

SEP 8 1977

STATE OIL AND GAS BOARD
Clyde R. Davis, State Oil & Gas Supervisor

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

IN RE: DOCKET NO. 177-77-80
ORDER NO. 252-77LAKE MARY FIELD,
WILKINSON COUNTY,
MISSISSIPPIPETITION OF JOHN W. MCGOWAN
FOR AUTHORITY TO SIMULTANEOUSLY
PRODUCE OIL POOLSORDER

This day this cause came on for hearing at the regular August, 1977 meeting of the State Oil and Gas Board of Mississippi upon Petition of John W. McGowan for Authority to Simultaneously Produce Oil Pools, and for such other relief as set forth in the said Petition.

The State Oil and Gas Board finds that due and legal notice of the meeting of the Board for the purpose of considering the above petition has been given in the manner and form provided by law and in the rules and regulations of this Board, and that due and proper proofs of all legal and required notices are on file with this Board in this cause, and that the Board has full jurisdiction of this cause and of the parties, and the right to hear said cause and determine the same at this meeting of the Board; that the Board has heard the evidence of witnesses, both oral and documentary and the argument of counsel; that no objections were made to the Petition; said Board being fully advised in the premises, does find that Petitioner has filed a properly verified petition and that the relief sought in said petition should be granted in the manner and form hereinafter set forth; and the Board further finds as follows:

1. That Petitioner is the owner of the leasehold interests in and to the oil, gas, and other minerals, to and under the following described units in Lake Mary Field, Wilkinson County, Mississippi:

- a. NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 29, T3N, R4W, Wilkinson County, Mississippi, upon which said unit Petitioner operates the E. M. Kee #1 well producing in the Baker "A" oil pool--Wilcox Formation.
- b. SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 29, T3N, R4W, Wilkinson County, Mississippi, upon which said unit the Petitioner operates the E. M. Kee #3 well producing in the Baker "B" Oil pool--Wilcox Formation.
- c. NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 29, T3N, R4W, Wilkinson County, Mississippi, upon which said unit the Petitioner operates the E. M. Kee #4 well producing in the Alexander oil pool--Wilcox Formation, and the E. M. Kee #4-a well producing in the Parker "C" Oil pool--Wilcox Formation.

2. That there are eleven separate and distinct oil pools in Lake Mary Field; that six of the said oil pools have been previously defined by this Board as follows:

- Order No. 29-56 (Special Field Rules)--Minter and Kee oil pools.
- Order No. 63-57 (Amendment to Special Field Rules)--Parker "C" oil pool.
- Order No. 43-59 (Amendment to Special Field Rules)--Walker and Parker "B" oil pools.
- Order No. 221-59 (Amendment to Special Field Rules)--Parker "A" oil pool.

That five of the said oil pools have not been previously defined, although all of the said five oil pools have been, or are being produced. That Petitioner has filed application under separate docket number requesting amendment to the Special Field Rules so as to define the said following described five oil pools: McKittrick, Baker "A" and "B", Alexander, Walker "D".

3. That of the eleven oil pools in Lake Mary Field, seven have declined below the economic limit--McKittrick, Parker "A" and "B", Kee, Walker, Minter, and Walker "D". That the said seven oil pools are not now being produced, nor is it likely that they will be singularly produced, because it is not economically feasible to do so. That Petitioner is currently producing the remaining four oil pools--the Baker "A" and "B", Parker "C" and Alexander--as aforesaid. That the said four oil pools are likewise approaching their economic limit, and that it will shortly be economically infeasible to singularly produce the said four oil pools.

4. That each of the four wells is capable of producing from any or all of the eleven pools, or any combination thereof; and that much oil may yet be recovered in the Field, but only if this Board authorizes simultaneous production of several pools through one string of tubing. That if singular production of the remaining four oil pools capable of such be required, the entire Field will reach its economic limit shortly and will be abandoned; that economic waste will be caused unless this Board authorize simultaneous production of several pools through one string of tubing.

5. That the records of this Board are replete with precedent in support of the relief sought in the Petition. That a serious economic decline in all of the eleven oil pools at issue prompted this Board as long as fifteen years ago to authorize numerous dual completions, and also to authorize the production of separate oil pools through one string of tubing. That the Petitioner seeks authority to produce each of the four captioned wells from any combination of the said oil pools simultaneously through one string of tubing--rather than specifying particular oil pools for each such well--for the reason that it is difficult at this time to determine which combination or combinations will result in the recovery of the most oil. That if the wells can be produced in this manner, they will be able to produce all of the recoverable hydrocarbons from the respective oil pools without surface or underground waste; that such method of production will not increase the hazards, risks, or dangers incident to the production of hydrocarbons; and that even if a danger to any given oil pool were caused thereby, such danger is offset by the fact that no further recovery of hydrocarbons will be had at all if the wells are not produced in this manner. That such method of production is in all respects consistent with sound conservation practices in that unnecessary use and depredation of the surface of the property will be avoided; unnecessary use of drilling equipment, material, money and time will be eliminated; all oil, gas and fresh water sands in the Field will be adequately protected, and waste will be prevented as aforesaid.

6. That the above described drilling units and the location of the wells thereon comply with all applicable rules. That the production of the four wells in the manner proposed will constitute no danger to any other production for the reason that there is no more production. That the four wells are the last remaining wells in Lake Mary Field and that there will be no new production for the reason that all eleven sands will shortly have been depleted below the economic limit as aforesaid.

IT IS THEREFORE ORDERED AND ADJUDGED that the relief sought in the Petition is hereby granted and Petitioner is hereby authorized to operate and produce the E. M. Kee No.'s 1, 3, 4, and 4-a wells in the manner requested, and he is specifically authorized to simultaneously produce from any combination of the eleven oil pools as defined by this Board through one string of tubing at each said well, pursuant to permit issued by the Director of this Board without further hearing, after due and proper application; provided, however, that if two oil wells be located upon the same drilling unit, no pools shall be produced in both wells at the same time.

IT IS FURTHER ORDERED AND ADJUDGED that each of the drilling units hereinabove described be established as oil drilling units for any of the said oil pools simultaneously, that the said units and the locations of the said wells thereon are approved for the production of oil from any of the said oil pools simultaneously on a full and regular allowable.

SO ORDERED AND ADJUDGED, this the 17th day of August, 1977.

BY:

Joe R. Fauchez, Jr.
Chairman