authorized to issue permits approving the directional drilling of wells from the banks of Fields Lake or the high ground in the vicinity thereof to bottom hole locations to penetrate the Wilcox Formation under Fields Lake or the lowlands adjacent thereto, including approval of the crossing of unit lines, if the bottom hole location is at least 330 feet from any unit lines.

(c) The application for permit for directionally drilled wells shall be accompanied by a survey plat showing the surface location, the bottom hole location and the drilling unit assigned to the well.

(d) A directional survey shall be conducted on each deviated hole prior to setting of production casing and a certified copy thereof furnished to the State Oil and Gas Board within thirty (30) days.

RULE 3 - APPLICABILITY OF STATEWIDE RULES:

(a) All rules and regulations contained in Statewide

Order No. 201-51, and any amendments thereto, 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 of hearing, to alter, amend or repeal any of the foregoing rules and regulations.