

SEP 28 1978

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI STATE OIL AND GAS BOARD  
Clyde R. Davis, State Oil & Gas Supervisor

RE: PETITION OF JOHN W. MCGOWAN,  
AS UNIT OPERATOR FOR ADOPTION OF  
SPECIAL FIELD RULES FOR THE EUTAW  
UNIT IN PICKENS FIELD, MADISON  
COUNTY, MISSISSIPPI

DOCKET NO. 223-78-2

ORDER NO. 341-78

ORDER

This day this cause came on for hearing at the regular September, 1978 meeting of the State Oil and Gas Board of Mississippi on Petition of John W. McGowan to adopt Special Field Rules for the Eutaw Unit in Pickens Field, 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 August, 1978 meeting of the Board for the purpose of considering the above petition has been given in the manner and form provided by law and 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; that the Board had full jurisdiction of this cause and of the parties, and the right to hear said cause and determine the same at the August, 1978 meeting of the Board; that the Board heard the evidence of witnesses, both oral and documentary, and the argument of counsel at the said August, 1978 meeting; that no objection was made at that time to the Petition. That the Board thereupon continued the matter until the regular September, 1978 meeting of this Board for the reason that Petitioner failed to offer sufficient proof upon which this Board could make the requisite findings necessary to the granting of the relief prayed for.

The Board specifically finds that it has the statutory authority to continue this matter over unto the September, 1978 meeting without the necessity of further public notice. The Board further finds it has full jurisdiction of this cause and of the parties, and the right to hear said cause and determine

the same at the September, 1978 meeting of the Board; that the Board has heard further evidence of witnesses, oral and documentary, and further argument of counsel, and the Board, being fully advised in the premises and finding that Petitioner has offered sufficient proof in support of this Petition at the August and September, 1978 meetings of this Board, does find that the relief prayed for in the properly verified Petition filed herein should be granted in the manner and form hereinafter set forth; the Board further specifically finds as follows:

1. That in Docket No. 212-78-2 Petitioner requested approval of the Unit Agreement and Unit Operating Agreement relating to the Eutaw Unit in Pickens Field, Madison County, Mississippi. That Petitioner now requests that this Board adopt Special Field Rules for the Eutaw Unit necessary for the operation of the said Unit. That a copy of the proposed Rules was attached to the Petition as Exhibit "A".

2. That in order to implement secondary recovery from the Eutaw Formation in the area composing the said Eutaw Unit, Petitioner desires to conduct operations to inject salt water or gas into certain wells in the unit area which will arrest the decline of bottomhole pressure and increase the ultimate recovery of oil. That the injection of water or gas for the secondary recovery operation contemplated by the operator and the appropriate allocation of production will prevent waste and will protect the coequal and correlative rights of all interested parties.

3. That inasmuch as certain oil wells in Pickens Field are producing in the Eutaw Oil Pool at locations outside of the Unit area the Board feels that it would be more proper to Amend and Supplement the Special Field Rules for Pickens Field as a whole, rather than establish separate Special Field Rules for the Eutaw Unit in Pickens Field as prayed for. That such Amendment and Supplement of the Special Field Rules for Pickens Field should be adopted in the manner and form as that attached hereto and incorporated herein by reference. That such Special

Field Rules would authorize such injection program for secondary recovery and direct the proper allocation of production among owners thereof.

IT IS THEREFORE ORDERED AND ADJUDGED that the Amended and Supplemented Special Field Rules attached hereto and incorporated herein by reference as if fully copied in words and figures, and marked Exhibit "A", be and the same hereby are adopted for Pickens Field in Madison County and Yazoo County, Mississippi.

THIS the 20<sup>th</sup> day of September, 1978.

MISSISSIPPI STATE OIL AND GAS BOARD

BY: Vol R. Lueders, Jr.  
CHAIRMAN

SPECIAL FIELD RULES FOR THE  
PICKENS FIELD  
MADISON AND YAZOO COUNTIES, MISSISSIPPI

A. The Pickens Field as used herein is that area consisting of Sections 3, 4, 5, 9, 10, and 11, Township 11 North, Range 3 East, Madison County, Mississippi, and Sections 29, 30, 31, 32, and 33, Township 12 North, Range 3 East, Yazoo County, Mississippi, underlain by the Eutaw Oil Pool in the Pickens Field hereinafter defined and all productive extensions thereof.

B. The Eutaw Unit as used herein is the following described area:

SW1/4 of the SE1/4, SE1/4 of the SW1/4, SW1/4 of the SW1/4, and the NW1/4 of the SW1/4, all in Section 3, T11N, R3E, Madison County, Mississippi.

N1/2 of the SE1/4 and the S1/2 of the S1/2 of the NE1/4, all in Section 4, T11N, R3E, Madison County, Mississippi.

NE1/4 of the NW1/4, NW1/4 of the NE1/4, and NE1/4 of the NE1/4, less and except the East 15.36 acres thereof, all in Section 10, T11N, R3E, Madison County, Mississippi.

C. The Eutaw Oil Pool in Pickens Field shall be construed to mean those strata of the Wilburn Sand of the Eutaw Formation productive of oil in the interval between 4804 feet to 4884 feet on the log of the Phillips Petroleum Company Whitworth No. 8 well, located 2504 feet South and 1204 feet West of the Northeast Corner of Section 4, T11N, R3E, Madison County, Mississippi, Pickens Field, and all intervals in communication therewith correlative of said strata.

D. The characteristics of the above described Eutaw Oil Pool in said field are such that wells located in conformance with the hereinafter prescribed spacing rules will efficiently drain and produce the recoverable oil from each said pool without avoidable waste.

RULE 1 - SPACING OF OIL WELLS:

A. Every well drilled as an oil well for production from the Eutaw Oil Pool above defined and located outside of

the Eutaw Unit:

(1) Shall be drilled according to regular spacing patterns on a drilling unit consisting of forty (40) surface contiguous acres or one (1) governmental quarter-quarter section in the form of a square containing not less than 36 acres or more than 44 acres upon which no other drilling or producible well is located;

(2) Shall be located at least 330 feet from every exterior boundary of the drilling unit;

(3) Shall be located at least 660 feet from every other drilling or producible well to be produced from the same pool;

(4) And a unit heretofore or hereafter formed for any such well covered by Rule 1 A is herein referred to as an individual drilling unit.

B. (1) A drilling and production unit is hereby established for each and all oil wells drilled within the Eutaw Unit and completed in the Eutaw Oil Pool as consisting of the entire Eutaw Unit Area hereinabove described.

(2) Each oil drilling unit located within the Eutaw Unit Area heretofore or hereafter established under the provisions of the Special Field Rules for a well producing from the Eutaw Oil Pool shall be considered as producing from the Unit Area in accordance with Order No. 339-78 of this Board entered in Docket No. 212-78-2.

(3) The location and utilization of wells upon the Unit area for production or injection from or into the Eutaw Oil Pool shall be governed by standards of geology and petroleum engineering designed to promote the greatest ultimate recovery of hydrocarbons contained in the Eutaw Oil Pool within the Pickens Unit Area. However, no new well may be hereafter drilled or produced from the said pool nearer than 330 feet from any exterior boundary of the said Unit area except upon permit issued by the Oil and Gas Board after notice and hearing.

RULE 2 - SECONDARY RECOVERY AUTHORIZED:

A. John W. McGowan, as Unit Operator of the Eutaw Unit, is hereby authorized to conduct pressure maintenance and secondary recovery operations in the Eutaw Oil Pool, Pickens Field, by the injection of water or gas. Said Unit Operator may drill new wells or use any of the existing wells located in said Unit Area for injection purposes.

B. A permit to drill or to recomplate each well shall be issued without notice and hearing upon the filing with the Board of the applicable form with the applicable information stated thereon as required by Statewide Rule 45, after approval by the Supervisor. The same rules shall apply as to the completion or recompletion of wells for injection.

RULE 3 - ALLOCATION OF PRODUCTION:

A. No maximum efficient rate of production has been set for the Eutaw Oil Pool, and the Board has determined that no purpose would be served by doing so at this time. Until the Board establishes such, the daily allowable for the Eutaw Oil Pool shall be the sum of the per well allowables for all producing wells in the Unit area.

B. The daily allowable of such pool shall be allocated as follows: To each individual drilling unit there shall be allocated that proportionate part of the pool's daily allowable that the surface acreage content of such individual drilling unit bears to the total surface acreage contained within all such individual drilling units plus the acreage contained within the Pickens Unit. The remainder of the daily allowable for such pool shall be allocated to the Eutaw Unit.

C. Any unit which is not capable of producing, without committing waste, the allowable assigned to it under 3 B shall be considered a deficient unit. The difference between the allowable assigned to the deficient unit and that which it is capable of producing without waste shall be distributed by the Board to the nondeficient units on the surface acreage basis of apportionment prescribed in said Rule 3B.

D. The allowable production of any unit as to the Eutaw Oil Pool may be produced by any well or wells on said unit completed in said pool; provided, however, that no well shall be permitted to operate or produce in such manner as to cause waste as defined by the laws of Mississippi or otherwise be detrimental to the pool, and the production from any such well shall be subject to such adjustments by the Board as it may deem necessary, except Eutaw Unit wells directly or diagonally offsetting individual drilling units shall not be allowed to produce more than twice the daily allowable assigned to non-deficient individual drilling units.

RULE 4 - 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 Unit.

B. The Special Field Rules for the Pickens Field adopted in Order No. 141-52 shall be superseded after the effective date hereof.

C. These Rules and Regulations shall become effective as of the effective date of unitization as provided by the Oil and Gas Board in Order No. 339-78, Docket No. 212-78-2.

D. The Board expressly reserves the right after notice and hearing to alter, amend or repeal, any and all of the foregoing Rules and Regulations.

ORDERED AND ADJUDGED this the 20th day of September, 1978.

MISSISSIPPI STATE OIL AND GAS BOARD

BY: Joe P. Funder  
CHAIRMAN