

STATE OF LOUISIANA
OFFICE OF CONSERVATION
BATON ROUGE, LOUISIANA

October 28, 1997

ORDER NO. 105-J-16

Order concerning the creation of eleven (11) additional drilling and production units for the Haynesville Sand, Reservoir C, in the EAST HAYNESVILLE FIELD, Claiborne 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. 97-623 in Baton Rouge, Louisiana, on September 23, 1997, upon the application of Fina Oil and Chemical 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 Haynesville Sand, Reservoir C, in the East Haynesville Field, Claiborne Parish, Louisiana, was fully defined in Office of Conservation Order No. 105-J-2, effective October 23, 1990.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That Office of Conservation Order No. 105-J-2, effective October 23, 1990, established rules and regulations and created a single drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Sand, Reservoir C, in the East Haynesville Field, Claiborne Parish, Louisiana.
2. That the creation of eleven (11) additional drilling and production units for the Haynesville Sand, Reservoir C, in the East Haynesville Field, Claiborne 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 drilling and production units, as more particularly shown on the plat labeled, "Fina Oil and Chemical Company - Exhibit No. 1 for Docket No. 97-623", a copy of which is attached hereto, are reasonable and should be adopted; that each of the units can be efficiently and economically drained by one well located thereon, and that creation of such units 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 proposed units should be force pooled and integrated in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950 with each tract sharing in unit production on a surface acreage basis of participation.
5. That, except to the extent contrary herewith, the provisions of Office of Conservation Order No. 105-J-2 should be extended to the units created herein.

ORDER**NOW, THEREFORE, IT IS ORDERED THAT:**

1. The units designated HA RC SUHH through HA RC SURR, as shown on the plat labeled, "Fina Oil and Chemical Company - Exhibit No. 1 for Docket No. 97-623", a copy of which is attached hereto and made a part hereof, be and are hereby approved and adopted as drilling and production units for the exploration for and production of gas and condensate from the Haynesville Sand, Reservoir C, in the East Haynesville Field, Claiborne Parish, Louisiana.

The units have not been surveyed, and when a survey plat of said units 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 units, 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 units, 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 units.

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 units, 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.

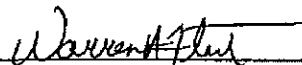
2. The separately owned tracts, mineral leases, and other property interests within the units created herein are hereby pooled, consolidated, and integrated in accordance with Section 10, Title 30 of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion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

3. Except to the extent contrary herewith, the provisions of Office of Conservation Order No. 105-J-2 are hereby extended to cover and apply to the units created herein.

4. When there is obtained additional geological, engineering or other appropriate information which would indicate a required change or revision in 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 September 23, 1997.

OFFICE OF CONSERVATION
OF THE STATE OF LOUISIANA


WARREN A. FLEET
COMMISSIONER OF CONSERVATION

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Fina Oil and Chemical Company
Exhibit No. 1 for Docket No. 97-623
Attached

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