

IN THE STATE OIL AND GAS BOARD OF MISSISSIPPI

IN RE: ORDER AMENDING SPECIAL FIELD  
RULES FOR THE NORTH FREEWOODS FIELD,  
FRANKLIN COUNTY, MISSISSIPPI

DOCKET NO. 74-65-202

ORDER NO. 84-65

ORDER

This day this cause came on for hearing before the State Oil and Gas Board on the Petition of Pan American Petroleum Corporation for the adoption by the Board of Amendments to the Special Field Rules for the North Freewoods Field, Franklin 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 such matter has been given in the manner and way 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

WHEREAS, 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 April 21, 1965, at which time and place all persons present who desired to be heard on said matter were heard and all proposed Amendments to said Special Field Rules were fully discussed and duly considered by those present at said meeting; and

WHEREAS, the Board has fully considered said matter and the evidence and recommendations made in said hearing and is of the opinion that the following Amendments to Special Field Rules should be adopted 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 that the following Amendments to the Special Field Rules for the North Freewoods Field be and the same are hereby adopted to take effect on and after this date, to-wit:

I

Said rules are amended to add as Paragraph A 3, the new pool definition as follows:

3. The Armstrong Sand Pool, as used herein, shall be construed to mean those strata of the Wilcox Formation productive of oil from the electrical log depth of 6,354 feet to 6,374 feet in the Pan American Corporation-Thompson Well No. 1, located in the NE $\frac{1}{4}$  SE $\frac{1}{4}$  NE $\frac{1}{4}$ , Section 47, Township 5 North, Range 1 East, Franklin County, Mississippi, and including those strata productive of oil which can be correlated therewith.

II

The said Special Field Rules are further amended to provide the following Rules:

RULE 2 - MEASUREMENT OF PRODUCTION

The operator of each producing lease shall maintain proper separation equipment and stock tanks 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 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 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 or metering devices and connections thereto shall be subject to approval by the Supervisor.

RULE 4 - USE OF METERS

The use of meters for testing and for measurement of lease production shall be subject to and in accordance with the following provisions:

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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 - AUTOMATIC CUSTODY TRANSFER SYSTEMS AUTHORIZED

- (a) Automatic custody transfer systems which automatically test, sample, measure and transfer the production from the operator to the transporter are hereby authorized for the North Freewoods Field. Such systems may be used to transfer production from individual leases or from common storage facilities as authorized in Rule 2 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 transferred by the automatic custody transfer system.
- (b) 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.
- (c) 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 4 above which deals with the use of the 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 prover tanks.

ORDERED this the 21st day of April, 1965.

STATE OIL AND GAS BOARD

BY: Robert W. Farlow  
Chairman