

BEFORE THE STATE OIL AND GAS BOARD
OF THE STATE OF MISSISSIPPI

DOCKET NO. 90-93-622

FINAL ORDER NO. 126-93

FILED FOR RECORD

ORDER ESTABLISHING SPECIAL FIELD RULES
HOUSTON FIELD
CHICKASAW COUNTY, MISSISSIPPI

MAY 7 1993

STATE OIL AND GAS BOARD

THIS CAUSE this day came on to be heard on the Petition of Gibraltar Energy Company, the process, the evidence, and the argument of counsel; and upon said hearing the Board finds:

1. That due and legal notice of the meeting of this Board for the purpose of considering this docket and this petition has been given for the time and in the manner provided by law, and that due and proper proofs of said notice are on file with the Board. The Board thus has jurisdiction of the subject matter and the parties involved with full right to hear and determine said cause.

2. Petitioner has recently purchased a completed well in Chickasaw County, Mississippi, which was initially drilled by Pruet Production Company on a 640-acre drilling unit pursuant to the Statewide Rules as a wildcat well and which is known as the S. A. FARR 11-11 Well. This well has long been complete, apparently capable of producing gas, but has never produced any gas in that there has been no available pipeline.

3. The well encountered and was completed into strata that appear to be productive of gas and that are known elsewhere in the Black Warrior Basin as the Sanders Sand Gas Pool.

4. There are no existing Special Field Rules for the area, and it would greatly facilitate the orderly and effective development of the area for oil, gas and other minerals if Special Field Rules were adopted. Petitioner has proposed Special Field Rules for the area, in words and figures, as shown in Exhibit "A" attached hereto. The proposed Field Rules establish the geographic area of the Field, define the only apparently productive gas pool, and establish rules for further drilling into and development of that pool.

5. The Board finds that Rules as proposed by the Petitioner are essentially the same as the Statewide Rules except for spacing, which is reduced from 640-acre units to 320-acre units. The proof is to the effect that the sands

in this area are so tight that units larger than 320 acres could not be adequately drained by one well considering the existing bottom hole pressure. Thus, the proposed Field Rules are appropriate and should be adopted.

IT IS, THEREFORE, ORDERED AND ADJUDGED that:

A. The Houston Field in Chickasaw County, Mississippi, shall be those lands described in Exhibit "A" attached hereto as the Special Field Rules for the said Field.

B. The Sanders Sand Gas Pool shall be that stratum as defined in the Special Field Rules attached hereto.

C. Special Field Rules are here established for the Houston Field in the exact words, figures and phrases as contained in Exhibit "A" attached hereto and made a part hereof by reference.

ORDERED AND ADJUDGED this the 21st day of April, 1993.

STATE OIL & GAS BOARD
STATE OF MISSISSIPPI

BY: Joseph J. Quacero
Chairman