

STATE OF LOUISIANA
OFFICE OF CONSERVATION
BATON ROUGE, LOUISIANA

December 13, 2006

ORDER NO. 1490-A

Order concerning the creation of one (1) additional drilling and production unit for the **Cotton Valley Zone, Reservoir A**, in the **ALABAMA BEND FIELD**, Bienville Parish, Louisiana

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of the Louisiana Revised Statutes of 1950, and after a public hearing held under **Docket No. 06-1288** in Baton Rouge, Louisiana, on **November 14, 2006**, upon the application of **PETROCHEM OPERATING COMPANY**, following legal publication of notice and notice in accordance with the rules prescribed by the Commissioner of Conservation, the following Order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the natural resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells, and otherwise to carry out the provisions of the laws of this State

DEFINITION

The Cotton Valley Zone, Reservoir A, in the Alabama Bend Field, Bienville Parish, Louisiana, was defined in Office of Conservation Order No 1490, effective September 28, 2005

FINDINGS

The Commissioner of Conservation finds as follows

1 That Office of Conservation Order No 1490, effective September 28, 2005, established rules and regulations and drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A, in the Alabama Bend Field, Bienville Parish, Louisiana

2 That the creation of one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A, in the Alabama Bend Field, Bienville Parish, Louisiana, is necessary to insure orderly development, to prevent waste, and to avoid the drilling of unnecessary wells

3 That the available geological, engineering or other appropriate information indicates that the unit designated CV RA SUK, as more particularly shown on the plat labeled, "Petrochem Operating Co - Exhibit No 1 for Docket No 06-1288", a copy of which is attached hereto, is reasonable and should be adopted, that said unit can be efficiently and economically drained by one well, and that creation of such unit should reasonably assure to each separate tract included therein an opportunity to recover its just and equitable share of the contents of the reservoir

4 That the separately owned tracts, mineral leases and other property interests within the unit created herein should be force pooled and integrated with each separate tract sharing in unit production on a surface acreage basis of participation

5 That Petrochem Operating Company should be designated as operator of the unit created herein

6 That the Petrochem Operating Company - McCoy 4-8 No 1 Well should be designated as the unit well for the unit created herein

7 That except to the extent contrary herewith, the provisions of Office of Conservation Order No 1490, effective September 28, 2005, should be extended to the additional unit created herein

ORDER

NOW, THEREFORE, IT IS ORDERED THAT

1 The unit designated CV RA SUK, as more particularly shown on the plat labeled, "Petrochem Operating Co - Exhibit No 1 for Docket Nos 06-1288", a copy of which is attached hereto and made a part hereof, be and it is hereby approved and adopted as an additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A, in the Alabama Bend Field, Bienville Parish, Louisiana

The unit has not been surveyed, and when a survey plat of the unit showing the exterior limits thereof, the total acreage therein, and the acreage in each separately owned tract, has been submitted to and accepted by the Commissioner of Conservation or any member of his staff, insofar as it shows the exterior limits of the unit, said plat shall be substituted for the above exhibit and made a part of this Order by reference. In the event of conflicting claims of ownership of acreage in the unit, such acreage may be so identified on the survey plat. Such identification of acreage subject to conflicting claims shall not be construed as an acknowledgment of the validity of any such claims, and shall not affect any other acreage in separately owned tracts in the unit.

The survey plat shall be prepared in accordance with the requirements for unit plats and survey plats adopted by the Commissioner of Conservation. It is recognized that the exterior boundary lines of the unit, as surveyed, may differ from those lines as shown on the attached plat because of the requirement that by survey the geologically significant wells be correctly located with respect to each other and to the unit boundary lines that they control.

2 The separately owned tracts, mineral leases, and other property interests within the additional unit created herein are hereby pooled, consolidated, and integrated in accordance with Section 10, Title 30 of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion that the surface area of such tract bears to the entire surface area of said unit. Also, all operations on and production from the unit shall be considered operations on and production from each of the separate tracts within said unit and under the terms of each of the mineral leases affecting said tracts.

3 The operator of the unit created herein is designated in accordance with Finding No 5 hereof.


4 The unit well for the unit created herein is hereby designated in accordance with Finding No 6 hereof

5 Except to the extent contrary herewith, the provisions of Office of Conservation Order No 1490, effective September 28, 2005, shall apply to the additional unit created herein

6 When there is obtained additional geological, engineering, or other appropriate information which would indicate required change or revision of the unit boundaries as adopted herein, or which would indicate a required change or revision of other provisions of this Order, the party or parties in possession of such additional information shall petition the Commissioner of Conservation for a public hearing for the purpose of considering appropriate changes

This Order shall be effective on and after November 14, 2006

OFFICE OF CONSERVATION
OF THE STATE OF LOUISIANA



JAMES H. WELSH
COMMISSIONER OF CONSERVATION

MBK 

Petrochem Operating Co
Exhibit No 1 for Docket No 06-1288
Attached

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