

STATE OF LOUISIANA
OFFICE OF CONSERVATION
BATON ROUGE, LOUISIANA

January 8, 2018

ORDER NO. 126-B-8

Order concerning the establishment of rules and regulations and the creation of a single drilling and production unit for the **Hackberry Zone, Reservoir L**, in the **STARKS FIELD**, Calcasieu 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. 17-584** in Baton Rouge, Louisiana, on **November 28, 2017**, upon the application of **KEY OPERATING COMPANY**, following legal publication of notice and notice in accordance with the Louisiana Administrative Code Title 43 Part XIX, Subpart 17, Chapter 39 as 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 Hackberry Zone, Reservoir L, in the Starks Field is hereby defined as being the stratigraphic equivalent of that oil and gas bearing zone encountered between the depths of 7,630 feet and 8,344 feet (electrical log measurements) in the Crawford Energy Operating Co. - Walker No. 1 Well, located in Section 14, Township 9 South, Range 13 West, Calcasieu Parish, Louisiana.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That the establishment of rules and regulations and the creation of a single drilling and production unit for the exploration for and production of oil and gas from the Hackberry Zone, Reservoir L, in the Starks Field, Calcasieu Parish, Louisiana, are necessary to insure orderly development, to prevent waste and to avoid the drilling of unnecessary wells.
2. That the available geological, engineering or other appropriate information indicates that the unit designated HBY RL SUA, as shown on the plat labeled, "Key Operating Company - Exhibit No. 4 for Docket No. 17-584", a copy of which is attached hereto, is reasonable and should be adopted; that said unit encompasses the maximum area which may be efficiently and economically drained by the well or wells designated by the Commissioner of Conservation to serve said unit as the unit well, substitute unit well, or alternate unit 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.
3. 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.
4. That any future wells drilled to the Hackberry Zone, Reservoir L, within or outside of the unit created herein, should be located in accordance with the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
5. That the Commissioner of Conservation should be authorized to reclassify the reservoir by Supplemental Order, without the necessity of a public hearing, if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

ORDER

NOW, THEREFORE, IT IS ORDERED THAT:

1. The unit designated HBY RL SUA, as shown on the plat labeled, "Key Operating Company - Exhibit No. 4 for Docket No. 17-584", a copy of which is attached hereto and made a part hereof, be and it is hereby approved and adopted as a single drilling and production unit for the exploration for and production of oil and gas from the Hackberry Zone, Reservoir L, in the Starks Field, Calcasieu 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 the 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 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 such unit and under the terms of each of the mineral leases affecting said tracts.

3. Future wells drilled to the Hackberry Zone, Reservoir L, within or outside of the unit created herein, shall be located in accordance with Finding No. 4 hereof.

4. Future reclassification of the reservoir, as the result of a change in the producing characteristics thereof, shall be accomplished in accordance with Finding No. 5 hereof.

5. Except to the extent contrary herewith, the provisions of all applicable Statewide Orders shall apply to the unit created herein.

6. When there is obtained additional geological, engineering or other appropriate information which would indicate a 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 28, 2017.

OFFICE OF CONSERVATION
OF THE STATE OF LOUISIANA



RICHARD P. IEYOUB
COMMISSIONER OF CONSERVATION

RWB 

Key Operating Company
Exhibit No. 4 for Docket No. 17-584
Attached

L

BRYAN GROVES
OIL & GAS GEOLOGIST

UNITIZATION / 3-D INTERPRETATION
 www.bryangrovesgeology.com

R 13 W

Sun
 Kelly Weber Unit
 1
 8545'

11

12

HBV RL SUA
 (UNDRILLED)
 ± 125 ACRES

EOG
 Olympia Min.
 1
 13610'

T
 9
 S

W. E. Walker

Thomas L. Monison, et ux
 Gregory C. Stanley
 David Bonard
 First Church of Starks

Shelton W. Ashworth, et ux

Linda S. Duggan

Olympia Minerals Leasing, LLC

Stream Estate

Hwy 109
 Samuel Johnson, Sr.
 Lake, et ux
 Wm. K. Hickey, et al
 Lee M. Lake, et ux
 Pannal L. Sanders Est.
 Luke
 Hanks
 LaBove
 Trans Texas Smit Ozan
 1
 13200'

Frederic L. & Jacqueline M. Harget

Lee M. Lake, et ux

Jeffery W. Trahan, Sr., et ux

Harold McGill, et al

Steve A. & Rhonda Y. Richardson

Jason P. & Sherrie P. Martinez

Clark

Pannal L. Sanders Est.

Luke

Samuel Ray Johnson, et ux

Edward D. Frenzel, et al

Allen H. & Imogene Spears

Stream Family Limited Partnership

Crawford Walker
 1
 8347'

Francis X. & Lynn W. Helfron

Gary M. & Annette C. Bordelon

Trans Texas Smit Ozan
 1
 13200'

Burton Emerson
 1
 8600'

William D. Blake

PBA Properties, LLC

14

13

Burton Lutcher-Moore
 10
 11649'

Blake

Quatre Parish

Billot

Williams

Lyons

Burton Burch
 1
 8341'

Burton Lutcher-Moore
 3
 8136'

E&P Oper. Blake
 1
 15530'

William Poe

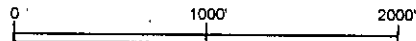
Adams

Bailey

EXHIBIT NO. 4 ORDER NO. 126-B-8
 DOCKET NO. 17-584 DATE: 11-28-17

KEY OPERATING COMPANY

STARKS FIELD
 CALCASIEU PARISH, LOUISIANA
 PROPOSED UNIT
 HACKBERRY ZONE



BRYAN GROVES
 OIL & GAS GEOLOGIST
 www.bryangrovesgeology.com

AS PER ORDER 126-B-3
 NOTE: ALL BOUNDARIES ARE GEOGRAPHIC