

SEP 20 2017

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

STATE OIL AND GAS BOARD  
LISA IVSHIN, SUPERVISOR

**RE: PETITION OF PPU, LLC TO DISSOLVE THE HORSESHOE LAKE UNIT FOR THE SMACKOVER POOL IN HORSESHOE LAKE FIELD AND TO DISSOLVE THE HORSESHOE LAKE SPECIAL FIELD RULES, HOLMES AND HUMPHREYS COUNTIES, MISSISSIPPI**

**DOCKET NO. 347-2017-D  
ORDER NO. 450-2017**

**EMERGENCY ORDER**

**THIS MATTER** came on for emergency hearing on the Petition of PPU, LLC (“Petitioner”), to dissolve the Horseshoe Lake Unit for the Smackover Pool and to dissolve the Horseshoe Lake Special Field Rules. Petitioner in support thereof would show unto the Board the following:

**WHEREAS**, a public hearing was held by said Board in the hearing room, 500 Greymont Avenue, Suite E, Jackson, Mississippi, commencing on August 16, 2017, at which time 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. 166-80 in Docket No. 98-80-419 of this Board the Horseshoe Lake Unit for the Smackover Pool in Horseshoe Lake Field (“Unit”) was created and Edwards & Jones Exploration Company was appointed Operator. The Unit consisted of the following lands:

Section 20; Section 21; West 1/2 of NW1/4 and NE1/4 of NW1/4 and NW1/4 of NE1/4 of Section 28; North 1/2 of Section 29; Township 16 North, Range 1 West, Holmes County, Mississippi; and East 1/2 of East 1/2 of Section 19; Township 16 North, Range 1 West, Humphreys County, Mississippi.

2. The Unit Agreement (Section 15.1) provided that the Unit would remain in effect as long as Unitized Substances are produced in paying quantities without a cessation of more ninety (90) days, or as long as other Unit Operations are conducted without a cessation of more than ninety (90) days. Section 15.4 of the Unit Agreement provided that the Unit Operator shall file a Certificate of Termination with the Board and of record in the counties upon termination of the Unit Agreement. No Certificate of Termination has been filed.

3. There has been no reported production from the Unit since 1987. The last well in the Unit was plugged in 1990. Unit Operations have long since ceased. The Unit and the Unit Agreement have expired by their terms. The dissolution of Horseshoe Lake Unit will not adversely impact but will encourage and promote the continued orderly development of Horseshoe Lake Field. A Board order terminating the Horseshoe Lake Unit is needed. The correlative rights of all parties in interest will be protected.

4. By Order No. 167-80 in Docket No. 99-80-419 of this Board the Special Field Rules of Horseshoe Lake Field were amended and prior special field rules were superseded. The Field Area was defined as consisting of the following lands:

Section 20; Section 21; Section 28; North 1/2 of Section 29; Township 16 North, Range 1 West, Holmes County, Mississippi; and East 1/2 of East 1/2 of Section 19; Township 16 North, Range 1 West, Humphreys County, Mississippi.

5. Order No. 167-80 defined the Smackover Pool in Horseshoe Lake Field as those strata productive of oil and gas in the interval between the depths of 9,276 feet and 9,370 feet as indicated on the electric log of the Edwards & Jones Exploration Co.- No. 1 Martha Wingo Well located in the South 1/2 of Section 20, Township 16 North, Range 1 West, Holmes County, Mississippi, and all correlative intervals in communication therewith. Said Order also contains rules for the operation of the Unit. The existing Horseshoe Lake Special Field Rules will hinder Petitioner's plans for redevelopment of Horseshoe Lake Field.

6. Petitioner has plans for the redevelopment of Horseshoe Lake Field. The dissolution of the Horseshoe Lake Unit for the Smackover Pool and the dissolution the Horseshoe Lake Special Field Rules will promote conservation, will promote the orderly development of the field, will prevent waste and will fully protect the co-equal and correlative rights of all parties in interest.

7. All wells have been plugged and there are no current operators in Horseshoe Lake Field. No Personal Notice was required for this Docket.

**IT IS, THEREFORE, ORDERED AND ADJUDGED** that the Horseshoe Lake Unit for the Smackover Pool is dissolved, that the Horseshoe Lake Field Special Field Rules are dissolved and that the relief requested in this Docket is hereby approved and authorized.

**IT IS FURTHER ORDERED AND ADJUDGED** that this matter be set for final hearing at the regular September 20, 2017 meeting of this Board; that notice of said hearing be given in accordance with law and the rules and regulations of this Board; and that upon final hearing hereof, the Board will consider a final order authorizing the dissolution of the Horseshoe Lake Unit for the Smackover Pool and the dissolution of the Horseshoe Lake Special Field Rules.

**IT IS FURTHER ORDERED AND ADJUDGED** that Petitioner shall acquire all other permits, if any, from any other permitting authority.

**IT IS FURTHER ORDERED AND ADJUDGED** that this order shall be in force and effect from and after August 16, 2017.

**SO ORDERED AND ADJUDGED** this the 20th day of Sept, 2017.

**STATE OIL AND GAS BOARD OF MISSISSIPPI**

By:   
DAVID A. SCOTT, Chairman

**OF COUNSEL:**

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**ATTORNEYS FOR PETITIONER**  
**PPU, LLC**