Economic Impact Statement: Check one box below:

☒ The agency has determined that an economic impact statement is not required for this rule, or

☐ The concise summary of the economic impact statement required is attached.

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.

Date Rule Proposed: March 11, 2008 **Proposed Effective Date of Rule:** April 16, 2008.

Walker L. Watters
Special Assistant Attorney General
Mississippi Office of the Attorney General
401 N. West Street
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STATEWIDE RULES AND REGULATIONS

RULE 14. DEVIATION OF HOLE AND DIRECTIONAL SURVEY

(a) Each operator shall file on Form No. 3 a record of all deviation tests taken.

(b) No well shall cross drilling unit lines unless permit is obtained from the Board after notice and hearing.

(c) Except as set forth in paragraphs (d), (e) and (f) hereof, no well may be directionally deviated from its normal course unless authorization so to do is first obtained from the Board after notice and hearing.

(d) Intentional deviations of short distances necessary to straighten the hold, sidetrack junk, or correct other mechanical difficulties may be accomplished without the issuance of a permit, but the operator shall immediately notify that Board by letter**, facsimile or e-mail** (followed by letter) of the fact thereof.

(e) Intentional deviations may be accomplished without notice and hearing where the application for permit and location plat duly filed with the Board verifies that the unit configuration, surface location, proposed bottomhole location and all perforations in between, comply with the spacing requirements in Rules 7 and 8 or any special field rules adopted for the field in which said well is located.

(f) In the event an operator in good faith commences and proceeds with the drilling of a properly permitted well and thereafter, for reasons acceptable to operator, desires to directionally deviate the well from its normal course, he may do so at his own risk, first notifying the Board by letter**, fax or e-mail** of the fact thereof. On the completion of such well as a producer, the operator must immediately apply for a permit from the Board on notice and hearing for approval of such intentional deviation. Pending such approval, the Board may assign a temporary allowable only to such well.

(g) In cases of directionally deviated drilling, the Board shall have the right to assess appropriate allowable penalties to prevent undue drainage from offset properties and to adjust possible inequities caused by the directional drilling.

(h) When a well is directionally deviated from its normal course of any reason, a complete angular deviation and directional survey of the finished hole shall be made at the expense of the operator and a certified copy of such survey shall be filed with the Board within thirty (30) days.

(i) The Board shall have the right to make or to require any operator to make a directional survey of any hole at such operator's expense. The Board shall also have the right to require an operator to make a directional survey of any hole at the request of an offset operator, if, in the Board's opinion, such is necessary, but at the expense and risk of said offset operator unless it is found that such well is completed at a point outside the operator's drilling unit.

(j) All producible wells drilled which are an exception to the spacing rules under Statewide Rule 9 shall have directional surveys made to the total depth of the hold before setting the final string of casing. A certified copy of such directional survey shall be filed with the Board by the operator within thirty (30) days from the making thereof. This requirement may be waived by the State Oil and Gas Supervisor, with the concurrent of the Chief Engineer, upon acceptable proof filed by the operator, whether by inclination survey or otherwise, that the bottomhole location did not cross any unit boundaries.

(k) For purposes of this rule, the term "deviation" shall mean any intentional directional change in a well's normal course of any degree, including, but not limited to, those which are horizontal.