

APR 1 1982

STATE OIL AND GAS BOARD
Robert B. Wilson, Acting Supervisor

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF MARION CORPORATION TO
ESTABLISH SPECIAL FIELD RULES FOR
HIGGINS FIELD, LAMAR AND MARION
COUNTIES, MISSISSIPPI

DOCKET NO. 60-82-531

ORDER NO. 77-82

O R D E R

THIS DAY this matter came on for hearing before the State Oil and Gas Board of Mississippi on the Petition of Marion Corporation to establish Special Field Rules for Higgins Field, Lamar and Marion 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 way 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 Second Floor Auditorium of the Woolfolk State Office Building, North West Street, Jackson, Mississippi, commencing on February 17, 1982, 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. Petitioner successfully drilled and completed its Amoco-Sabine No. 1 Well in the Southwest Quarter (SW 1/4) of Section 19, Township 5 North, Range 16 West, Lamar County, Mississippi. Said well was completed in the Diffrient Sand of the Hosston Formation. Said well was completed in a reservoir separate and distinct from any previously defined reservoir and not within any presently defined field.

2. The discovery well and subsequent development wells indicate that Higgins Field should be defined as that part of Sections 19, 20, 29 and 30, Township 5 North, Range 16 West, Lamar County, Mississippi; and Sections 24 and 25, Township 5 North, Range 17 West, Marion County, Mississippi as are underlain by productive intervals of the Diffrient Sand Gas Pool and all productive extensions thereof.

3. The Diffrient Sand Gas Pool as encountered in Higgins Field is located considerably deeper than 12,000 feet and should be developed and produced on drilling units consistent with and in conformance with present statewide rules for gas wells below 12,000 feet. Said spacing will promote prudent development of this field, prevent unavoidable waste and the drilling of unnecessary wells, and adequately protect the coequal and correlative rights by allowing all parties with an interest in said pool to recover their fair and equitable share of productive hydrocarbons therefrom.

IT IS, THEREFORE, ORDERED AND ADJUDGED that Special Field Rules for Higgins Field be and are hereby established as follows:

SPECIAL FIELD RULES FOR HIGGINS FIELD,
LAMAR AND MARION COUNTIES, MISSISSIPPI

A. The Higgins Field, as used herein, is of that area consisting of Sections 19, 20, 29 and 30, Township 5 North, Range 16 West, Lamar County; and Sections 24 and 25, Township 5 North, Range 17 West, Marion County, Mississippi, as underlain by the Diffrient Sand Gas Pool and all productive extensions thereof.

B. The Diffrient Sand Gas Pool in the Higgins Field shall be construed to mean those strata productive of gas and condensate in the interval between the depths of 15,910 feet and 15,985 feet as indicated on the electric log of the Marion Corporation - Amoco-Sabine No. 1A Well located in the SW 1/4 of Section 19, Township 5 North, Range 16 West, Lamar County, Mississippi, and all correlative intervals in communication therewith.

RULE 1: SPACING OF GAS WELLS

A. With respect to the Diffrient Sand Gas Pool, every gas well:

(1) shall be located on a drilling unit consisting of 640 contiguous surface acres, or a governmental section containing not less than 600 acres or more than 680 acres, or 16 contiguous quarter-quarter sections containing not less than 600 acres or more than 680 acres;

(2) any gas drilling unit not a governmental section must be completely encompassed by a perimeter of a rectangle 5,580 feet by 6,245 feet. Provided, however, no unit shall be permitted which will create island acreage;

(3) each well shall be located at least 3,000 feet from every other drilling or producing well located in conformity with this rule; and

(4) every well shall be located not less than 1,500 feet from every exterior boundary of the drilling unit.

B. 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 pool.

RULE 2: PRODUCTION ALLOWED

Wells may be produced from the Diffrient Sand Gas Pool, Higgins Field at rates established pursuant to Statewide Rule 34, as amended by Order No. 182-78, Docket No. 27-77.

RULE 3: APPLICABILITY OF STATEWIDE RULES

All rules and regulations contained in Statewide Order 201-51 and any amendments thereto, not specifically covered in the foregoing Special Field Rules, are hereby adopted and shall apply to this field.

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 18th day of February, 1982.

MISSISSIPPI STATE OIL AND GAS BOARD

By: Joe R. Lanchester, Jr.
C H A I R M A N