

BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI

RE: PETITION OF MOSBACHER ENERGY COMPANY TO AMEND THE SPECIAL FIELD RULES FOR THE WAYNESBORO FIELD TO DEFINE THE FIELD'S GEOGRAPHICAL LIMITS, PROVIDE 320 ACRE SPACING FOR THE COTTON VALLEY OIL POOL AND THE SMACKOVER OIL POOL, TO REDEFINE THE COTTON VALLEY OIL POOL, AND TO ALLOW TWO INCREASED DENSITY WELLS IN EACH INDIVIDUAL UNIT IN THE WAYNESBORO FIELD, WAYNE COUNTY, MISSISSIPPI

FILED FOR RECORD

AUG 31 2009

STATE OIL AND GAS BOARD  
LISA IVSHIN, SUPERVISOR

DOCKET NO. 247-2009-644

ORDER NO. 431-2009

**ORDER**

THIS CAUSE came to be heard on the Petition of Mosbacher Energy Company ("Petitioner") requesting the Board to amend the Special Field Rules for the Waynesboro Field ("the Field") to provide 320 acre spacing for the Cotton Valley and Smackover Oil Pools, to redefine the Cotton Valley Oil Pool, and to allow two increased density wells in each individual Unit in the Field, Wayne County, Mississippi.

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 required by 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, a public hearing was held by said Board in the Hearing Room, Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on August 19, 2009, at 10:00 o'clock a.m. at which hearing all persons present who desired to be heard on said matter were heard and all testimony and the 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.

Petitioner is a current operator in the area of the Field and plans to drill wells therein. The Special Field Rules for the Field were last adopted in Docket No. 160-86-644, Order No. 239-86.

2.

Petitioner seeks authority to re-define the geographical limits of the Field, to adopt 320 acre spacing for the Cotton Valley Oil Pool and the Smackover Oil Pool (“the Pools”), to re-define the Cotton Valley Oil Pool, and to allow up to two increased density wells in each of the Pools for each unit. The Field should be defined as follows:

**Township 9 North, Range 6 West**  
**Wayne County, Mississippi**

Section 29: Entire Section

Section 32: The W $\frac{1}{2}$  of the NE $\frac{1}{4}$ , the E $\frac{1}{2}$  of the NW $\frac{1}{4}$ , the W $\frac{1}{2}$  of the SE $\frac{1}{4}$  and the E $\frac{1}{2}$  of the SW $\frac{1}{4}$

**Township 8 North, Range 6 West**  
**Wayne County, Mississippi**

Section 5: The NW $\frac{1}{4}$  of the NE $\frac{1}{4}$  and the NE $\frac{1}{4}$  of the NW $\frac{1}{4}$

3.

Numerous wells have been drilled in this Field, many of which have penetrated the Pools. These wells have proven that the Pool drains large areas and 320 acre spacing should be adopted. The oil gravity is high ranging from 40° to 45°. The permeability is over 100 md and the porosity ranges from 15% to 20%. Most of the zones are below 12,000 feet and the permeability and porosity indicates that each well will drain a large area. In fact, one well previously produced over 100,000 barrels of oil from multiple sand sections in the Pools. Petitioner seeks to re-define the Cotton Valley Pool as that strata in the Roy M. Robinson No. 1 Well from 11,700 feet to 12,650 feet and all strata correlative thereof. Petitioner also seeks to add the ability to drill two increased density wells per 320 acre unit to recover additional oil which may not be recovered by the existing well. Therefore, for engineering reasons, the Special Field Rules should be amended to space the Pools on 320 acres and to allow up to two wells each of the Pools for each unit. The increased density wells are the best possible manner to produce additional oil to protect the co-equal and correlative rights of all owners in the common source or supply.

4.

The amendment to the Special Field Rules as set forth in Exhibit “A” to the Petitioner promotes conservation, protects the co-equal and correlative rights of all owners of all owners in interest, avoids the drilling of unnecessary wells and permits oil and gas to be produced which would not otherwise be recoverable.

IT IS, THEREFORE, ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the Special Field Rules for the Waynesboro Field shall be and hereby are amended as follows:

**SPECIAL FIELD RULES  
WAYNESBORO FIELD  
WAYNE COUNTY, MISSISSIPPI**

**A. FIELD LIMITS:**

The Waynesboro Field as used herein is that area consisting of the following described lands situation in Wayne County, Mississippi, to-wit:

**Township 9 North, Range 6 West  
Wayne County, Mississippi**

Section 29: Entire Section

Section 32: The W $\frac{1}{2}$  of the NE $\frac{1}{4}$ , the E $\frac{1}{2}$  of the NW $\frac{1}{4}$ , the W $\frac{1}{2}$  of the SE $\frac{1}{4}$  and the E $\frac{1}{2}$  of the SW $\frac{1}{4}$

**Township 8 North, Range 6 West  
Wayne County, Mississippi**

Section 5: The NW $\frac{1}{4}$  of the NE $\frac{1}{4}$  and the NE $\frac{1}{4}$  of the NW $\frac{1}{4}$

and all correlative extensions thereof.

**B. POOL DEFINITIONS**

1. The Smackover Oil Pool shall be construed to mean those strata productive of oil and casinghead gas in the Smackover Formation in the interval of 13,200' to 13,350' in the Conquest Exploration Company - Edna E. Gray Well, located in the NE $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 32, Township 9 North, Range 6 West, Wayne County, Mississippi, and those sands productive of oil correlative to and in communication therewith.

2. The Cotton Valley Oil Pool shall be construed to mean those strata productive of oil and casinghead gas in the Cotton Valley Formation in the interval of 11,700' to 12,650' in the Conquest Exploration Company - Roy M. Robinson Well, located in the NE $\frac{1}{4}$  of the NW $\frac{1}{4}$  of Section 32, Township 9 North, Range 6 West, Wayne County, Mississippi, and those sands productive of oil and gas correlative to and in communication therewith.

**C. SPACING OF WELLS**

1. **The Cotton Valley Oil Pool and Smackover Oil Pool.** As to the Cotton Valley Oil Pool and Smackover Oil Pool, every well drilled as a oil well:

- (a) shall be located on the drilling unit consisting of:
  - (i) 320 contiguous surface acres; or
  - (ii) a governmental section containing not less than 300 acres or more than 340 acres; or
  - (iii) 8 contiguous governmental quarter-quarter sections whose total acreage is not less than 300 or more than 340 acres.

- (b) any oil unit formed under Section 1(a) of this rule must be completely encompassed by the perimeter of a rectangle 3,735 feet by 3,380 feet. Provided, however, no unit shall be permitted which will create island acreage.
- (c) each well shall be located at least 750 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 500 feet from every exterior boundary of the drilling unit.
- (e) each 320 acre oil unit may contain up to two producing wells from each of the pools with a full individual allowable for each increased density well.

**D. APPLICABILITY OF STATEWIDE RULES**

1. All rules and regulations contained in Statewide Order No. 201-51, and any amendments thereto, not specifically covered in the foregoing rules are hereby adopted and applied to Seminary Field.

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


**\*\*\* End of Special Field Rules \*\*\***

**IT IS FURTHER ORDERED AND ADJUDGED** that this Order shall be in force and effect from and after August 19, 2009.

**IT IS FURTHER ORDERED AND ADJUDGED** that Petitioner shall acquire any other permits, if any, required by any other permitting authority.

**ORDERED AND ADJUDGED** this 3<sup>rd</sup> day of August, 2009.

STATE OIL AND GAS BOARD OF  
MISSISSIPPI



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CHAIRMAN

**Prepared By:**

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