

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF EXCHANGE OIL
& GAS COMPANY TO AMEND THE
SPECIAL FIELD RULES FOR
ST. PATRICK FIELD, AMITE
AND WILKINSON COUNTIES,
MISSISSIPPI

JUN 8 - 1995

DOCKET NO. 102-95-726

ORDER NO. 151-95

ORDER

THIS DAY, this matter came on for hearing on the Petition of Exchange Oil & Gas Company ("Exchange") of New Orleans, Louisiana, requesting authority to amend the Special Field Rules for the St. Patrick Field, Amite and Wilkinson Counties, Mississippi, and the Board finds that due and legal notice of the meeting of this Board and the hearing of the Petition has been given in the manner and time required by law and the rules and regulations of this Board; that notice to the operator of the St. Patrick Fieldwide Unit which is required under Rule 4 of the Rules of Order and Procedure for Hearings before the Board adopted September 19, 1990 in Docket No. 229-90 was given in the time and manner required and that proper proofs of publication are now on file with this Board and proof of personal notice is on file with this Board; that the Board has full jurisdiction of the parties and the subject matter, and having considered the evidence presented, this Board is of the opinion that said Petition should be granted as hereinafter set out.

1.

Special Field Rules were adopted for St. Patrick Field by Order No. 273-90 in Docket No. 159-90-726, dated June 20, 1990. This Order defined the Lower Tuscaloosa "A" Sand Oil Pool and provided for 160-acre spacing for the development of the pool.

2.

By Order No. 321-91, entered in Docket No. 222-91-726 on August 21, 1991, the Board established a Fieldwide Unit in St.

Patrick Field for the Lower Tuscaloosa "A" Sand Oil Pool. The Unit Agreement and Unit Operating Agreement dated July 11, 1991 were approved by this Order.

3.

By Order No. 334-91, entered in Docket No. 235-91-726 on August 21, 1991, the Board amended the Special Field Rules for St. Patrick Field, establishing spacing requirements for the fieldwide unit and providing for 160-acre spacing for wells completed in the Lower Tuscaloosa "A" Sand Oil Pool which were not included in the St. Patrick Fieldwide Unit.

4.

Arkla Exploration Company proceeded with unit operations for St. Patrick Field and the production of Unitized Substances therefrom pursuant to Order No. 321-91, Order No. 334-91, the Unit Agreement and Unit Operating Agreement. More than ninety (90) days have expired since unit operations were conducted in St. Patrick Field and more than ninety (90) days have expired since Unitized Substances have been produced from the St. Patrick Fieldwide Unit. The unitization of the Field, the Unit Agreement and Unit Operating Agreement have, therefore, terminated.

5.

Exchange is the Operator of the Neyland Heirs 1-7 Well and the Neyland Heirs 1-37 Well. Both of these wells were previously located within the St. Patrick Fieldwide Unit. Petitioner will perform workover operations on these wells in an attempt to restore them to a productive status and it is necessary that the Special Field Rules be reestablished for the St. Patrick Field in view of the termination of the fieldwide unit which renders the Fieldwide Special Field Rules no longer applicable.

6.

The characteristics of the remaining reserves in the Lower Tuscaloosa "A" Sand Oil Pool are such that one well located on a drilling unit consisting of 160 acres, or four contiguous governmental quarter-quarter sections containing not less than

144 or more than 176 acres in the manner prescribed in Exhibit "A" hereto will adequately and efficiently drain and produce the remaining hydrocarbons from the Lower Tuscaloosa "A" Sand Oil Pool without avoidable waste and will protect co-equal and correlative rights of owners and parties in interest.

IT IS, THEREFORE, ORDERED AND ADJUDGED that for the prevention of physical and economic waste and the protection of the co-equal and correlative rights of all owners and parties in interest, the Special Field Rules as amended and attached hereto as Exhibit "A" are hereby adopted for the St. Patrick Field in Amite and Wilkinson Counties, Mississippi.)

ORDERED AND ADJUDGED this the 17th day of May, 1995.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By: Joseph S. Jucers
CHAIRMAN

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EXHIBIT "A"

SPECIAL FIELD RULES
FOR THE ST. PATRICK FIELD,
AMITE AND WILKINSON COUNTIES, MISSISSIPPI

- A. The St. Patrick Field, as used herein, is that area consisting of the following described land, to-wit:

Amite County, Mississippi

Township 2 North, Range 2 East

Section 6: W-1/2;
Section 7: All;

Township 3 North, Range 2 East

Section 37: All;
Section 38: W-1/2;

Wilkinson County, Mississippi

Township 2 North, Range 1 East

All of Sections 1 and 2;

Township 3 North, Range 1 East

All of Sections 35 and 36;

and all productive extensions thereof.

- B. The Lower Tuscaloosa "A" Sand Oil Pool shall be construed to mean those strata productive of oil and other hydrocarbons in the Lower Tuscaloosa Formation at the dual induction log interval of 12,036 feet - 12,093 feet as found in the Arkla Exploration Company - Neyland Heirs 1-7 Well, located in Section 7, Township 2 North, Range 2 East, Amite County, Mississippi, and those sands productive of oil and other hydrocarbons correlative to and in communication therewith.

RULE 1 - SPACING OF WELLS:

(a) Every well completed in the Lower Tuscaloosa "A" Sand Oil Pool shall be located on a drilling unit consisting of 160 acres or four contiguous governmental quarter-quarter sections containing not less than 144 acres or more than 176 acres, upon which no other drilling or producible well is located.

(b) All drilling units must be completely encompassed by the perimeter of a rectangle 2,640 feet by 3,500 feet. Provided, however, no unit shall be permitted which will create island acreage.

(c) Each well shall be located at least 1,000 feet from every drilling or producible well from the same pool and not less than 500 feet from every exterior boundary of the drilling unit.

RULE 2 - ESTABLISHMENT OF DRILLING AND PRODUCTION UNITS:

(a) Application for a permit to workover or recomplete a previously drilled well shall be accompanied by a certified plat of the drilling and production unit for such well. The issuance of a permit for such workover or recompletion of a previously drilled well shall constitute the establishment of the drilling and production unit as designated in said application and shall constitute approval of the well location set out in said permit.

RULE 3 - APPLICABILITY OF STATEWIDE RULES:

(a) All rules and regulations contained in Statewide Order No. 201-51 and amendments thereto not specifically covered in the foregoing rules are hereby adopted and shall apply to the St. Patrick Field.

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