

B05-01-2016

STATE OF INDIANA
BEFORE THE
NATURAL RESOURCES COMMISSION
OF THE
DEPARTMENT OF NATURAL RESOURCES

IN THE MATTER OF:

) PETITION OF GARY K. TUSSEY OIL
) EXPL. & PROD.
) FOR AN EXCEPTION TO 312 IAC 16-5 (1, 2)
) OF THE GENERAL OIL AND GAS WELL
) SPACING AND DRILLING UNIT RULES

Comes now Gary K. Tussey, Oil Expl. and Prod., on behalf of itself and other owners of leasehold interests as set forth below (hereinafter called "Petitioner"), by Bradley E. Loveless, Geologist, LPG#740, Loveless Geological, LLC its agent, and respectfully shows the Department of Natural Resources of the State of Indiana the following:

1. Petitioner is the holder of legal title to, and is the duly authorized representative of all other owners of contractual or other beneficial interests in certain oil and gas leaseholds covering land more particularly described as: the NE ¼ of Section 27, AND the N ½ of Section 26, located in Township 1 South, Range 9 West, Pike County, Indiana. Attached hereto, marked Exhibit A and by reference incorporated herein and made a part hereof a map of plat of the area sought to be added by this proposed order. The lands above designated and illustrated on Exhibit A are hereinafter referred to as the "Affected Area".
2. It is the purpose of this Petition to obtain approval to allow alternative spacing for five (5) acre drilling units for ALL SANDSTONE WELLS/RESERVOIRS, located in these leasehold estates and lands, in the drilling of said sandstone wells, and it shall be lawful to space wells 330 feet from the Affected Area boundary outlined on Exhibit A; and 165 feet from any lease line, property line, or subdivision which separates unconsolidated property interests not inclusive of the Affected Area boundary outlined and aforementioned, and 330 feet from any drilling or producing well, creating a maximum well density of one well per one half ¼, ¼, ¼ Section per producing horizon, as described by leasehold and shown on Exhibit A, pursuant to the provisions of 312 IAC 16-5-3. Per current rules, a minimum of ten (10) contiguous and/or pooled acres must be under valid lease(s). This exception will apply only to sandstone production above the McClosky Limestone.
3. As grounds for seeking said exception, Petitioner would respectfully show to the Commission it is supported by local regional and geologic characteristics and would allow the most efficient and economic recovery of oil and natural gas. In particular, these conditions exist in the Affected Area, similar to those which exist in other parts of Clay and Madison Townships, Pike County, Indiana, where a Commission Order allowing five acre spacing of all sandstone wells has been in continuous effect since 1948, along with other recent Commission orders which have approved the requested spacing on smaller tracts.
4. Petitioner is ready and willing to supply to the Commission or to its representatives such further and additional information as may be pertinent or relative to consideration of five (5) acre well spacing for all sandstone wells located on petitioner's leasehold estates and lands in the Affected Area, at or prior to consideration of this Petition.
5. Petitioner has not attached structure maps hereto, as structure is not the key factor in exploring for and producing oil from these reservoirs. Sandstone lenses and related stratigraphic traps with minor structural implications are more impactful for oil and natural gas accumulations in the Union-Bowman Consolidated (UBC) field. Those factors, as well as the large number of historical wells in the UBC field account for a large area of the field to already allow for five (5) acre drilling units for sandstone wells.

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JAN 26 2016

Division of Oil & Gas

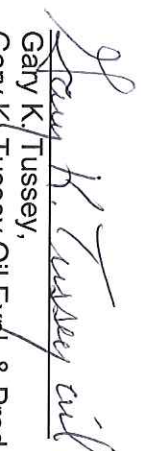
6. Petitioner represents to the best of the knowledge, information, and its belief, no valid reasons exist to indicate or establish that five acre spacing (one well per 1/4, 1/4, 1/4 Section) for all sandstone wells would not be in the best interest of conservation, and on the contrary, Petitioner respectfully states the maintaining of standard spacing and unit specification in the Affected Area would not be in the best interest of preservation, conservation, and utilization of petroleum resources.

7. It is the prayer of said Petition that after a public notice period, the prayer of this Petition be granted and that the exception sought in this Petition for the stratigraphic intervals described above, and the additional acreage described as the Affected Area indicated on **Exhibit A** attached hereto, be authorized and established, subject to such further terms and conditions as the Commission may impose in and by its order establishing such spacing and units.

Respectfully submitted,


Bradley E. Loveless, LPG#740

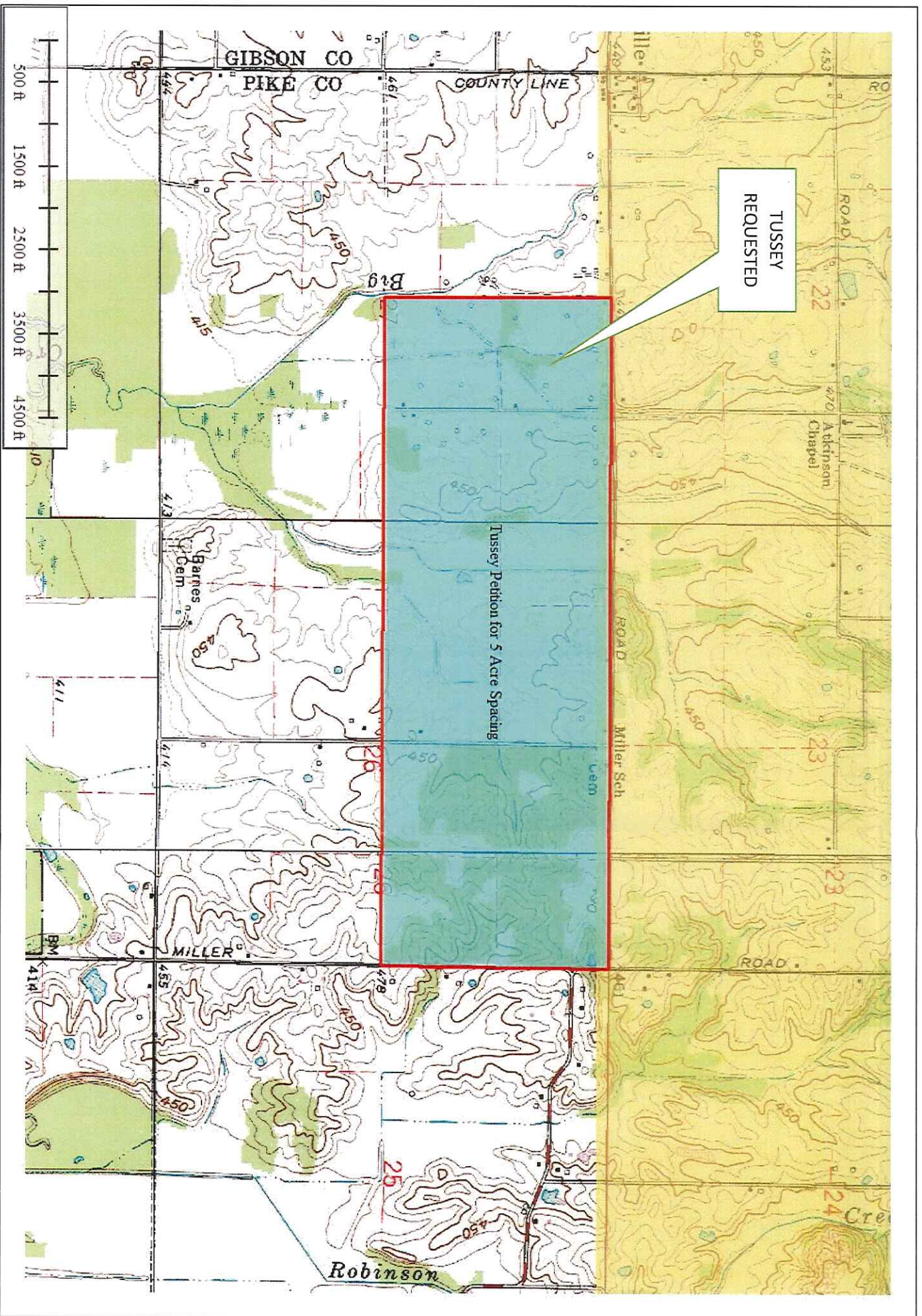
This Instrument Prepared By:
Bradley E. Loveless, LPG #740
Loveless Geological, LLC
P.O. Box 238
Monroe City, IN 47557


Gary K. Tussey
Gary K. Tussey Oil Expl. & Prod.

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TUSSEY
REQUESTED

EXHIBIT A

GARY K. TUSSEY OIL EXPL. & PROD.

PETITION FOR EXCEPTION TO

312 IAC 16-5 (1, 2)

T1S-R9W, PIKE COUNTY, IN

AFFECTED AREA OUTLINED IN RED

YELLOW: CONTINENTAL

BLUE: TUSSEY REQUESTED

Bill Spivey
 Bradley E. Lovelless, Geologist,
 LPG#740
 January 22, 2016
 Received

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