

NOTICE OF RULE ADOPTION – FINAL RULE

STATE OF MISSISSIPPI
MISSISSIPPI OIL AND GAS BOARD



Mississippi Oil & Gas Board
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Specific Legal Authority authorizing the promulgation of Rule 7 of the Statewide Rules and Regulations of the State Oil and Gas Board: Section 53-1-17 of the Mississippi Code of 1972

Reference to Rules repealed, amended or suspended by the Proposed Rule: Rule 7 of the Statewide Rules and Regulations of the Mississippi State Oil and Gas Board

Date Rule Proposed: March 11, 2008

Explanation of the Purpose of the Proposed Rule and the reason(s) for proposing the rule:

The Mississippi Oil and Gas Board proposes to amend Statewide Rule 7 by adding a new Paragraph 6, as follows (**changes noted by bold print**):

6. **The drilling unit that is established for an oil well under this rule or any other applicable Statewide Rule or Special Field Rule shall remain in existence and effect for the period of time set forth below, unless an earlier alteration (reformation) or termination of the unit occurs pursuant to an order of the Board:**
 - (a) **The unit shall automatically terminate if and when the drilling permit for the well terminates.**
 - (b) **The unit shall automatically terminate if and when the well is plugged or converted to a Class II well.**
 - (c) **This rule shall not apply to any unit that is established under Miss. Code Ann. Section 53-3-101 through -119.**
 - (d) **For good cause shown, the Board may alter, reform or dissolve units or grant exception(s) to the foregoing rules, after notice and hearing.**

The sixth paragraph which has been added is to provide an answer to the long-standing question of when does the unit for a well cease to exist. A number of people have asked for this provision so they can better plan additional development in older fields.

A copy of the proposed amended Statewide Rule 7 is attached hereto (**changes noted by bold print**).

The Agency Rule Making Record for this rule including any written comments received during the comment period and the record of any oral proceeding is available for public inspection by contacting the Agency at the above address.

An oral proceeding was held on this rule:

Date: May 21, 2008
Time: 9:30 a.m.
Place: Suite E, 500 Greymont Avenue, Jackson, MS

An oral proceeding was not held on this rule.

The Agency has considered the written comments and the presentations made in any oral proceedings, and

- This rule as adopted is without variance from the proposed rule.
- This rule as adopted differs from the proposed rule as there are minor editorial changes which affect the form rather than the substance of the rule.
- The rule as adopted differs from the proposed rule. The differences however are: Within the scope of the matters in the Notice of Proposed Rule Adoption, the logical outgrowth of the contents of the Notice of Proposed Rule Adoption and the comments submitted in response thereto, and The Notice of Proposed Rule Adoption provided fair warning that the outcome of the proposed rule adoption could be the rule in question.

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

Effective Date of Rule: May 21, 2008


Walker L. Watters
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