

THE STATE OIL AND GAS BOARD OF MISSISSIPPI

DOCKET NO. 217-64-88

ORDER NO. 304-64

O R D E R

This day this cause came on for hearing before the State Oil and Gas Board on the matter of the petition of Pan American Petroleum Corporation, a Delaware corporation, authorized to do and doing business in the State of Mississippi, requestion this Board to amend the Special Field Rules for the North Freewoods Field so as to provide for the use of meters for measuring production and the commingling of production from various wells and leases in the field in common storage and for definition of the 5900 foot Sand Oil Pool; 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 the same; and

The Board further finds that Petitioner is the operator of three wells in the North Freewoods Field in Franklin County, Mississippi, namely, the USA-David K. Brooks 3-11, located in the SW $\frac{1}{4}$  of NW $\frac{1}{4}$  of NE $\frac{1}{4}$ , Section 38, Township 5 North, Range 1 East; the USA-David K. Brooks 3-12, located in the NE $\frac{1}{4}$  of NE $\frac{1}{4}$  of NW $\frac{1}{4}$ , Section 38, Township 5 North, Range 1 East, and the USA-David K. Brooks 3-19, located in the SW $\frac{1}{4}$  of SW $\frac{1}{4}$  of SW $\frac{1}{4}$ , Section 34, Township 5 North, Range 1 East, Franklin County, Mississippi.

The Board further finds that 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 November 18, 1964, at which time and place all persons present who desired to be heard on said

matter were heard and all proposed amended Special Field Rules were fully discussed and duly considered by those persons at said meeting; and

The Board having fully considered said matter and the evidence and recommendations made in said hearing, is of the opinion that the Special Field Rules for the North Freewoods Field should be amended for the prevention of waste and the protection of the correlative rights of all owners in said field.

IT IS, THEREFORE, HEREBY ORDERED BY the State Oil and Gas Board of Mississippi that the Special Field Rules for the North Freewoods Field, Franklin County, Mississippi be amended so as to cause said Special Field Rules to be as follows:

SPECIAL FIELD RULES  
FOR THE NORTH FREEWOODS FIELD  
FRANKLIN COUNTY, MISSISSIPPI

A. The North Freewoods Field, as used herein, is that area in Sections 34, 37, 38 and 48, Township 5 North, Range 1 East, Franklin County, Mississippi, including all productive extensions thereof, underlain by one or more of the following pools:

1. The First Wilcox Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil appearing in the Stanolind USA - J. H. Ewing "B" No. 1 in the NW $\frac{1}{4}$  of the NW $\frac{1}{4}$  of Section 48, Township 5 North, Range 1 East, Franklin County, Mississippi, between the electrical log depths of 4588 feet, subsea 4,388, to 4593 feet, subsea 4393, in said field, including all strata which can be correlated with this horizon.

2. The Second Wilcox oil pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil appearing in the Sunnyland USA "C" No. 1, located in the NE $\frac{1}{4}$  of the SE $\frac{1}{4}$  of Section

38, Township 5 North, Range 1 East, Franklin County, Mississippi, between the electrical log depths of 4,666 feet, subsea 4,403, to 4682 feet, subsea 4,419, in said field, including all strata which can be correlated with this horizon.

3. The 5900 Foot Sand Oil Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil appearing in the Pan American- USA-David K. Brooks 3-19, located in the SW $\frac{1}{4}$  of SW $\frac{1}{4}$  of SW $\frac{1}{4}$ , Section 34, Township 5 North, Range 1 East, Franklin County, Mississippi, between the electrical log depths of 5902 feet and 5926 feet in said field, including all strata which can be correlated with this horizon.

B. The characteristics of the producing pools in the North Free-woods Field are such and evidence shows that one well drilled on a regularly formed 40-acre drilling unit will efficiently drain and produce the recoverable oil from such unit in said pools without avoidable waste.

#### RULE 1 - ALLOCATION OF PRODUCTION

(a) Allowables for each oil producing unit shall be fixed by the Board. The monthly allowable for each unit shall be the full allowable, except that any special unit shall receive such special allowable not to exceed the full allowable as may be fixed by the Board in accordance with applicable law and statewide rules and regulations.

(b) The total quantity of crude oil which may be lawfully produced each day from the wells in the particular pool shall be determined by the Board.

(c) The daily oil allowable prescribed for any drilling unit must be produced only from the drilling unit to which said allowable is allocated.

(d) Wells incapable of producing their allowable shall be recognized as deficient and shall be allowed to produce daily an amount of oil which they are capable of producing up to their allowable, as set by the Board.

## RULE 2 - MEASUREMENT OF PRODUCTION

The operator of each producing lease shall maintain proper separation equipment 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 3 - EQUIPMENT FOR TESTS

The operator of each producing lease on which there are two or more producing wells shall maintain proper separation equipment 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 separation equipment, stock tanks and/or metering devices and connections thereto shall be subject to approval by the Supervisor.

## RULE 4 - 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 5 - APPLICABILITY OF STATEWIDE RULES

All rules and regulations contained in Statewide Order No. 201-51 and amendments thereto not specifically covered in the foregoing rules are hereby adopted and applied to said field.

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

SO ORDERED AND ADJUDGED this 18th day of November, 1964.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By Robert M. Jordan  
CHAIRMAN