

STATE OF LOUISIANA
OFFICE OF CONSERVATION
BATON ROUGE, LOUISIANA

October 27, 2017

ORDER NO. 1599

Order concerning the establishment of rules and regulations and the creation of a single ultra deep structure unit for the **Tuscaloosa Zone, Ultra Deep Structure**, in the **GREEN LAKE FIELD**, West Baton Rouge 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. 17-400** in Baton Rouge, Louisiana, on **August 8, 2017**, upon the application of **PETROLEX OPERATING VENTURES, LLC**, 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 Tuscaloosa Zone, Ultra Deep Structure, in the Green Lake Field is hereby defined as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 20,733 feet and 23,501 feet (electrical log measurements) (20,711 feet and 23,465 feet TVD) in the BP America Production Company - W.C. Parlange No. 11 Well, located in Section 49, Township 5 South, Range 9 East, Pointe Coupee Parish, Louisiana.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That the establishment of rules and regulations and the creation of a single ultra deep structure unit for the exploration for and production of gas and condensate from the Tuscaloosa Zone, Ultra Deep Structure, in the Green Lake Field, West Baton Rouge 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 ultra deep structure unit designated TUSC GL UDS SUA, as shown on the plat labeled, "State Exhibit A for Docket No. 17-400", a copy of which is attached hereto, is reasonably necessary to promote the development of the ultra deep structure; that the stratigraphic top of the ultra deep structure is anticipated to be encountered in the initial well for the structure at a depth in excess of 22,000 feet; creation of the ultra deep structure unit will reasonably assure to each separate tract included therein an opportunity to recover its just and equitable share of the contents of the ultra deep structure unit; and, that the proposed unit operation appears economically feasible and should be adopted in accordance with La. R.S. 30:5.1(B).

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 the Plan of Development for the proposed ultra deep structure unit, as shown on the exhibit labeled, "Petrolex Operating Ventures, LLC - Exhibit No. 4 for Docket No. 17-400", should be approved and adopted in accordance with La. R.S. 30:5.1(B).

5. That Petrolex Operating Ventures, LLC should be designated as operator of the ultra deep structure unit created herein.

6. That any future wells drilled to the Tuscaloosa Zone, Ultra Deep Structure, within or outside of the ultra deep structure unit created herein, should be located in accordance with the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E); provided that in order to provide flexibility in locating additional wells which are drilled to, completed in or recompleted in the ultra deep structure unit created herein, there should be no minimum spacing between unit wells located inside the ultra deep structure unit.

7. That the Commissioner of Conservation should be authorized to reclassify the Tuscaloosa Zone, Ultra Deep Structure 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 TUSC GL UDS SUA, as shown on the plat labeled, "State Exhibit A for Docket No. 17-400", a copy of which is attached hereto and made a part hereof, be and it is hereby approved and adopted as an ultra deep structure unit for the exploration for and production of gas and condensate from the Tuscaloosa Zone, Ultra Deep Structure, in the Green Lake Field, West Baton Rouge Parish, Louisiana, in accordance with La. R.S. 30:5.1(B).

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 ultra deep structure 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 each such tract bears to the entire surface area of the unit. Also, all operations on and production from the unit shall be considered operations on and production from each of the separately owned tracts in the unit and under the terms of each of the mineral leases affecting said tracts.

3. The Plan of Development for the proposed ultra deep structure unit, as shown on the exhibit labeled, "Petrolex Operating Ventures, LLC – Exhibit No. 4 for Docket No. 17-400", is hereby approved and adopted in accordance with Finding No. 4 hereof.

4. The operator of the ultra deep structure unit created herein is hereby designated in accordance with Finding No. 5 hereof.

5. Future wells drilled to the Tuscaloosa Zone, Ultra Deep Structure, within or outside of the ultra deep structure unit created herein, shall be located in accordance with the spacing provisions of Finding No. 6 hereof.


6. Future reclassification of the Tuscaloosa Zone, Ultra Deep Structure, as the result of a change in the producing characteristics thereof, shall be accomplished in accordance with Finding No. 7 hereof.

7. Except to the extent contrary herewith, the provisions of all applicable Statewide Orders shall apply to the ultra deep structure unit created herein.

8. 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 August 8, 2017.

OFFICE OF CONSERVATION
OF THE STATE OF LOUISIANA

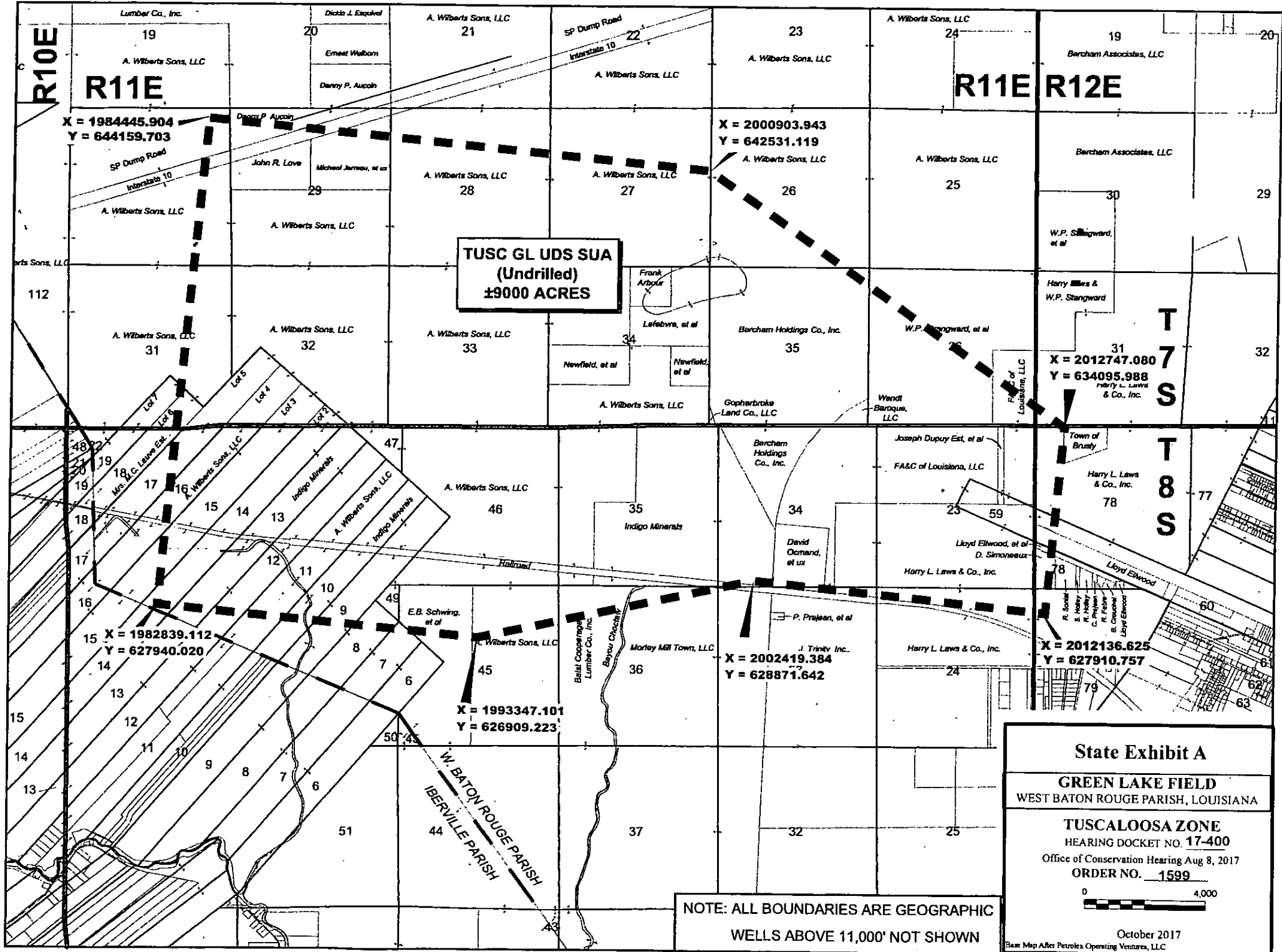


RICHARD P. IEYOUB
COMMISSIONER OF CONSERVATION

HPL 

State Exhibit A for Docket No. 17-400
Attached

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**TUSC GL UDS SUA
(Undrilled)
±9000 ACRES**

X = 1984445.904
Y = 644159.703

X = 2000903.943
Y = 642531.119

X = 2012747.080
Y = 634095.988

X = 1982839.112
Y = 627940.020

X = 1993347.101
Y = 626909.223

X = 2002419.384
Y = 628871.642

X = 2012136.625
Y = 627910.757

State Exhibit A

GREEN LAKE FIELD
WEST BATON ROUGE PARISH, LOUISIANA

TUSCALOOSA ZONE
HEARING DOCKET NO. 17-400
Office of Conservation Hearing Aug 8, 2017
ORDER NO. 1599

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October 2017
Base Map After Petrolex Operating Ventures, LLC

NOTE: ALL BOUNDARIES ARE GEOGRAPHIC
WELLS ABOVE 11,000' NOT SHOWN