

FEB 9 1981

RE: PETITION OF BROWNING AND WELCH TO
AMEND THE SPECIAL FIELD RULES OF
SILOAM FIELD, CLAY COUNTY,
MISSISSIPPI

STATE OIL AND GAS BOARD
Clyde R. Davis, State Oil & Gas Supervisor

DOCKET NO. 382-80-117

ORDER NO. 6-81

O R D E R

THIS DAY this matter came on for hearing before the State Oil and Gas Board of Mississippi on the Petition of Browning and Welch to amend the Special Field Rules of Siloam Field, Clay County, Mississippi, 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, pursuant to Section 53-1-1 thru 47 and 53-3-1 thru 23, Miss. Code Ann. (1972); and

WHEREAS, pursuant to said notice given, public hearing was held by the Board in the Second Floor Auditorium of the Woolfolk State Office Building, North West Street, Jackson, Mississippi, commencing on January 21, 1981, 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, having fully considered said matter and the evidence and recommendations made in said hearing, finds as follows:

1. Petitioner drilled its J. R. Hawkins No. 1 Well in Section 36, Township 16 South, Range 5 East, Clay County, Mississippi, to test deeper strata of the Mississippian Formation. As a result thereof, Petitioner has discovered a gas pool not in communication with any previously defined reservoirs in this field.

2. This new gas pool should be named the Rea Sand Gas Pool and shall be defined to mean those strata of the Mississippian Formation productive of gas and condensate in the interval of 9,050' to 9,100' in the Browning and Welch-J. R. Hawkins Well No. 1, located in Section 36, Township 16 South, Range 5 East, Clay County, Mississippi, and all correlative intervals in communication therewith.

3. The Board further finds that one well drilled every 640 contiguous surface acres will effectively and efficiently drain recoverable hydrocarbons from said pool without avoidable waste, will promote development of this pool, will allow all owners of land underlain by said pool to recover their fair and equitable share of hydrocarbons therefrom, and will protect the coequal and correlative rights of all parties with interests in said pool.

4. The Board further finds that the Special Field Rules of Siloam Field should be amended to include Section 1, Township 17 South, Range 5 East, Clay County, Mississippi within the definition of said field.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the following Special Field Rules should be and are hereby adopted for Siloam Field, Clay County, Mississippi:

AMENDED SPECIAL FIELD RULES FOR THE
SILOAM FIELD, CLAY COUNTY, MISSISSIPPI

The Siloam Field, as referred to herein is comprised of that area in Clay County, Mississippi, described as:

Township 16 South, Range 5 East

Sections 24, 25, 26 and 36

Township 16 South, Range 6 East

Sections 30 and 31

Township 17 South, Range 6 East

Section 6

Township 17 South, Range 5 East

Section 1

and all productive extensions thereof which are underlain by any of the gas pools hereinafter defined.

1. (a) The Mississippian Pool as referred to herein, shall be construed to mean those strata of the Mississippian Formation productive of hydrocarbons occurring between the depths of 8,652 feet and 8,786 feet in the Shell-COTTRELL, et al. Unit No. 1 located in the west geographical half of Section 25, Township 16 South, Range 5 East, and including those strata productive of hydrocarbons which can be correlated therewith.

(b) The Pennsylvania Pool as referred to herein shall be construed to mean those strata of the Pennsylvanian Formation productive of hydrocarbons occurring between the depths of 4,500 feet and 4,770 feet in said Shell-COTTRELL, et al. No. 1 well; and those strata productive of hydrocarbons and the Pennsylvanian Formation occurring between the depths of 7,865 feet and 7,994 feet in the Shell-FEDERAL LAND BANK, et al. Unit No. 1 well located in the West Half of Section 31, Township 16 South, Range 6 East, including those strata productive of hydrocarbons which can be correlated therewith.

(c) The McFadden Gas Pool-Pennsylvanian Formation shall be construed to mean those strata of the Pennsylvanian Formation productive of hydrocarbons occurring between the depths of 3,906 and 3,960 feet in the Larco Drilling Company, et al.- R. F. McFADDEN Unit No. 1 Well located in the West 640 acres of Section 36, Township 16 South, Range 5 East, and including those strata productive of hydrocarbons which can be correlated therewith.

(d) The 3400-Foot Gas Pool shall be construed to mean those strata of the Pennsylvanian Formation productive of hydrocarbons occurring between the depths of 3,374 and 3,408 feet in the Larco Drilling Company, Inc.-R. F. McFADDEN Unit No. 1 Well located as aforesaid, and including those strata productive of hydrocarbons which can be correlated therewith.

(e) The Rea Sand Gas Pool shall be construed to mean those strata of the Mississippian Formation productive of gas and condensate in the interval of 9,058 feet to 9,100 feet in the Browning & Welch-J. R. Hawkins Well No. 1 located in Section 36, Township 16 South, Range 5 East, Clay County, Mississippi and all correlative intervals in communication therewith.

2. The characteristics of the Mississippian Pool in said field are such that a well located as hereinafter prescribed and drilled on a drilling unit containing 640 contiguous surface acres in the form of a square will efficiently drain and produce the recoverable hydrocarbons from such unit in said pool without avoidable waste and will protect the coequal and correlative rights of all of the parties hereto.

RULE 1 - SPACING OF GAS WELLS

Every well drilled as a gas well in the Siloam Field to the Mississippian Formation:

(a) shall be located on a drilling unit consisting of 640 acres in the form of a square upon which no other drilling unit or producible well is located.

(b) shall be located at least 1980 feet from every other drilling or producible well from the same pool in the Siloam Field; and

(c) shall be located at least 990 feet from every exterior boundary of the drilling unit.

All gas wells drilled to or producing from pools in formations other than the Mississippian Formation shall be on units as heretofore existing and approved for production (as

to wells now producing) or on units which conform to the State-wide Rules (as to wells which may hereafter be drilled) or on such units as the Board may from time to time allow as exceptions.

RULE 2 - RATABLE TAKE

Each person now or hereafter engaged in the business of purchasing gas from owners, operators or producers in Siloam Field shall purchase the same without discrimination in favor of one owner, operator or producer as against another in the same common source of supply.

RULE 3 - 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 field; and

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

ORDERED AND ADJUDGED this 21st day of January, 1981.

MISSISSIPPI STATE OIL AND GAS BOARD

By: Joe R. Fancher, Jr.
CHAIRMAN