

JUL 30 2012

STATE OIL AND GAS BOARD
LISA IVSHIN, SUPERVISOR

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF MISSISSIPPI RESOURCES, LLC TO
AMEND THE SPECIAL FIELD RULES OF SOUTH
PRENTISS FIELD, JEFFERSON DAVIS COUNTY,
MISSISSIPPI.

DOCKET NO. 254-2012-DORDER NO. 503-2012

ORDER

THIS MATTER came on for hearing before the State Oil and Gas Board on the Petition of Mississippi Resources, LLC to amend the Special Field Rules for South Prentiss Field, such hearing being called for such purpose; and

WHEREAS, the Board finds that due, proper and legal notice of the meeting of the Board for the purpose of considering and taking action with respect to such matter was given in the manner and way provided by law and the rules and regulations of the Board; that due, legal and sufficient proofs of publication and service are on file with the Board; and that the Board has full jurisdiction of the subject matter to hear and determine same; and

WHEREAS, a public hearing was held by the Board in the hearing room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on Wednesday, July 18, 2012, and the Board heard testimony and evidence regarding the request by Mississippi Resources, LLC; and

WHEREAS, the Board has fully considered said matter and the evidence and recommendations made in said hearing and finds as follows:

1. By Order No. 11-81, Docket No. 395-80-505, dated January 21, 1981, Pruet Production Co. established Special Field Rules for the South Prentiss Field. These field rules were based on production from the Hosston Harper formation, through the Pruet Production Co. - United States Lumber Company Unit 2-14 Well No. 1, located in Section 2, Township 6 North, Range 19 West. That well was produced to depletion near-wellbore and has since been plugged and abandoned. By Order No. 812-2006, Docket No. 533-2006-505, dated January 3, 2007, Cimarex Energy Co. amended the Special Field Rules for the South Prentiss Field. These amended field rules were based on production and pressure data obtained from the Hosston Harper formation, through the Cimarex Energy Co. - Black Stone No. 2 and No. 3 Wells. Cimarex Energy Co. subsequently drilled and completed its Black Stone No. 4 Well as an increased density well in the same section as its Black Stone No. 3 Well.

2. Petitioner now operates the Black Stone No. 2, No. 3 and No. 4 Wells as productive wells from the Harper Gas Pool adjacent to the discovery well for South Prentiss Field. These wells have provided additional reservoir information and it is therefore appropriate

to amend the Special Field Rules based on this information to address the reservoir conditions encountered therein.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules of South Prentiss Field, Jefferson Davis County, Mississippi shall be and are hereby amended to read as follows:

**SPECIAL FIELD RULES FOR THE SOUTH PRENTISS FIELD
JEFFERSON DAVIS COUNTY, MISSISSIPPI**

- A. **South Prentiss Field**, as used herein, shall be the S $\frac{1}{2}$, and W $\frac{1}{2}$ of NW $\frac{1}{4}$, of Section 2, the E $\frac{3}{4}$ of Section 3, all of Section 10 and the N $\frac{1}{2}$ of Section 11, Township 6 North, Range 19 West, Jefferson Davis County, Mississippi, and all productive extensions thereof, underlying by the Pool described in Paragraph B, below.
- B. The **Harper Gas Pool** as used herein, shall be construed to mean those strata of the Hosston formation productive of gas from the depths 16,110 feet to 16,320 feet as shown in the electrical log of the Pruet Production Co. - United States Lumber Company Unit 2-14 Well No. 1 located 500 feet from the South line and 1,820 feet from the West line of Section 2, Township 6 North, Range 19 West, Jefferson Davis County, Mississippi, and including those strata productive of gas which can be correlated therewith.
- C. The characteristics of the Harper Gas Pool are such that up to three (3) wells drilled on a drilling unit conforming to the requirements of Rule 1 herein for gas units will efficiently drain and produce the recoverable gas from such unit in said pool without avoidable waste.

Rule 1 – Spacing of Gas Wells

Each well drilling to or produced from the Harper Gas Pool;

- (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 (3) 16 contiguous governmental quarter quarter sections whose total acreage is not less than 600 acres or more than 680 acres. In any case, no more than three (3) wells producing from the Harper Gas Pool shall be located on any such unit.
- (b) Any gas drilling unit formed under Section (a) of this Rule must be completely encompassed by the perimeter of a rectangle 5,580' by 6,245', provided, however, no unit shall be permitted which will create island acreage.

- (c) Each well drilled on a drilling unit in conformance with this Rule shall be located at least 1,000' from every other drilling or producible well completed in the same pool located in conformity with this Rule; and
- (d) Each well shall be located not less than 500' from every exterior boundary of the drilling unit.

Rule 2 – Applicability of Statewide Rules:

- (a) All rules and regulations contained in the Statewide Rules and any amendments thereto, not specifically covered in the foregoing Special Field Rules 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.

ORDERED AND ADJUDGED this 30th of July, 2012.

MISSISSIPPI STATE OIL AND GAS BOARD

By:  _____
CHAIRMAN

SUBMITTED BY:
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