

SEP 15 1980

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

BEFORE THE MISSISSIPPI STATE OIL AND GAS BOARD

IN RE: AMENDED PETITION OF INEXCO OIL COMPANY TO DEFINE THE SLIGO GAS POOL IN THE MONTICELLO FIELD, TO COMMINGLE DOWNHOLE PRODUCTION FROM THE SLIGO GAS POOL AND THE HOSSTON GAS POOL IN THE MONTICELLO FIELD, LAWRENCE COUNTY, MISSISSIPPI, IN THE SELMAN-LONGINO NO. 1 WELL LOCATED ON A 640-ACRE GAS UNIT IN SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 21 WEST AND IN SECTIONS 10 AND 15 OF TOWNSHIP 7 NORTH, RANGE 11 EAST, MONTICELLO FIELD, LAWRENCE COUNTY, MISSISSIPPI

ORDER NO. 317-80

DOCKET NO. 90-80-434

O R D E R

This cause came on to be heard at the regular April 16, 1980 meeting of the State Oil and Gas Board of Mississippi, upon the amended petition of Inexco Oil Company to define the Sligo Gas Pool in the Monticello Field, and for authority to commingle downhole production from the Sligo Gas Pool and the Hosston Gas Pool in the Monticello Field, Lawrence County, Mississippi, in the Selman-Longino No. 1 Well located in Section 12 of Township 17 North, Range 21 West, and in Sections 10 and 15 of Township 7 North, Range 11 East, Lawrence County, Mississippi, and the Board finds:

1. That due and legal notice of the meeting of the Board for the purpose of considering the above entitled matter was given in the manner and the form provided by law and the rules and regulations of this Board, and that due and proper publication of all legal and required notices have been filed with this Board in this cause, and the Board has jurisdiction of the parties and the subject matter and the right to hear this cause and to determine the same at this meeting of the Board.

2. At the regular April, 1980 term of this Board, this matter was continued for decision to the May, 1980 term; however, at the May, 1980

term, the same was continued to the June, 1980 term, and at the June, 1980 term, the same was continued to the July, 1980 term, and at the July, 1980 term, the same was continued for decision to the August 20, 1980 term of this Board, at which time this Board finds the following:

(a) That Inexco Oil Company as Operator has heretofore drilled its Selman-Longino No. 1 Well on a gas unit described as:

Begin at the Northeast Corner of Section 12, Township 7 North, Range 21 West, Lawrence County, Mississippi, and run South 00 degrees 26 minutes 17 seconds West along the East line of Section 12 for 5258.99 feet to the Southeast Corner thereof; run thence West along the South line of Section 12, and said line extended, for 5281.14 feet; run thence North 5258.84 feet; run thence East to and along the North line of Section 12 for 5321.35 feet to the point of beginning.

The above described tract is located in Section 12, Township 7 North, Range 21 West, and in Sections 10 and 15, Township 7 North, Range 11 East, Lawrence County, Mississippi, containing 640 acres.

and that said well was drilled pursuant to Permit No. 504 approved June 8, 1979.

(b) That in the drilling of said well, the same was drilled to the Hosston Gas Pool of the Monticello Field, Lawrence County, Mississippi, which pool was heretofore defined by order of this Board under Docket No. 108-76, Order No. 162-76, dated July 26, 1976, and that said well also encountered in the Sligo Formation intervals capable of producing gas between 15,372 feet and 15,578 feet, as shown on the Dual Induction Focused Log of the Inexco Oil Company Selman-Longino No. 1 Well located as aforesaid.

(c) That the Sligo Gas Pool as encountered in said field has not heretofore been defined and should be defined as follows:

"The Sligo Gas Pool is defined as those strata productive of oil or gas within the interval of 15,372' to 15,578' as shown on the Dual Induction Focused Log of the Inexco Oil Company Selman-Longino No. 1 well located 3,571' from the East line and 1800' from the North line of Section 12, Township 7 North, Range 21 West, but lying in Section 10, Township 7 North, Range

11 East, Lawrence County, Mississippi and all intervals correlative to or connected with those strata."

(d) That in the drilling of the aforementioned Inexco Oil Company Selman-Longino No. 1 Well, the same was not scheduled or planned to be drilled so that the same could be dually completed as the production in the Monticello Field has theretofore been confined to the Hosston Formation, and the petitioners desire to commingle downhole production from the Hosston Gas Pool and the Sligo Gas Pool in the Monticello Field.

That the commingling of production from said gas pools would not decrease the ultimate recovery of gas from the above described unit, and from an economical standpoint would, in fact, increase the possibility of recovery, would avoid waste and the drilling of unnecessary wells, and would protect the co-equal and correlative rights of all parties who are entitled to share in the production from said unit.

(e) That both formations have the same working interest and the same royalty interest owners, and their respective participation in production from said well would be the same from either formation.

IT IS, THEREFORE, ORDERED, ADJUTED AND DECREED as follows:

(a) That the Sligo Gas Pool of the Monticello Field, Lawrence County, Mississippi, is defined as follows:

"The Sligo Gas Pool is defined as those strata productive of oil or gas within the interval of 15,372' to 15,578' as shown on the Dual Induction Focused Log of the Inexco Oil Company Selman-Longino No. 1 well located 3,571' from the East line and 1800' from the North line of Section 12, Township 7 North, Range 21 West, but lying in Section 10, Township 7 North, Range 11 East, Lawrence County, Mississippi and all intervals correlative to or connected with those strata."

(b) That the operator of the Selman-Longino No. 1 Well located on

the above described unit, which is currently the Inexco Oil Company, be, and the same is hereby authorized and empowered to commingle downhole production from the Hosston Gas Pool in the Monticello Field and from the Sligo Gas Pool in the Monticello Field, both being in Lawrence County, Mississippi, in said well and in said unit.

ORDERED, ADJUDGED AND DECREED, this the 20th day of August, 1980.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By Joe R. Lucha, Jr.
Chairman