

MAR 10 1986

STATE OIL AND GAS BOARD
A. Richard Henderson, Supervisor

BEFORE THE STATE OIL & GAS BOARD

OF THE STATE OF MISSISSIPPI

RE: GRACE PETROLEUM CORPORATION
AMENDMENT TO SPECIAL FIELD RULES
FOR THE WELLS FIELD
LOWNDES COUNTY, MISSISSIPPI

DOCKET NO. 57-86-439

ORDER NO. 87-86ORDER AMENDING SPECIAL FIELD RULES

THIS DAY this matter came on for hearing on the Petition of Grace Petroleum Corporation, asking that the Special Field Rules for the Wells Field be amended, and the Board being fully advised, does find as follows:

1.

Proper, due and legal notice for the meeting of this Board to consider this Petition has been given as required by law and the rules of this Board, and due, legal and sufficient proofs of publication of notice are on file with this Board. The Board does further adjudicate that it has full and complete jurisdiction of the subject matter to hear and determine this Petition at this time and place.

2.

Grace Petroleum Corporation has drilled its Cungious 9-15 Well located in the Southeast Quarter (SE 1/4) of Section 9, Township 17 South, Range 18 West, Lowndes County, Mississippi. It has encountered two pools, the Nason Sand Gas Pool and the Sanders Sand Gas Pool, which are being defined in the Special Field Rules for the Stinson Creek Field. These pools extend into Section 16 and the West Half (W 1/2) of Section 15, Township 17 South, Range 18 West. Accordingly, it is appropriate to amend the Special Field Rules of the Wells Field to remove said Section 16 and the West Half (W 1/2) of Section 15 from the Special Field Rules of Wells Field. In a companion docket, Grace Petroleum Corporation has amended

the Special Field Rules for the Stinson Creek Field to include said Section 16 and the West Half (W 1/2) of Section 15 in Stinson Creek Field.

3.

The amended Special Field Rules are set forth in Exhibit "A" attached hereto.

4.

The amendment to the Special Field Rules will allow for and will promote the proper and orderly development of the Stinson Creek Field and will not interfere with the development of the Wells Field, will prevent waste, and will protect the coequal and correlative rights of all the owners in said Wells Field and the Stinson Creek Field.

IT IS, THEREFORE, ORDERED AND ADJUDGED that the Special Field Rules for the Wells Field be, and they are hereby amended as set forth in Exhibit "A" attached to this Order.

IT IS FURTHER ORDERED AND ADJUDGED that permittee shall acquire all other permits, if any, by any other permitting authority.

SO ORDERED this the 19th day of February, 1986.

STATE OIL AND GAS BOARD

By: 
CHAIRMAN

EXHIBIT "A"

SPECIAL FIELD RULES
WELLS FIELD, LOWNDES COUNTY

A. FIELD AREA:

The Wells Field, as used herein, is that geographical area consisting of the following described lands, and including all productive extensions thereof, to-wit:

Section 2:	ALL
Section 3:	ALL
Section 10:	ALL
Section 11:	ALL
Section 14:	ALL
Section 15:	E 1/2

Township 17 South, Range 18 West,
Lowndes County, Mississippi

B. POOL DEFINITIONS:

1.1 The Lewis Sand Gas Pool in the Wells Field shall be construed to mean those strata of the Mississippian System productive of gas from the depth of 5686 feet to 5722 feet in the Pruet & Hughes Operating Company - - Chism Unit 10-3 Well No. 1, as shown by the electrical log thereof, located 700 feet from the North line and 1500 feet from the West line of Section 10, Township 17 South, Range 18 West, Lowndes County, Mississippi, and including those strata productive of gas which can be correlated therewith.

The characteristics of the above mentioned gas pool are such that one well drilled on a regularly formed drilling unit conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable gas from such unit in said pool without avoidable waste.

C. RULES:

RULE 1 - SPACING OF GAS WELLS:

1.1 Every well drilled as a gas well:

(a) Shall be located on a drilling unit consisting of

640 contiguous surface acres, or a governmental section containing not less than 600 acres or more than 680 acres, upon which no other drilling or producible well is located.

(b) Any gas drilling unit not a governmental section 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 3000 feet from every other drilling or producible well located in conformity with this rule.

(d) The well shall be located not less than 1500 feet from every exterior boundary of the unit.

RULE 2 - APPLICABILITY OF STATEWIDE RULES:

2.1 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.

2.2 The Board expressly reserves the right, after notice and hearing, to alter, amend or repeal any and all of the foregoing Special Field Rules, or to grant exceptions to all or any part thereof.

SOURCE: Order No. 87-86, dated February 19, 1986

Docket No. 57-86-439

** END OF SPECIAL FIELD RULES **