

MAY 03 2013

STATE OIL AND GAS BOARD
LISA IVSHIN, SUPERVISOR

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

Re: **Petition of Moon-Hines-Tigrett Operating Co., Inc.
concerning amending the Special Field Rules for
Hominy Ridge Field**

Docket No. 169-2013-D

Order No. 241-2013

EMERGENCY ORDER

This cause came on to be heard on the Emergency Petition of Moon-Hines-Tigrett Operating Co., Inc. requesting the State Oil and Gas Board of Mississippi to enter an Emergency Order at the April 17, 2013 hearing, effective for a period not to exceed forty-five (45) days from the effective date thereof, amending and correcting the Special Field Rules for Hominy Ridge Field and granting related relief. This Board, having considered the Petition and the evidence submitted in support thereof, and being fully advised in the premises, finds and determines as follows, to-wit:

1.

This Board has full jurisdiction of the subject matter hereof. A public hearing was held by this Board in Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on April 17, 2013, at 10:00 o'clock a.m., at which time and place the evidence presented by Moon-Hines-Tigrett Operating Co., Inc. was duly considered by this Board.

2.

Moon-Hines-Tigrett Operating Co., Inc. is a Mississippi corporation, whose address is Post Office Box 3216, Ridgeland, Mississippi 39158. Moon-Hines-Tigrett Operating Co., Inc. is duly authorized and qualified to do business in the State of Mississippi. Moon-Hines-Tigrett Operating Co., Inc. is the operator of all unplugged wells currently drilled or permitted in Hominy Ridge Field in Franklin County, Mississippi.

3.

Special Field Rules were established for Hominy Ridge Field on September 22, 1983, pursuant to Order No. 356-83, entered in Docket No. 260-83-595.

4.

The Special Field Rules define the Third Wilcox Oil Pool and the 4600' Wilcox Oil Pool and set forth spacing rules for these oil pools in Rule C.1. The spacing rules for the Third Wilcox Oil Pool and the 4600' Wilcox Oil Pool as set forth in Rule C.1 of the Special Field Rules contains several typographical errors which need to be corrected. It was intended that the spacing rules for the Third Wilcox Oil Pool and the 4600' Wilcox Oil

Pool of Hominy Ridge Field be consistent with the spacing rules of Statewide Rule 7 with respect to 40-acre units.

5.

In order to conform to Statewide Rule 7.3 (relating to 40-acre units), Rule C.1 of the Special Field Rules of Hominy Ridge Field should be amended to read as follows, to-wit:

"C. RULES:

Rule 1 - Spacing of Wells

Every well drilled to and productive from the Third Wilcox Oil Pool and the 4600' Wilcox Oil Pool:

- (a) shall be located on a drilling unit consisting of forty (40) contiguous surface 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. The word "contiguous" as used herein shall mean bordering each other at more than one point;
- (b) any drilling unit not a governmental quarter-quarter section must be completely encompassed by the perimeter of a rectangle 1810 feet by 1445 feet; provided, however, no unit shall be permitted which will create island acreage;
- (c) the well shall be located at least 660 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule; and
- (d) the well shall be located at least 330 feet from every exterior boundary of the drilling unit."

6.

Moon-Hines-Tigrett Operating Co., Inc. is the operator of the Wrotten-Georgia Pacific 6-16 No. 1 Well [API#23-037-21061] and the Wrotten-Georgia Pacific 6-16 No. 2 Well [API#23-037-21104], the only wells currently producing in Hominy Ridge Field. Both of these wells are located on 40-acre units consisting of the Southeast Quarter of the Southeast Quarter (SE $\frac{1}{4}$ of SE $\frac{1}{4}$) of Section 6 of Township 6 North, Range 4 East, Franklin County, Mississippi. The Wrotten-Georgia Pacific 6-16 No. 1 Well (which is completed in the Third Wilcox Oil Pool) is located 330 feet from the North and West lines of said quarter-quarter section. The Wrotten-Georgia Pacific 6-16 No. 2 Well (which is completed in the 4600' Wilcox Oil Pool) is located 487 feet from the North line and 348 feet from the West line of said quarter-quarter section. Both of these wells would be located at exception locations under Rule C.1 as presently set forth in the Special Field Rules of Hominy Ridge Field since they are closer than 500 feet to the North and West exterior unit boundaries.

7.

Another error appears in Rule A of the Special Field Rules in that the geographical area of the field as stated in the Special Field Rules fails to designate the township and range in which the geographical area is located. Rule A of the Special Field Rules should have stated that the governmental sections of land set forth in Rule A were in Township

6 North, Range 4 East, Franklin County, Mississippi. Rule A of the Special Field Rules should be amended to correctly state that Sections 5, 6 and 7 are located in Township 6 North, Range 4 East, of Franklin County, Mississippi.

8.

Rule 2 of the Special Field Rules contains a typographical error in that the word "Statewise" should have read "Statewide".

9.

The existing Special Field Rules for Hominy Ridge Field should be amended as proposed by Moon-Hines-Tigrett Operating Co., Inc. so as to increase the ultimate recovery of hydrocarbons from the Wilcox Formation in said field. The amendment of the Special Field Rules for Hominy Ridge Field as proposed by Moon-Hines-Tigrett Operating Co., Inc. will promote the conservation of hydrocarbons of Hominy Ridge Field and the State of Mississippi by preventing waste and safeguarding, protecting and enforcing the co-equal and correlative rights of all owners of hydrocarbons in the field to the extent that each such owner may recover his fair and equitable share of recoverable hydrocarbons without unnecessary expense. Furthermore, the proposed amendment of the Special Field Rules for Hominy Ridge Field will foster, encourage and promote the full development of the field.

10.

It was necessary that this matter be heard by the Board on an emergency basis at the April 17, 2013 hearing in order to bring the Wrotten-Georgia Pacific 6-16 No. 1 Well and the Wrotten-Georgia Pacific 6-16 No. 2 Well into compliance with the spacing requirements of the Special Field Rules for Hominy Ridge Field.

11.

The granting of the relief requested in the Emergency Petition filed in this docket on an emergency basis for a period of time not to exceed forty-five (45) days from the effective date of this order will prevent waste.

IT IS THEREFORE ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the emergency relief requested by Moon-Hines-Tigrett Operating Co., Inc. in the Emergency Petition filed in this docket should be, and the same is hereby, granted and it is ordered that the Special Field Rules for Hominy Ridge Field should be, and are hereby, amended as set forth in Exhibit "A" hereto.

IT IS FURTHER ORDERED AND ADJUDGED that this Emergency Order shall be effective for a period of no longer than forty-five (45) days from the date hereof and shall expire when the Final Order (made after notice and hearing hereon) becomes effective.

IT IS FURTHER ORDERED AND ADJUDGED that this matter shall be set down for a final hearing at the May, 2013 meeting of this Board, which will be held at 10:00 o'clock a.m. on the 15th day of May, 2013, in Suite E, 500 Greymont Avenue, Jackson, Mississippi 39202, and the Board shall, and the same does, retain jurisdiction of this matter for such final order as it shall deem proper upon a full hearing hereon.

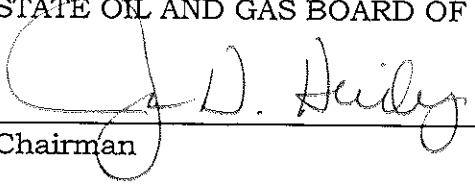
IT IS FURTHER ORDERED AND ADJUDGED that Moon-Hines-Tigrett Operating Co., Inc. shall acquire all such other permits, if any, required by any other permitting authority.

IT IS FURTHER ORDERED AND ADJUDGED that this Order shall be effective from and after April 17, 2013.

SO ORDERED AND ADJUDGED on this the 2nd day of May, 2013.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By:


Chairman

Prepared and submitted by:
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EXHIBIT "A"

**SPECIAL FIELD RULES
FOR THE HOMINY RIDGE FIELD
FRANKLIN COUNTY, MISSISSIPPI**

A. FIELD AREA:

The Hominy Ridge Field, as used herein, is that geographical area consisting of the following described lands situated in Township 6 North, Range 4 East, Franklin County, Mississippi, to-wit:

W 1/2 of the SW 1/4 of Section 5,
SE 1/4 of Section 6,
N 1/2 of the NE 1/4 of Section 7

B. POOL DEFINITIONS:

1. The Third Wilcox Oil Pool in the Hominy Ridge Field shall be construed to mean those strata of the Wilcox Formation productive of hydrocarbons occurring between the measured depths of 4120 feet and 4188 feet on the induction electrolog of the Moon-Hines-Tigrett Operating Co., Inc.-Doral Exploration Co.-Wroten-Georgia Pacific 6-16 Well No. 1 located in Section 6, Township 6 North, Range 4 East, Franklin County, Mississippi.

2. The 4600' Wilcox Oil Pool in the Hominy Ridge Field shall be construed to mean those strata of the Wilcox Formation productive of hydrocarbons occurring between the measured depths of 4268 feet and 4283 feet on the induction electrolog of the Moon-Hines-Tigrett Operating Co., Inc.-Doral Exploration Co.-Wroten-Georgia Pacific 6-16 Well No. 1 located in Section 6, Township 6 North, Range 4 East, Franklin County, Mississippi.

C. RULES:

Rule 1 - Spacing of Wells

Every well drilled to and productive from the Third Wilcox Oil Pool and the 4600' Wilcox Oil Pool:

- (a) shall be located on a drilling unit consisting of forty (40) contiguous surface 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. The word "contiguous" as used herein shall mean bordering each other at more than one point;
- (b) any drilling unit not a governmental quarter-quarter section must be completely encompassed by the perimeter of a rectangle 1810 feet by 1445

feet; provided, however, no unit shall be permitted which will create island acreage;

- (c) the well shall be located at least 660 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule; and
- (d) the well shall be located at least 330 feet from every exterior boundary of the drilling unit.

Rule 2 - Applicability of Statewide Rules

All rules and regulations contained in Statewide Order No. 201-51, and any amendments thereto, not specifically covered by these Special Field Rules are hereby adopted and shall apply to the field.

Rule 3 - Amendment of Special Field Rules

The Board expressly reserves the right, after notice and hearing, to alter, amend or repeal all or any part of these Special Field Rules.

- - - END OF SPECIAL FIELD RULES - - -