

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

IN RE:

ORDER ESTABLISHING SPECIAL FIELD
RULES FOR SMACKOVER FORMATION
CONDENSATE-BEARING GAS POOL,
LORING FIELD, MADISON COUNTY,
MISSISSIPPI.

DOCKET NO. 79-56-79

ORDER NO. 79-56

O R D E R

This day this cause came on for hearing before the State Oil and Gas Board on the matter of the adoption and promulgation by the Board of special field rules for the Smackover Formation, Condensate-Bearing Gas pool, Loring Field, Madison County, Mississippi, said hearing being called for such purpose of said Board; and

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 has been given in the manner and way as 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

WHEREAS, pursuant to said notice given, a public hearing was held by said Board in the Second Floor Auditorium of the Woolfolk State Office Building, Jackson, Mississippi, on March 21, 1956, at which time and place all persons present who desired to be heard on said matter were heard and all proposed special field rules were fully discussed and 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 is of the opinion that the following special field rules should be adopted for the prevention of waste and the protection of the correlative rights of all owners in said field;

(b) A blowout preventer of suitable control head and other connections for keeping the well under control at all times shall be installed as soon as surface casing is set. Such blowout preventer shall be a dual control type and have a working pressure of at least 5,000 pounds per square inch.

(c) While running casing, all wells are to be equipped with master gate (or blowout preventer having blind rams) and blowout preventer having correct size rams or plugs installed and in first class condition. When running tubing, suitable blowout prevention equipment shall be used.

(d) Production packers must be set and tested to effectively seal off tubing from casing annulus.

(e) Christmas tree fittings and wellhead connections shall have a working pressure of at least 5,000 pounds per square inch, except that wellhead equipment necessary to hold a pressure existing between the surface casing and the oil string casing shall have a working pressure of at least 3,000 pounds per square inch. All wellheads shall contain at least two master valves on the tubing side.

RULE 3 - ALLOCATION OF PRODUCTION

(a) Until further order of this Board, The Carter Oil Company is hereby authorized to produce its S. L. Brown No. 1 Well and its Cage Sutherland Well for testing purposes in the manner provided for under Order No. 109-55 of this Board rendered on June 15, 1955 under Docket No. 89-55-79 without regard to ratable take or allowables.

All rules and regulations contained in the Statewide Order No. 201-51 and amendments thereto not specifically covered in the foregoing rules are hereby adopted and shall apply to said field.

The Board expressly reserves its right after notice and hearing to alter, amend or repeal any and all of the foregoing rules and regulations.

Said special rules to be in full force and effect on and after April 1, 1956, reserving, however, unto all parties the full benefit and protection of any rights accruing to said parties which may have become vested by law in such parties, by reason of said rules.

ORDERED this 21st day of March, 1956.


CHAIRMAN

IT IS THEREFORE HEREBY ORDERED by the State Oil and Gas Board that the following special field rules be and the same are hereby adopted by the State Oil and Gas Board of Mississippi for the Smackover Formation, Condensate-Bearing Gas Pool, Loring Field, Madison County, Mississippi, to take effect on and after April 1, 1956, to-wit:

SPECIAL FIELD RULES FOR SMACKOVER
FORMATION, CONDENSATE-BEARING GAS
POOL, LORING FIELD, MADISON COUNTY,
MISSISSIPPI.

A. The Loring Field, as used herein, is that area in Section 25 and Section 36, Township 11 North, Range 3 East, Section 30 and Section 31, Township 11 North, Range 4 East and Section 5 and Section 6, Township 10 North, Range 4 East, Madison County, Mississippi, including all productive extensions thereof, which area is underlain by a Smackover Limestone condensate-bearing gas pool.

B. The Loring Field Smackover Gas-Condensate Pool, as used herein, shall be construed to mean those strata of the Smackover formation productive of gas condensate. The Smackover formation is defined as any sand, limestone, or dolomite formation of Jurassic age lying below the Buckner Anhydrite or occurring within the Buckner formation. The base of the Smackover formation is defined as the top of the Louann Salt.

C. The characteristics of the above named Loring Field Smackover Pool are such and evidence shows that the gas produced from said reservoir, excluding the simultaneously produced condensate, has no monetary value inasmuch as no commercial process is available by which marketable hydrocarbons and/or free sulphur can be economically extracted therefrom. Said characteristics and the evidence further show that a drilling unit consisting of approximately 640 contiguous surface acres is required to economically develop, produce, and recover the recoverable condensate therefrom without avoidable waste and that one well drilled on each regular unit, as hereinafter defined, will efficiently drain and produce the recoverable condensate from such drilling unit in said pool without avoidable waste.

D. High reservoir pressures exist in said reservoir and adequate controls to prevent blowouts are particularly necessary due to the toxic nature of the Smackover gas.

E. To enable development of the pool, to prevent waste, and otherwise to carry out the provisions of law, it is necessary that the following special rules and regulations be adopted for the Loring Field Smackover Gas-Condensate Pool:

RULE 1 - SPACING

(a) A drilling unit is hereby established for each gas-condensate well drilled to the Smackover gas-condensate pool, as an area of at least 640 contiguous surface acres, or a governmental section containing not less than 600 acres.

(b) The distance between any two points farthest apart on the drilling unit upon which the well is located shall not exceed 9,000 feet.

(c) No portion of the drilling unit upon which the well is located shall be attributed, in whole or in part, to any other drilling or producible well in the same pool.

(d) The well shall be located at least 2,640 feet from every other drilling or producible well located in conformity with this rule.

(e) The well shall be located not less than 1,320 feet from every exterior boundary of the unit upon which the well is located.

(f) The Board reserves the right, upon notice and hearing, to grant exceptions to this rule both for drilling units consisting of less than 640 acres or less than governmental sections of 600 acres with the allowable reduced proportionately and drilling units in irregular shapes consisting of approximately 640 surface contiguous acres with no reduction allowable for said drilling units.

RULE 2 - DRILLING AND COMPLETION

(a) It is recognized that a high reservoir pressure exists in said pool and that the Smackover gas contains constituents of a highly toxic nature. Therefore, adequate controls and equipment to prevent blowouts are to be used.