

APR 20 1982

STATE OIL AND GAS BOARD
Robert B. Wilson, Acting Supervisor

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 98-82-561

ORDER NO. 137-82ORDER

This day this cause came on for hearing on the petition of Marion Corporation, of Mobile, Alabama, qualified to do and doing business in the State of Mississippi, requesting the Board to adopt Special Field Rules for the East Mount Olive Field in Covington County, Mississippi, and the Board finds that due and legal notice of the meeting of this Board has been given in the manner and time required by law and the rules and regulations of this Board; that due and proper proofs of publication are on file with this Board; that the Board has full jurisdiction of the parties and the subject matter, and having heard the evidence presented and arguments of counsel, this Board is of the opinion that said petition should be granted.

The Board further finds that petitioner is the owner of certain leasehold and operating estates in and under the E $\frac{1}{2}$ of Section 18 and the W $\frac{1}{2}$ of Section 17, Township 9 North, Range 16 West, Covington County, Mississippi, and has heretofore drilled the Marion Corporation - Myers-Fairchild No. 1 Well on said drilling unit which is productive of gas from the Harper Sand of the Hosston Formation. The Board further finds that it is essential that Special Field Rules be adopted for the hereinafter described lands which are underlain by said gas pool, properly defining said producing pool and the area underlain by said pool, and providing proper rules and regulations for the proper and orderly development of said lands, for the prevention of physical and economic waste and the protection of the co-equal and correlative rights of all owners and parties in interest.

IT IS, THEREFORE, HEREBY ORDERED AND ADJUDGED that the Special Field Rules attached hereto as Exhibit "A" are hereby adopted for the East Mount Olive Field in Covington County, Mississippi.

ORDERED AND ADJUDGED this 18th day of March, 1982.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By Joe R. Lancher, Jr.
CHAIRMAN

SPECIAL FIELD RULES
FOR THE EAST MOUNT OLIVE FIELD
COVINGTON COUNTY, MISSISSIPPI

The East Mount Olive Field, as used herein, is that area consisting of the following described land, to-wit:

Sections 7, 8, 17, 18, 19 and 20, Township
9 North, Range 16 West, Covington County,
Mississippi,

underlain by the Harper Sand of the Hosston Formation, as hereinafter defined, and all productive extensions thereof.

I. The Harper Sand in the East Mount Olive Field shall be construed to mean those strata of the Hosston Formation productive of gas in the interval between the depth of 14,351 feet and 14,379 feet in the Marion Corporation - Myers-Fairchild No. 1 Well, as indicated on the Dual Induction Focused Log of said well, and all sands correlative of these strata productive of gas, said well being located in Section 18, Township 9 North, Range 16 West, Covington County, Mississippi.

II. The characteristics of said Harper Sand of the Hosston Formation in said field are such that a well located as hereinafter prescribed and drilled upon a drilling unit containing 640 contiguous surface acres conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable gas from such units in said pool without avoidable waste.

RULE 1 - SPACING OF GAS WELLS:

Every well drilled as a gas well:

(a) Shall be located on a drilling unit consisting of (1) 640 contiguous surface acres; or (2) a governmental section containing not less than 600 acres or more than 680 acres; or

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(3) sixteen (16) contiguous governmental quarter-quarter sections whose total acreage is not less than 600 acres or more than 680 acres. In any case, no other well producing from the same pool shall be located on any such unit.

(b) Any gas drilling unit formed under Section 1(a) of this rule must be completely encompassed by the perimeter of a rectangle 5580 feet by 6245 feet. Provided, however, no unit shall be permitted which will create island acreage.

(c) The well shall be located at least 3,000 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 not less than 1,500 feet from every exterior boundary of the drilling unit.

RULE 2 - 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 field.

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

D. R. F., Jr.