

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

FILED FOR RECORD

RE: PETITION OF ROUNDTREE & ASSOCIATES,
INC. TO AMEND THE SPECIAL FIELD
RULES OF TREBLOC FIELD, CHICKASAW
COUNTY, MISSISSIPPI

OCT - 1 2001

STATE OIL AND GAS BOARD
WALTER BOONE, SUPERVISOR

DOCKET NO. 280-2001-70

ORDER NO. 433-2001

ORDER

THIS MATTER came on for hearing before the State Oil and Gas Board on the Petition of Roundtree & Associates, Inc. to amend the Special Field Rules for Trebloc Field, such hearing being called for such purpose; 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 and way provided by law and 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 and service of process, public hearing was held by said Board in the Chancery Court Room, Second Floor, Adams County Mississippi Courthouse, 115 South Wall Street, Natchez, MS, commencing on September 19, 2001 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 has fully considered said matter and the evidence and recommendations made in said hearing and finds as follows:

1. In July, 2001, Roundtree & Associates, Inc., operator of the Lucky Day Foundation 21-2 No. 1, located in the NW ¼ of the NE ¼ of Section 21, Township 14 South, Range 5 East, Chickasaw County, Mississippi, initially completed said well in the Carter formation. Based on geophysical and geological information, as well as the initial production test of this well, Roundtree & Associates, Inc. has shown that it has completed the Lucky Day Foundation 21-2 well as the discovery well of a new Carter Gas Pool. This Carter Gas Pool lies adjacent to but separated from the Carter Gas Pool of Trebloc Field. The reservoir characteristics appear similar in nature to that pool. Because this new gas pool appears to lie on the same general structure of the previously defined gas pools in Trebloc Field, the definition of Trebloc Field should be expanded to include this pool and provide for development of this new pool on the same spacing currently allowed for the Carter Sand Gas Pool of Trebloc Field.

2. Petition has proposed to designate this new gas pool as the East Carter Sand Gas Pool of Trebloc Field and to define said pool as follows:

The East Carter Sand Gas Pool in Trebloc Field shall be construed to mean those strata of the Mississippian formation productive of gas in the interval between the electric log depths of 4200 feet and 4260 feet, and all sands productive of gas, correlative to and in communication with those strata, as found in the Roundtree & Associates, Inc. – Lucky Day Foundation 21-2 No. 1 well, located in the NW ¼ of the NE ¼ of Section 21, Township 14 South, Range 5 East, Chickasaw County, Mississippi.

The definition of Trebloc Field should be amended to add the S ½ of Sections 15 and 16 and all of Sections 21 and 22 of Township 14 South, Range 5 East as part of Trebloc Field.

3. By Order No. 513-2000, Docket No. 327-2000-70, dated October 6, 2000, the Board amended the Special Field Rules of Trebloc Field to allow each drilling unit of the Carter Sand Gas Pool to be developed by up to two (2) wells in producing

simultaneously therefrom. Petitioner has shown that increased well density spacing is necessary and appropriate for complete development of the East Carter Sand Gas Pool of Trebloc Field.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules of Trebloc Field, Chickasaw County, Mississippi shall be and are hereby amended as follows:

**SPECIAL FIELD RULES
FOR THE TREBLOC FIELD
CHICKASAW COUNTY, MISSISSIPPI**

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

Township 14 South, Range 4 East, Chickasaw County, Mississippi

Section 13: S 1/2;
Section 14: SE 1/4;
Section 23: NE 1/4;
Section 24: Entire Section;

Township 14 South, Range 5 East, Chickasaw County, Mississippi

Section 15: S 1/2;
Section 16: S 1/2;
Section 17: S 1/2;
Section 18: S 1/2;
Section 19: Entire Section;
Section 20: Entire Section;
Section 21: Entire Section;
Section 22: Entire Section;

and all productive extensions thereof underlain by the Abernathy Oil Sand of the Mississippian Formation, and the Carter Sand Gas Pool, East Carter Sand Gas Pool and the Abernathy Sand Gas Pool of the Mississippian Formation as hereinafter defined.

I. The Abernathy Oil Sand in the Trebloc Field shall be construed to mean those strata of the Mississippian Formation productive of oil in the interval between the

electric log depths of 4662 feet and 4673 feet in the Louisiana Land and Exploration Company - #1 Hattie Mae Swanson 14-10 Well, and all sands correlative of these strata productive of oil, said well being located 1500 feet from the South line and 1500 feet from the East line of Section 14, Township 14 South, Range 4 East, Chickasaw County, Mississippi.

II. The Carter Sand Gas Pool in the Trebloc Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the electric log depths of 4304 feet and 4372 feet in the Ceja Corporation – Baskin Heirs No. 2 Well, and all sands correlative of these strata productive of gas, said well being located 410 feet South of the North line and 1980 feet East of the West line of Section 19, Township 14 South, Range 5 East, Chickasaw County, Mississippi.

III. The East Carter Sand Gas Pool in Trebloc Field shall be construed to mean those strata of the Mississippi and formation productive of gas in the interval between the electric log depths of 4200 feet and 4260 feet, and all sands productive of gas, correlative to and in communication with those strata as found in the Roundtree & Associates, Inc. – Lucky Day Foundation 21-2 No. 1 well, located in the NW ¼ of the NE ¼ of Section 21, Township 14 South, Range 5 East, Chickasaw County, Mississippi.

IV. The Abernathy Sand Gas Pool in the Trebloc Field shall be construed to mean those strata of the Mississippian Formation productive of gas in the interval between the electric log depths of 4594 feet and 4714 feet in the Ceja Corporation – Baskin Heirs No. 2 Well, and all sands correlative of these strata productive of gas, said well being located 410 feet South of the North line and 1980 feet East of the West line of Section 19, Township 14 South, Range 5 East, Chickasaw County, Mississippi.

V. The characteristics of the Abernathy Oil Sand in said field are such that a well located as hereinafter prescribed and drilled upon a drilling unit consisting of 80 surface contiguous acres, or two governmental quarter-quarter sections containing not less than 72 acres or more than 88 acres, upon which no other drilling or producible well is located will efficiently drain and produce the recoverable oil from such units in said pool without avoidable waste.

VI. The characteristics of the Carter Sand Gas Pool, the East Carter Sand Gas Pool and the Abernathy Sand Gas Pool in said field are such that a well located as hereinafter prescribed and drilled upon a drilling unit consisting of two regular governmental half sections containing not less than 600 acres or more than 680 acres, or a drilling unit consisting of 640 contiguous surface acres, upon which no other drilling or producible well is located will efficiently drain and produce the recoverable gas from such units in said pools without avoidable waste.

RULE 1 – SPACING OF OIL WELLS:

With respect to the Abernathy Oil Sand, every well drilled as an oil well:

(a) Shall be located on a drilling unit consisting of 80 contiguous surface acres, or two governmental quarter-quarter sections containing not less than 72 acres or more than 88 acres, upon which no other drilling or producible well is located;

(b) Any drilling unit not composed of two governmental quarter-quarter sections must be completely encompassed by the perimeter of a rectangle 1600 feet by 2715 feet. Provided, however, no unit shall be permitted which will create island acreage;

(c) The well shall be located at least 660 feet from every other drilling and producible well located in conformity with this rule; and

(d) The well shall be located at least 330 feet from every exterior boundary of the drilling unit.

RULE 2 – SPACING OF GAS WELLS:

(a) With respect to the Abernathy Sand Gas Pool of the Mississippian Formation, every well drilled as a gas well:

- (1) Shall be located on a drilling unit consisting of two regular governmental half sections containing not less than 600 acres or more than 680 acres, or a drilling unit consisting of 640 contiguous surface acres, upon which no other drilling or producible well is located;
- (2) Any gas drilling unit not composed of two regular governmental half sections 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;
- (3) The well shall be located at least 3,000 feet from every other drilling and producible well located in conformity with this rule; and
- (4) The well shall be located at least 1500 feet from every exterior boundary of the drilling unit.

(b) With respect to the Carter Sand Gas Pool and the East Carter Sand Gas Pool of the Mississippian formation, every well drilled as a gas well

- (1) Shall be located on a drilling unit consisting of two regular governmental half sections containing not less than 600 acres or more than 680 acres, or a drilling unit consisting of 640 contiguous surface acres, upon which no more than one other well drilling to or producing from the Carter Sand Gas Pool is located;
- (2) Any gas drilling unit not composed of two regular governmental half sections must be completely encompassed by the perimeter of a rectangle 5580 x 6245 feet; provided, however, no unit shall be permitted which shall create island acreage;
- (3) Shall be located at least 1,320 feet from every other well drilling to or producing from the Carter Sand Gas Pool; and
- (4) Shall be located at least 660 feet from every exterior boundary of each Carter Sand drilling unit.

RULE 3 – APPLICABILITY OF STATEWIDE RULES:

A. All rules and regulations contained in Statewide Order No. 2015-1, and any amendment thereto, not specifically covered by 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.

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

ORDERED AND ADJUDGED this 28th of September 2001, effective
September 19, 2001.

MISSISSIPPI STATE OIL AND GAS BOARD

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CHAIRMAN

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