MISSISSIPPI

Administration

- 1. Agency regulating oil and gas exploration/production: State Oil and Gas Board. 500 Greymont Ave., Suite E, Jackson, MS 39202. Phone (601) 576-4900; Fax (601) 352-2201. Staff e-mail addresses are: *@ogb.state.ms.us (* insert staff person's first initial and last name.
- 2. Contact for regulatory updates: Lisa Ivshin
- 3. Docketing procedure: Rules of order and procedure for hearings before the board (Order No. 201-51 as amended by Order No. 95-98) of the rules and procedures before the board. Regular meetings of the board take place every third Wednesday of the month. Meetings take place at the board room of the Oil and Gas Board at the Jackson address unless voted by the board otherwise. Every docket must be published in the paper of general circulation and the local county newspaper for the area where affected land lies 20 days before the hearing. Dockets for unitization must be published 30 days before the hearing. After the supervisor reviews and signs the public notice the notice must be published. Upon filing the notice, petitioner must file \$100 filing fee. Petitioner must also file petition (one original, one copy), affidavit(s) (one original, three copies), exhibits and proof of publication. Petitions must be filed 20 days prior to hearing. Affidavits and exhibits must be filed 9 days before the meeting. Any party can file a notice of contest or a motion to continue seven days before the hearing. If the docket is contested both sides must exchange exhibits by Thursday the week before the board meeting.
 - a. Emergency orders: Emergency dockets are approved without public notice and emergency orders remains in force for no longer than 45 days or after notice and hearing.
 - b. Notice: Petitioner must give personal notice when the board determines that notice to certain parties is necessary because a particular petition is filed.
- 4. Agency regulating air emissions: Mississippi Department of Environmental Quality.
- 5. Agency regulation water quality: Mississippi Department of Environmental Quality.

License

1. License required: No

2. Conditions of license: N/A

Bond/Surety

- 1. Purpose of surety: To stay in compliance with rules and regulations
- 2. Plugging and restoration: N/A
- 3. Compliance Bond required: <u>Rule 4</u> (for producing wells), <u>Rule 63</u> (for Class II injection wells), and <u>Rule 64</u> (for Storage wells)

Depth in feet

Zero to 10,000	\$20,000
10,001 to 16,000	\$30,000
16,001 or more	\$60.000
Blanket Bond	\$100,000

There is a \$100,000 bond for an underground storage facility and for storage well

- 4. Types of surety accepted: Irrevocable standby letter of credit or surety performance bond
- 5. Conditions of bond: Must comply with rules and regulations of the board
 - a. Amount per well: Based on the depth of the well, see above
 - b. Amount of blanket bond: \$100.000

Land and Leasing Information

N/A

Setbacks

1. What rules/regulations/policies does your jurisdiction have in regard to well setbacks from private residences and/or other habitable structures for use by human or animals?

None

2. Are there other sources of information on this matter that you could identify?

No

Spacing

- 1. Spacing requirements: Rules 7 and 8
 - a. Density:

Oil wells:

- 40-acre oil units with 330' from the unit line
- 80-acre oil units with 500' from the unit line

160-acre oil units (supervisor may require written justification) with 750' from the unit line

Gas wells:

160-acre gas units (supervisor may require written justification) with 750' from the unit line

320-acre gas units with 990' from the unit line

640-acre gas units with 1,500' from the unit line

All oil and gas units must consist of governmental quarter/quarter sections or considered to be an exception and will require Board approval after notice and hearing.

- 2. Exceptions: Yes
- a. Basis: Exception unit or exception location (Rules 7 and 8)
- b. Approval: After Notice and Hearing.

Pooling

Statute 53-3-7

- 1. Authority to establish voluntary: Yes
- 2. Authority to establish compulsory: Yes

Unitization

Statute 53-3-101

- 1. Compulsory unitization of all parts of the pool or common source of supply: Yes
- 2. Maximum percentage of voluntary agreement before approval of compulsory unitization:
 - a. Working interest 75%
 - b. Royalty interest 75%

Drilling Permits

- 1. Permits required for: Rule 4
 - a. Drilling of a producing or service well: Yes

- b. Seismic drilling: N/A
- c. Recompletion: Yes, if recompleted to a different zone
- d. Plugging and abandoning: No
- 2. Permit Fee
 - a. Drilling of an oil or gas well will require \$600 per permit
 - b. Seismic drilling: No
 - c. Recompletion: \$100 if recompletion is to a new zone
 - d. Plugging and abandoning: No
- 3. Require filing report of work performed: Yes
- 4. Sundry Notices used: No

Vertical Deviation

- 1. Regulation requirement: Rule 14
- a. When is a directional survey necessary: For a deviated well, exception location or exception units
- b. Filing of survey required: Yes
- c. Format of filing: N/A

Casing and Tubing

- 1. Minimum amount required: Rule 11
 - a. Surface casing: Depends on proposed total depth.
 - b. Production casing: Sufficient depth to adequately protect the oil and/or gas bearing stratum.
- 2. Maximum amount of cement required:
 - a. Surface casing: Circulate to surface

- b. Production casing: No less cement than the calculated amount necessary to fill the annular space to a point 500 feet above the shoe.
- c. Setting time: 24 hours
- 3. Tubing Requirements
 - a. Oil wells: Rule 18: All producing wells must be produced through tubing not larger than 2 1/2 inches, must have well head connections with a test pressure of at least 125% of the calculated pressure of the reservoir
 - b. Coalbed: None
 - c. Gas wells: same as above but the tubing must be not larger than 4 inches

Hydraulic Fracturing

The State Oil and Gas Board of Mississippi has detailed regulations addressing hydraulic fracturing of conventional oil and gas wells in order to protect underground sources of drinking water. Rule 26

- 1. Permitting:
 - a. Before drilling: The approval for hydraulic fracturing must be done after the well is drilled
 - b. Before fracking: Yes
 - c. How long before: No specific requirements
- 2. Reporting requirements: Request must be submitted on a Form 2 and results must be reported on a Form 3
 - a. Where reported: To the Oil and Gas Board
 - b. When reported: <u>Form 3</u> must be filed within 30 days of the hydraulic fracturing operation. A list of chemicals must be provided to the board
 - c. The contents of the fracture fluid are reported to FracFocus.
- 3. Source water requirements: There are no specific requirements for the source water utilized in hydraulic fracturing. It must not affect any fresh water supply well or fresh water resources.
- 4. Mechanical integrity:
 - a. Cementing log required: No
 - b. Pressure testing: Yes

- c. Pressure monitoring: Yes
- d. Blowout preventer required: Yes
- 5. Disposal of flow-back fluids:
 - a. Retaining pits: No
 - b. Tanks: No
 - c. Approved discharge of surface water: N/A
 - d. Underground injection: Yes
- 5. Chemical discloser requirements: The board reviews the hydraulic fracturing program for approval. These and all other records of the board are available to the public.
 - a. Mandatory: Oil and Gas Board
 - b. Where disclosed: Oil and Gas Board and FracFocus
 - c. When disclosed: program approved before fracking and chemicals after fracking
 - d. Time limit to disclose: 30 days
 - e. Information required to be disclosed: see above
 - f. Trade secret protection: Yes

Underground injection

1. Agencies that control the underground injection fluid by well class: Class II, Rule 63

Completion

- 1. Completion report Required: Yes, Form 3, Rule 23
 - a. Time limit: To be filed within 30 days after completion
 - b. Where submitted: To the Mississippi State Oil and Gas Board at 500 Greymont Ave., Suite E, Jackson, MS 39202
- 2. Well logs required to be filed: Yes, Rule 24
 - a. Time limit: Within 30 days after completion

- b. Where submitted: To the Mississippi State Oil and Gas Board at 500 Greymont Ave., Suite E, Jackson, MS 39202
- c. Confidential time period: Six months from completion and can be extended total up to one year.
- d. Available for public use: Available immediately or after six month confidential period if requested.
- e. Log catalog available: Yes, on line
- 3. Multiple completion regulations: Rule 15
 - a. Approval obtained: By the board after notice and hearing.
- 4. Commingling in well bore: <u>Rule 15</u>
 - a. Approval obtained: By the Board after notice and hearing.

Oil Production

- 1. Definition of an oil well: Oil well shall mean a well capable of producing oil from an oil pool or pools.
- 2. Potential tests required: Yes, Rule 7 and 8
 - a. Time interval: OGB State Form 9-12-15-Z filed on the 1st of each month
 - b. Witness required: At discretion of supervisor
- 3. Maximum gas-oil ratio: Yes
 - a. Provision for limiting gas-oil ratio: Rule 40. Any oil well producing with a gas-oil ratio in excess of two thousand (2000) cubic feet of gas per barrel of oil shall be allowed to produce daily only that volume of gas obtained by multiplying the normal un-penalized daily oil allowable by 2000 cubic feet.
 - b. Exceptions to limiting gas-oil ratio: Subject to board approval after notice and hearing.
- 4. Bottom-hole pressure report required: Special field rules contain provisions for submission of subsequent bottom-hole pressure tests.
 - a. Periodical bottom-hole pressure surveys: As specified in the special field rules.
- 5. Commingling oil in common facilities: <u>Rule 21</u>. The board considers commingling of oil production in common facility after notice and haring.

- 6. Measurement involving meters: <u>Rule 21</u>. In addition, special field rule may contain rules pertaining to metering of production.
- 7. Production reports:
 - a. By lease: No.
 - b. By well: Yes, by submitting production reports monthly.
 - c. Time limit: By the 1st of the month following the month for which the production report is filed.

Gas Production

- 1. Definition of a gas well: Gas well shall mean a well capable of producing gas from a gas pool or gas pools.
- 2. Pressure base: N/A
- 3. Initial potential tests: Deliverability test, Rule 41
 - a. Time interval: Twice a year
 - b. Witness required: At the discretion of the supervisor.
- 4. Bottom-hole pressure test reports required: No
 - a. Periodical bottom-hole pressure surveys: As required by Special Field Rules.
- 5. Commingling of gas in common facilities: <u>Rule 21</u>. The board considers commingling of gas production after notice and hearing.
- 6. Measurement involving meters: In addition, special field rules may contain rules pertaining to metering of production.
- 7. Production reports:
- a. By lease: No.
- b. By well: Monthly production reports.
- c. By limits: By the 1st of each month following the month for which production report is filed.