

FILED FOR RECORD

MAR 1 1985

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI  
STATE OIL AND GAS BOARD  
Richard Henderson, Supervisor

RE: PETITION OF EXCHANGE OIL & GAS CORPORATION FOR  
AMENDMENT TO THE SPECIAL FIELD RULES OF THE WEST  
SANDY HOOK FIELD AND THE APPROVAL OF AN IRREGULAR  
640 ACRE GAS UNIT FOR ITS FORBES #1 WELL, WEST  
SANDY HOOK FIELD, MARION COUNTY, MISSISSIPPI

DOCKET NO. 55-85-448

ORDER NO. 79-85

O R D E R

THIS DAY this matter came on for hearing before the State Oil and Gas Board on the Petition of Exchange Oil & Gas Corporation for the amendment of the Special Field Rules of the West Sandy Hook Field and for the approval of an irregular 640 acre gas unit for its Forbes #1 Well, such hearing being called for such purpose; and

The Board finding 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; and that due, legal and sufficient proofs of publication are on file with the Board; and that the Board has full jurisdiction of the subject matter to hear and determine same; and

WHEREAS, pursuant to said notice given, public hearing was held by said Board in the 14th floor hearing room of the Walter Sillers State Office Building, 550 High Street, Jackson, Mississippi, commencing on February 20, 1985, at which hearing all persons present who desired to be heard on said matter were heard, and all testimony and evidence were duly considered by those present at said meeting; and

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

1. StraGo Petroleum Corporation duly filed a Form 2 for a permit to drill its Forbes No. 1 Well in a unit consisting of the following lands:

Beginning at the Southwest Corner of Section 35, Township 1 North, Range 14 East, Marion County, MS; run thence Northerly along the West line of Sections 35 and 26 for 6,978.88 feet; thence East for 2158.20 feet; thence South for 562.66 feet; thence South 70° 00' East for 1237.0 feet, more or less, to the centerline of Pearl River; run thence Southerly along the centerline of Pearl River and with the meandering thereof for 7863.85 feet, more or less, to the South line of said Section 35; run thence Westerly along the South line of said Section 35 for 5071.07 feet, more or less, to the point of beginning.

The above described tract is situated in Sections 26 and 35, Township 1 North, Range 14 East, Marion County, MS, and contains 640.0 acres.

Said unit is an exception to Rule 1(A)(2) of the Special Field Rules of this field but is necessary to promote the orderly development of this field and to protect the coequal and correlative rights of all parties in interest in this field and pool.

2. Petitioner, Exchange Oil & Gas Corporation, has duly filed a Form 2 requesting that it be substituted as an operator for said Forbes No. 1 Well serving said unit.

3. Petitioner proposes to operate and produce this well at a regular location and to complete said well in the 15,010 Hosston Sand Gas Pool. Said well, if completed as proposed, will not result in any island acreage and will allow all owners within said unit to recover their fair and equitable share of any production which may underlie said unit.

4. The Board accordingly being of the opinion and finding that the Special Field Rules of the West Sandy Hook Field should be amended so as to identify as a separate producible pool said 15,010 Hosston Sand Gas Pool; and

The Board further being of the opinion that the said rules upon amendment as hereinafter set forth will accomplish these objectives in a manner whereby waste will be prevented and the correlative rights of all persons will be adequately protected;

NOW, THEREFORE, IT IS ACCORDINGLY HEREBY ORDERED that the above described irregular unit be approved as an exception to the Special Field Rules for this field and that the Special Field Rules

for the West Sandy Hook Field, Marion County, Mississippi, heretofore promulgated by this Board be and the same are hereby amended and supplemented so as to read as follows, to-wit:

SPECIAL FIELD RULES FOR THE WEST SANDY HOOK FIELD  
MARION COUNTY, MISSISSIPPI

A. The West Sandy Hook Field, as used herein, is that area consisting of the following described lands, to-wit:

All of Sections 15, 21, 22, 26, 27, 28, 29, 32, 33, 34, and 35 in Township 1 North, Range 14 East; and All of Sections 13, 14, 23, and 24, Township 1 North, Range 18 West; All in Marion County, Mississippi

as underlain by the Rodessa, Upper Hosston Gas Pool, the 15,370 Hosston Sand Gas Pool and the 15,010 Hosston Gas Pool and productive extensions thereof.

B. The Rodessa Gas Pool in the West Sandy Hook Field shall be construed to mean those strata productive of gas and condensate in the interval between the depths of 14,123 feet to 14,137 feet as indicated on the electric log of the SONAT Exploration Company, Maxie Forbes No. 1 Well located 1,500 feet from the West line and 1,500 feet from the south line of Section 34, Township 1 North, Range 14 East, Marion County, Mississippi, and all correlative intervals in communication therewith.

C. The Upper Hosston Gas Pool in the West Sandy Hook Field shall be construed to mean those strata productive of gas and condensate in the interval between the depths of 14,920 feet and 14,936 feet as indicated on the electric log of the SONAT Exploration Company, Maxie Forbes No. 1 Well located 1,500 feet from the West line and 1,500 feet from the south line of Section 34, Township 1 North, Range 14 East, Marion County, Mississippi, and all correlative intervals in communication therewith:

D. The 15,370 Hosston Sand Gas Pool, in the West Sandy Hook Field, Marion County, Mississippi, shall be construed to mean that strata productive of gas in the interval between the measured depths of 15,370 feet and 15,394 feet in the Joseph F. Fritz Operating Company - Sandy Hook Gas Unit 27 Well No. 1 located in Section 13, Township 1

North, Range 18 West, Marion County, Mississippi, as indicated on the dual induction log for said well, and including those strata productive of hydrocarbons which can be correlated therewith.

E. The 15,010 Hosston Sand Gas Pool, in the West Sandy Hook Field, Marion County, Mississippi, shall be construed to mean that strata productive of gas in the interval between the measured depths of 15,010 feet and 15,040 feet in the Exchange Oil & Gas - Pennington Oil Co., Inc. No. 1 Fred E. Forbes Well located 1500 feet north of the south line and 1500 feet east of the west line of Section 35, Township 1 North, Range 14 East, Marion County, Mississippi, as indicated on the Dual Induction - S.F.L. - Sonic Log for said well, and including those strata productive of hydrocarbons which can be correlated therewith.

RULE 1 - SPACING OF GAS WELLS

(a) With respect to the Rodessa Gas Pool, Upper Hosston Gas Pool, the 15,370 Hosston Sand Gas Pool and the 15,010 Hosston Sand Gas Pool, every gas well:

- (1) shall be located on a drilling unit consisting of 640 contiguous surface acres, or a governmental section of 16 quarter-quarter sections containing not less than 600 acres or more than 680 acres;
- (2) any gas drilling unit not a governmental section must be completely encompassed by a perimeter of a rectangle 5,580 feet by 6,245 feet. Provided, however, no unit shall be permitted which will create island acreage.
- (3) the well shall be located at least 3,000 feet from every other drilling or producing well located in conformity with this rule; and
- (4) the well shall be located not less than 1,500 feet from every exterior boundary of the unit.

(b) No portion of the drilling unit upon which a well is located shall be attributed, in whole or in part, to any other drilling or producible well in the same pool.

RULE 2 - PRODUCTION ALLOWED

Wells may be produced from the Rodessa, Upper Hosston Gas Pool, the 15,370 Hosston Sand Gas Pool, and the 15,010 Hosston Sand Gas Pool in the West Sandy Hook Field at rates established pursuant to Statewide Rule 34, as amended by Order No. 182-78, Docket No. 270-77.

RULE 3 - APPLICABILITY OF STATEWIDE RULES

All rules and regulations contained in Statewide Order 201-52, and any amendments thereto, not specifically covered in the foregoing Special Field Rules, are hereby adopted and shall apply to this field.

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 February, 1985.

STATE OIL AND GAS BOARD  
OF MISSISSIPPI

By: Joe R. Sanchez, Jr.  
Chairman