

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 165-2002-710

ORDER NO. 257-2002

FILED FOR RECORD

AUG - 9 2002

STATE OIL AND GAS BOARD
WALTER BOONE, SUPERVISOR

IN RE: PETITION OF GRIFFIN & GRIFFIN
EXPLORATION, L.L.C., TO AMEND THE
SPECIAL FIELD RULES FOR THE
INDEPENDENCE FIELD IN WILKINSON
AND AMITE COUNTIES, MISSISSIPPI.

ORDER

This cause having come on for hearing on the Petition of GRIFFIN & GRIFFIN EXPLORATION, L.L.C., requesting authority for the adoption of an amendment to the Special Field Rules for the Independence Field, Amite and Wilkinson Counties, Mississippi; and the Board being fully advised in the premises, after considering said Petition, the evidence adduced at the hearing of this matter, and argument of counsel, does find as follows:

(1)

Due, proper and legal notice of the hearing of this matter has been given in the manner and form and for the time required by law and by the rules and regulations of this Board; due and proper Proofs of Publication of said Notice of Hearing are on file with the Board; the personal notice required by Rule 4(B)(6) of the Rules of Order and Procedure for Hearings before this Board has been given to the Operator of each well within the Independence Field; and the Board has full and complete jurisdiction of the matters and parties involved.

(2)

Petitioner is the Operator of the McKey 23-13 No. 1 Gas Well located in Section 23, Township 2 North, Range 1 East, Wilkinson County, Mississippi. The said well is productive of gas from the Frio Formation at an interval of 3037 feet 3052 feet as indicated on the electric log of the said well.

(3)

The above described producing interval in the Frio Formation is a separate and distinct gas pool not connected with any other gas pool in the Independence Field.

(4)

The Special Field Rules for the Independence Field should be amended to define as a separate and distinct Frio Gas Pool the productive interval found in the Griffin & Griffin

Exploration, L.L.C.-McKey 23-13 No. 1 Well.

(5)

The Griffin & Griffin Exploration, L.L.C.-McKey 23-13 No. 1 Well is located 280 feet from the west line and 551 feet from the south line of Section 23, Township 2 North, Range 1 East, Wilkinson County, Mississippi. The said well is located on a regular 320 gas unit, which unit composes parts of Sections 23, 22, 31 and 30 of Township 2 North, Range 1 East, Wilkinson County, Mississippi.

(6)

The McKey 23-13 No. 1 Well was drilled at an exception location 868 feet from the easterly line of the unit pursuant to Order No. 121-2002 of this Board dated April 25, 2002.

(7)

Special Field Rules for the Independence Field were adopted by this Board by Order No. 37-90 dated January 17, 1990, and amended by Order No. 473-90 adopted September 19, 1990, and further amended by Order No. 560-90 adopted November 21, 1990.

(8)

Petitioner has prepared, and submits herewith, for the consideration of this Board and all other persons who may be interested, proposed Amended Special Field Rules for the Independence Field, which proposed Rules are attached to the Petition as Exhibit "A" and made a part of the Petition to the full extent as though therein copied in full.

(9)

The only Operator in the Independence Field who should be given personal notice of this Petition and the relief sought herein is Energen Resources Corporation.

(10)

Petitioner shall acquire all other permits, if any, required by any other permitting authority.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the following Special Field Rules be, and the same hereby are, adopted by the State Oil and Gas Board of Mississippi for the Independence Field, Amite and Wilkinson Counties, Mississippi, to take effect on and after the ____ day of _____, 2002.

**SPECIAL FIELD RULES
FOR THE INDEPENDENCE FIELD,
AMITE AND WILKINSON COUNTIES, MISSISSIPPI**

The Independence Field, as used herein, is that area consisting of the following described land, to-wit:

Wilkinson County, Mississippi:

Township 1 North, Range 1 East:

Sections 4, 5, 6, 7, 8 and Fractional Sections 9, 12 and 15;

Township 2 North, Range 1 East:

Sections 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37 and 38;

Amite County, Mississippi:

Township 2 North, Range 2 East:

S-1/2 of Section 21 and Sections 22, 23, 24, 25, 26, 33, 34, 35, 36, 37, 38, 40, 41 and Fractional Section 39;

LESS AND EXCEPT a portion of the N ½ of the N ½ of said Section 26 described as:

Beginning at the section corner common to Sections 17, 19, 26 and 27, Township 2 North, Range 2 East, Amite County, Mississippi; run thence South 00° 20' 10" West along the section line common to said Sections 26 and 27 for 710.00 feet; thence run West for 3895.81 feet; run North for 710.00 feet, more or less, to the north line of said Section 26; thence run Easterly along the north line of said Section 26, 3895.8 feet, more or less, to the Point of Beginning;

underlain by the Frio "A" Sand Gas Pool, the Frio "B" Sand Gas Pool, the Frio "C" Sand Gas Pool, the Frio "D" Sand Gas Pool, the Frio "E" Sand Gas Pool and the Frio "F" Sand Gas Pool, as hereinafter defined, and all productive extensions thereof.

I. The Frio "A" Sand Gas Pool in the Independence Field, Wilkinson and Amite Counties, Mississippi, shall be construed to mean those strata of the Frio Formation productive of gas at an interval of 2,775 feet through 3,169 feet as indicated on the electric log of the Arkla Exploration Company-Leslie Hughes No. 1 Well, and all sands correlative of these strata productive of gas, said well being located 1,500 feet from the east line and 469 feet from the north line of Section 29, Township 1 North, Range 2 East, Wilkinson County, Mississippi.

II. The Frio "B" Sand Gas Pool in the Independence Field, Wilkinson and Amite Counties, Mississippi, shall be construed to mean those strata of the Frio Formation productive of gas at an

interval of 3,180 feet through 3,299 feet as indicated on the electric log of the Arkla Exploration Company-Leslie Hughes No. 1 Well, and all sands correlative of these strata productive of gas, said well being located 1,500 feet from the east line and 469 feet from the north line of Section 29, Township 2 North, Range 1 East, Wilkinson County, Mississippi.

III. The Frio "C" Sand Gas Pool in the Independence Field, Wilkinson and Amite Counties, Mississippi, shall be construed to mean those strata of the Frio Formation productive of gas at an interval of 3,300 feet through 3,649 feet as indicated on the electric log of the Arkla Exploration Company-Leslie Hughes No. 1 Well, and all sands correlative of these strata productive of gas, said well being located 1,500 feet from the east line and 469 feet from the north line of Section 29, Township 2 North, Range 1 East, Wilkinson County, Mississippi.

IV. The Frio "D" Sand Gas Pool in the Independence Field, Wilkinson and Amite Counties, Mississippi, shall be construed to mean those strata of the Frio Formation productive of gas at an interval of 3,650 feet through 3,877 feet as indicated on the electric log of the Arkla Exploration Company-Leslie Hughes No. 1 Well, and all sands correlative of these strata productive of gas, said well being located 1,500 feet from the east line and 469 feet from the north line of Section 29, Township 2 North, Range 1 East, Wilkinson County, Mississippi.

V. The Frio "E" Sand Gas Pool in the Independence Field, Wilkinson and Amite Counties, Mississippi, shall be construed to mean those strata of the Frio Formation productive of gas at an interval of 3,878 feet through 4,041 feet as indicated on the electric log of the Arkla Exploration Company-Leslie Hughes No. 1 Well, and all sands correlative of these strata productive of gas, said well being located 1,500 feet from the east line and 469 feet from the north line of Section 29, Township 2 North, Range 1 East, Wilkinson County, Mississippi.

VI. The Frio "F" Sand Gas Pool in the Independence Field, Wilkinson and Amite Counties, Mississippi, shall be construed to mean those strata of the Frio Formation productive of gas at an interval of 3,037 feet through 3,052 feet as indicated on the electric log of the Griffin & Griffin Exploration, L.L.C.-McKey 23-13 No. 1 Well not in communication with producing strata of the Frio "A" Sand Gas Pool, said well being located 280 feet from the west line and 551 feet from the south line of Section 23, Township 2 North, Range 1 East, Wilkinson County, Mississippi.

VII. The characteristics of said Frio "A" Sand Gas Pool, Frio "B" Sand Gas Pool, Frio "C"

Sand Gas Pool, Frio "D" Sand Gas Pool, Frio "D" Sand Gas Pool, Frio "E" Sand Gas Pool and Frio "F" Sand Gas Pool in said field are such that one well located on a drilling unit comprised of 320 contiguous surface acres, with a 5% tolerance, more or less, or a governmental half section containing not less than 300 acres or more than 340 acres or eight contiguous governmental quarter-quarter sections, the total acreage of which is not less than 300 acres or more than 340 acres conforming to the requirements of the rules herein contained will adequately and efficiently drain and produce the recoverable gas from such unit in said pools without avoidable waste.

RULE 1 - SPACING OF GAS WELLS:

Every well drilled as a gas well:

- (a) shall be located on a drilling unit consisting of 320 contiguous surface acres with a tolerance of 5%, more or less, or a governmental half section containing not less than 300 acres or more than 340 acres or eight contiguous governmental quarter-quarter sections, the total acre of which is not less than 300 or more than 340 acres, upon which no other drilling or producible well in the same gas pool is located.
- (b) Any gas drilling unit formed under Rule 1(a) must be completely encompassed by the perimeter of a rectangle 3,735 feet by 5,380 feet. Provided, however, no unit shall be permitted which will create island acreage.
- (c) The well shall be located at least 1,980 feet from every other drilling or producible well in the same gas pool located in conformity with this rule; and
- (d) The well shall be located at least 990 feet from every exterior boundary of the drilling unit.

RULE 2 - APPLICABILITY OF STATEWIDE RULES:

- A. All rules and regulations contained in Statewide Order No. 201-51, and any amendments thereto, not specifically covered by the foregoing Special Field Rules are hereby adopted and shall apply to said field.
- B. The Board expressly reserves the right, after notice and hearing, to alter, amend or

repeal any and all of the foregoing rules and regulations.

SO ORDERED AND ADJUDGED, this the 8 day of Aug., 2002.

STATE OIL AND GAS BOARD OF MISSISSIPPI

BY: Carroll R. Bond

CHAIRMAN

OF COUNSEL:

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