

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 299-61-158

ORDER NO. 11-62

ORDER

This day this cause coming on to be heard on the petition of Pan American Petroleum Corporation, a Delaware corporation, qualified to do and doing business in the State of Mississippi, requesting the amendment by the Board of Special Field Rules for the East Fork Field located in Amite County, Mississippi; and

The Board finding that due, proper and legal notice of the meeting of the Board for the purpose of considering and taking action with respect to said matter has been given in the manner and way as provided by law and the rules and regulations of the Board, and that due, legal and sufficient proofs of publication are on file with the Board and that the Board has full jurisdiction of the subject matter to hear and determine same; and

Pursuant to said notice given, a public hearing was held by said Board in the Second Floor Auditorium of the Woolfolk State Office Building, Jackson, Mississippi, on December 20, 1961, at which time and place all persons present who desired to be heard on said matters were heard and all proposed amendments to Special Field Rules were fully discussed and duly considered by those persons at said meeting, at which time said matter was, by Order of this Board, continued to the regular January 1962 Meeting of said Board for decision; and

The Board having fully considered said matter and the evidence and recommendations made in said hearing and the Board finding that the automatic custody transfer system of the type to be installed by Pan American Petroleum Corporation in said field has been authorized by regulatory bodies and laws of other oil producing states, has been tested and found to be accurate and dependable, and the Board further finding that the use of such

system will prevent economic waste and will increase the ultimate life of said field and protect the co-equal and correlative rights of all interested parties in said field, is of the opinion that the request of petitioner should be granted and that the following Amended Special Field Rules should be adopted.

IT IS, THEREFORE, HEREBY ORDERED by the State Oil and Gas Board of Mississippi that the Special Field Rules for the East Fork Field located in Amite County, Mississippi, be and the same are hereby amended and, as amended, are hereby adopted by the State Oil and Gas Board of Mississippi for the East Fork Field, located in Amite County, Mississippi, as set out below, said Amended Special Field Rules to take effect on and after January 17, 1962, to-wit:

AMENDED SPECIAL FIELD RULES  
FOR THE EAST FORK FIELD  
AMITE COUNTY, MISSISSIPPI

The East Fork Field, as used herein, is that area consisting of Sections 26 and 27, Township 3 North, Range 5 East, Amite County, Mississippi, underlain by the Lower Tuscaloosa Oil Pool, as hereinafter defined, and all productive extensions thereof.

I. The Lower Tuscaloosa Oil Pool, as used herein, shall be construed to mean those strata of the Tuscaloosa Formation productive of hydrocarbons from the electric log depth of 11,200 feet to 11,270 feet in the Barnwell Drilling Company, Inc., et al No. 1 Campbell Well, located in the NW $\frac{1}{4}$  of SW $\frac{1}{4}$  of Section 27, Township 3 North, Range 5 East, Amite County, Mississippi, and including those strata productive of oil which can be correlated therewith.

II. The characteristics of said Lower Tuscaloosa Oil Pool in said field are such that a well located as hereinafter prescribed and drilled

upon a drilling unit containing approximately 80 contiguous surface acres conforming to the requirements of the rules herein contained will efficiently drain and produce the recoverable oil from such unit in said pool without avoidable waste.

#### RULE 1 - SPACING OF OIL WELLS

Every well drilled as an oil well:

- (a) shall be located on a drilling unit consisting of a governmental half-quarter section, containing not less than 72 acres or on a drilling unit consisting of not more than 80 surface contiguous acres, upon which no other drilling or producible well is located;
- (b) shall be located at least 880 feet from every other drilling or producible well located in the East Fork Field;
- (c) shall be located at least 440 feet from every exterior boundary of the drilling unit; and
- (d) the distance between any two points farthest apart on the drilling unit upon which the well is located shall not exceed 3150 feet.

#### RULE 2 - RATABLE TAKE

Each person now or hereafter engaged in the business of purchasing oil or gas from owners, operators, or producers in this field shall purchase the same without discrimination in favor of one owner, operator or producer as against another in the same common source of supply.

#### RULE 3 - MEASUREMENT OF PRODUCTION

The operator of each producing lease shall maintain proper separators and stock tanks and/or metering devices and

such connections thereto as are necessary to measure the total production from such lease. Where metering devices are used, the production may be commingled in a common storage system with production from other leases and/or fields in the vicinity. And if, upon a sale therefrom, a variance exists between the measurement from the common storage system and the total measurement of the production of all the leases commingled in such common storage system, then such variance shall be allocated back to each of the leases producing into such common storage system proportionately to the production measured from each lease.

#### RULE 4 - EQUIPMENT FOR TESTS

The operator of each producing lease on which there are two or more producing wells shall maintain proper separators and stock tanks and/or metering devices and such connections thereto as will permit the adequate testing of each individual well under usual operating conditions without the necessity of closing in any other well. Such separators, stock tanks and/or metering devices and connections thereto shall be subject to approval by the Supervisor.

#### RULE 5 - USE OF METERS

- A. The use of meters for testing and for measurement of lease production shall be subject to and in accordance with the following provisions:
1. Metering devices shall be of the positive displacement or positive volume type which register the volume of oil passed through it in barrels or multiples thereof.
  2. All meters shall be downstream of the necessary separating or treating vessels. All meters shall be designed and

installed in conformance with recognized metering practices and acceptable to the Oil and Gas Board.

3. No meter used for oil production measurement shall be directly or indirectly by-passed in such manner as to permit oil from separate leases to pass into common storage without first being measured by said meter including wells on test.
4. All meters and equipment affecting meter accuracy shall be kept in good working order. Each meter shall be calibrated periodically by means of a calibrated tank, a calibrated meter prover or a master meter. Any deviations found shall be corrected by use of a proper meter factor.

#### RULE 6 - AUTOMATIC CUSTODY TRANSFER SYSTEMS AUTHORIZED

Automatic custody transfer systems which automatically test, sample, measure and transfer the production from the operator to the transporter are hereby authorized for the East Fork Field. Such systems may be used to transfer production from individual leases or from common storage facilities as authorized in Rule 3 above. In the event the transfer is from such a common storage facility, the allocation of production to the leases being produced into such common storage system will be on the basis of the relationship of the measured production from each lease to the total measured production transferred by the automatic custody transfer system.

The automatic custody transfer system will be equipped with a sampling device which will take a representative sample of the

total production passing through the system in order that the specific gravity and the basic sediment and water content can be determined.

The automatic custody transfer system will be equipped with metering devices of the positive displacement or positive volume type which register the volume of oil passed through it in barrels or multiples thereof. In addition to meeting all of the requirements set out in Rule 5 above which deals with the use of meters, said automatic custody transfer metering device will be compensated for temperature, will be so equipped as to provide an accounting of the total oil transferred by such system and will have an accuracy obtained in measurements made in calibrated stock tanks.

RULE 7 - APPLICABILITY OF STATEWIDE RULES

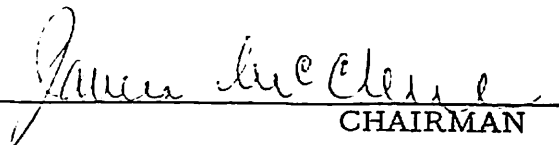
A. All rules and regulations contained in Statewide Order No. 201-51, and any amendments thereto, not specifically covered in the foregoing Special Field Rules are hereby adopted and shall apply to said field.

B. The Board expressly reserves the right, after notice and hearing, to alter, amend or repeal any and all of the foregoing rules and regulations.

ORDERED AND ADJUDGED this 17th day of January, 1962.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By

  
CHAIRMAN