

NOV 13 1985

STATE OIL AND GAS BOARD  
A. Richard Henderson, Supervisor

## IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 294-85-341

ORDER NO. 426-85

## IN RE:

THE PETITION OF SUN EXPLORATION AND PRODUCTION COMPANY TO AMEND THE SPECIAL FIELD RULES OF THE SMACKOVER UNIT, LAKE COMO FIELD, JASPER COUNTY, MISSISSIPPI, TO ALLOW APPROVAL OF FURTHER UNIT DEVELOPMENT WITHOUT THE NEED FOR HEARING.

ORDER

The cause came on for hearing before the State Oil and Gas Board on October 16, 1985, on the Petition of Sun Exploration and Production Company to amend the Special Field Rules for the Smackover Unit, Lake Como Field, Jasper County, with such hearing being called for such purpose;

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 provided by law and the rules and regulations of the Board and that due, legal and sufficient proofs of publication are on file with the Board, and that the Board has full jurisdiction of the subject matter to hear and determine same; and

Pursuant to said notice given, public hearing was held in the 14th Floor Hearing Room, Walter Sillers State Office Building, Jackson, Mississippi, commencing October 16, 1985 at which hearing all persons present who desired to be heard on said matter were heard, and all testimony and evidence was 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. That the Smackover Unit, Lake Como Field, is an enhanced recovery project duly authorized by the Mississippi Oil and Gas Board. That by Orders 2-75, 3-75, and 184-75, the Board has set out terms and conditions of operations for said unit.

2. That said unit was originally the subject of substantial controversy, and as a result, the Field Rules enacted included a provision requiring notice and hearing prior to issuance of any permit for drilling a producer or injector. All these controversies have been resolved at this time, and the continued development and operation of the unit is necessary to prevent waste.

3. That to require notice and hearing on each permit is wasteful, particularly in light of Sun's proposed operations in the unit. These operations will result in development of hydrocarbons which would not otherwise be developed. That the Board, acting through its staff, should have the authority to approve permits without the requirement of hearing.

4. That Petitioner shall be required to comply with all other rules and regulations of the Board. That Petitioner shall acquire all other permits, if any, required by other permitting authorities prior to drilling its well. That co-equal and correlative rights of parties will be protected and waste prevented if the Petition is granted.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED that the Special Field Rules for the Lake Como Field in Jasper County, Mississippi, be hereby amended to read as follows:

SPECIAL FIELD RULES FOR THE  
LAKE COMO FIELD  
JASPER COUNTY, MISSISSIPPI

A. The Lake Como Field as used herein is that area consisting of the S/2 of Section 32, the S/2 of Section 33, and the SW/4 of Section 34, Township 2 North, Range 11 East, Jasper County, Mississippi, and the W/2 of Section 3, Section 4, Section 5, and the N/2 of Section 8, the N/2 of Section 9, and the NW/4 of Section 10, Township 1 North, Range 11 East, Jasper County, Mississippi, underlain by the Smackover Oil Pools in the Lake Como Field hereinafter defined and all productive extensions thereof.

B. The Smackover Unit as used herein is the following described area:

Township 2 North, Range 11 East

SE 1/4 SE 1/4 less 6 acres in the NE Corner of  
Section 32; the S 1/2 of the SW 1/4 of Section 33;

Township 1 North, Range 11 East

All of Section 4 except the NE 1/4 of the NE 1/4;  
the E 1/2 of the E 1/2 of Section 5; the N 1/2 of  
the N 1/2 of Section 9;

All being in Jasper County, Mississippi.

C. (1) The Smackover Oil Pool in the Lake Como Field shall be construed to mean those strata of the Smackover Formation productive of oil in the interval between 16,178 feet to 17,466 feet (top of the Norphlet Formation) on the electric log of the Texas Pacific Oil Company J. S. Scott No. 1-A Well located in the SE/4 of the SE/4 of Section 4, T 1 N, R 11 E, Jasper County, Mississippi, and all intervals in communication therewith correlative of said strata productive of hydrocarbons.

(2) The Smackover Oil Pool, North Fault Block, in the Lake Como Field shall be construed to mean those strata of the Smackover Formation productive of oil in the interval between 16,520 feet on the electric log of the Texas Pacific Oil Company Pierce No. 1 Well located in the SE/4 of the NE/4 of Section 4, T 1 N, R 11 E, and the top of the Norphlet Formation at 17,786 feet on the electric log of the Texas Pacific Oil Company No. 1 Saxon Well in the SW/4 of the SE/4 of Section 33, T 2 N, R 11 E, Jasper County, Mississippi, and all intervals in communication therewith correlative of said strata productive of hydrocarbons.

D. The characteristics of the above-described Smackover Oil Pools in said field are such that wells located in conformance with the hereinafter prescribed spacing rules will efficiently drain and produce the recoverable oil from each said pool without avoidable waste.

RULE 1 -SPACING OF OIL WELLS

A. Every well drilled as an oil well for production from the Smackover Oil Pool above defined and located outside of the Smackover Unit or producing from the Smackover Oil Pool, North Fault Block:

(1) Shall be drilled on a drilling unit consisting of four governmental quarter-quarter sections in the form of a square containing not less than 144 acres or more than 176 acres upon which no other drilling or producible well is located.

(2) Shall be located at least 500 feet from every exterior boundary of the drilling unit;

(3) Shall be located at least 1000 feet from every other drilling or producible well to be produced from the same pool;

(4) And a unit heretofore or hereafter formed for any such well covered by Rule 1 A is herein referred to as an individual drilling unit.

B. (1) A drilling and production unit is hereby established for each and all oil wells drilled within the Smackover Unit and completed in the Smackover Oil Pool as consisting of the entire Smackover Unit area hereinabove described.

(2) Each oil drilling unit located within the Smackover Unit area heretofore or hereafter established under the provisions of the Special Field Rules for a well producing from the Smackover Oil Pool shall be considered as producing from the unit area in accordance with Order No. 2-75 of this Board entered in Docket No. 150-74-341.

(3) The location and utilization of wells upon the unit area for production or injection from or into the Smackover Oil Pool shall be governed by standards of geology and petroleum engineering designed to promote the greatest ultimate recovery of hydrocarbons contained in the Smackover Oil Pool within the Smackover Unit area. However, no new well may be hereafter drilled or produced from the said pool nearer than 500 feet from any exterior boundary of the said unit area except upon permit issued by the Oil and Gas Board after notice and hearing.

#### RULE 2 -SECONDARY RECOVERY AUTHORIZED

A. Sun Exploration and Production Company, successor in interest to Texas Pacific Oil Company, Inc., as Unit Operator of the Smackover Unit, is hereby authorized to conduct pressure maintenance and secondary recovery operations in the Smackover Oil Pool, Lake Como Field, by the injection of water. Said Unit Operator may use the existing Jackson No. 2 Well located in said unit area for injection purposes.

B. That issuance of a permit to drill each new well either as a producer or injection well shall not require notice and hearing, but may in the Board's discretion be approved administratively. The completion or recompletion of wells for injection shall be reported on Form 3.

#### RULE 3 -PRODUCTION TUBING

Each producing well shall be equipped with and be produced through tubing not larger than 4 inches in nominal diameter and shall be equipped with a master valve.

#### RULE 4 - ALLOCATION OF PRODUCTION

A. The maximum efficient rate of production of the Smackover Oil Pool each day shall be determined and fixed by the Board, which shall be such pool's daily allowable production.

B. The daily allowable of such pool shall be allocated as follows:

(1) To each individual drilling unit there shall be allocated that proportionate part of the pool's daily allowable that the number of producing wells in such individual drilling units bears to the total number of producing wells within all such individual drilling units plus the four presently producing wells within the Smackover Unit.

(2) The remainder of the daily allowable for such pool shall be allocated to the Smackover Unit.

C. Any unit which is not capable of producing, without committing waste, the allowable assigned to it under Rule 4-B shall be considered a deficient unit. The difference between the allowable assigned to the deficient unit and that which it is capable of producing without waste shall be distributed by the Board to the nondeficient unit on the basis of apportionment prescribed in said Rule 4-B.

D. The allowable production of any unit as to the Smackover Oil Pool may be produced by any well or wells on said unit completed in said pool; provided, however, that no well shall be permitted to operate or produce in such manner as to cause waste as defined by the laws of Mississippi or otherwise be detrimental to the pool, and the production from any such well shall be subject to such adjustments by the Board as it may deem necessary, except Smackover Unit wells

directly or diagonally offsetting individual drilling units shall not be allowed to produce more than one and one-half times the daily allowable assigned to nondeficient individual drilling units.

RULE 5 - APPLICABILITY OF STATEWIDE RULES

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

B. The Special Field Rules for the Lake Como Field adopted in Order No. 49-74 shall be superseded after the effective date hereof.

C. These rules and regulations shall become effective as of the effective date of unitization as provided by the Oil and Gas Board in Order No. 2-75, Docket No. 150-74-341.

D. 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 the 17<sup>th</sup> day of October, 1985.

MISSISSIPPI STATE OIL AND GAS BOARD

By

  
Chairman