

DEC 07 2011

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI  
STATE OIL AND GAS BOARD  
LISA IVSHIN, SUPERVISOR

RE: PETITION OF MOSBACHER ENERGY COMPANY TO AMEND THE SPECIAL FIELD RULES FOR THE SEMINARY FIELD TO RE-DEFINE THE COTTON VALLEY OIL POOL IN THE SEMINARY FIELD, COVINGTON COUNTY, MISSISSIPPI

DOCKET NO. 396-2011-D

ORDER NO. 636-2011

**ORDER**

**THIS CAUSE** came to be heard on the Petition of Mosbacher Energy Company ("Petitioner") requesting the Board to amend the Special Field Rules for the Seminary Field, Covington County, Mississippi; 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 required by 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**, pursuant to said Notice, a public hearing was held by said Board in the Hearing Room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on November 16, 2011, at 10:00 o'clock a.m. at which hearing all persons present who desired to be heard on said matter were heard and all testimony and the 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:

Petitioner is a current operator in the Field. The Special Field Rules for the Field were adopted in Docket No. 108-2009-387.

1.

Petitioner seeks authority to redefine the Cotton Valley Oil Pool ("the Pool"). The

Field is defined as follows:

**Township 7 North, Range 15 West**

Section 10: The S½

Section 11: The S½

Section 14: The N½

Section 15: The N½

2.

Petitioner and others have drilled wells in this Field, many of which have penetrated the Pool. These wells have proven that the Pool drains large areas 640 acre spacing has been adopted. The zone is below 16,000 feet and the permeability and porosity has proven that each well drains large areas. In fact, one well previously produced over 140,000 barrels of oil from multiple sand sections in the Pool. There are zones below the current geological definition that need to be included in the Pool's definitions. Petitioner seeks to redefine the Pool as that strata in the Pattie Bihm No. 1 Well from 16,580 feet to 18,327 feet and all strata correlative thereof. Therefore, for geological reasons, the Special Field Rules should be amended to redefine the Pool.

3.

The amendment to the Special Field Rules as set forth in Exhibit "A" promotes conservation, protects the co-equal and correlative rights of all owners of all owners in interest, avoids the drilling of unnecessary wells and permits oil and gas to be produced which would not otherwise be recoverable.

**IT IS, THEREFORE, ORDERED AND ADJUDGED** by the State Oil and Gas Board of Mississippi that the Special Field Rules for the Seminary Field shall be and hereby are amended as follows:

**SPECIAL FIELD RULES  
SEMINARY FIELD  
COVINGTON COUNTY, MISSISSIPPI**

**A. FIELD LIMITS:**

The Seminary Field as used herein is that area consisting of the following described

lands situation in Covington County, Mississippi, to-wit:

**Township 7 North, Range 15 West**

Section 10: The S $\frac{1}{2}$   
Section 11: The S $\frac{1}{2}$   
Section 14: The N $\frac{1}{2}$   
Section 15: The N $\frac{1}{2}$

and all correlative extensions thereof.

**B. POOL DEFINITIONS**

1. The **Cotton Valley Oil Pool** in the Seminary Field shall be construed to mean those strata of the Cotton Valley Formation currently, formerly, or in the future productive of oil in the interval between 16,580 feet to 18,327 feet in the Mosbacher Energy Company – Pattie Bihm No. 1 Well located 1,642 feet from the North line and 2,050 feet from the West line of Section 14, Township 7 North, Range 15 West, Covington County, Mississippi, as indicated on the electric log of said well, and all sands correlative of these strata productive of oil.

**C. SPACING OF WELLS**

1. **The Cotton Valley Oil Pool.** As to the Cotton Valley Oil Pool, every well drilled as a oil well:

- (a) shall be located on the drilling unit consisting of:
  - (i) 640 contiguous surface acres; or
  - (ii) a governmental section containing not less than 600 acres or more than 680 acres; or
  - (iii) 16 contiguous governmental quarter-quarter sections whose total acreage is not less than 600 or more than 680 acres.
- (b) any oil unit formed under Section 1(a) of this rule must be completely encompassed by the perimeter of a rectangle 5,580 feet by 6,245 feet. Provided, however, no unit shall be permitted which will create island acreage.
- (c) each well shall be located at least 660 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule.
- (d) each well shall be located not less than 660 feet from every exterior boundary of the drilling unit.
- (e) each 640 acre oil unit may contain up to four producing wells from the pool with a full individual allowable for each increased density well.

**D. APPLICABILITY OF STATEWIDE RULES**

1. 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 Seminary Field.

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

**\*\*\* End of Special Field Rules \*\*\***

**IT IS FURTHER ORDERED AND ADJUDGED** that this Order shall be in force and effect from and after November 16, 2011.

**IT IS FURTHER ORDERED AND ADJUDGED** that Petitioner shall acquire any other permits, if any, required by any other permitting authority.

**ORDERED AND ADJUDGED** this 17th day of December, 2011.

**STATE OIL AND GAS BOARD OF  
MISSISSIPPI**

  
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CHAIRMAN

**Prepared By:**

William F. Blair  
BLAIR & BONDURANT, P.A.  
Post Office Box 321423  
Jackson, MS 39232  
(601) 992-4477 - Telephone  
[bill@bbfirm.com](mailto:bill@bbfirm.com)