

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

RE: PETITION OF LEGACY RESOURCES CO., L.P.  
TO AMEND THE SPECIAL FIELD RULES FOR  
WEST PISTOL RIDGE FIELD, PEARL RIVER COUNTY,  
MISSISSIPPI

JAN 31 1996

STATE OIL AND GAS BOARD  
OF R. Lewis, Supervisor  
DOCKET NO. 7-96-101

ORDER NO. 13-96

FINAL ORDER

This matter came on for hearing this day upon the Petition of Legacy Resources Co., L.P., an Indiana Limited Partnership authorized to do and doing business in the State of Mississippi, requesting the Mississippi State Oil and Gas Board to approve an amendment of the Special Field Rules for West Pistol Ridge Field, Pearl River County, to define as a separate pool the 10,500 Foot Sand of the Washita-Fredricksburg Oil Pool and the Board being fully advised, does find as follows, to wit:

1.

Proper, due and legal notice for this meeting of the Board to consider this matter has been given as required by law and the Rules and Regulations of this Board, and that due, legal and sufficient Proofs of Publication of Notice are on file with the Board. That this Board has full and complete jurisdiction of the subject matter to hear and determine this Petition at this time and place.

2.

By permit No. 96W0P060, dated November 10, 1996, Petitioner received authority to workover its Algy Boe 10-3 No.1 Well to test the Washita-Fredricksburg Formation on a 320 acre gas unit. Petitioner recompleted the well as permitted and discovered a new oil productive pool in the Washita-Fredricksburg Formation. This pool, the 10,500 Foot Sand of the Washita-Fredricksburg Oil Pool, is the interval from 10,504 feet to 10,520 feet in Petitioner's Algy Boe 10-3 No. 1 Well.

3.

The 10,500 Foot Sand of the Washita Fredricksburg Oil Pool being produced by the Algy Boe 10-3 No. 1 Well, at perforations from 10,508 feet to 10,514 feet, is a thin zone of the Washita-Fredricksburg Formation of the Lower Cretaceous containing oil and associated gas which is completely separated from any other zone in the formation and is not defined by existing Special Field Rules for West Pistol Ridge Field.

4.

This 10,500 Foot Sand of the Washita-Fredricksburg Oil Pool should be developed and produced on 160 acre spacing similar to Statewide Rule 7.2. Development and production of this pool on this spacing will produce the reasonably recoverable oil and gas and will foster, encourage and promote the development, production and utilization of production from the 10,500 Foot Sand of the Washita-Fredricksburg Oil Pool.

5.

Attached to this Order as Exhibit "A" and made a part hereof are the Special Field Rules for the West Pistol Ridge Field amended to include a definition of the 10,500 Foot Sand of the Washita-Fredricksburg Oil Pool and to provide 160 acre spacing therefore.

6.

The Board does further find that the adoption of this Amendment to the Special Field Rules for West Pistol Ridge Field will encourage and promote the full development of the field by the progressive drilling of other wells therein, will safeguard, protect and enforce the co-equal and correlative rights of all parties owning an interest in said pool, will result in economic recovery of all recoverable hydrocarbons, will prevent avoidable waste and the drilling of unnecessary wells and result in the recovery of the maximum amount of oil and gas from said pool in West Pistol Ridge Field.

IT IS THEREFORE ORDERED AND ADJUDGED that the Special field Rules for West Pistol Ridge Field in form as attached hereto as Exhibit "A", be and they are approved by this Board.

ORDERED AND ADJUDGED this the 17<sup>th</sup> day of January, 1996.

STATE OIL AND GAS BOARD OF MISSISSIPPI

Chairman

A handwritten signature in cursive script, reading "Joseph J. Zuccaro", is written over a horizontal line. The signature is written in dark ink and is positioned to the right of the word "Chairman".

EXHIBIT "A"

SPECIAL FIELD RULES  
WEST PISTOL RIDGE FIELD  
PEARL RIVER COUNTY, MISSISSIPPI

FIELD LIMITS

The West Pistol Ridge Field as used herein is that area in Sections 8, 9, 10, 11, 14, 15, 16 and 17, Township 1 South, Range 14 West, Pearl River County, Mississippi, including all productive extensions thereof, which is underlain by any of the oil and/or gas pools as hereinafter defined.

DEFINITION OF POOLS

- A. The 9428 ft. Dantzler Gas Producing pool of the Dantzler formation, as used herein, shall be construed to mean those strata of the Dantzler formation of the Lower cretaceous productive of gas and condensate in the interval of 9428 feet to 9455 feet in the Gulf Oil Corporation No. 1 Crosby Forest Products Company et al located 330 feet North and 330 feet West of the Southeast corner of the NW 1/4 of NE 1/4 of Section 8, Township 1 South, Range 14 West, Pearl River County, Mississippi, as indicated in the electric log of this well and all sands correlative of these strata productive of gas and condensate.
- B. The 9958 ft. Washita-Fredricksburg Gas Producing Pool of the Washita-Fredricksburg formation, as used herein, shall be construed to mean those strata of the Washita-Fredricksburg formation of the Lower Cretaceous productive of gas and condensate in the interval of 9958 feet and 9978 feet in the Gulf Oil Corporation No. 1 Crosby Forest Products Company et al located 330 feet North and 330 feet West of the Southeast corner of the NW 1/4 of NE 1/4 of Section 8, Township 1 South, Range 14 West, Pearl River County, Mississippi, as indicated in the electric log of this well and all sands correlative of these strata productive of gas and condensate.
- C. The Upper Hosston Oil Pools as used herein shall be construed to mean those strata of the Upper Hosston Formation productive of oil from the intervals set fourth below in the Saga Petroleum U.S. Inc. - Board of Supervisors 16-7, Well No. 1 located 1988 feet from the North line and 1970 feet from the East line of Section 16, Township 1 South, Range 14 West, Pearl River County, Mississippi, as indicated on the electric log of this well and all sands correlative with or connected to these strata and productive of oil, said intervals being defined as follows:
  1. Upper Hosston Oil Pool "A"  
13, 270 feet to 13,285 feet.
  2. Upper Hosston Oil Pool "B"  
13,355 feet to 13,370 feet.
  3. Upper Hosston Oil Pool "C"  
13,430 feet to 13,470 feet.
  4. Upper Hosston Oil Pool "D"  
13,600 feet to 13,610 feet.

than 750 feet from every exterior boundary of the drilling unit.  
every drilling or producible well from the same pool and not less

C. Each well shall be located at least 1/500 feet from

permitted which will create island acreage; and

2,640 feet x 3,500 feet provided, however, no unit shall be

must be completely encompassed by the perimeter of a rectangle

quarter-quarter sections shall contain 160 surface acres which

B. Any drilling unit not composed of four (4) contiguous

or producing from said pool is located;

and no more than 176 acres upon which no other pool drilling to

contiguous quarter-quarter sections containing not less than 144

A. shall be located on a drilling unit of four (4)

Fredricksburg Oil Pool, every oil well drilled in such pool:

1. With respect to the 10,500 Foot Sand of the Washita-

RULE 1 - SPACING OF OIL WELLS:

F. The 10,500 Foot Sand of the Washita-Fredricksburg Oil Pool of the Washita-Fredricksburg Formation, as used herein, shall be construed to mean those strata of the Washita-Fredricksburg Formation of the Lower Cretaceous productive of oil in the interval of 10,504 feet and 10,520 feet in the Legacy Resources Co., L.P., Aigy Boe 10-3 #1 well located 990' from the north line and 1652' from the west line of Section 10, Township 1 South, Range 14 West, Pearl River County, Mississippi, as indicated on the Phasar Induction log of this well and all sands correlative of these strata productive of oil.

E. The Upper Hosston Gas Pool as used herein shall be construed to mean those strata of the Upper Hosston Formation productive of gas in the interval from 13,300 feet to 13,362 feet in the Yuma Petroleum Company Southern Mineral No. 1 well 14-15 located 500 feet north of the south line and 2050 feet west of the east line, Section 14, Township 1 South, Range 14 West, Pearl River County, Mississippi as indicated on the dual induction log of said well and all sands correlative of said strata productive of gas and associated hydrocarbons.

1. Rodessa Limestone Oil Pool -  
12,582 feet to 12,640 feet.

D. The Rodessa Limestone Oil Pool as used herein shall be construed to mean that interval of the Rodessa Formation productive of oil from the intervals set forth below in the Saga Petroleum U. S. Inc. - A. L. Lowe 15-7, well No. 1 located 1922 feet from the North line and 2146 feet from the East line of Section 15, Township 1 South, Range 14 West, Pearl River County, Mississippi, as indicated on the electric log of this well and all limestones correlative of oil, said interval being defined as follows:

5. Upper Hosston Oil Pool "E"  
13,650 feet to 13,670 feet.

2. Spacing of all other oil wells shall be the same as provided in the Statewide Field Rules.

RULE 2 - SPACING OF GAS WELLS:

Spacing of gas wells shall be the same as provided in the Statewide Field Rules.

RULE 3 - APPLICABILITY OF STATEWIDE RULES:

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

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