

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET No. 215-93-573

RE: PETITION OF MISSISSIPPI VALLEY GAS COMPANY FOR AUTHORITY TO USE DEPLETED GAS RESERVOIRS OF GOODWIN FIELD, LEE, MONROE AND ITAWAMBA COUNTIES, MS, FOR THE INJECTION, STORAGE AND WITHDRAWAL OF NATURAL GAS, AND FOR AMENDMENT OF SPECIAL FIELD RULES FOR GOODWIN FIELD TO PROVIDE FOR THE OPERATION OF THE GOODWIN GAS STORAGE FIELD, LEE, MONROE AND ITAWAMBA COUNTIES, MISSISSIPPI.

OCT 1 1993

ORDER NO. 287-93

THIS DAY, this cause came on for hearing before the State Oil and Gas Board on the Amended Petition of Mississippi Valley Gas Company seeking authority to use depleted gas reservoirs in Goodwin Field located in Lee, Monroe and Itawamba Counties, Mississippi, for the injection, storage and withdrawal of natural gas, and for the amendment of its Special Field Rules to provide for the operation of the Goodwin Gas Storage Field, as identified hereinafter, located in Lee, Monroe and Itawamba Counties, Mississippi, such hearing being called for such purpose; and

The Board finding 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 as provided by law and the rules and regulations of the Board, and that due, legal and sufficient proofs of publications 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 given, public hearing was held by said Board in the conference room of 500 Greymont Avenue, Suite E, Jackson, Mississippi, commencing on September 15, 1993, at which hearing all persons present who desired to be heard on said matter were heard and all testimony and evidence was duly considered by those present at said meeting; and

WHEREAS, the Board has fully considered the Petition and the

evidence and recommendations made at the hearing, and being fully advised in the premises, is of the opinion and finds that the relief requested by the Petitioner should and is hereby granted. The Board further finds and determines as follows:

1.

The Board finds that Mississippi Valley Gas is a regulated utility chartered under the laws of the State of Mississippi and qualified to do business therein, engaged in the transportation and distribution of natural gas to consumers, including residential, commercial and industrial, in numerous certificated areas throughout the State. The Board finds that based on its foreseeable future operating requirements, Petitioner has found it practical, feasible and necessary to create a supply of natural gas for said purposes by storing such gas underground by injecting, pumping or otherwise into formations beneath the surface of the ground. The storage of said natural gas will promote the conservation thereof, make natural gas more readily available to the consumer and thereby serve a public need and operate for the public's benefit.

2.

The Board finds that the underground reservoirs be utilized by Petitioner are the Lewis Sand Gas Pool, and the Evans Sand Gas Pool, occurring between the depths of 1,650 feet and 2,300 feet subsurface, as defined in the Holley 35-4 Well, located 990 feet from the North line and 550 feet from the West line of Section 35, Township 11 South, Range 7 East, Monroe County, Mississippi, which underlie Sections 26 of Itawamba County, Sections 27 and the East One Half of the East One Half of the Southeast Quarter of Section 28, of Lee County, and Sections 34 and 35 of Monroe County all in Township 11 South, Range 7 East, Mississippi, which lands are herein designated the Goodwin Gas Storage Field. The Board finds that a majority interest of all rights of the surface and a majority interest of all interest in the underground formations to be utilized in Goodwin Gas Storage Field have consented to such use in writing, including the rights to inject, store and withdraw natural gas from said reservoirs.

3.

The Board finds that the Lewis Sand Gas Pool and the Evans Sand Gas Pool, hereinafter referred to as the Storage Intervals, do not contain residual native gas which is capable of being commercially produced, are not oil reservoirs capable of commercial production and are in all other respects suitable and feasible for use as underground storage reservoirs. The Board finds that the use of the Storage intervals for the injection, storage and withdrawal of natural gas will not contaminate other formations in the area containing either fresh water, oil, gas or other commercial mineral deposits, nor pose any danger to the environment. The Board further finds that the Storage Intervals have greater value and utility from use as underground natural gas storage reservoirs than from any value resulting from the non-commercial residual oil and/or native gas which may remain therein. The Board finds that the use of the Storage Intervals for the injection, storage and withdrawal of natural gas will in no way endanger human life or property, either real or personal.

4.

Set out hereinbelow are the amended Special Field Rules for the Goodwin Gas Storage Field, Lee, Monroe and Itawamba Counties, Mississippi. The Board finds that said Special Field Rules will prevent waste, protect the co-equal and correlative rights of all owners in the area and will afford Petitioner the opportunity to utilize the Goodwin Gas Storage Field for the benefit of the gas consumers relying upon the gas system of Petitioner and thereby serve the public interest. The Board further finds that the procedures authorized by the said Special Field Rules will adequately protect all fresh water bearing zones and any and all other oil and/or gas bearing sands in the area, and will not endanger life and/or property.

IT IS, THEREFORE, ORDERED AND ADJUDGED that Mississippi Valley Gas Company is hereby designated the Operator of the Goodwin Gas Storage Field which is hereby established and is authorized to use the above described Storage Intervals consisting of the Lewis Sand Gas Pool and Evans Sand Gas Pool for the injection, storage and

withdrawal of natural gas in the Goodwin Gas Storage Field, Lee, Monroe and Itawamba Counties, Mississippi, pursuant to the Underground Storage of Natural Gas Act found at Sections 53-3-151 et seq, MCA 1972. Further, the Special Field Rules for the Goodwin Gas Storage Field as set out hereinbelow are hereby adopted.

SO ORDERED, THIS THE 15<sup>th</sup> day of September, 1993.

MISSISSIPPI STATE OIL AND GAS BOARD

BY: Joseph S. Zuccaro  
JOSEPH S. ZUCCARO  
C H A I R M A N

**SPECIAL FIELD RULES  
1,650 FEET TO 2,300 FEET GAS STORAGE INTERVALS  
GOODWIN GAS STORAGE FIELD  
LEE, MONROE AND ITAWAMBA COUNTIES, MISSISSIPPI**

A. The Goodwin Gas Storage Field, as used herein, is that area described as Section 26 in Itawamba County, Sections 27, and the East One Half of the East One Half of the Southeast Quarter of Section 28 in Lee County and Sections 34 and 35 in Monroe County, all in Township 11 South, Range 7 East, in Mississippi, being underlain by the following described Storage Intervals

B. The Storage Intervals as used herein, shall be construed to mean the Lewis Sand Gas Pool and the Evans Sand Gas Pool at the interval of between 1,650 feet and 2,300 feet subsurface, as shown by the electrical log of the Pruet Production Co. Holley 35-4 Well No. 1, located 990 feet from the North line and 550 feet from the West line of Section 35, Township 11 South, Range 7 East, Monroe County, Mississippi.

C. "Gas" as used herein shall mean natural gas of sufficient purity to be capable of use for residential purposes.

D. Mississippi Valley Gas Company is designated the Operator of the Goodwin Gas Storage Field.

**RULE NO. 1:**

Wells may be drilled, or reworked, and utilized in the operation of Goodwin Gas Storage Field upon permit being issued for each such well pursuant to Rule 4 (b) of the Statewide Rules and Regulations.

**RULE NO. 2:**

The proposed completion procedure for each well drilled or reworked for utilization in the operation in the Goodwin Gas Storage Field shall be filed with Form 3.

**RULE NO. 3:**

The injection of gas into, storage within and withdrawal from the Storage Interval of 1,650 foot to 2,300 foot in the Goodwin Gas Storage Field is hereby authorized.

**RULE NO. 4:**

No well shall be drilled through the Storage Intervals in the Goodwin Gas Storage Field, or its stratigraphic equivalent, except upon notice and hearing before the Mississippi State Oil and Gas

Board, as provided for in Statewide Rule 67.

RULE NO. 5:

Operator is authorized to use for injection or withdrawal purposes existing wells located in Goodwin Gas Storage Field, which wells may be converted for operations in the Goodwin Gas Storage Field, and/or additional wells may be drilled within the Goodwin Gas Storage Field for such purposes, provided that before any well or wells are converted for such operations or drilled for storage purposes, said operator must obtain administrative approval of the State Oil and Gas Board Supervisor, provided the operator, with respect to each such well, submits all data and information required by Statewide Rule 67 and any other rule, regulation or requirement, which may then be applicable, and such other data and information as the Supervisor may reasonably require.

RULE NO. 6:

The development, operation and maintenance of the Goodwin Gas Storage Field shall be subject to the provisions of the Following Statewide Rules and Regulations: Rule 4 (b) and (c), Rule 5, Rule 6, Rule 10, Rule 11, Rule 12, Rule 13, Rule 17, Rule 23 (a), Rule 24, Rule 25, Rule 27, Rule 28, Rule 43, Rule 45, Rule 47, Rule 54, Rule 55, Rule 56, Rule 67, and the first paragraph of Rule 18. All other Statewide Rules and Regulations, or parts thereof, except those specifically referred to hereinabove, should not be applicable to the operations of gas storage in the Goodwin Gas Storage Field, Lee, Monroe and Itawamba Counties, Mississippi.

RULE NO. 7:

The Special Field Rules for Goodwin Field, as set out in Order No. 14-83 of the State Oil and Gas Board are hereby incorporated into the Special Field Rules for the Goodwin Gas Storage Field Rules and are hereby amended as follows, to-wit:

1. The definition of the geographical area of Goodwin Field as underlain by the Evans Sand Gas Pool and the Lewis Sand Gas Pool as set out in Order No. 14-83 is hereby deleted.

2. The definitions of the Evans Sand Gas Pool and the Lewis Sand Gas Pool as contained in Order No. 14-83 are hereby deleted.

3. All references to spacing patterns for wells located within

the Goodwin Field are hereby deleted.

4. "Rule 1 - SPACING OF WELLS:" as set out in Order No. 14-83 is hereby deleted.

5. "Rule 2 - APPLICABILITY OF STATEWIDE RULES:" as set out in Order No. 14-83 is hereby deleted.