

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 60-2003-329

ORDER NO. 117-2003

FILED FOR RECORD

APR 15 2003

STATE OIL AND GAS BOARD
WALTER BOONE, SUPERVISOR

IN RE: PETITION OF G & G
PRODUCTION, LLC, TO ADOPT
SPECIAL FIELD RULES FOR THE
SOUTH STAMPS FIELD, WILKINSON
COUNTY, MISSISSIPPI.

ORDER

This cause having come on for hearing on the Petition of G & G PRODUCTION, LLC, requesting authority for the adoption of Special Field Rules for the South Stamps Field, Wilkinson County, Mississippi; and the Board being fully advised in the premises, after considering said Petition, the evidence adduced at the hearing of this matter, and argument of counsel, does find as follows:

(1)

Due, proper and legal notice of the hearing of this matter has been given in the manner and form and for the time required by law and by the rules and regulations of this Board; due and proper Proofs of Publication of said Notice of Hearing are on file with the Board; and the Board has full and complete jurisdiction of the matters and parties involved.

(2)

Petitioner is the Operator of the PP No. F-1, PP No. F-9, PP No. F-11 and PP No. F-19 Wells in the South Stamps Field, Wilkinson County, Mississippi. The said wells are productive of gas from the Frio Formation.

(3)

No Special Field Rules for the South Stamps Field have been previously adopted by this Board.

(4)

There are two (2) other Operators in the South Stamps Field entitled to personal service of the pendency of the Petition under Rule 4(B)(6) of the Rules of Order and Procedure for Hearings Before Board: Kenneth O. Williams, Jr., and Williams Producing Company. These two Operators have been provided with personal notice of this hearing.

(5)

Petitioner has prepared, and submits herewith, for the consideration of this Board and for all other persons who may be interested, proposed Special Field Rules for the South Stamps Field, which rules are attached to the Petition as Exhibit "A" and made a part thereof to the extent as though copied herein in full.

(6)

Petitioner shall acquire all other permits, if any, required by any other permitting authority
IT IS, THEREFORE, ORDERED AND ADJUDGED that the following Special Field Rules be, and the same hereby are, adopted by the State Oil & Gas Board of Mississippi for the South Stamps Field, Wilkinson County, Mississippi, to take effect on and after the ____ day of March, 2003, to-wit:

**SPECIAL FIELD RULES
FOR THE SOUTH STAMPS FIELD,
WILKINSON COUNTY, MISSISSIPPI**

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

Township 2 North, Range 5 West:

Sections 15, 16, 18 and Accretions thereto.

- B. The 3850 Foot Frio Sand Gas Pool shall be construed to mean those strata productive of gas and other hydrocarbons in the Frio Formation at the AIT log intervals of 3846 feet to 3860 feet as found in the PP No. F-11 Well located in Section 16, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and those sands productive of gas and other hydrocarbons correlative to and in communication therewith.
- C. The 3750 Foot Frio Sand Gas Pool shall be construed to mean those strata productive of gas and other hydrocarbons in the Frio Formation at the AIT log intervals of 3744 feet to 3762 feet as found in the PP No. F-11 Well located in Section 16, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and those sands productive of gas and other hydrocarbons correlative to and in communication therewith.
- D. The 3450 Foot Frio Sand Gas Pool shall be construed to mean those strata productive of gas and other hydrocarbons in the Frio Formation at the AIT log intervals of 3450 feet to 3465 feet as found in the PP No. F-9 Well located in Section 16, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and those sands productive of gas and other hydrocarbons correlative to and in communication therewith.
- E. The 3430 Foot Frio Sand Gas Pool shall be construed to mean those strata productive of gas and other hydrocarbons in the Frio Formation at the AIT log intervals of 3432 feet to 3437 feet as found in the PP No. F-9 Well located in Section 16, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and those sands productive of gas and other hydrocarbons correlative to and in communication therewith.
- F. The 2100 Foot Frio Sand Gas Pool shall be construed to mean those strata productive of gas and other hydrocarbons in the Frio Formation at the AIT log intervals of 2099 feet to 2111

feet as found in the PP No. F-19 Well located in Section 16, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and those sands productive of gas and other hydrocarbons correlative to and in communication therewith.

- G. The 2950 Foot Frio Sand Gas Pool shall be construed to mean those strata productive of gas and other hydrocarbons in the Frio Formation at the AIT log intervals of 2962 feet to 2971 feet as found in the PP No. F-1 Well located in Section 18, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and those sands productive of gas and other hydrocarbons correlative to and in communication therewith.
- H. The 2450 Foot Frio Sand Gas Pool shall be construed to mean those strata productive of gas and other hydrocarbons in the Frio Formation at the AIT log intervals of 2446 feet to 2454 feet as found in the PP No. F-1 Well located in Section 18, Township 2 North, Range 5 West, Wilkinson County, Mississippi, and those sands productive of gas and other hydrocarbons correlative to and in communication therewith.

RULE 1 - SPACING OF WELLS IN THE FRIO FORMATION:

(a) Every well completed in the Frio Gas Pool shall be located on a drilling unit consisting of one hundred sixty (160) contiguous surface acres or a governmental quarter-section containing not less than one hundred forty-four (144) acres or more than one hundred seventy-six (176) acres. No other well producing from the same pool shall be located on any such unit.

(b) Any gas unit formed under this Rule 1 must be completely encompassed by the perimeter of a rectangle 2640 feet by 3500 feet. No unit shall be permitted which will create island acreage.

(c) Each well shall be located at least fifteen hundred (1500) 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 seven hundred fifty (750) feet from every exterior boundary of the drilling unit.

RULE 2 - 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 South Stamps Field.

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

SO ORDERED AND ADJUDGED, this the 15th day of April, 2003.

STATE OIL AND GAS BOARD OF MISSISSIPPI

BY: *Camellia D. Dade*

CHAIRMAN

OF COUNSEL:

MARION SMITH
MSB #7628
TRULY, SMITH & LATHAM, P.L.L.C.
P.O. BOX 1307
NATCHEZ, MS 39121
(601) 442-6495