

BEFORE THE STATE OIL AND GAS BOARD OF THE STATE OF MISSISSIPPI

RE: MOSBACHER ENERGY COMPANY  
SPECIAL FIELD RULES  
FOR THE MT. OLIVE FIELD  
SMITH AND COVINGTON COUNTIES, MISSISSIPPI

FILED FOR RECORD

APR 4 1989

STATE OIL AND GAS BOARD  
A. Richard Henderson, Supervisor

DOCKET NO. 47-89-196

ORDER NO. 88-89

ORDER FOR SPECIAL FIELD RULES

THIS CAUSE coming on this day to be heard upon Petition of Mosbacher Energy Company asking that Special Field Rules be adopted for the Mt. Olive Field, Smith and Covington Counties, Mississippi, upon Proof of Publication of Notice as required by statute and the Rules of this Board, and upon oral and documentary proof introduced at the hearing on this matter and the Board being of the opinion that the relief requested should be granted, does find as follows:

1.

Proper, due and legal notice for the meeting of this Board to consider this Petition has been given as required by law and the rules of this Board, and due, legal and sufficient proofs of publication of notice are on file with this Board. The Board does further adjudicate that it has full and complete jurisdiction of the subject matter to hear and determine this Petition at this time and place.

2.

Mosbacher Energy Company drilled at a regular location as a wildcat well the Federal Land Bank Well No. 1 under Permit No. 158 issued by this Board on October 28, 1987. The unit approved for said well is described as follows:

The SE 1/4 of SW 1/4 and the SW 1/4 of SE 1/4,  
Section 32, Township 10 North, Range 16 West, Smith  
County, Mississippi.

3.

Said well has been drilled to a total depth of 18,169 feet, and tests of said well show that it has encountered as separate pools the Sligo Oil Pool, the Rodessa Oil Pool and the Mooringsport Oil Pool.

The Board does further find that the adoption of Special Field Rules for this field as set forth on Exhibit "B" hereto will promote conservation, protect and enforce the co-equal and correlative rights of all owners in interest, avoid the drilling of unnecessary wells, and permit oil and associated hydrocarbons to be produced from the field which would not otherwise be recoverable.

IT IS THEREFORE ORDERED that the Special Field Rules for the Mt. Olive Field, Smith and Covington Counties, Mississippi in the form as set forth more particularly on Exhibit "B" hereto be and they are hereby adopted and approved by this Board.

ORDERED this the 15<sup>th</sup> day of March, 1989.

MISSISSIPPI STATE OIL & GAS BOARD

BY:

F. B. Mayes McTeke  
CHAIRMAN

SPECIAL FIELD RULES  
FOR THE MOUNT OLIVE FIELD  
SMITH AND COVINGTON COUNTIES, MISSISSIPPI

A. FIELD AREA:

The Mount Olive Field, as used herein, is that geographical area in Smith and Covington Counties, Mississippi, consisting of the following lands, to-wit:

Township 10 North, Range 16 West

Section 32: All

Township 9 North, Range 16 West

Section 5: All

B. POOL DEFINITIONS:

1. The Sligo Oil Pool shall be construed to mean those strata of the Sligo Formation productive of hydrocarbons occurring between the measured depths of 14,050 feet to 14,082 feet on the Dual Induction Log of the Mosbacher Energy Company - Federal Land Bank No. 1 Well located in Section 32, Township 10 North, Range 16 West, Smith County, Mississippi, and all strata productive of hydrocarbons which can be correlated therewith and are in communication therewith.

2. The Rodessa Oil Pool shall be construed to mean those strata of the Rodessa Formation productive of hydrocarbons occurring between the measured depths of 13,400 feet to 13,900 feet on the Dual Induction Log of the Mosbacher Energy Company - Federal Land Bank No. 1 Well located in Section 32, Township 10 North, Range 16 West, Smith County, Mississippi, and all strata productive of hydrocarbons which can be correlated therewith and are in communication therewith.

3. The Mooringsport Oil Pool shall be construed to mean those strata of the Mooringsport Formation productive of hydrocarbons occurring between the measured depths of 12,890 feet to 13,100 feet on the Dual Induction Log of the Mosbacher Energy Company - Federal Land Bank No. 1 Well located in Section 32, Township 10 North, Range 16 West, Smith County, Mississippi, and

all strata productive of hydrocarbons which can be correlated therewith and are in communication therewith.

C. RULES:

RULE 1 - SPACING OF OIL WELLS:

1. Each well drilled to and productive from the Sligo Oil Pool, the Rodessa Oil Pool and the Mooringsport Oil Pool as herein defined:

- (a) Shall be located on a drilling unit consisting of eighty (80) contiguous surface acres, or two (2) governmental quarter-quarter sections containing not less than seventy-two (72) acres or more than eighty-eight (88) acres, upon which no other drilling or producible well is located;
- (b) Any drilling unit not composed of two (2) governmental quarter-quarter sections must be completely encompassed by the perimeter of a rectangle 1600 feet by 2725 feet. Provided, however, no unit shall be permitted which will create island acreage;
- (c) The well shall be located at least 1,000 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule; and
- (d) The well shall be located at least 500 feet from every exterior boundary of the drilling unit.

RULE 2 - APPLICABILITY OF STATEWIDE RULES:

2.1 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 field.

2.2 The Board expressly reserves the right, after notice and hearing, to alter, amend or repeal any and all of the foregoing Special Field Rules, or to grant exceptions to all or any part thereof.

ORDERED AND ADJUDGED on this the 15<sup>th</sup> day of March, 1989.

STATE OIL & GAS BOARD OF MISSISSIPPI

BY: F. B. Mayes McShree  
CHAIRMAN