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STATE OIL AND GAS BOARD
Robert B. Wilson, Acting Supervisor

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 395-81-549

ORDER NO. 503-81ORDER

This day this cause came on for hearing on the petition of System Fuels, Inc., of New Orleans, Louisiana, qualified to do and doing business in the State of Mississippi, requesting the Board to adopt Special Field Rules for the Training School Field in Marion County, Mississippi, and the Board finds that due and legal notice of the meeting of this Board has been given in the manner and time required by law and the rules and regulations of this Board and that due and proper proofs of publication are on file with this Board; that the Board has full jurisdiction of the parties and the subject matter, and having heard the evidence presented and arguments of counsel, this Board is of the opinion that said petition should be granted.

The Board further finds that petitioner is the owner of certain leasehold and operating estates in and under Section 27, Township 4 North, Range 18 West, Marion County, Mississippi, and has heretofore drilled the System Fuels, Inc. - Columbia Training School No. 1 Well on said unit which is productive of gas from the Lower Washita-Fredericksburg Gas Pool; that said well was drilled as a wildcat well, and the productive area surrounding the well has been designated as the Training School Field.

The Board further finds that it is essential that Special Field Rules be adopted for the Training School Field properly defining said producing pool and the area underlain by said pool, and for the prevention of physical and economic waste and the protection of the co-equal and correlative rights of all parties and owners in interest, and for the proper and orderly development of said field.

IT IS, THEREFORE, HEREBY ORDERED AND ADJUDGED that the Special Field Rules attached hereto as Exhibit "A" are hereby adopted for the Training School Field in Marion County, Mississippi.

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

STATE OIL AND GAS BOARD OF MISSISSIPPI

By Joe R. Lanchester, Jr.
CHAIRMAN

SPECIAL FIELD RULES
FOR THE TRAINING SCHOOL FIELD
MARION COUNTY, MISSISSIPPI

The Training School Field, as used herein, is that area consisting of the following described land, to-wit:

Sections 2, 3 and 4, Township 3 North,
Range 18 West, and Sections 21, 22, 23,
26, 27, 28, 33, 34 and 35, Township 4
North, Range 18 West, Marion County,
Mississippi,

underlain by the Lower Washita-Fredericksburg Gas Pool, as hereinafter defined, and all productive extensions thereof.

I. The Lower Washita-Fredericksburg Gas Pool in the Training School Field shall be construed to mean those strata of the Washita-Fredericksburg Formation productive of gas in the interval between the electric log depths of 11,840 feet to 11,870 feet in the System Fuels, Inc. - Columbia Training School No. 1 Well, as indicated on the electric log of said well, and all sands correlative of these strata productive of gas, said well being located 1500 feet out of the Southeast Corner of Section 27, Township 4 North, Range 18 West, Marion County, Mississippi.

II. The characteristics of said Lower Washita-Fredericksburg Gas Pool in said field are such that a well located as herein-after prescribed and drilled upon a drilling unit containing 640 contiguous surface acres conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable gas from such units in said pool without avoidable waste.

RULE 1 - SPACING OF GAS WELLS:

Every well drilled as a gas well to the Lower Washita-Fredericksburg Gas Pool:

(a) Shall be located on a drilling unit consisting of (1) 640 contiguous surface acres; or (2) a governmental section containing not less than 600 acres or more than 680 acres; or (3) sixteen (16) contiguous governmental quarter-quarter sections whose total acreage is not less than 600 acres or more than 680 acres. In any case no other well producing from the same pool shall be located on any such unit.

(b) Any gas drilling unit formed under Section 1(a) of this rule must be completely encompassed by the perimeter of a rectangle 5580 feet by 6245 feet. Provided, however, no unit shall be permitted which will create island acreage.

(c) The well shall be located at least 3,000 feet from every other drilling well or well completed in or producing from the same pool located in conformity with this rule; and

(d) The well shall be located not less than 1,500 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 any amendments thereto, not specifically covered in the foregoing Special Field Rules are hereby adopted and shall apply to said field.

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